

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
REPORT

DATE: 15 FEB 2022 Tuesday

TABLED BY:	LDM
CLERK-AT THE TABLE:	Ci- Chebet

THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND ~ MAKADARA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. U. Box 618-00515, BURUBURU

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES	11
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	13
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	19
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- MAKADARA CONSTITUENCY</i>	20
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	21
VIII. STATEMENT OF ASSETS AND LIABILITIES	22
IX. STATEMENT OF CASHFLOW	23
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	24
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	26
XII. SIGNIFICANT ACCOUNTING POLICIES	29
XIII. NOTES TO THE FINANCIAL STATEMENTS.....	33

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MAKADARA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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

(b) Key Management

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

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

(c) Fiduciary Management

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

N	Designation	Name
1.	A.I.E holder	Job Munyi
2.	Sub-County Accountant	Stephen Mbugua
3.	Chairman NGCDFC	Ronald Milare
4.	Member NGCDFC	Catherine Nzilani

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF MAKADARA Constituency Headquarters

KCB Building, 6TH Floor
Jogoo Road Opposite Uchumi supermarket
P.O.BOX 618-00515
Nairobi, Kenya

(f) NGCDF MAKADARA Constituency Contacts

Telephone: (254) 724 870 038

E-mail: jmutini@ngcdf.go.ke

Website: www.cdf.go.ke

(g) NGCDF MAKADARA Constituency Bankers

1. Equity bank Limited
NG-CDF MAKADARA
AC /NO 0950262163417
Buruburu Branch
P.O.BOX 75104
Nairobi, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

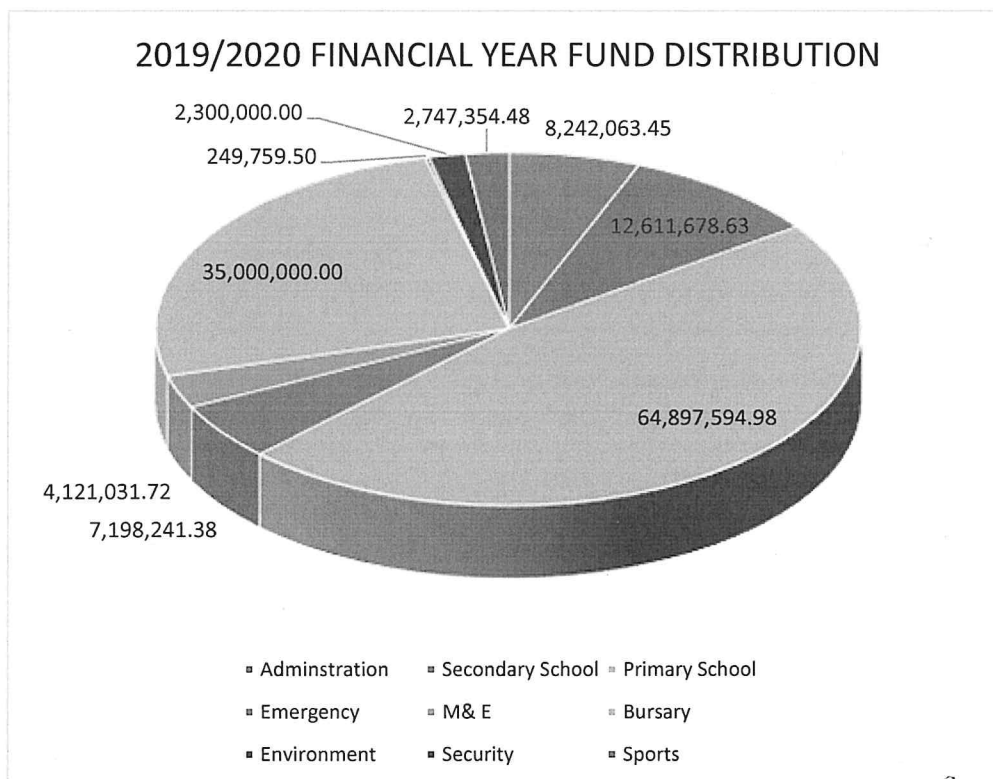
The Makadara Constituency NG-CDF total disbursements for the financial year 2019/2020 was Kshs 137,367,724.14 this was arise from Kshs 109,040,875 disbursed in financial year 2018/2019.

Our key focus during the year was completing Star of Hope primary school which is located at Lunga Lunga informal settlements at Viwandani ward where there is only one public school, in order to ensure that there is 100% enrollment of pupils as per the Government agenda four initiative. Also we had to completed other projects in wards in Makadara

Table 1.1 showing allocation on comparative Basis

Financial Year	Allocation	Disbursement Within the year
2018/2019	109,040,875	120,420,185
2019/2020	137,367,724	112,000,000
Increase	28,326,849	

Figure 1.1 Showing Fund Distribution Financial Year 2019/2020



Key Achievements

- We were able to complete various project during the financial year and other are still ongoing.
- We also managed to disburse bursaries to 1,300 students who are needy.
- We have constructed 4 new classroom at Baraka Primary School
- Construction of Perimeter wall at Ofafa Jericho High school.
- Rehabilitation of classroom at St Paul primary school
- Construction of perimeter wall at Joseph Apudo primary school and rehabilitation of borehole.
- Construction of Perimeter wall at Makadara Sub county Headquarters.
- Ongoing construction of 4 new classroom at St Anne's girl's secondary school,

Challenges

- Some project may require along span of implementation creating difference between initial budget and the actual cost during implementation
- Limited fund against competing needs from different institutions
- High number of vulnerable population
- Covid 19 Pandemic has slowed everything naturally and internationally.

Solution

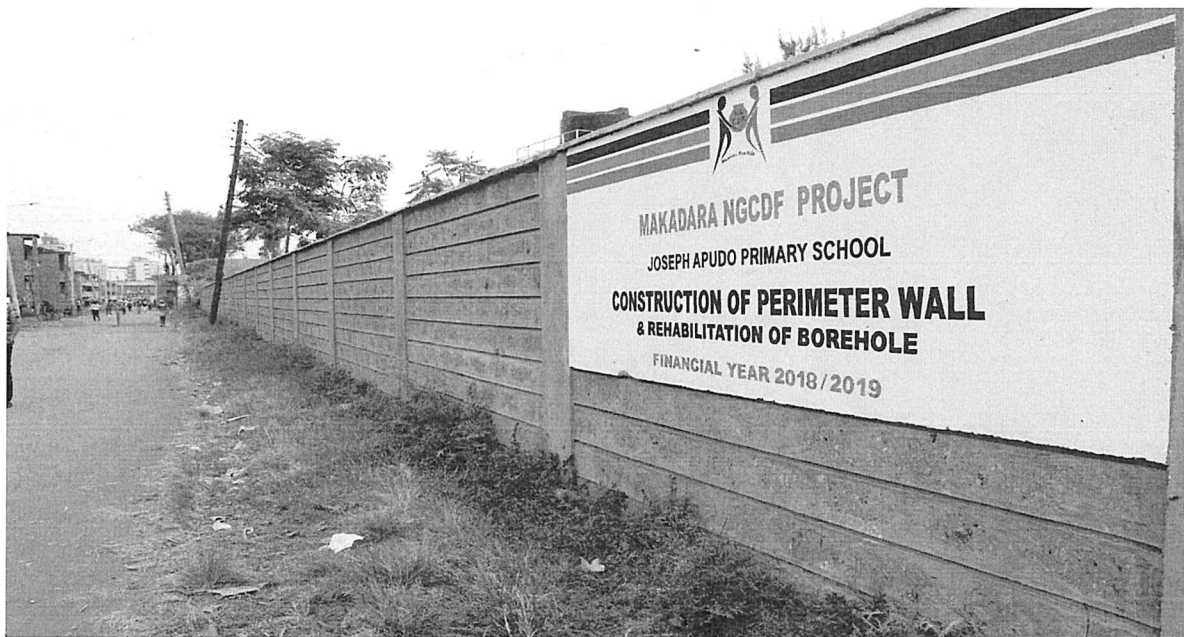
- NG-CDF board need to be flexible in fund disbursements for the projects implementation considering project with longer lifespan
- Public participation in project implementation be conducted regularly
- Collaboration with other government institutions where possible.

Emerging Issues

- Pandemic such as Covid 19 causing go slow in the projects implementation.
- Shortage of land to implement new projects such as school, police camp and chief camp.
- High level of unemployment's leading to high dependence levels, the government should consider increasing the NGCDF kitty to gap the unemployment.
- The continuous state of campaign moods causing uncertainty.



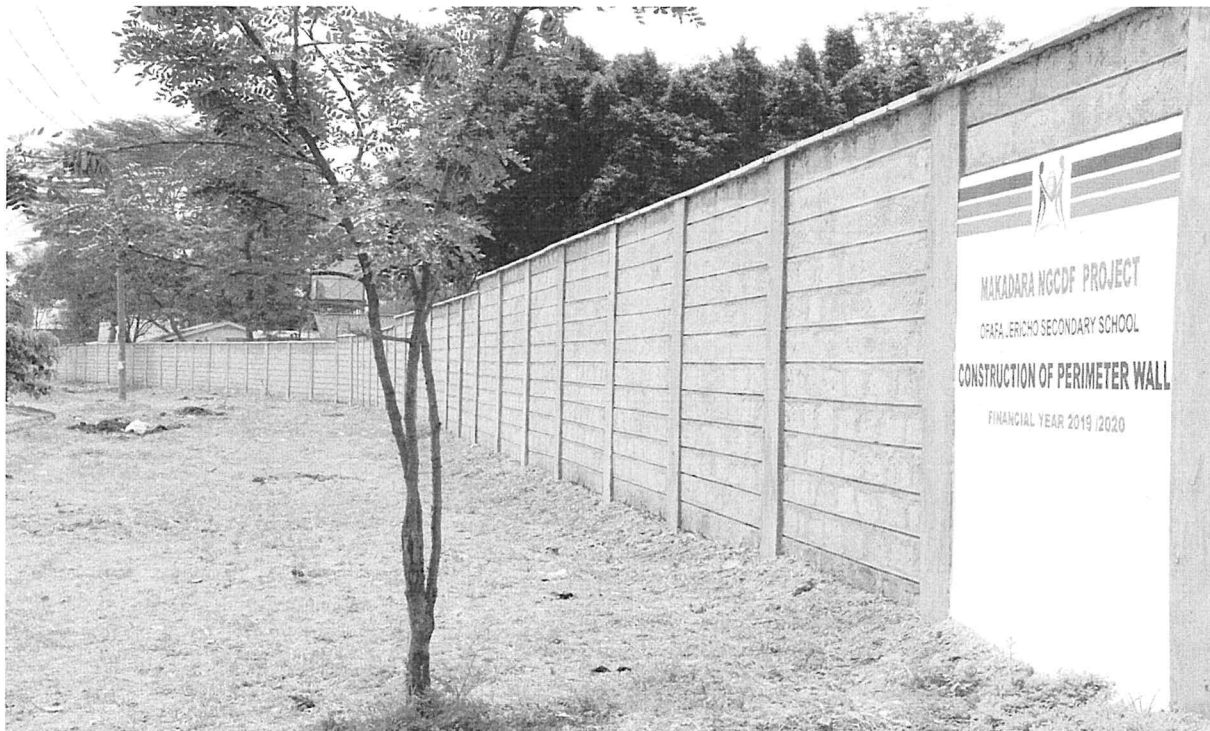
PHOTO GALLERY



Perimeter Wall at Joseph Apudo Primary School and Rehabilitated Borehole.



4 no of new classroom at Baraka Primary School.



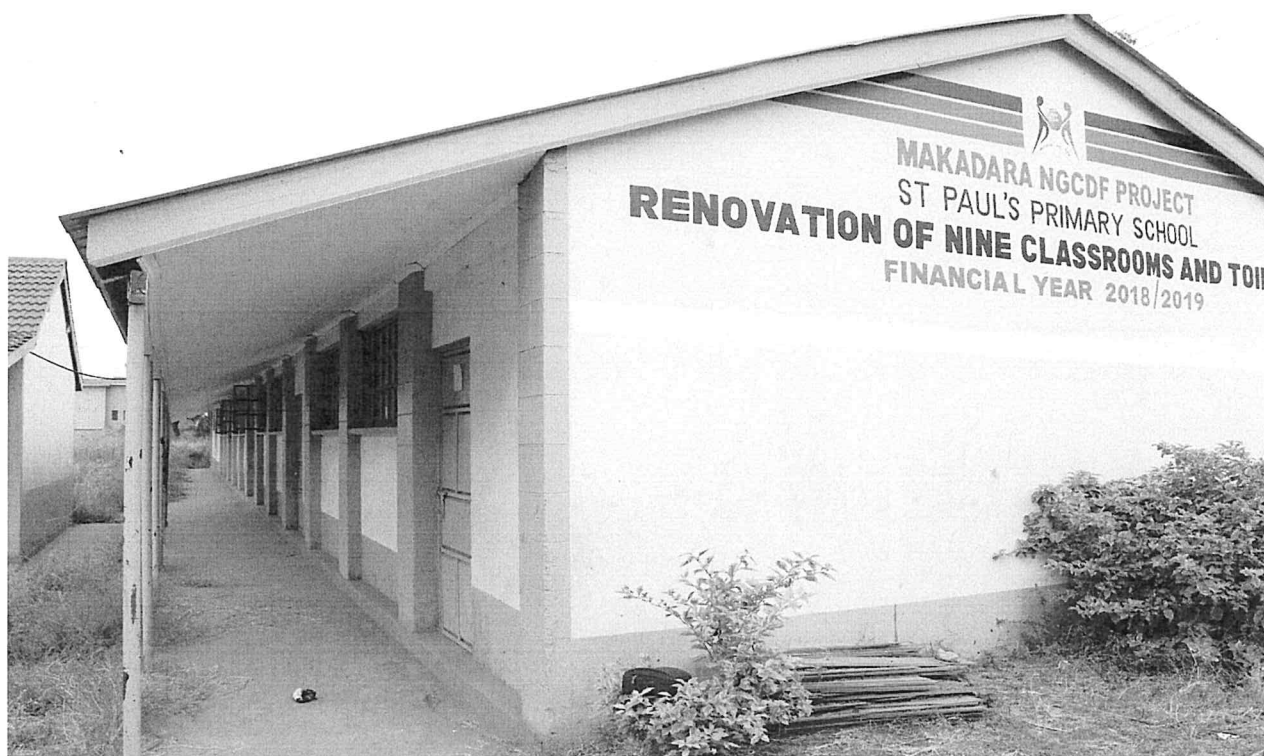
Perimeter Wall at Ofafa Jericho High School



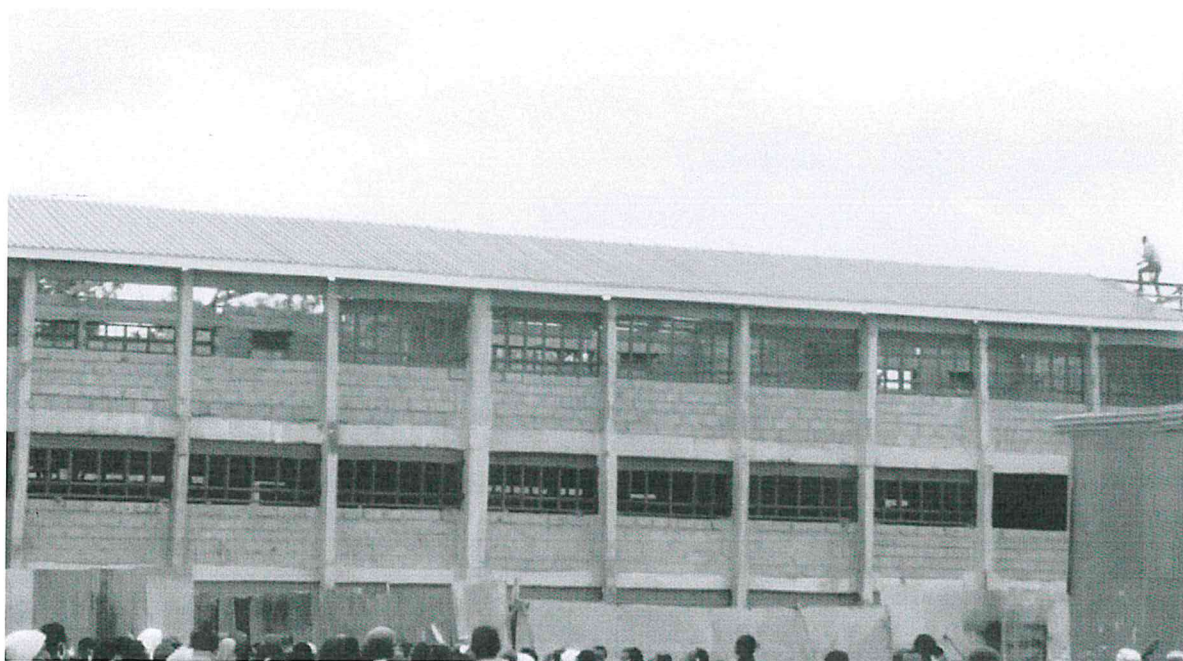
Perimeter Wall at Makadara Sub County Headquarters



Ongoing Proposed Construction of 4 classrooms at St Anne's Girls Secondary School



Rehabilitation of Classroom at St Paul Primary School



Ongoing Construction of 32 No of classroom at Star of Hope Primary School.

Sign

M. Zeh Zeh

CHAIRMAN NGCDF COMMITTEE

MAKADARA NATIONAL GOVERNMENT
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MAKADARA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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 NGCDF-MAKADARA Constituency's *2018-2022* plan are to:

- To improve education outcomes at all levels of learning.
- To empower constituents of Makadara Constituency socially and economically.
- To enhance security for the constituents through improving infrastructure for security provision and strengthen community policing mechanisms.
- To address environmental challenges and reduce the impact of disaster risks.
- To improve efficiency and effectiveness through streamlining funds processes and system.

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	Construct and rehabilitate additional classroom and sanitation facilities in school. Provision of additional desks and lockers. Perimeter fencing of school. Support acquisition of school bus. Build Star of Hope Primary School in Viwandani ward. Bursaries for needy and deserving learners	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions. Improved physical state of school infrastructure. Security in the school. Access to education improved in informal settlements.	No of classroom constructed or rehabilitated. No of desks provided to school. No of school perimeter wall constructed. No of School bus bought. Star of Hope primary school constructed. No of students supported through bursaries.	In FY 19/20 Rehabilitation of St Paul Primary School Construction of 30 new classroom at Star of Hope primary school. Construction of 4 new classroom at Baraka primary School. Construction of perimeter Joseph Apudo primary School. Construction of perimeter wall at Ofafa Jericho High school.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MAKADARA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Security	Construct and rehabilitate physical infrastructure in the police stations and posts. Establish additional and construct houses for the security officers. Support construction of offices for national Administration. Install security lights in crime hot spots and public places.	State of physical facilities in the police station improved. Improved security and units for the safety for all. Housing for the police officers improved. Improved access to administrative services by the public.	No of housing units for the police constructed. No of security lights installed. No of new police posts established. No of police station rehabilitated.	In FY of 2019/2020 we constructed a perimeter wall at Makadara Sub county Headquarters.
Environment	Participatory mapping of main polluters Support community initiatives involved in garbage collection and management. Construction and rehabilitates sanitation facilities in school and police stations	Main polluters identified Waste collection and management improved Improved sanitation	No of participatory polluter mapping exercises conducted. No of sanitation facilities constructed /rehabilitated.	In FY 19/20 we rehabilitated a bore whole at Joseph Apudo Primary School
Sports	Rehabilitate and secure community sports grounds Support community clubs Link community clubs with sponsors and national agencies Sponsor constituency annual sport tournaments	Talents in sports and arts identified and developed among the youth. State of community sports grounds improved. Community clubs supported.	No of community sports ground rehabilitated and secured. No of community clubs supported. Annual constituency sports	In f/y 2019/2020 Sports tournaments were performed.
Disaster Management	Establish and equip community disaster responses team. Install water storage tanks in the villages for emergency use. Construct access road in informal settlements.	Community resilience to disaster risks enhanced. Community capacity to respond to disaster improved.	No of community disaster responses teams established and trained. No of emergency water storage installed. No of access road constructed in	In FY 2019/2020 access road have been constructed in the informal settlement through the KERRA.

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

	Sensitize and train community on waste disposal and disaster responses.	Disaster response time improved.	informal settlements. No of quarterly environmental cleaning campaigns held	
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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. SUSTAINABILITY STRATEGY AND PROFILE

Model	Definition	Relevance to Stainable Strategy
Vision	The vision of Makadara NGCDF is to have “Inclusive social-economic development in Makadara Constituency”	The constituency has been empowered economically through sustainable development and transformational leadership.
Mission	To ensure prudent management of public resources for socio-economic development in Makadara Constituency	To build a participatory and cohesive community that will ensure wealth creation for Makadara People.
Core Values	<p>Equity</p> <p>Transparency and accountability</p> <p>Participation and partnership</p> <p>Result –oriented</p> <p>Teamwork</p>	<p>We are committed to equity and fair distribution of projects and resources</p> <p>We are committed to conducting our operation above board and open to scrutiny</p> <p>We encourage all stake holders to play an active part in all our process and perform public participation forums</p> <p>We focus on positive outcome and value for money</p> <p>We are committed to team and focus on achievements.</p>

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

2. ENVIRONMENTAL PERFORMANCE

Environment strategic objective

To address environmental challenges and reduce the impact of disaster risks

Strategies to be used

- Improve environment and sanitation
- Strengthen disaster responsiveness and management
- Build community resilience to disaster risks
- Sensitize and capacity build the public on disaster response and management

Action Plan

Makadara NG-CDF have rehabilitated some bore hole in Viwandani Ward and Makongeni ward to ensure good sanitation by the resident and encourage environment cleanliness.

No of community disaster responsiveness teams established and trained on how to manage disaster and preserve environment.

3. EMPLOYEE WELFARE

Terms and conditions of service

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

Makadara NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the chief offices, church mosques within Makadara Constituency, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job

- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff

Guidelines to General Safety

The office has maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties.

They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary

Health Care Services

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDs is very rampant across all generations in the constituency. Its spread is fuelled by the hard economic times and lack of employment. The NGCDFC has been trained on the subject matter and also the NGCDFC through the FAM DCC MP and the NGCDFC chair has continuously educated the residents on the dangers of HIV /AIDs to the society and advised those already infected or affected on how to leave with it

Drug and Substance Abuse

The Makadara NGCDFC through the FAM DCC MP and the NGCDFC chair has continuously educated the staffs' residents on the dangers of drug abuse in various public forums in order to curb the vice

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favors, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behavior of a sexual nature which directly or indirectly subjects the person to behavior that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases to the FAM or the Chairman

4. Market place practices-

The NGCDF was formed as a bottom up approach to development in the constituencies' wards and villages. It gives the end user of projects the opportunity to state clearly what needs to be done for them by the government funds. While at it the NG-CDF envisioned the use of locally available materials and labour there by as the projects are done the economy of the area in which a project fall is also impacted positively. In Makadara the NG-CDF has endeavoured to address the various aspects of the market place practises as following.

a) Responsible competition practice.

The NG-CDFC projects ensures all the projects are advertised as per the requirement of the requirement act however local suppliers are encouraged to participate.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations-

All the suppliers and contractors are paid promptly upon presenting a delivery note or payment certificates. Also the constituency does not tender for works or supplies whose monies are not budgeted for approved and available.

c) Responsible marketing and advertisement-All advertisement are placed in public places i.e NGCDF office , Chief's, ACC and DCC notice boards, NGCDFB websites and National new papers with wide circulation

d) Product stewardship-In order to safe guard customer's rights and interests the office has an open door policy where members of the public have access to the FAM and members of the NG-CDFC at any time to raise any issues affecting them. The office has an official complains book where the members of public can also report any complaint and they are resolved promptly. Above all the office has a service charter which outlines the constituency's commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy.

5. COMMUNITY ENGAGEMENTS-

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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.

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.

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

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus pandemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures:

- Working in shift to allow the employee to main the recommended social distance at place of work.
- Have kept washing soap at the entry
- Have sanitizers in the office and at the entry of the office.
- We have a thermo gun to check on the temperatures for people visiting the office.
- The office is regularly cleaned with disfectantant

V. STATEMENT OF MAKADARA NG-CDF 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-MAKADARA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MAKADARA Constituency accepts responsibility for the Makadara NG-CDF 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 Makadara NG-CDF financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MAKADARA Constituency further confirms the completeness of the accounting records maintained for the Makadara NG-CDF 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-MAKADARA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-MAKADARA Constituency financial statements were approved and signed by the Accounting Officer on 15-03 2021.



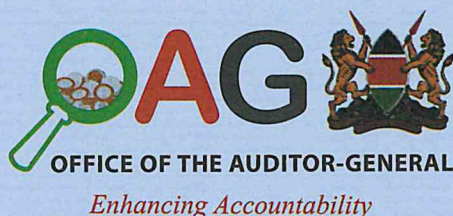
Fund Account Manager
Name: Job Munyi



MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. O. Box 618-00515, BURUBURU
Sub-County Accountant
Name: Stephen Mbugua
ICPAK Member 14496

REPUBLIC OF KENYA

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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Makadara Constituency set out on Pages 21 to 59, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Cash and Cash Equivalents

The statement of assets and liabilities reflects a bank balance of Kshs.131,792 as at 30 June, 2020. However, the bank reconciliation statement for the month of June, 2020 reflected unrepresented cheques totaling to Kshs.335,081 for which records showing the dates that the cheques were subsequently cleared were not provided. Further, cheques amounting to Kshs.7,070 were already stale as at 30 June, 2020 and had not been reversed in the cashbook.

In the circumstances, the accuracy of the reported bank balance of Kshs.131,792 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation-recurrent and development combined reflects final receipts budget and actual receipts on comparable basis of Kshs.151,416,909 and Kshs.116,049,185 respectively, resulting into an under-funding of Kshs.35,367,724 or 23% of the budget. Similarly, the Fund expended Kshs.115,917,393 against an approved budget of Kshs.151,416,909 resulting into an under-expenditure of Kshs.35,499,516 or 23% of the budget.

Consequently, the under-funding and under-absorption may have impacted negatively on service delivery to the constituents of Makadara.

2.0 Unresolved Prior Year Audit Matters

As disclosed under the progress on follow up of auditor recommendations section of the financial statements, some of the prior year audit issues remained unresolved as at 30 June, 2020.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for conclusion

1.0 Construction of Perimeter Wall at Joseph Apudo Primary School

Note 6 to the financial statements reflects transfers of Kshs.74,165,769 to other government entities of which Kshs.63,359,793 was transferred to primary schools. An

amount of Kshs.7,838,584 was disbursed for the construction of a 450-metre perimeter wall at Joseph Apudo Primary School. The Project commenced on 4 June, 2019 and was completed on 7 December, 2019. In spite of the fact that the contractor was fully paid as at 22 April, 2020, the certificate of completion issued in accordance with Section 150(3) of the Public Procurement and Asset Disposal Act, 2015 was not provided.

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

2.0 Delayed Completion of Project at Star of Hope Primary School

The Project for construction of thirty-two (32) classrooms at Star of Hope Primary School – Viwandani Ward at contract sum of Kshs.108,928,060 commenced on 13 November, 2018 and was due for completion on 11 May, 2019. During the financial year 2019/2020, interim certificates Numbers 04 and 05 were issued for which payments amounting to Kshs.24,088,992 and Kshs.31,524,083 respectively, were paid. However, audit inspection carried out on 5 February, 2021 revealed that, although the structure and roofing were complete and forty-four (44) steel doors fitted, plastering, floor and painting were yet to be done, the contractor was not on site and the Project appeared to have stalled.

It could therefore not be confirmed when and whether value for money would be obtained from the Project. In addition, delayed completion of the project may lead to loss of public funds through price variations and poor workmanship.

3.0 Failure to Account for Stadium Hire Charges - Camp Toyoyo Stadium

As previously reported, the Makadara National Government Constituencies Development Fund spent over Kshs.72,246,842 to construct and rehabilitate Camp Toyoyo Stadium between financial years 2013/14 to 2017/18. The facility was handed over to the local Community-Based Management (CBM) called Camp Toyoyo Project Management Committee after its completion. This was done to enable the local people deal with the unique social, political and economic issues within the Constituency. The Camp Toyoyo Project Management Committee (PMC) was to hire the facility out for practice sessions or full matches to various teams at a fee. The charges were fixed at Kshs.10,000 per match and/ or practice sessions for division one or premier league teams and Kshs.5,000 for other teams. All teams based in Makadara would play or practice for free.

The fee was to be used for maintaining the facility to ensure that it was in a good working condition for the users. The Management opened a bank account at a local bank for the Project. However, even though several teams had hired and used the facility since its handover, no bank records were provided for audit.

The Fund Management explained that the Camp Toyoyo PMC was fully in charge of the Project with the Fund remaining with a peripheral role of advisory and monitoring the sustainability of the Project. The Project was experiencing management challenges including court cases and freezing of the bank account and the matters were under investigations.

4.0 Unconfirmed Supply of Furniture to Schools

As previously reported, information available at the Fund's Constituency Office indicated that some merchants claimed to have supplied furniture to schools within the Constituency for the period between July, 2009 and December, 2012 at a cost of Kshs.54,067,454. However, it was not clear how the contracts were awarded and on what basis the items were supplied to the public schools in Makadara Constituency without adequate documentation and instructions.

The Fund Manager had sent a letter to thirty-three (33) schools on 4 January, 2016 requesting confirmation of receipt of the furniture. However, only twelve (12) schools responded. The Makadara District Education Officer through a letter Ref: MAK/EDU/5/10/11 of 28 November, 2011 provided details of the lockers and chairs supplied to the schools. However, delivery notes, inspection and acceptance committee reports, contract documents, tender documents, and Local Purchase Orders were not attached to the letter.

There was no budgetary allocation for the supplies in the respective financial years when the contracts were purportedly awarded. It was further noted that several law suits on the matter had since been filed against the Fund by the merchants and a Garnishee Order Nisi issued against the Fund's bank account held at a local bank.

Management explained that the Attorney General had advised the Fund to write to all claimants requesting for more documentation which would be forwarded to the Attorney General for a final determination.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

The Management are 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, the Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

The 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, the 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 manner.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion 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 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Fund 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 sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

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

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

I also provide the 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

10 December, 2021


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**MAKADARA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	112,000,000	120,420,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		158,000
TOTAL RECEIPTS		112,000,000	120,578,186
PAYMENTS			
Compensation of employees	4	2,714,889	2,629,971
Use of goods and services	5	7,614,432	8,083,985
Transfers to Other Government Units	6	74,165,769	88,435,069
Other grants and transfers	7	31,422,303	37,045,542
Acquisition of Assets	8	-	-
Other Payments	9	-	
TOTAL PAYMENTS		115,917,393	136,194,567
SURPLUS/DEFICIT		(3,917,393)	(15,616,381)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAKADARA Constituency financial statements were approved on 15/03/2021 and signed by:


Fund Account Manager
Name: Job Munyi

MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. O. Box 618-00515, BURUBURU



National Sub-County Accountant
Name: Stephen Mbugua
ICPAK Member: 14496

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


VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	131,792	4,049,185
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		131,792	4,049,185
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		131,792	4,049,185
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B		-
NET FINANCIAL ASSETS		131,792	4,049,185
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	4,049,185	19,665,566
Surplus/Deficit for the year		(3,917,393)	(15,616,381)
Prior year adjustments	14		-
NET FINANCIAL POSITION		131,792	4,049,185

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAKADARA Constituency financial statements were approved on 15/03/2021 and signed by:


Fund Account Manager
Name: Job Munyi

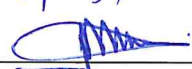
MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. U. Box 618-00515, BURUBURU



National Sub-County Accountant
Name: Stephen Mbugua
ICPAK Member: 14496

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**MAKADARA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	112,000,000	120,420,186
Other Receipts	3		158,000
		112,000,000	120,578,186
Payments for operating expenses			
Compensation of Employees	4	2,714,889	2,629,971
Use of goods and services	5	7,614,432	8,083,985
Transfers to Other Government Units	6	74,165,769	88,435,069
Other grants and transfers	7	31,422,303	37,045,542
Other Payments	9	-	-
		115,917,393	136,194,567
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(3,917,393)	(15,616,381)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8		-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(3,917,393)	(15,616,381)
Cash and cash equivalent at BEGINNING of the year	13	4,049,185	19,665,566
Cash and cash equivalent at END of the year		131,792	4,049,185

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAKADARA Constituency financial statements were approved on 19/03/2021 and signed by:


Fund Account Manager
Name: Job Munyi


MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P.O. Box 618-00515, BURUBURU
National Sub-County Accountant
Name: Stephen Mbugua
ICPAK Member: 14496

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	14,049,185	151,416,909	116,049,185	35,367,724	76.6%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts						0.0%
TOTAL RECEIPTS	137,367,724	14,049,185	151,416,909	116,049,185	35,367,724	76.6%
PAYMENTS						
Compensation of Employees	4,770,000	1,482,429	6,252,429	2,714,889	3,537,540	43.4%
Use of goods and services	7,593,095	24,940	7,618,035	7,614,432	3,603	100.0%
Transfers to Other Government Units	77,509,274	3,757,041	81,266,315	74,165,769	7,100,545	91.3%
Other grants and transfers	47,495,355	4,107,748	56,280,130	31,422,303	24,857,827	55.8%
Acquisition of Assets						0.0%
Other Payments	0	4,677,027		-	-	0.0%
TOTAL	137,367,724	14,049,185	151,416,909	115,917,393	35,499,516	76.6%



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

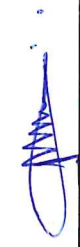
(a) All the monies for the financial year 2019/2020 were not received from the NGCDFB

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. Compensation to employees had underutilization of 56.6%. This was occasioned by adjustment from previous year in the 2017/2018 there was balance in this item since staff were employed In April 2018 two months to end financial year and an adjustment of 2018/2019 amount allocated for gratuity.
- ii. Other grants and transfers. There was underutilization of 44.2% mainly because of unspent bursary funds. The funds not spent due to closure of schools resulting from the Covid-19 pandemic
- iii. There is a difference of Kshs 35,499,516 between the approved budget of Kshs. 151,917,393 against actual budget of Kshs 115,917,393. This amount is represented by the closing cash book balance of Kshs 131,972 and amounts not received from NG-CDF board at the end of the financial year Kshs 35,367,544
- iv. The amount of Kshs 14,049,185 is resented in Financial Statements of the current year by Opening cash book balance of Kshs 4,049,185 and balance of Kshs 10,000,000 not received from the NG-CDF board at the end of 2018/20

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-MAKADARA Constituency financial statements were approved on 15-03- 2021 and signed by:


Fund Account Manager
Name: Job Munyi


MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
Sub-County Accountant
Name: Stephen Mbugua
P.O. Box 618-00515, BURUBURU
ICPAK Member : 14496

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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual Comparable Basis 2019/2020 Kshs	Budget Utilization Difference 2019/2020 Kshs
Administration and Recurrent					
Employee Salaries	4,600,000	-			-
NSSF	70,000	-			-
NHIF	100,000	-			-
Sub Total	4,770,000	1,482,429	6,252,429	2,714,889	3,537,540
Good and Services	1,772,064		1,772,064	1,772,064	-
Committee Expenses	1,700,000	-	1,700,000	1,700,000	-
Sub Total	3,472,064	24,940	3,497,004	3,472,064	24,940
Monitoring and Evaluation					
Good and Services	800,000	-	800,000	800,000	-
Committee Expenses	1,321,032		1,321,032	1,321,032	-
NGCDF/PMC Capaity Building	2,000,000	-	2,000,000	2,000,000	-
Sub Total	4,121,032	-	4,121,032	4,121,032	-
Primary Schools Projects					
St Paul Primary School	9,000,000	1,050,000	10,050,000	10,032,796	17,205
Baraka Primary School	4,500,000		4,500,000	4,020,000	480,000
Bidii Primary School	800,000	-	800,000	-	800,000
Kimathi Primary School	3,000,000	-	3,000,000	75,000	2,925,000
Star of Hope Primary School	35,000,000		35,000,000	41,448,678	(6,448,678)
Joseph Apudo Primary Sch	8,100,000	50,000	8,150,000	8,113,321	36,679



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

St Annes Primary School	4,497,595	-	4,497,595	200,000.00	4,297,595
Sub Total	64,897,595	1,100,000.00	65,997,595	63,889,794	2,107,801
Secondary School Projects					
Nile Road Secondary School		1,845,977	1,845,977	1,845,977	-
Makongeni Secondary School	2,611,679	-	2,611,679	130,000	2,481,679
Ofafa Jericho High School	6,000,000	2,650,000	8,650,000	8,630,000	20,000
St Annes Secondary School	4,000,000	-	4,000,000	200,000	3,800,000
Sub Total	12,611,679	4,495,977	17,107,655	10,805,977	6,301,679
Bursary			-		-
Bursary Secondary School	25,000,000		25,000,000	5,667,000	19,333,000
Bursary Tertiary Institutions	10,000,000	-	10,000,000	7,830,000	2,170,000
Sub Total	35,000,000		35,000,000	13,497,000	21,503,000
Makadara Sub County Headquarters	2,300,000		2,300,000	1,778,068	521,932
Emergency	7,198,242	6,148,686	13,346,927	12,937,235	409,692
Environment-Harambee Pri Sch	249,760	797,154	1,046,914		1,046,914
Constituency Sports Tournaments	2,747,355		2,747,355	2,701,336	46,019
Sub Total	12,495,355	6,945,840	19,441,196	17,416,639	2,024,557
Grand Total	137,367,725	14,049,185	151,416,909	115,917,394	35,499,516

(NB: This statement is a disclosure statement indicating the utilisation in the same format at 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 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-MAKADARA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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



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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

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

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

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO	B047254	10,000,000.00	
AIE NO	B041250	4,000,000.00	
AIE NO	B041314	18,000,000.00	
AIE NO	B047733	5,000,000.00	
AIE NO	B049364	15,000,000.00	
AIE NO	B104388	15,000,000.00	
	B096603	11,000,000.00	
	B096765	34,000,000.00	
AIE NO	B005064		11,379,310
AIE NO	B03093		10,000,000
AIE NO	B030489		15,000,000
AIE NO	B006436		6,000,000
AIE NO	A724467		11,000,000
AIE NO	B047026		12,000,000
AIE NO	B047566		55,040,876
TOTAL		112,000,000	120,420,186

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	158,000
Total	0	158,000

4. COMPENSATION OF EMPLOYEES

4 COMPENSATION OF EMPLOYEES			
Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Basic wages of temporary employees		1,783,089	1,698,171
Basic wages of casual labour			
Personal allowances paid as part of salary			
House allowance		501,000	501,000
Transport allowance		411,600	411,600
Leave allowance			
Other personnel payments			
Employer contribution to NSSF		19,200	19,200
Gratuity-contractual employees			
TOTAL		2,714,889	2,629,971

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MAKADARA CONSTITUENCY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	387,586	238,322
Electricity	7,000	
Water & sewerage charges		
Office rent	768,246	746,752
Communication, supplies and services	602,520	301,520
Domestic travel and subsistence	521,500	441,000
Printing, advertising and information supplies & services	468,270	72,898
Rentals of produced assets		
Training expenses	1,479,996	1,389,000
Hospitality supplies and services	508,510	340,000
Other committee expenses	479,000	1,545,000
Committee allowance	2,243,500	2,468,000
Insurance costs		
Specialised materials and services		
Office and general supplies and services	135,284	158,158
Fuel , oil & lubricants		
Other operating expenses		26,500
Bank service commission and charges	13,020	11,835
Other Operating Expenses		
Security operations		
Routine maintenance - vehicles and other transport equipment		
Routine maintenance- other assets		
Strategic Plan		345,000
TOTAL	7,614,432	8,083,985

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	63,359,793	61,751,014
Transfers to secondary schools (see attached list)	10,805,976	26,684,055
Transfers to tertiary institutions (see attached list)		
Transfers to health institutions (see attached list)		
TOTAL	74,165,769	88,435,069

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	5,667,000	19,364,000
Bursary – tertiary institutions (see attached list)	7,830,000	11,870,000
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Security projects (see attached list)	1,778,068	2,893,302
Sports projects (see attached list)	3,210,000	2,790,000
Environment projects (see attached list)		
Emergency projects (see attached list)	12,937,235	128,240
Total	31,422,303	37,045,542

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

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

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan		
ICT Hub		
	00	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MAKADARA CONSTITUENCY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity bank Ltd (AC No 0950262163417)</i>	131,792	4,049,185
Total		
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MAKADARA CONSTITUENCY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
<i>Total</i>				00

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

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Staff Gratuity	1,250,262	0
		0
		0
Add as appropriate		
Total	,0	

[Provide short appropriate explanations as necessary]

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

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	131,972	4,049,185
Cash in hand		
Imprest		
Total	131,972	4,049,185

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff gratuity	1,250,262	0
Others (<i>specify</i>)	0	0
	1,250,262	0

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of Employees	3,537,540	1,482,429
Use of goods and services	3,603	10,121
Amounts due to other Government entities (see attached list)	7,100,545	3,757,041
Amounts due to other grants and other transfers (see attached list)	24,857,827	9,643,415
Acquisition of assets		
Others (<i>specify</i>)	0	4,677,027
	35,499,516	19,570,033

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

		2019 - 2020	2018 - 2019
		Kshs	Kshs
		1,836,912	1,326,775

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
Senior Management		a	b	c	d=a-c	
1.						
2.						
3.						
Sub-Total						
Middle Management						
Agnes Watiri Mwangi		239,399	01/10/2017	0.00	239,399	Unpaid Gratuity
Evalyne Aligulah Adisa		144,409	01/04/2018	0.00	144,409	Unpaid Gratuity
Norah Achieng' Okode		144,409	01/04/2018	0.00	144,409	Unpaid Gratuity
Michael Ongubo Nyokwoyo		144,409	01/04/2018	0.00	144,409	Unpaid Gratuity
William Aseka Olwosi		144,409	01/04/2018	0.00	144,409	Unpaid Gratuity
Phelesia Osanya		144,409	01/04/2018	0.00	144,409	Unpaid Gratuity
Janet Akinyi Ochieng		144,409	01/04/2018	0.00	144,409	Unpaid Gratuity
Vicky Apiyo Nyandimo		144,409	01/04/2018	0.00	144,409	Unpaid Gratuity
Sub-Total		1,250,262		0.00	1,250,262	
Unionisable Employees						
4.						
5.						
6.						
Sub-Total						
Others (specify)						
7.						
8.						
9.						
Sub-Total						
Grand Total						

ANNEX 3 – UNUTILIZED FUND

44

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost Kshs 2018/2019	Addition during the year	Disposals during the year	Historical Cost Kshs 2019/2020
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,358,476	-	-	1,358,476
ICT Equipment, Software and Other ICT Assets	669,650	-	-	669,650
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	2,028,126	-	-	2,028,126

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

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

ANNEX 4-PMC ACCOUNT BALANCES		2019 - 2020 Kshs	2018 - 2019 Kshs
St Elizabeth Primary School PMC	0950278674973	51,423.00	176,621.40
Dr Krapf Primary School PMC	0950278699793	54,292.00	108,675.00
Bahati Primary School PMC	0950278560219	133,980.38	477,183.38
Joseph Apundo Primary School PMC	0950278676235	446,324.00	99,725.00
St Michael Primary School PMC	0950278674953	131,315.60	131,533.60
Baraka Primary School PMC	0950278673154	339,324.80	198,236.30
Martin Luther Primary School PMC	0950278674942	35,580.00	134,800.00
Ofafa Jericho High School PMC	0950279482671	644,672.00	
		1,836,911.78	1,326,774.68

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3.1 Slow implementation of Projects; Star of Hope Primary School Contract Sum Ksh.108, 928,060	Disclosed in note 6 to the financial statements under transfer to other government entities is an amount of Kshs 56,772,011 relating to transfer to primary schools out of these Kshs 35,505,258 was paid to Dragome Construction Company limited. However contact number was not indicated in the source documents. The scope of the work involve construction of 32 classrooms at Star of Hope Primary School Viwandani ward at contract sum of Kshs 108,928,060. The works started on 13 th November 2018 and were due	The engineer's estimates are here by attached Annex 1 The projects was planned to be implemented over a period of 3 financial years however this was not reflected in the contract period but has since been rectified Annex 2 The contractor has since gone back to site and the works are ongoing currently at 60% completion. Annex 3	FAM	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>for completion on 11th May 2019 a duration of 6months. In addition the status report as 30th June 2019 and the engineer's estimates were not availed for the audit review.</p> <p>Audit inspection undertaken on 18th December 2019 revealed various anomalies as follows.</p> <p>i. Only ground floor structure was done without top slab.</p> <p>ii. The contractor was not on site.</p>				

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>iii. Construction works had stalled as at the time of audit inspection.</p> <p>Although the contractor was paid Kshs 35,505,258 completion certificates were not availed for audit review. Further management has not explained why the project is behind schedule and whether they have enforced liquidated damage provision on the firm.</p> <p>In the absence of the required documents it has not been possible to verify and establish what the contractor is supposed to achieve and what was actually achieved</p>				

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	hence transfer of other government entities of Kshs 82,718,931 cannot be confirmed				
1. Budget performance	<p>According to the summary statement of appropriation for the year ended 30th June 2019 Makadara NG-CDF had budgeted to receive from NGCDFB and spend Kshs 155,764,601 respectively.</p> <p>However the actual receipts and total actual expenditure were Kshs 145,764,601 and Kshs 126,720,000 respectively. No satisfactory explanations were provided by the management for the resultant under receipt of Kshs 10,000,000</p>	<p>The under receipt of Kshs 10,000,000 was an amount arising from provisions for desk and lockers payments made in 2017/2018 which the NGCDF board had not approved and had requested that the amount be reallocated to other projects. This was subsequently done and amounts release Annex 4</p> <p>The under expenditure was occasioned by late disbursements from the</p>	FAM	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>or 6% and under expenditure of Kshs 29,044,601 or 19% of the total budget.</p> <p>Further analysis of the budget against actual expenditure indicates that out of the development budget of Kshs 143,558,094 an amount of Kshs 116,907,051 was spent resulting in an under expenditure of Kshs 26,651,043 or 19% of the development budget. The under expenditure was mainly on transfer to other government units Kshs 9,473,179, other grants and transfers- Kshs 12,500,837 and other payments – Kshs 4,677,027.</p>	<p>board i.e. 7th june 2019 Annex 5 which resulted to delayed implementation of projects.</p> <p>However after the funds were received albeit late all the intended projects were implemented as planned.</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The under expenditure is an indication that some approved projects and programs were not fully implemented which in turn impacted negatively on efficient and effective delivery of services to the constituents.				
2. Failure to account for stadium hire charges - camp Toyoyo stadium	As previously reported the Makadara NGCDF spent over Kshs 72,246,842 to construct and rehabilitate Camp Toyoyo Stadium between financial years 2013 to 2017. The Facility was handed over to the local Community-based Management (CBM) called Camp Toyoyo Project Management	The project having been fully funded by the NGCFC was completed and handed over to the Camp Toyoyo PMC in July 2016. The PMC is completely fully in charge of the project both employment of staff, setting the charges for use of the facility and putting	Camp Toyoyo PMC	Not Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Committee after its completion .This was done to enable the local people deal with the unique social political and economic issues within the Constituency. The Camp Toyoyo Project Management Committee was to hire he facility to various teams at a fee. The rates were fixed at Kshs 10,000 per match and or practice sessions for division one or premier league teams and Kshs 5,000 for other teams. All Makadara based teams play or practice for free. The fee was to be used in the maintaining the facility to make it always be in good working condition for the users. The</p>	<p>the collections into good use as per attached PMC constitution and registration certificate. The NGCDFC only remained with a peripheral role of advisory and monitoring the sustainability of the project. Attached are the bank reconciliations up to September 2017. The average monthly collections and expenditures as at that October 2017 were Kshs 181,000 and Kshs 144,000 respectively. Attached also and handover minutes. However the NGCDFC is</p>			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	management opened a bank account (Camp Toyoyo Project Management Committee Equity Bank Account No 0950166457342 domiciled at Buruburu Branch), however, even though several teams have hired and used the facility since handover, no records have been produced for audit review. The income and expenses for the period jan 2016 to October 2017 (22months) amounted to Kshs 3,994,000 and Kshs 3,171,664 respectively. This translates to an average collection of Kshs 182,000 per month. Documents to account for revenue and expenditure for the	aware of management challenges being experienced at the project. Firstly there is an ongoing case against the office of the sub county social development office for instituting changes in the composition of the PMC membership details attached. Secondly there is another court case against the Fund manage for wrongfully dismissing the staff and lastly the account of the PMC was frozen by the former treasurer. The current staff don't bank any collects and			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>period November 2017 to December 2019 were not presented for the audit review and this translates to approximately Kshs 4,732,000 of revenue not being accounted for. The management did not also present for audit review various correspondences between the camp Toyoyo PMC and Makadara NG-CDF and the ministry of labour social security and services under which the facility is registered.</p>	<p>the NGCDFC is not aware where funds are being banked despite the daily use of the project. There is an ongoing investigation by the DCI regarding the management of the project. Due to the above facts the NGCDFC has no information about the operations of the project from September 2017 onwards and is of the opinion that any further involvement in the project will jeopardize the investigations.</p>			

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	Consequently it could not be ascertained whether the facility was during the year under review being managed professionally with the aim of sustaining itself from the collections and charges.				
3. Unconfirmed Supply of Furniture to Schools.	As previously reported, information available at the fund's constituency office indicates that some merchants to have supplied furniture to school within the constituency between July 2009 and December 2012 at a cost of kshs.47,428,765.52 without adequate documentation and instruction. It is not clear how the	The Makadara NGCDFC has compiled a report on the above and is attached herein. The NGCDFC has further sought an advisory opinion from the Public Procurement Regulatory Authority who in turn directed the NGCDFC to seek further advice from the Attorney general's office. The	FAM	Not Resolved	

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	<p>contracts were awarded and what basis the items were supplied to the public in Makadara Constituency.</p> <p>A letter by the Fund Manager to thirty three school dated 4 January 2016 requesting confirmation of the receipt of the furniture had only twelve school responding. The remaining twenty one school did not respond on whether they were supplied with the furniture or not.</p> <p>The Makadara District Education Officer through letter Ref; MAK/EDU/5/10/11 of 28</p>	<p>Attorney General has further advised the NGCDF to write to all claimants requesting for more documentation which will be forwarded to the AG for a final determination to be made. ANNEX 6</p>			

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	<p>November 2011 gave details of the lockers and chairs supplied to MAKADARA public schools.</p> <p>However the letter was not supported by delivery notes inspection and acceptance committee reports, contracts documents, tender documents ,LPOs/LSOs therefore its authenticity could not be ascertained.</p> <p>Further information indicates that the there was no budget provided or allocated for the supplies in the respective financial years when the</p>				

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	contracts were purportedly awarded. It was further noted that several court suits have since been filed against the Fund by the merchants on the matter and even a Garnishee Order Nisi issued against the Fund's bank Account No 0950262163417 at Equity Bank-Buruburu Branch.				

