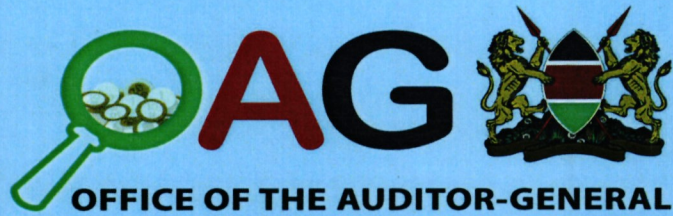


REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

DATE: 22 NOV 2022 Tuesday

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BY

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Hemna

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**

Revised Template 30th June 2021



KANGUNDO CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Willis Mwenda
2.	Sub-County Accountant	Susan Mwalimu
3.	Chairman NGCDFC	John Kituku
4.	Member NGCDFC	James Kivondo

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kangundo Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) Kangundo Constituency NGCDF Headquarters

P.O. Box 1035-90115
NGCDF Kangundo Building
Kangundo Police Station Road
Kangundo, KENYA

***Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

(f) Kangundo Constituency NGCDF Contacts

Telephone: (254) 0724-781-421
E-mail: cdfkangundo@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Kangundo Constituency NGCDF Bankers

Equity Bank
Tala Branch
P.o Box 343-90131
Tala

(h) Independent Auditors

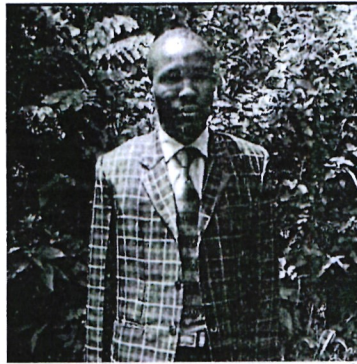
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
G.P.O 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

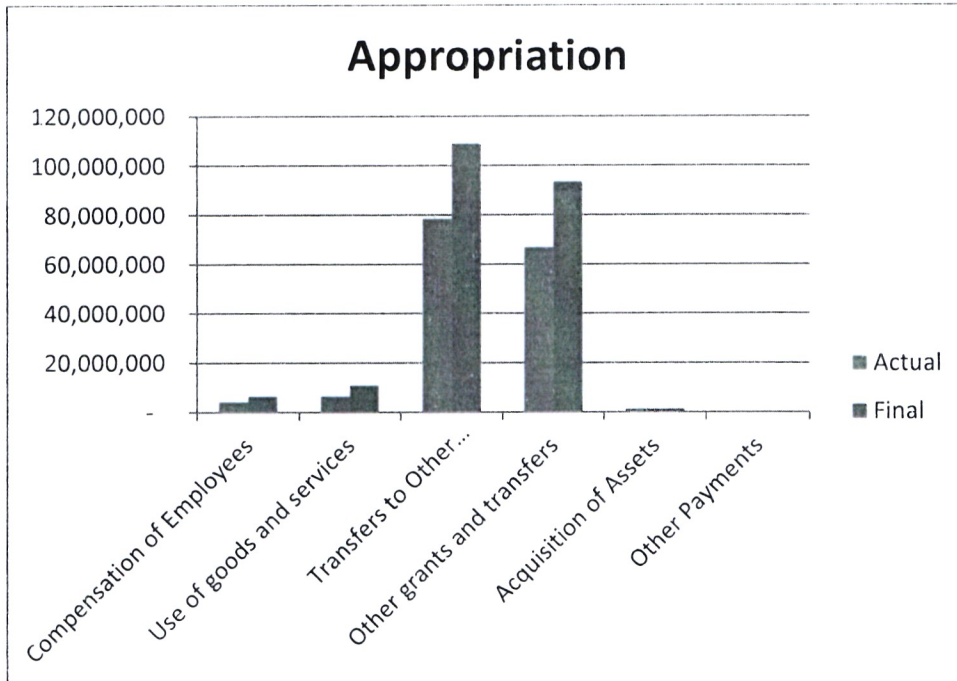
**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

II. NG-CDFC CHAIRMAN’S REPORT



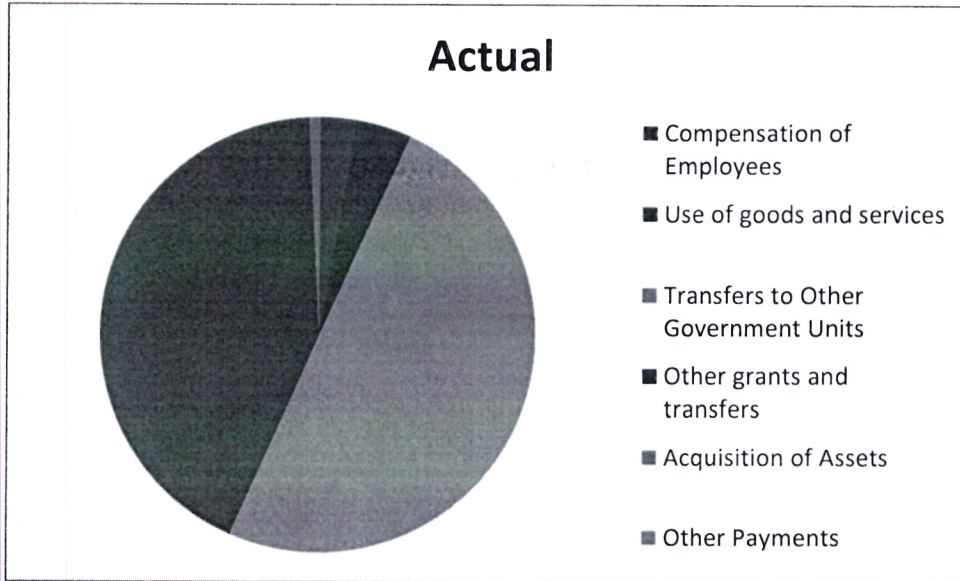
John Kituku Nzuki-Chairman Kangundo NGCDFC

NGCDF Kangundo has had a successful year other than the Covid-19 pandemic which has disrupted activities. The organisation was able to receive Kshs 162,336,141 as funding from the board during the financial year. Together with the balance brought forward the organisation had an actual funds available totalling to Kshs 176,109,997 out of which we successfully utilized Kshs 157,445,848.85 which is a 89.4% utilization rate. As compared to the final budget, however, the utilization rate was 71.2% which is due to the funds that have not been received from the board. Below is a chart detailing the actual expenditure as compared to the final budget.



Below is a pie chart showing the actual expenditure based on economic classification

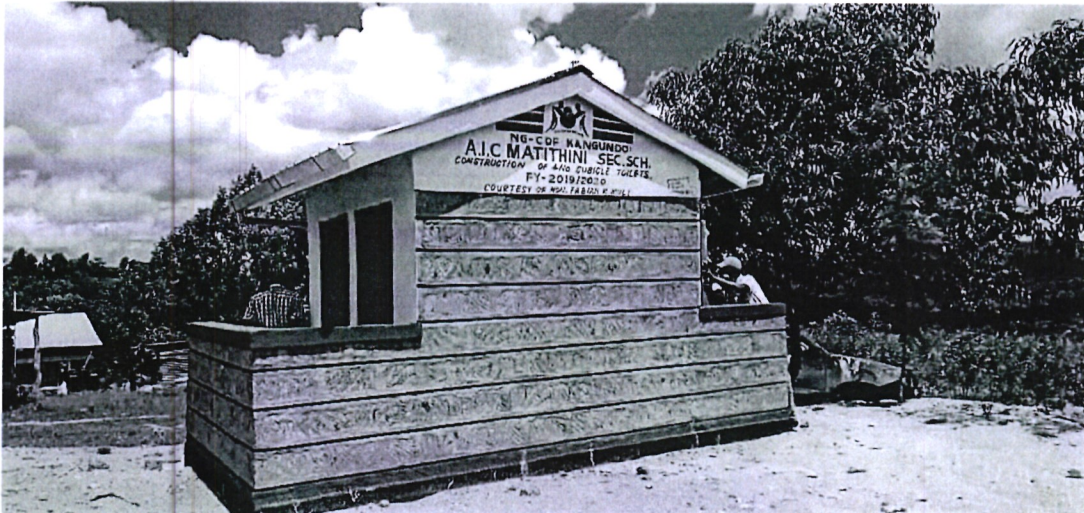
**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**



The organisation encountered various challenges in the financial year 2020/2021 among them being mobility of contractors due to the restriction of movement. We were able to resolve this challenge by liaising with the security agencies to allow persons involved in the implementation of our projects and management of the fund access to and fro the restricted area. Another challenge we encountered was having physical meeting due to COVID-19. We were able to tackle this challenge by holding meetings where social distance was observed, the participants wore masks and hand sanitizer was provided.

Further, the organisation managed to implement several projects within the year some of which are shown below.

Matithini Secondary School- Construction of a 4no door toilet, Kshs 480,000

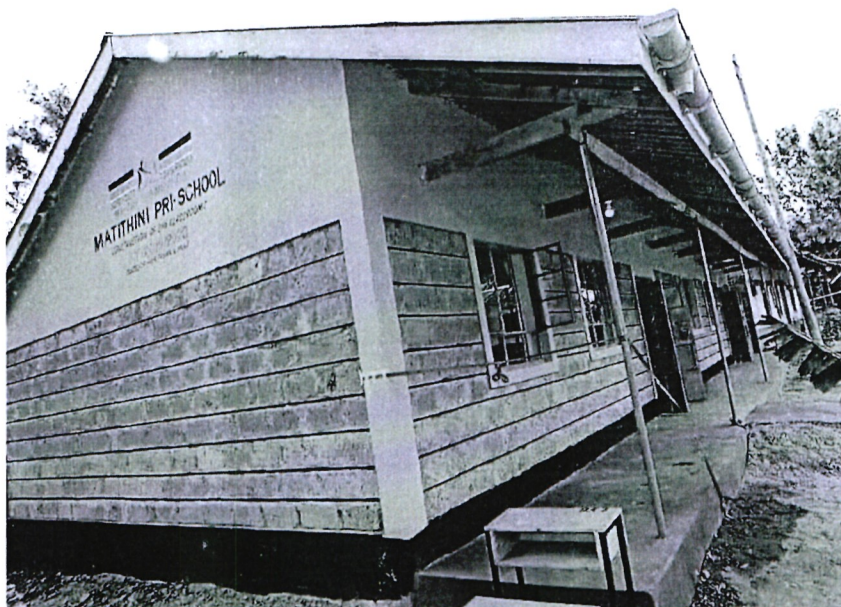


***Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Kwandeto Primary School- Construction of 3 classrooms, Kshs 3,600,000

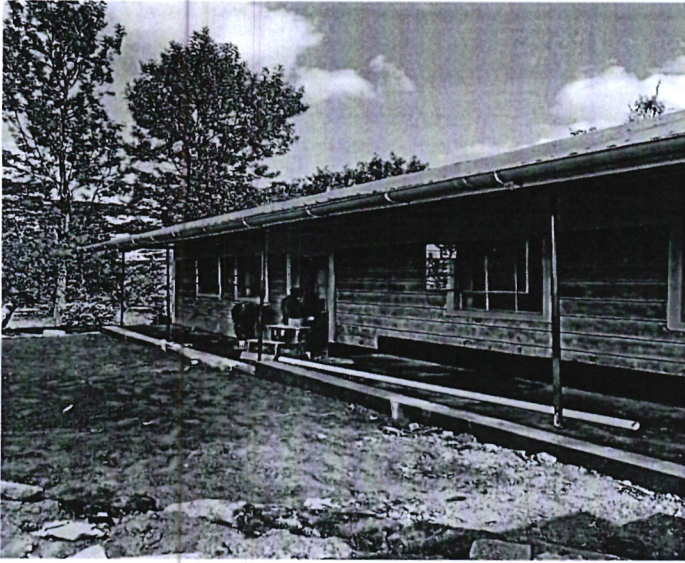


Matithini Primary School- Construction of 2 classrooms, Kshs 2,400,000



*Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Kwakathule Primary School- Construction of 2 classrooms, Kshs 2,400,000



Signature

**JOHN KITUKU NZUKI
CHAIRMAN NGCDF COMMITTEE**

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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 *Kangundo Constituency 2018-2022* plan are to:

- a) To improve access to and quality of education
- b) To improve school performance in national examinations and transitioning to higher levels of learning
- c) To increase security in the constituency
- d) To build capacity in monitoring and evaluation of development projects

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 improve access to and quality of education	Increased enrolment in primary schools, secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions, numbers of schools and students	Number of physical infrastructure in schools has increased
	To improve school performance in national examinations and transitioning to higher levels of learning	Better grades leading to improved transition to secondary schools and tertiary institutions	% increase in the number of students joining secondary schools and tertiary institutions	Number of students joining secondary schools and tertiary institutions has increased only that Covid-19 had disrupted learning
Security	To increase security in the constituency	Less crime in the area	Number of crimes reported, numbers of security projects completed	Security projects have been implemented
Monitoring and evaluation	To build capacity in monitoring and evaluation of development projects	Better built projects with a greater impact	Number of completed projects in use	NGCDFC and PMC training has been undertaken

Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kangundo NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

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

2. Environmental performance

NGCDF Kangundo is committed to better sanitation, improvement of the biodiversity and maintenance of the environment. The organisation has made various strides in environment performance by improving the sanitation of various schools and security offices than previously was. This has been done by constructing pit latrines and installation of water tanks in various schools and security offices.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their

***Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

skills and knowledge. Kangundo constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues. The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Kangundo Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kangundo Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kangundo Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Kangundo Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kangundo Constituency financial statements were approved and signed by the Accounting Officer on 15/9/ 2021.



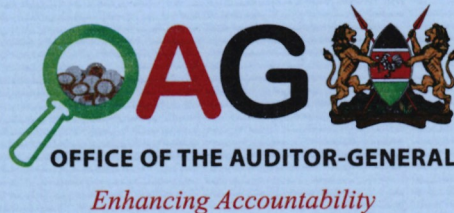
**Chairman NGCDF Committee
Name: John Kituku Nzuki**



**Fund Account Manager
Name: Willis Mwenda Mbabu**

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended the purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kangundo Constituency set out on pages 16 to 56,

Report of the Auditor-General on National Government Constituencies Development Fund - Kangundo Constituency for the year ended 30 June, 2021

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

In my opinion, except for the 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 - Kangundo Constituency as at 30 June, 2021, 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.18,898,148. Review of the bank reconciliation statement for the month of June, 2021 revealed unrepresented cheques amounting to Kshs.5,253,002 which included stale cheques totalling Kshs.51,270 that had not been written back in the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.18,898,148 could not be confirmed.

2. Unsupported Payments for Provisional Sums

The statement of receipts and payments reflects Kshs.66,967,347 in respect of other grants and transfers, which, as disclosed in Note 7 to the financial statements includes an amount of Kshs.8,157,999 in respect to emergency projects. The Management paid a total of Kshs.2,840,935 on account of three (3) emergency projects which included Kshs.210,000 paid as provisional sums which were not supported.

In the circumstances, the accuracy and completeness of Kshs.2,840,935 incurred on the emergency projects 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 Fund - Kangundo 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 are no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects a receipt budget and actual amounts on comparable basis of Kshs.221,198,876 and Kshs.176,109,997 respectively, resulting in an underfunding of Kshs.45,088,879 or 20% of the approved budget. Further, the Fund spent an amount of Kshs.157,211,849 against the budget of Kshs.221,198,876 resulting in under absorption of Kshs.63,987,027 or 41% of the approved budget.

The underfunding and the under-absorption imply that some of the planned projects and programmes were not implemented which may have negatively impacted on effective service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Staff Payables

Note 17.2 to the financial statements reflects pending staff payables balance of Kshs.1,036,569 which has remained unchanged from the previous year's balance while some of the balances have remained due since December, 2017. Management did not explain the failure to settle the long outstanding staff obligations and the measures being taken to address the same.

In the circumstances, the validity of the pending staff payables balance of Kshs.1,036,569 could not be confirmed.

2. Poor Implementation of a Primary School Project

The statement of receipts and payments reflects other grants and transfers of Kshs.66,967,347. The amount includes the emergency projects of Kshs.8,157,999 which further included the amount of Kshs.1,000,000 for construction of an eight 8-door toilet block at Kanzalu Hill Primary School. However, physical inspection of the project revealed

that doors valued at Kshs.48,220 as per the bill of quantities were of substandard quality and had either warped or fallen off.

In the circumstances, the Fund may not have realized value for money from the expenditure of Kshs.48,220 incurred on the project.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 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 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

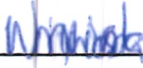
23 July, 2022


Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	162,336,141	72,809,788
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	5,000	20,000
TOTAL RECEIPTS		162,341,141	72,829,788
PAYMENTS			
Compensation of employees	4	4,295,275	2,745,926
Use of goods and services	5	6,201,200	6,413,999
Transfers to Other Government Units	6	78,461,927	33,872,719
Other grants and transfers	7	66,967,347	52,344,770
Acquisition of Assets	8	1,286,101	-
Other Payments	9	-	-
TOTAL PAYMENTS		157,211,849	95,377,414
SURPLUS/DEFICIT		5,129,292	(22,547,627)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kangundo Constituency financial statements were approved on 15/9/2021 2021 and signed by:


 Fund Account Manager
 Name: Willis Mwenda Mbabu


 National Sub-County Accountant
 Name: Susan Ndanu Mwalimu
 ICPAK M/No: 20392

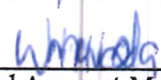

 Chairman NG-CDF Committee
 Name: John Kituku Nzuki


*Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*


VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	18,898,148	13,768,856
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		18,898,148	13,768,856
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		18,898,148	13,768,856
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		18,898,148	13,768,856
REPRESENTED BY			
Fund balance b/fwd 1st July...		13,768,856	36,316,482
Prior year adjustments	14	-	
Surplus/Defict for the year		5,129,292	(22,547,627)
NET FINANCIAL POSITION		18,898,148	13,768,856

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kangundo Constituency financial statements were approved on 15/9/ 2021 and signed by:


Fund Account Manager
Name: Willis Mwenda Mbabu


National Sub-County Accountant
Name: Susan Ndanu Mwalimu
ICPAK M/No: 20392

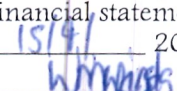

Chairman NG-CDF Committee
Name: John Kituku Nzuki

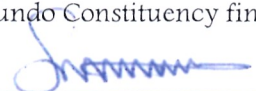
Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
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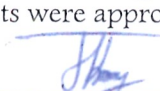
IX. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	162,336,141	72,809,788
Other Receipts	3	5,000	20,000
Total receipts		162,341,141	72,829,788
Payments for operating activities			
Compensation of Employees	4	4,295,275	2,745,926
Use of goods and services	5	6,201,200	6,413,999
Transfers to Other Government Units	6	78,461,927	33,872,719
Other grants and transfers	7	66,967,347	52,344,770
Other Payments	9	-	-
Total payments		155,925,748	95,377,414
Total Receipts Less Total Payments			
Adjusted for:	15	-	-
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	16	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	14	-	-
Prior year adjustments		-	-
		6,415,393	(22,547,627)
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,286,101)	-
Net cash flows from Investing Activities		(1,286,101)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		5,129,292	(22,547,627)
Cash and cash equivalent at BEGINNING of the year	10	13,768,856	36,316,482
Cash and cash equivalent at END of the year		18,898,148	13,768,856

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kangundo Constituency financial statements were approved on 15/9/2021 and signed by:


Fund Account Manager
Name: Willis Mwenda Mbabu


National Sub-County Accountant
Name: Susan Ndanu Mwalimu
ICPAK M/No: 20392


Chairman NG-CDF Committee
Name: John Kituku Nzuki

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

X- SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a		b					
RECEIPTS	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	Kshs	
Transfers from NGCDF Board	137,088,879		13,768,856	70,336,141	221,193,876	176,104,997	45,088,879	79.6%
Proceeds from Sale of Assets					0	-	-	0.0%
Other Receipts			5000		5,000	5,000	-	100.0%
TOTALS	137,088,879		13,773,856	70,336,141	221,198,876	176,109,997	45,088,878.90	79.6%
PAYMENTS								
Compensation of Employees	4,247,566		1,205,291	956,027	6,408,884	4,295,275	2,113,609	67.0%
Use of goods and services	8,060,403		1,297,679	1,485,447	10,843,529	6,201,200	4,642,329	57.2%
Transfers to Other Government Units	68,400,000		6,015,624	34,535,396	108,951,020	78,461,927	30,489,094	72.0%
Other grants and transfers	56,380,910		2,250,262	33,359,271	91,990,443	66,967,347	25,023,096	72.8%
Acquisition of Assets	0		1,305,996		1,305,996	1,286,101	19,895	98.5%
Other Payments	0		1,694,004		1,694,004	-	1,694,004	0.0%
Funds pending approval**			5,000		5,000		5,000	
TOTALS	137,088,879		13,773,856	70,336,141	221,198,876			71.1%

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

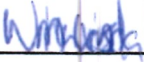


Receipts/Payments	Original Budget	Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	Opening Balance (C/Bk) and AIA	b Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021			2020/2021	30/06/2021 157,211,849	63,987,027	

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

- i) The utilization of most votes is below 90% because 32% of the 2020/2021 budget is yet to be received from the board as at 30th June 2021. Specifically Kshs 45,088,878.90 is yet to be received out of a budget of Kshs 137,088,879. This means that 32% of the budget is yet to be received and this is the reason why the average utilization is below 90%. However, when we look at the utilization of actual funds available for use within the financial year that stands at 89%

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	63,987,027
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	18,898,148
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	18,898,148

The NGCDF-Kangundo Constituency financial statements were approved on 15/9/ 2021 and signed by:

		
_____ Fund Account Manager Name: Willis Mwenda Mbabu	_____ National Sub-County Accountant Name: Susan Ndanu Mwalimu ICPAK M/No: 20392	_____ Chairman NG-CDF Committee Name: John Kituku Nzuki

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,247,566	1,205,291	956,027	6,408,884	4,295,275	2,113,609
1.2 Committee allowances	2,000,000	63,877	-	2,063,877	1,535,500	528,377
1.3 Use of goods and services	1,946,747	164,741	-	2,111,488	1,351,200	760,288
2.0 Monitoring and evaluation						
2.1 Capacity building	1,300,000	507,500	740,000	2,547,500	789,500	1,758,000
2.2 Committee allowances	2,713,656	590,603	745,447	4,049,706	2,525,000	1,524,706
2.3 Use of goods and services	100,000	8,958		108,958		108,958
3.0 Emergency						
3.1 Primary Schools						
Kanzalu Hill Pry School 2019-2020			1,000,000.00	1,000,000	1,000,000	-
Ituuya Pry School 2019-2020			1,000,000.00	1,000,000	1,000,000	-
Kamanzi SA Primary School 2019-2020			1,000,000.00	1,000,000	1,000,000	-
Kakuyuni Primary School 2019-2020			300,000.00	300,000	300,000	-
Kambai Primary School 2020-21	480,000.00			480,000	480,000	-

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kinyungu Pry School 2020-21	300,000.00			300,000	300,000	-
3.2 Secondary schools						
Ngomani Secondary School 2020-21	480,000			480,000	480,000	-
3.3 Tertiary institutions						
3.4 Security projects						
Kangundo police station		100,000		100,000	100,000	-
Mask Project 2019-2020			3,498,242	3,498,242	3,498,000	242
Unutilised Emergency Funds	5,932,207			5,932,207	-	5,932,207
4.0 Bursary and Social Security						
4.1 Secondary Schools	24,309,702	340,357	6,000,000	30,847,559	29,594,807	1,252,752
4.2 Tertiary Institutions	10,194,126	190,465	8,966,320	19,153,411	19,150,000	3,411
4.3 Social Security				-		
4.4 Mocks		950		950	-	950
5.0 Sports						
Sports balances	2,742,438	3,627	2,747,354	5,493,419	2,747,354	2,746,065
6.0 Environment						
Mukunike AIC Pry Sch-2019- 2020			343,419	343,419	343,419	-
Kwakathule Pry Sch-2019-2020			343,419	343,419	343,419	-
Kinyungu Pry Sch-2019-2020			343,419	343,419	343,419	-
Kitongi Pry Sch-2019-2020			343,419	343,419	343,419	-
Kangundo Pry Sch-2019-2020			343,419	343,419	343,419	-

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
St Michaels Unyuani Sec School- 2019-2020			343,419	343,419	343,419	-
St Francis Misyani Pry Sch-2019- 2020			343,419	343,419	343,419	-
Kitwii Girls Pry School-20219- 2020			343,419	343,419	343,419	-
Matetani Secondary School	342,805			342,805		342,805
Muisuni Secondary School	342,805			342,805		342,805
Mukuyuni S.A Secondary School	342,805			342,805		342,805
MIU ABC Kiamba Secondary School	342,805			342,805		342,805
Katheini Secondary School	342,805			342,805		342,805
Kwakathule Secondary School	342,805			342,805		342,805
Kangundo Police Station	342,805			342,805		342,805
Kangundo DCC Office	342,805			342,805	342,805	-
7.0 Primary Schools Projects (List all the Projects)						
Mikoikoni Primary School(2018- 2019)		826,425	-	826,425		826,425
Misyani Purchase of Land		431,430	-	431,430		431,430
Kyelendu Primary School-2019- 2020		195,000	-	195,000	195,000	-
Kikambuani Pry School-2019- 2020			3,600,000	3,600,000	3,600,000	-

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kyaaka Pry School-2019-2020			1,000,000	1,000,000	1,000,000	-
Kakuyuni Pry School-2019-2020		195,000	-	195,000	195,000	-
Syanamu Pry School			968,417	968,417	968,417	-
Mikoikoni Pry School-2019-2020			3,600,000	3,600,000	3,600,000	-
Mulingana Pry School-2019-2020			1,200,000	1,200,000	1,200,000	-
Kathaana Pry School-2019-2020			1,000,000	1,000,000	1,000,000	-
Kwandeto Pry School-2019-2020			3,600,000	3,600,000	3,600,000	-
Ituuya Pry School-2019-2020			2,800,000	2,800,000	2,800,000	-
Kwamwilile Primary School-2019-2020		3,600,000	-	3,600,000	3,600,000	-
Kwakathule Pry School-2019-2020			2,400,000	2,400,000	2,400,000	-
Kwandiu Pry School-2019-2020			2,500,000	2,500,000	2,500,000	-
Manyatta Pry School-2019-2020			1,100,000	1,100,000	1,100,000	-
Kambai Pry School-2019-2020			2,500,000	2,500,000	2,500,000	-
Matithini Pry School-2019-2020			2,400,000	2,400,000	2,400,000	-
Ngomani Primary School-2019-2020			1,386,979	1,386,979	1,386,979	-
Kathini SA Pry School-2019-2020			1,600,000	1,600,000	1,600,000	-
Kwamwilile Primary School-2019-2020			1,000,000	1,000,000	800,000	200,000
Matetani Primary School	1,600,000			1,600,000	-	1,600,000
Kyai Primary School	1,600,000			1,600,000	1,600,000	-

Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kanzokea H.G.M Primary School	1,200,000			1,200,000	-	1,200,000
Kanzokea H.G.M Primary School	1,000,000			1,000,000	-	1,000,000
Masewani Primary School	2,400,000			2,400,000	-	2,400,000
Ngulini Primary School	1,600,000			1,600,000	-	1,600,000
Kangundo AIC Primary School	1,600,000			1,600,000	1,600,000	-
Kitongi Primary School	3,600,000			3,600,000	3,600,000	-
Kamwanyani Primary School	1,600,000			1,600,000	-	1,600,000
Kakutha Primary School	1,600,000			1,600,000	-	1,600,000
Mukunike AIC Primary School	1,600,000			1,600,000	-	1,600,000
Malatani Primary School	500,000			500,000	-	500,000
Kithunthi S.A Primary School	1,000,000			1,000,000	-	1,000,000
Kyelendu Primary School	2,400,000			2,400,000	-	2,400,000
Kanzalu Hill Primary School	1,600,000			1,600,000	-	1,600,000
Kamutonga Primary School	2,400,000			2,400,000	2,400,000	-
Kitwii Boys Primary School	1,600,000			1,600,000	-	1,600,000
Kitwii Boys Primary School	2,000,000			2,000,000	-	2,000,000

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kitwii Girls Primary School	1,600,000			1,600,000	-	1,600,000
Unyuani Primary School	2,000,000			2,000,000	-	2,000,000
Kivi DEB Primary School	3,600,000			3,600,000	-	3,600,000
Kithini DEB Primary School	2,400,000			2,400,000	2,400,000	-
8.0 Secondary Schools Projects (List all the Projects)						
Mukuyuni Secondary School (2016-2017)		128,970		128,970	-	128,970
Secondary votes balance		2,269		2,269	-	2,269
Mulingana sec school		-	1,000,000	1,000,000	-	1,000,000
St Francis Misyani Girls		-	5,000,000	5,000,000	5,000,000	-
Matithini mixed secondary school		-	480,000	480,000	480,000	-
Kawauni secondary School		636,530		636,530	636,530	-
Kyevaluki secondary school	7,300,000			7,300,000	7,300,000	-
The S.A Imilini Mixed day & Boarding Secondary School	7,300,000			7,300,000	7,300,000	-
Mukuyuni S.A secondary school	3,600,000			3,600,000	-	3,600,000
St.Martin's Kitwii Secondary School	7,300,000			7,300,000	7,300,000	-
DEB Kangundo Secondary School	2,400,000			2,400,000	2,400,000	-
9.0 Tertiary institutions Projects (List all the Projects)						

**Kangundo Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.0 Security Projects						
10.1						
Matetani Asst Chief's Office- 2017-2018		300,000	-	300,000	300,000	-
Kavilinguni Asst Chiefs Office- 2017-2018		477,027		477,027	477,027	-
Kathaana Chiefs Office-2017- 2018		300,000		300,000	300,000	-
Kwakathuile Assistant Chiefs- 2018-2019		-	1,000,000	1,000,000	1,000,000	-
Kawauni Chiefs-2019-2020		-	500,000	500,000	500,000	-
Kakuyuni Police Station	4,300,000			4,300,000	-	4,300,000
Kitwii Chief's Office	250,000			250,000	-	250,000
Miu Assistant Chief's Office	1,650,000			1,650,000	1,650,000	-
Kikambuani Police Station Security (previous balance)	3,000,000	537,836		3,000,000	-	3,000,000
				537,836	-	537,836
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office		1,305,996	-	1,305,996	1,286,101	19,895
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						

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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Health		25,864	-	25,864	-	25,864
Balances from previous years		1,629,920		1,629,920	-	1,629,920
Strategic Plan		220		220	-	220
Funds pending approval** (AIA)		5,000		5,000		5,000
Total	137,088,879	13,773,856	70,336,141	221,198,876	157,211,849	63,987,027

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

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8. Pending Bills

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

9. 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

10. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

11. Comparative Figures

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

12. Subsequent Events

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

13. Errors

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

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

14. Related Party Transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	Description	2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. A047199			2,180,818
AIE NO. B 047445			4,000,000
AIE NO. -B 041286			18,000,000
AIE NO. -B 047707			6,000,000
AIE NO.A 047910			7,000,000
AIE NO. B 041379			2,628,970
AIE NO. B 104317			14,000,000
AIE NO. A855842			19,000,000
B096865-2016-17		968,417	
B104721-2019-20		20,000,000	
A 823530-2019-20		35,000,000	
B 104545-2019-20		9,367,724	
B124538-2020-21		9,000,000	
B104954-2019-20		5,000,000	
B124068-2020-21		10,000,000	
B119823-2020-21		13,000,000	
B128113-2020-21		6,900,000	
B128425-2020-21		6,000,000	
B132169-2020-21		6,000,000	
B138837-202021		12,000,000	
B126132-2020/21		7,100,000	
B126422-2020/21		10,000,000	
B140568-2020-21		12,000,000	
TOTAL		162,336,141	72,809,788

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2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts from sale of tender documents	5,000	20,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere	-	-
Total	5,000	20,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,024,120	2,178,486
Personal allowances paid as part of salary		
House Allowance	275,400	234,300
Transport Allowance	288,000	214,000
Leave allowance	57,090	-
Gratuity to contractual employees	1,572,905	-
Employer Contributions Compulsory national social security schemes	77,760	119,140
Total	4,295,275	2,745,926

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	3,127,000	3,603,000
Utilities, supplies and services	53,250	34,500
Communication, supplies and services	-	-
Domestic travel and subsistence	66,000	126,100
Printing, advertising and information supplies & services	243,600	-
Rentals of produced assets	-	-
Training expenses	949,000	218,000
Hospitality supplies and services	655,000	678,740
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	500,000	1,192,410
Other operating expenses	318,350	15,299
Routine maintenance – vehicles and other transport equipment	289,000	391,950
Routine maintenance – other assets	-	-
Total	6,201,200	6,413,999

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	48,045,396	24,429,249
Transfers to secondary schools (see attached list)	30,416,530	9,443,470
Transfers to tertiary institutions (see attached list)	-	-
TOTAL	78,461,927	33,872,719

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	29,594,807	27,633,990
Bursary – tertiary institutions (see attached list)	19,150,000	21,328,500
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	4,227,027	901,463
Sports projects (see attached list)	2,747,354	-
Environment projects (see attached list)	3,090,159	2,180,817
Emergency projects (see attached list)	8,157,999	300,000
Total	66,967,347	52,344,770

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	1,286,101	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	1,286,101	0

9. OTHER PAYMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank, Tala Branch . Kangundo NG-CDF A/C no.0900297884246</i>	18,898,148	13,768,856
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
Total	18,898,148	13,768,856
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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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>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Total</i>				-

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

12A. RETENTION

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

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

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

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	13,768,856	36,316,482
Cash in hand	-	-
Imprest	-	-
Total	13,768,856	36,316,482

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

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16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2021	2020 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	1,036,569	1,036,020
Others (<i>specify</i>)	-	-
Total	1,036,569	1,036,020

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	2,113,609	2,161,318
Use of goods and services	4,642,329	2,783,126
Amounts due to other Government entities (see attached list)	30,489,094	40,551,020
Amounts due to other grants and other transfers (see attached list)	25,023,096	35,609,533
Acquisition of assets	19,895	1,305,996
Others (<i>specify</i>)	1,694,004	1,694,004
Funds pending approval	5,000	
	63,987,027	84,104,997

*Restated the unutilized funds for 2019-2020 by a figure of Kshs 968,417 to include a project (Syanamu Primary School) that had not been funded in previous years and had not been included in the funds to be received from the Board.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	18,043,349	23,130,850
	18,043,349	23,130,850

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1. Damaris Maluki	Admin Assistant	1st December, 2017	287,333	
2. John Mutinda	Driver	1st December, 2017	243,204	
3. Matthew Mutinda	Security Man	1st December, 2017	202,238	
4. Ann Mumbua	Office Custodian	1st December, 2017	202,238	
5. Isaac Mwendia	Accounts Assistant	1st February, 2020	50,778	
6. Emmanuel Mutua	Clerk of Works	1st February, 2020	50,778	
Sub-Total			1,036,569	
Grand Total			1,036,569	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		2,113,609	2,161,318	
Use of goods & services		4,680,329	2,788,126	
Amounts due to other Government entities				
Mikoikoni Primary School (2018-2019)		826,425	826,425	
Misyani Purchase of Land		431,430	431,430	
Kwanwilile Primary School- 2019-2020		200,000		
Matetani primary school		1,600,000		
Kanzokea H.G.M Primary school		1,200,000		
Kanzokea H.G.M Primary school		1,000,000		
Masewani primary school		2,400,000		
Ngulini primary school		1,600,000		
Kamwanyani primary School		1,600,000		
Kakutha primary school		1,600,000		
Mukunike AIC Primary School		1,600,000		
Malatani primary school		500,000		
Kithunthi S.A primary school		1,000,000		
Kyelendu primary school				

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Kanzalu Hill primary school		2,400,000		
Kitwii boys primary school		1,600,000		
Kitwii boys primary school		1,600,000		
Kitwii girls primary school		2,000,000		
Unyuani primary school		1,600,000		
Kivi DEB primary school		2,000,000		
Syanamu Primary School		3,600,000	968,417	
Makuyuni Secondary School (2016-2017)		128,970	128,970	
Mulinganana sec school		1,000,000		
Mukuyuni S.A secondary school		3,600,000		
Secondary votes balance		2269	2,269	
Kyelendu Primary School-2019-2020			195,000	
Kikambuani Pry School-2019-2020			3,600,000	
Kyaaka Pry School-2019-2020			1,000,000	
Kakuyuni Pry School-2019-2020			195,000	
Mikoikoni Pry Sch-2019-2020			3,600,000	
Mulingana Pry Sch-2019-2020			1,200,000	
Kathaana Pry Sch-2019-2020			1,000,000	
Kwandeto Pry Sch-2019-2020			3,600,000	
Ituuya Pry Sch-2019-2020			2,800,000	
Kwamwilile Primary School-2019-2020			3,600,000	
Kwakathule pry sch-2019-2020			2,400,000	
Kwandi pry sch-2019-2020			2,500,000	

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Manyatta pry school-2019-2020			1,100,000	
Kambai Pry Sch-2019-2020			2,500,000	
Matithini Pry Sch-2019-2020			2,400,000	
Acquisition of assets				
Kangundo NG-CDF Office		19,895.25	1,305,996	
Others (specify)				
Strategic Plan		220	220	
Health		25,864	25,864	
Sale of Tender Documents		5,000	33,000	
Balances from previous years		1,629,920	1,419,813	
Sub-Total		1,661,004	2,789,893	
Funds pending approval				
Grand Total		63,987,027	84,104,998	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-			-
Buildings and structures	14,494,491	1,286,101		15,780,592
Transport equipment	3,213,500			3,213,500
Office equipment, furniture and fittings	1,713,852			1,713,852
ICT Equipment, Software and Other ICT Assets	1,364,057			1,364,057
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	20,785,900	1,286,101	0	22,072,001

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

PMC	Bank	Account No.	2019/20	2020/2021
Kathithyamaa Primary School	Equity	0900277303692	205,027.00	11,347.00
Kavilinguni Primary School	Equity	0900277303973	200,794.75	7,114.75
Kithunthi Primary School	Equity	0900297580630	216,334.00	21,754.00
Kyevaluki Primary School	Equity	0900268233642	394,861.00	201,181.00
Kiomo Primary School	Equity	0900277310632	204,793.35	11,173.35
Kathome Primary School	Equity	0900277310670	205,347.50	11,667.50
Kawethei SA Primary School	Equity	0900295300875	247,892.00	54,272.00
Kawethei HGM Primary School	Equity	0900299359843	195,282.50	637.5
Kyelendu Primary School	Equity	0900294420309	422,830.00	2,945.00
IIA Itune Primary School	Equity	0900277303997	262,520.00	68,840.00
Kikambuani Primary School	Equity	0900297697149	227,579.50	45,185.49
Mukuyuni Primary School	Equity	0900277304009	225,575.00	31,895.00
Kitwii Boys Primary School	Equity	0900299279199	196,165.50	1,405.50
Syanthi S.A Primary School	Equity	0900272853889	225,720.00	32,100.00
Kwanwilile Primary School	Equity	0900266698147	224,235.00	3,810,935.05
Mususye Primary School	Equity	0900267232186	225,365.00	31,685.00
Kivuluni Primary School	Equity	0900263653648	195,935.00	2,315.00
Miu ABC Primary School	Equity	0900277310601	195,170.00	1,490.00
Kamutonga DEB Primary School	Equity	0900269921856	226,495.00	2,388,755.00
Kangundo AIC Primary School	Equity	0900277310478	198,440.00	1,575,640.00
Matetani A.I.C Primary School	Equity	0900263537552	225,100.00	30,395.00
Mbusyani Primary School	Equity	0900269800105	438,375.14	243,730.14
Kamanzi SA Primary School	Equity	0900273283926	195,975.00	61,614.08
Mbilini Primary School	Equity	0900277503809	195,230.00	1,610.00
Ngulini A.I.C primary School	Equity	0900262211462	246,501.50	52,821.50
Kitwii Girls Primary School	Equity	0900299286970	202,800.40	51,170.18
Kikondeni Primary School	Equity	0900263717079	196,045.00	2,425.00
Kawauni Primary School	Equity	0900294342635	195,107.00	1,487.00
Kambai Primary school	Equity	0900294450124	198,665.25	1,013,645.05
Kinyungu Primary School	Equity	0900297182276	195,396.15	324,344.40
Manyatta Primary school	Equity	0900269806773	854,019.50	597,326.83
Malatani Primary school	Equity	0900294436546	211,447.86	134.86
Kilindiloni Primary School	Equity	0900272807246	195,790.50	2,170.50

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PMC	Bank	Account No.	2019/20	2020/2021
Kakutha Primary School	Equity	0900272807364	281,637.57	1,078.70
Mukunike A.I.C Primary School	Equity	0900266653710	197,754.00	32,860.61
Kivi DEB Primary School	Equity	0900272853918	271,978.07	77,398.07
Kanzalu Hill Primary School	Equity	0900272853550	223,067.75	64,268.93
Kithini D.E.B Primary school	Equity	0900262741677	194,969.30	2,356,229.30
ABC Katatha Maweu Primary School	Equity	0900268364134	2,845,268.37	47,042.87
Kwanwenze Primary School	Equity	0900272806414	198,301.05	3,596.05
Kanzokea H.G.M Primary School	Equity	0900279002200	198,274.84	3,694.84
Kangundo DEB Primary School	Equity	0900279025860	198,809.72	32,103.07
Mikoikoni primary School	Equity	0900272853615	195,141.55	196,201.92
Kwambalu Primary School	Equity	0900262296794	269,068.11	26,086.51
Kyai Primary School	Equity	0900268836538	200,527.04	1,575,527.04
Mbondoni Primary School	Equity	0900265704791	238,239.04	44,559.04
Kivaani Township Primary	Equity	0900263766583	2,673,332.47	12,308.42
Matungulu A.I.C Primary School	Equity	0900297633783	200,083.07	5,197.85
St. Francis Misyani Primary School	Equity	0900277247615	195,943.30	22,960.17
Kamwanyani Primary school	Equity	0900295047598	198,871.30	4,351.30
Kithuiani Primary School	Equity	0900264186783	224,041.75	2,803.75

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PMC	Bank	Account No.	2019/20	2020/2021
Masewani primary school	Equity	0900278660925	197,828.86	3,248.86
Kwandeto primary school	Equity	0900268487038	202,804.16	257,175.59
Ituusya Primary School	Equity	0900279685897	195,000.00	216,984.65
Unyuani Primary school	Equity	0900271573839	205,435.70	7.70
Kwandi Primary School	Equity	0900279332663	205,170.70	128,972.97
Ngomani Primary School	Equity	0900279368673	209,186.82	611,736.47
Kilalani Primary School	Equity	0900279853182	1,785,400.00	2,176.48
Kathiini S.A Primary School	Equity	0900279881572	195,000.00	97,059.70
Kyaaka Primary School	Equity	0900294868632	195,719.30	2,122.20
Kathaana DEB Primary School	Equity	0900279890852	195,000.00	52,894.05
Mulingana Primary School	Equity	0900295784425	4,267.00	70,418.18
Matithini Primary School	Equity	0900279897573	0.00	143,011.36
Kitongi Primary School	Equity	0900263477812	195,417.00	3,559,563.45
Syanamu Primary School	Equity	0900267991888	3,899.00	976,696.00
Kwakathule Primary School	Equity	0900279887897	196,000.00	215,467.01
Mukuyuni S.A Secondary school	Equity	0900278735862	247,507.20	209,667.20
ABC Kathithyamaa Secondary School	Equity	0900279092412	1,658.20	1,658.20
A.I.C Kikambuani Secondary School	Equity	0900264222069	345,354.56	99,203.86
AIC Matithini mixed Secondary School	Equity	0900269556072	26,982.17	42,299.41
Kawauni Secondary School	Equity	0900279643714	(1,066.20)	293,667.50
St. Michael Unyuani Secondary School	Equity	0900263451533	30,168.68	38,784.23
Kangundo high School	Equity	0900297440167	2,534.71	1,509.71
DEB Kangundo Secondary School		0900269537176	43.50	2,354,923.50
Kakuyuni Secondary School	Equity	0900262548677	42,963.00	243,017.69
Kakuyuni Assistant County Commissioner	Equity	0900279678883	293,188.85	926.25

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PMC	Bank	Account No.	2019/20	2020/2021
Kanzalu Chiefs Office	Equity	0900265036098	676.00	676.00
Mulingana Chiefs office	Equity	0900265508581	296,139.55	5,612.07
Kyevaluki chiefs office	Equity	0900273013281	17.55	17.55
Kangundo Cdf Office	Equity	0900276382620	3,886.00	3,886.00
Kangundo CDF Sports	Equity	0900276382771	17,880.00	554.45
KMTC	Equity	0900262705557	68,776.96	68,776.96
Maiuni Chiefs Office	Equity	0900269932079	304,648.00	2,690.51
Kangundo Chiefs office	Equity	0900278861035	18,006.57	1,325.64
Miu Assistant Chiefs Office	Equity	0900278729624	100,287.50	103,287.50
Ndunduni Administration Police post	Equity	0900263498516	(39.66)	-45.36
Kitwii chiefs office	Equity	0900276382821	92,985.07	92,985.07
Kakuyuni Police Station	Equity	0900263355985		930.74
Kangundo DCC Residence	Equity	0900277555738		354,133.70
Kavilinguni Assistant Chief's office	Equity	0900264721592		59,123.75
The S.A Imilini secondary School	Equity	0900264476819		3,703,151.00
Kangundo Emergency cdf	Equity	0900280449299		496,860.00
St.Francis Misyani Girls High School	Equity	0900280274750		645.50
Matetani Assistant chiefs office	Equity	0900280151040		11,370.77
Kathaana Chiefs office	Equity	0900280151931		1,449.51
St Martins Kitwii Secondary School	KCB	1109561156		3,702,875
Kyevaluki Secondary School	KCB	1109688148		3,702,875
			23,130,850	18,043,349.25

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NGCDF/KANGUNDO/ 2017/2018(11)(i)	<p>Mukuyuni Primary school- construction of toilet block and steel gate. The approved proposal was for the construction of an (8) door toilet block, a branded steel column gate and perimeter fence at estimated cost of kshs. 1.5 million. However, there were apparent defects on the gate while toilet doors and roofing were inadequately done. No explanations have been provided for the shortcomings nor corrective remedial actions being undertaken.</p>	Project contractor went on site and addressed those concerns	Resolved	Resolved
NGCDF/KANGUNDO/ 2017/2018(11)(ii)	<p>Kathithyamaa primary school- construction of toilet block. Similarly the approved proposal was for construction of an (8) door toilet block, a branded steel column gate and perimeter fence at estimated cost of kshs. 1.5 million. However, one side of the fence was constructed using substandard poles. no explanation has been given for the poor workmanship by the contractor and whether any remedial actions were being taken</p>	Project contractor went on site and addressed those concerns.	Resolved	Resolved
NGCDF/KANGUNDO/ 2017/2018(11)(2)	<p>Title Deed for the proposed Kitwii chiefs Office. Also included in the other grants and</p>	The land was indeed purchased, and the transfer documents	Resolved	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>transfers amount is payment of Kshs 1.5million for purchase of two acres of land for construction of the proposed Kitwii chiefs office .however the title deed for the parcel of land was not made available for audit review in the circumstance, it is not possible to confirm the existence and fair value of the land purchased.</p>	<p>were underway with PMC waiting for land board. Further we wish to confirm that Kangundo NGCDF committed additional funds of kes 2million towards construction of chief and assistant chiefs office and fencing off plats to wade away the encroachments and stealing of public land</p>		
<p>NGCDF/KANGUNDO/ 2017/2018(11)(3)</p>	<p>BANK BALANCES The statement of asset and liabilities reflects bank balances (as per the cash book) of kshs . 10,651,612 :-(2017 -kshs. 9,054,484) and as disclosed under note 10A to the financial statements. However the bank reconciliation statement report of the balance under unpresented cheques had cheques totalling to kshs .270, 704 that were stale and had not been written back in the cashbook. In addition, unexplained payments made from the funds bank account of kshs 266,743 in the financial year ended 30th June 2017 continue to remain unresolved. In the circumstance, the bank balance of kshs. 10651,612 as at 30th June 2018 cannot be confirmed</p>	<p>Kangundo NGCDF faces challenges with the bursary cheques that beneficiaries nusplace or deface the cheque leave and doesn't bring back for replacement thus causing this challenge. However during the subsequent year we took the issue and wrote to the sub county accountant a letter instructing her to write back the stale cheques.</p>	Resolved	Resolved