



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS (AID)

DATE: 23 FEB 2022

DAY:

Wed

REPORT

TABLED

CLERK-AT
THE-TABLE:

The majority whip
Hon. F. Wangwe MP
Benson Inzogu.

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KIKUYU CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2020



OFFICE OF THE AUDITOR GENERAL
CENTRAL HUB

20 APR 2021

RECEIVED
P. O. Box 267 - 10100, NYERI

Revised Template 30th June 2020



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

REPORTS AND FINANCIAL STATEMENTS

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIKUYU 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.....	10
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	12
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	13
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- KIKUYU CONSTITUENCY</i>	14
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	15
VIII. STATEMENT OF ASSETS AND LIABILITIES	16
IX. STATEMENT OF CASHFLOW	17
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	18
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	20
XII. SIGNIFICANT ACCOUNTING POLICIES	18
XIII. NOTES TO THE FINANCIAL STATEMENTS.....	22



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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Elizabeth Kagira
2.	Sub-County Accountant	Gaceri Gitabi
3.	Chairman NGCDFC	Simon Ngugi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 167
NGCDF Building
Kikuyu Town Road
Nairobi, KENYA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

(f) NGCDF KIKUYU Constituency Contacts

Telephone: (254) 721 519908

E-mail: kikuyucdf@gmail.com

Website: www.kikuyuconstituency.com

(g) NGCDF KIKUYU Constituency Bankers

1. Equity Bank
P.O. Box 1707-00902
Kikuyu Branch
0570262103404

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Annual Constituency Allocation

I am pleased to present the unaudited financial statements for Kikuyu Constituency for the financial year ended 30th June 2020. During the year, the Constituency was allocated a total of Kshs 137,367,724..

On receipt of the above allocations, Kikuyu National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. It is noteworthy that during the FY 2019/2020, we received 50% of the normal Constituency funding equivalent to Kshs 68,000,000 and these funds were then disbursed to earmarked projects. Ksh 55,040,875 from FY 2018/19 was received in 2019/20 financial year.

Sector Prioritization

During the year, a total of Kshs 84,500,000 was allocated as transfers to Government Units which consist of transfers to Security, Primary schools and secondary schools projects. Another amount of Ksh.37,740,637 was allocated to Administration, Sports, Bursary ,M & E and Environment.

Sectoral Analysis of Funding

Over the past 7 years, the Constituency has received over Kshs 645,924,344.31 which were subsequently been disbursed to various projects in such sectors as Health, Roads, Education, water, security etc in addition to the statutory bursary, emergency, sports, environment, administration and monitoring and evaluation votes. The funding has benefitted over 100 projects and the breakdown in terms of the number of projects funded in these leading sectors over the last five years is as hereunder provided;

Number of Projects Per Sectors FY2012/13-2019/20 (In Key Sectors)

Sector	Number of Projects							Total
	2019/20	2017/18	2017/18	2016/17	2015/16	2014/15	2013/14	
Primary Schools	14	24	3	16	17	13	7	94
Secondary Schools	11	8	2	0	6	5	6	38
Tertiary Institutions	0	0	0	0	0	1	0	1
Health	0	0	0	0	2	3	4	9
Water	0	0	0	0	2	4	5	11
Security	7	4	1	6	3	1	0	22
Roads	0	0	0	0	0	3	3	6
Total No Funded	32	36	6	16	30	30	25	181

Source: Kikuyu NGCDF Records (2019)

It is therefore notable that within the education sector, primary schools have realized the highest number of projects funded in the Constituency followed by secondary schools and finally Security and Water institutions. Overall, the ranking based on highest number of projects funded over the period has primary Schools as the leading sector followed by secondary Schools, security and finally Water Institutions.

The NG-CDF (Amendment) Act 2016 introduced a major shift in the scope of projects eligible to be funded. Under this Act only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports and environment sectors as well as other national government residual functions. During the FY 2019/2020, the Committee

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2020

undertook to expedite the disbursement of funds to earmarked projects in accordance with the provisions of the NGCDF Act, 2015, as amended in 2016, and the requirements of the Annual Performance Contract. The disbursements saw the implementation of approved project activities across the Constituency. As at the close of the fiscal year 2019/2020 on 30th June 2020, the funds utilised was Kshs 122,240,637 out of Ksh.123,207,876 received which is 98%. This is an impressive performance realized by the Committee during the year on funds absorption based on funding received from the NGCDF Board. The remaining amount was not received from the National Board.

Achievements and Major Undertakings


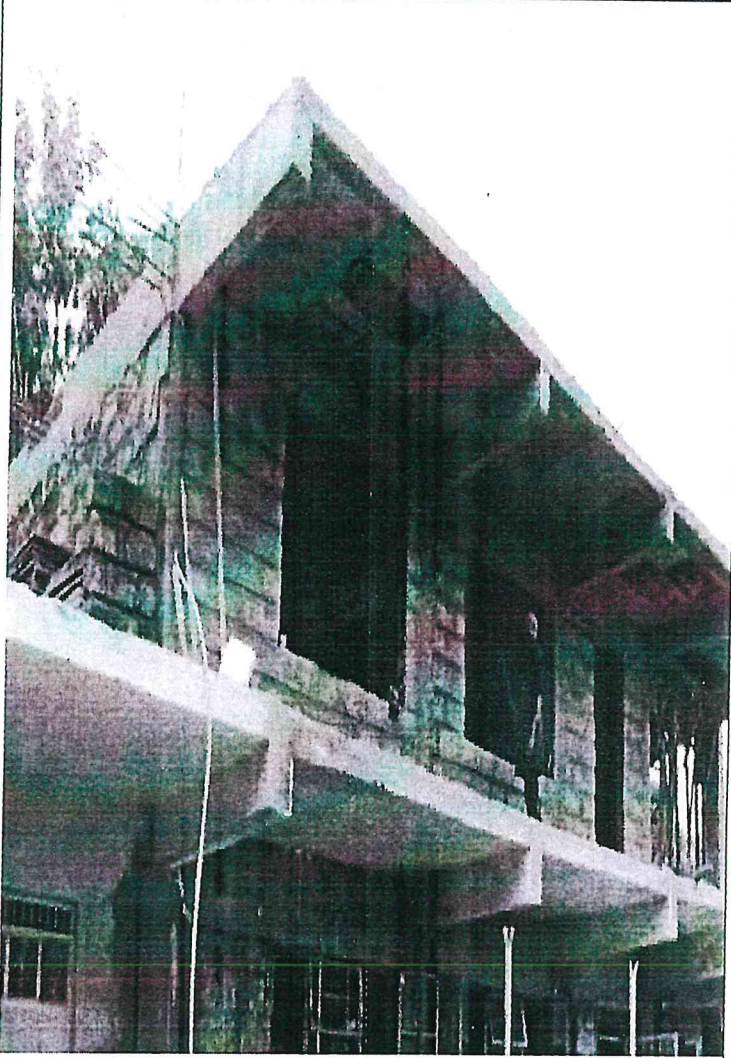
During the year, the Committee disbursed a total of Kshs 16,977,500 as bursary to needy students in secondary, Special and tertiary institutions and this benefitted a total of 3,891 students. Major physical facilities funded are infrastructure such as classrooms, administration blocks, laboratories, dormitories, toilets, lockers and chairs, desks and equipping of laboratories and libraries. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low income families. Another major project undertaken during the year is the Kikuyu NG-CDF Office starring new schools to increase capacity and transition.

NO.	Project name	Image of the project	Impact of the project
		a)Education Projects	
1	Fr. Kevin Kelly High School in Karai Ward		Students at Fr. Kevin Kelly High School have more classrooms to do their learning

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU
CONSTITUENCY**

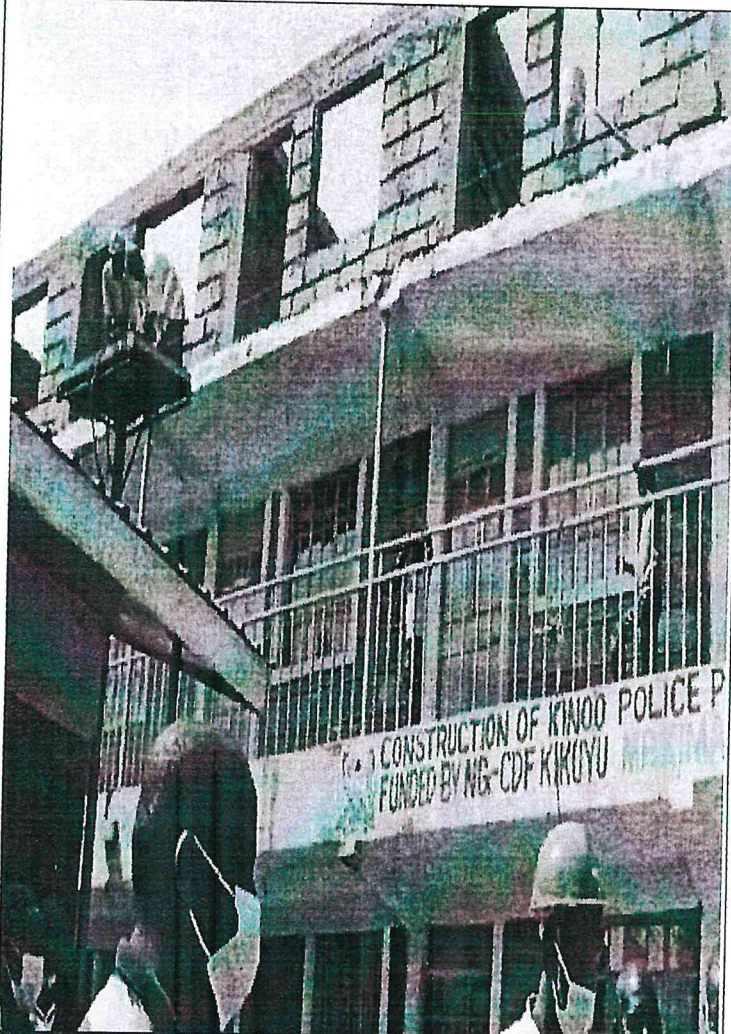

Reports and Financial Statements

For the year ended June 30, 2020

2	Mama Ngina Primary school in Kinoo Ward		Pupils at Mama Ngina Primary school have more classrooms for their studies.
3	Muhu secondary School in Kikuyu Ward		Students at Muhu Secondary school will have more classrooms for their studies

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU CONSTITUENCY

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

		Security Projects	
1.	Kinoo Police Post in Kinoo Ward		The project will enable Police Officers to provide security in Kinoo area to reduce crime rate which was worrying .
1	Mbomboini Police Post in Nachu Ward		The Project will enable the police to provide security to reduce crime in the area.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

Budgetary Appropriations

During the financial year 2019/2020, the overall budget utilization stood at 65 percent based on the funds received. This was achieved due to expeditious disbursement of funds received to earmarked projects by the NGCDF Committee. During the period Kshs 125,551,927 was received against the total budget of Kshs 192,575,600

Development Planning

The Constituency Development Funds continue to draw interest of beneficiaries and communities alike. This has seen the receipt of many proposals from communities spanning various sectors. To ensure focus and expedite Constituency development, the Committee is reviewing its strategic plan which is a formalized road map that spells out where the Constituency is going over the next five years in project identification, implementation and management taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030 and related County Integrated Development Plans. The NGCDF Committee is convinced that the strategic plan shall help the Constituency in setting priorities, focusing energy and resources, strengthening operations and ensuring that the Committee, its employees and other stakeholders are working towards a common goal and results.

Challenges

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2019/2020. These encompass, inadequate record keeping by project management committees and delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management. To mitigate the above, the committee during the year 2019/2020 scaled up its capacity building programmes for NGCDF Committee, Project Management Committees and staff on various aspects of NGCDF projects management. These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2020/2021.

I wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions even performing better and attaining better assessments in its performance targets for FY 2020/2021.


SIMON NGUGI

CHAIRPERSON NG-CDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU
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-KIKUYU Constituency's 2018-2022 plan are to:

- a) Renovate existing education facilities, build more infrastructure, equip them and enhance bursary programs
- b) Construction of additional police post, police housing units and refurbishment and equipping existing ones
- c) Sensitization of youth, women and people with disability about government tenders, provision of sports attire to youth in various sporting activities and training boda boda riders to help them acquire driving licenses

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	We set to construct 27 new classrooms, renovate 37 classrooms, construct 3 dormitories, construct 2 school halls and 4 administration offices	In FY 19/20 -we increased number of classrooms by 56 in different schools, 3 dormitories, 5 Administration blocks 6 Toilet blocks, 1 School hall and 21 staff houses in different schools/institutions - 2846 Bursary beneficiaries at all levels were as per the attached schedules
Security	To reduce the level of crime in all areas in the	Construction of police posts in crime prone	- We had set to construct 1 administration block	In FY 2019/20 -we build 3 Administration

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

	constituency	areas to beef up security	and 9 staff houses	blocks,1 Toilet block ,13 staff houses in different police posts
Environment	To enhance water harvesting in schools and police posts	Provision of water tanks for water harvesting	- We set to buy 10 500lt water tanks	In FY 2019/20 -we bought 10 5,000 lts water tanks for various schools and police posts
Sports	To support youth in sports with training kits	Provision of sporting kits to youth in sports	-number of sport kits bought for youth in sports	In FY 2019/20 -we bought sports kits and distributed to various teams all wards in the constituency
Disaster Management				

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – KIKUYU 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 –

Kikuyu NGCDF transform lives by providing conducive learning facilities and bursary programmes to learners so as to support skilled labour to the markets and better livelihood to the citizens. Security facilities help police to secure our neighbourhoods for peaceful living.

Environmental performance

Kikuyu NGCDF has committed to sustain the environment by installing 11 dustbins within the town and its environs. This helps to ensure there is no littering of the environment hence keeping it clean. We have also planted trees in schools and in Ondiri swamp to increase the forest cover.

Employee welfare

Kikuyu NGCDF is committed to employing staff from across the constituency to represent different areas, including balancing both genders. The hiring process is transparent with advertisement for vacant positions through letters to churches and Chiefs. There is a thorough interviewing process in order to hire the best person out of the many who turn out for the interview. We often carry out training in order to improve their skills and managing careers. This is carried out by qualified personnel who are from various government departments within the constituency. The employees are appraised annually and are rewarded by increasing their salaries depending on their performance from time to time. From time to time we train on safety measures in case of any danger and are in compliance with Occupational Safety and Health Act of 2007(OSHA)

Market place practices-

We advertise our works in Newspapers, our website, notice boards at our office, DCC and all the 5 wards chiefs' offices, WhatsApp groups for the prequalified contracts. This helps in responsible competition practice. The organisation ensures that there is fair competition and awarding of contracts successful bidders. We honour our contracts and pay our suppliers promptly.

Community Engagements-

Kikuyu NGCDF engage the community through partnering with them as Project Management Committee and train them in projects monitoring. We also offer internship opportunities to graduates so that they can get work experience as they pursue their careers. We also request our contractors to source materials and labour from the local communities so that they can benefit financially.

Reports and Financial Statements

For the year ended June 30, 2020

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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.

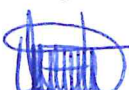
The Accounting Officer in charge of the NGCDF-KIKUYU Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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-KIKUYU Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-KIKUYU Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-KIKUYU 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-KIKUYU Constituency financial statements were approved and signed by the Accounting Officer on 26 AUG 2020 2020.


Fund Account Manager
Elizabeth Kagira


Sub-County Accountant
Gaceri Gitabi
ICPAK Member 11937



REPUBLIC OF KENYA

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



Enhancing Accountability

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kikuyu Constituency set out on pages 15 to 45, 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 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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kikuyu 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 National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

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

In the audit report of the previous year, an issue was raised under the Report on Financial Statements. However, the Management has not resolved the issues.

2.0 Budgetary Control and Performance

The summary statement of appropriation: recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.192,575,600 and Kshs.125,551,927 respectively resulting to an under-funding of Kshs.67,023,673 or 35% of the budget. Similarly, the Fund expended Kshs.122,240,637 against an approved budget of Kshs.192,575,599 resulting to an under-expenditure of Kshs.70,334,964 or 37% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the constituents of Kikuyu Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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

Delayed Project Implementation

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.69,000,000 under transfers to other government units which consists of expenditures of Kshs.39,500,000 and Kshs.29,500,000 in respect of transfer to primary schools and transfer to secondary schools respectively. The expenditure includes disbursements totalling to Kshs.10,000,000 paid on 25 March, 2020 to one primary school and two secondary schools for implementation of projects during the year under review as follows:

Name of Project	Activity	Amount Disbursed (Kshs.)
Kerwa Secondary School	Construction 7 No. classrooms	3,000,000
Kikuyu Day High School	Construction of a Dormitory	4,000,000
Njumbi Primary School	Reconstruction of Administration Block	1,500,000
Njumbi Primary School	Construction of 4 No. classrooms	1,500,000
	Total	10,000,000

A physical verification of the projects carried out on 22 March, 2021 revealed delays in implementation of the projects, for one year after the release of funds. Management did not give any explanation for the delay and it is not clear when the implementation is expected to be commenced.

Consequently, the constituents of Kikuyu Constituency have not received value for money for the amount of Kshs.10,000,000 disbursed due to the delay in implementation of the projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability of the Fund to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to abolish the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund 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 sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 February, 2022

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU 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 NGCDF board	1	123,040,876	111,634,483
Proceeds from Sale of Assets	2	-	-
Other Receipts (reversed cheques)	3	167,000	400,135
TOTAL RECEIPTS		123,207,876	112,034,618
PAYMENTS			
Compensation of employees	4	1,993,948	1,817,285
Use of goods and services	5	8,644,845	13,251,258
Transfers to Other Government Units	6	69,000,000	84,134,000
Other grants and transfers	7	42,601,844	25,705,000
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		122,240,637	124,907,543
SURPLUS/(DEFICIT)		967,239	(12,872,925)

NG-CDF FUND ACCOUNT

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIKUYU Constituency financial statements were approved on **26 AUG 2020** and signed by:

TEL : 0721 519 908

Fund Account Manager
Elizabeth Kagira

Sub-County Accountant
Gaceri Gitabi
ICPAK Member 11937





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU 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	3,311,290	2,344,051
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		3,311,290	2,344,051
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		3,311,290	2,344,051
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITIES		3,311,290	2,344,051
NET FINANCIAL ASSETS		3,311,290	2,344,051
REPRESENTED BY			
Fund balance b/fwd	13	2,344,051	15,216,976
Prior year adjustments	14	-	-
Surplus/Deficit for the year		967,239	(12,872,925)
NET FINANCIAL POSITION		3,311,290	2,344,051

NG-CDF FUND ACCOUNT

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIKUYU Constituency financial statements were approved on 26 AUG 2020 and signed by:

TEL 011 519 908

**Fund Account Manager
Elizabeth Kagira**

**National Sub-County Accountant
Gaceri Gitabi
ICPAK Member 11937**



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KIKUYU 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	123,040,876	111,634,483
Other Receipts (reversed cheques)	3	167,000	400,135
Total receipts		123,207,876	112,034,618
Payments for operating expenses			
Compensation of Employees	4	1,993,948	1,817,285
Use of goods and services	5	8,644,845	13,251,258
Transfers to Other Government Units	6	69,000,000	84,134,000
Other grants and transfers	7	42,601,844	25,705,000
Other Payments	9	-	-
Total payments		122,240,637	124,907,543
Total Receipts Less Total Payments		967,239	(12,872,925)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		967,239	(12,872,925)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		967,239	(12,872,925)
Cash and cash equivalent at BEGINNING of the year	13	2,344,051	15,216,976
Cash and cash equivalent at END of the year		<u>3,311,290</u>	<u>2,344,051</u>

NG-CDF FUND ACCOUNT
MANAGER - KIKUYU

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIKUYU Constituency financial statements were approved on 26 AUG 2020 and signed by:

TEL 011 21 519 908

Fund Account Manager
Elizabeth Kagira

National Sub-County Accountant
Gaceri Gitabi
ICPAK Member 11937



X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	55,040,876	192,408,600	125,384,927	67,023,673	65.2%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	167,000	167,000	167,000	-	100.0%
PAYMENTS						
Compensation of Employees	2,060,000	-	2,060,000	1,993,948	66,052	96.8%
Use of goods and services	7,803,095	2,169,806	9,972,901	8,644,845	1,328,056	86.7%
Transfers to Other Government Units	80,000,000	34,250,000	114,250,000	69,000,000	45,250,000	60.4%
Other grants and transfers	47,504,629	18,788,069	66,292,698	42,601,844	23,690,854	64.3%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTALS	137,367,724	55,207,875	192,575,599	122,240,637	70,334,962	63.5%

- i. Transfers from NGCDF Board underutilization by about 34.8% is due to delay in disbursement of funds from National Board
- ii. Use of goods and services underutilization below 90% is due to delay in disbursement of funds from National Board
- iii. Transfers to other Government Units underutilization below 90% is due to delay in disbursement of funds from National Board
- iv. Other grants and transfers underutilization below 90% is due to delay in disbursement of funds from National Board

NGCDF-FUND ACCOUNT
Fund Account Manager
Elizabeth Kagira
26 AUG 2020
TEL: 0721 519 908

The NGCDF-KIKUYU Constituency financial statements were approved on _____ 2020 and signed by:
Sub-County Accountant
Gaceri Gitabi
ICPAK Member 11937



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

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 on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,060,000		2,060,000	1,993,948	66,052
1.2 Committee allowances					
1.3 Use of goods and services	3,423,095	498,113	3,921,208	3,044,095	877,113
2.0 Monitoring and evaluation					
2.1 Capacity building					
2.2 Committee allowances	2,000,000		2,000,000	1,897,250	102,750
2.3 Use of goods and services	2,380,000	1,671,693	4,051,693	3,703,500	348,193
3.0 Emergency	7,198,241	5,738,993	12,937,234	7,000,000	5,937,234
3.1 Primary Schools					
Renguti primary school					
Gathiru primary				1,000,000	
3.2 Secondary schools				1,000,000	
Nderi secondary					
Lusigetti senior high school				1,000,000	
Nachu high school				1,000,000	
HGM Kinoo secondary school				1,000,000	
3.3 Tertiary institutions				1,000,000	
3.4 Security projects					
Kamangu police					
4.0 Bursary and Social Security				1,000,000	

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
4.1 Primary Schools					
4.2 Secondary Schools	16,700,000	167,000	16,867,000	16,835,000	32,000
4.3 Tertiary Institutions	5,500,000		5,500,000	142,500	5,357,500
4.4 Universities	1,000,000		1,000,000		1,000,000
4.5 Social Security	5,000,000		5,000,000		5,000,000
5.0 Sports					
5.1 Levelling and fencing of Nachu TTI/Nachu secondary sports fields and fixing gate	2,086,388	1,066,038	3,152,426	2,692,344	460,082
5.2					
5.3					
6.0 Environment					
6.1 Construction of flood mitigation and control structures purchase of 10 5000lt water tanks	1,020,000	1,066,038	2,086,038	432,000	1,654,038
6.2					
6.3					
7.0 Primary Schools Projects (list all the Projects)	40,800,000	22,750,000	63,550,000	39,500,000	24,050,000
7.1 Wambaa primary		2,000,000	2,000,000	2,000,000	
7.2 Kandengwa primary		3,000,000	3,000,000	3,000,000	
7.3 Kanyiha primary		2,000,000	2,000,000	2,000,000	
7.4 Gicharani primary		2,000,000	2,000,000	2,000,000	
7.5 Riu Nderi primary		3,000,000	3,000,000	3,000,000	
7.6 Gatune primary		500,000	500,000	500,000	
7.7 Ndiguini primary	2,000,000	2,000,000	4,000,000	2,000,000	2,000,000
7.8 Kamangu primary	1,500,000	4,000,000	5,500,000	4,000,000	1,500,000
7.9 Kikuyu Township primary	1,000,000	4,000,000	5,000,000	4,000,000	1,000,000
7.10 Mama Ngina primary	4,000,000		4,000,000	4,000,000	
7.11 Thogoto primary	3,000,000		3,000,000	3,000,000	

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.12 Njumbi primary	3,000,000		3,000,000	3,000,000	
7.13 Riu Nderi primary	3,000,000		3,000,000	3,000,000	
7.14 Lusigetti primary	4,000,000		4,000,000	4,000,000	
7.15 Kandengwa Primary School	2,000,000		2,000,000		2,000,000
7.16 Kanyanjara primary school	500,000		500,000		500,000
7.17 Nduma Primary School	2,000,000		2,000,000		2,000,000
7.18 Thirime Primary School	10,000,000	250,000	10,250,000		10,250,000
7.21 Students Lockers & Chairs	4,800,000		4,800,000		4,800,000
8.0 Secondary Schools Projects (List all the Projects)	39,200,000	11,500,000	50,700,000	29,500,000	21,200,000
8.1 Kikuyu Day high		2,500,000	2,500,000	2,500,000	
8.2 Fr. Kevin Kelly high		3,000,000	3,000,000	3,000,000	
8.3 Muihu secondary		3,500,000	3,500,000	3,500,000	
8.4 Kikuyu Boys secondary		1,000,000	1,000,000	1,000,000	
8.5 Gichuru Memorial high		1,500,000	1,500,000	1,500,000	
8.6 Fr. Kevin Kelly high	2,000,000		2,000,000	2,000,000	
8.7 Muihu secondary	3,000,000		3,000,000	3,000,000	
8.8 Kerwa secondary	3,000,000		3,000,000	3,000,000	
8.9 Kikuyu Day high	4,000,000		4,000,000	4,000,000	
8.10 Gichuru Memorial high	3,000,000		3,000,000	3,000,000	
8.11 Kikuyu Boys secondary	3,000,000		3,000,000	3,000,000	
8.12 HGM Kinoo Secondary School	12,600,000		12,600,000	3,000,000	12,600,000
8.13 Karai Day Secondary School	6,000,000		6,000,000		6,000,000
8.14 Renguti High School	2,000,000		2,000,000		2,000,000
8.15 Nachu Secondary school	600,000		600,000		600,000
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					

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

(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-KIKUYU 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.

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.



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.

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

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 A005165	1		43,405,173
AIE NO B005278	2		11,379,310
AIE NO B030328	3		10,000,000
AIE NO B006381	4		6,000,000
AIE NO B030439	5		20,000,000
AIE NO A699129	6		11,000,000
AIE NO B042769	7		7,000,000
AIE NO B030006	8		2,850,000
AIE NO A041043	1	50,040,875	
AIE NO B047324	2	1,000,000	
AIE NO B047464	3	4,000,000	
AIE NO B041297	4	20,000,000	
AIE NO B047717	5	5,000,000	
AIE NO B049207	6	4,000,000	
AIE NO B047923	7	9,000,000	
AIE NO B 049311	8	14,000,000	
AIE NO B104336	9	16,000,000	
TOTAL		123,040,876	111,634,483

2. PROCEEDS FROM SALE OF ASSETS

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



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

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	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere (reversed stale cheques) list attached	167,000	400,135
Total	167,000	400,135

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,907,548	1,739,525
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	-	-
Employer Contributions Compulsory national social security schemes	86,400	77,760
Total	1,993,948	1,817,285



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KIKUYU 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
Committee Expenses	2,669,750	4,388,000
Utilities, supplies and services	2,106,345	3,179,545
Communication, supplies and services	653,750	167,000
Domestic travel and subsistence	1,747,000	1,197,000
Printing, advertising and information supplies & services	-	547,579
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	1,168,000	1,452,400
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	300,000	1,474,782
Other operating expenses	-	844,952
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	8,644,845	13,251,258

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KIKUYU 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)	39,500,000	57,134,000
Transfers to secondary schools (see attached list)	29,500,000	27,000,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	69,000,000	84,134,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	16,835,000	12,642,000
Bursary – tertiary institutions (see attached list)	142,500	1,002,000
Bursary – special schools (see attached list)	-	6,061,000
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	15,500,000	6,000,000
Sports projects (see attached list)	2,692,344	-
Environment projects (see attached list)	432,000	-
Emergency projects (see attached list)	7,000,000	-
Total	42,601,844	25,705,000

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

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

9. OTHER PAYMENTS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KIKUYU 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
Equity Bank, 0570262103404	3,311,290	2,344,051
	-	-
	-	-
Total	3,311,290	2,344,051
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
[Provide cash count certificates for each]		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KIKUYU 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>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-

Total

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

12A. RETENTION

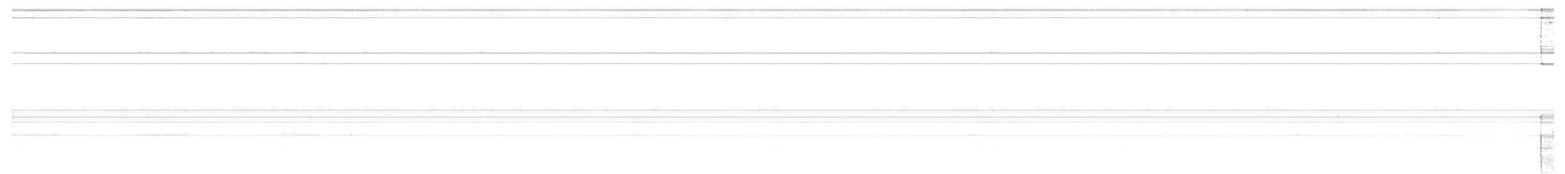
	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]



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

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

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	2,344,051	15,216,976
Cash in hand	-	-
Imprest	-	-
Total	2,344,051	15,216,976

[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	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	45,500,103.48	45,845,317.09
	45,500,103.48	45,845,317.09



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIKUYU 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	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
Construction of buildings	A	b	c	d=a-c	
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 ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
Senior Management		A	b	c	d=a-c	
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10. Joseph Mbugua	N/A	133,126	28/02/2020	00	133,126	
11. Harun Kihuha	N/A	155,000	31/08/2020	00	155,000	
12. Miriam Njeri	N/A	139,500	31/08/2020	00	139,500	
Sub-Total		427,626			427,626	
Grand Total						

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

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		66,052		
Use of goods & services		1,328,056		
Amounts due to other Government entities				
Kamangu Primary School		1,500,000		
Kandengwa Primary School		2,000,000		
Kanyanjara primary school		500,000		
Kikuyu Township Primary School		1,000,000		
Ndiguini Primary School		2,000,000		
Nduma Primary School		2,000,000		
Thirime Primary School		10,250,000		
Students Lockers & Chairs		4,800,000		
HGM Kinoo Secondary School		12,600,000		
Karai Day Secondary School		6,000,000		
Renguti High School		2,000,000		
Nachu Secondary school		600,000		
Sub-Total		45,250,000		
Amounts due to other grants and other transfers				
Kidfarmaco patrol base		750,000		
Mai-a-ihii police post		3,000,000		
Mama Ngina patrol base		500,000		
Emergency		5,937,234		
Bursary-secondary Schools		32,000		
Bursary- Tertiary Institutions		5,357,500		
Bursary-Special		1,000,000		
Social Security		5,000,000		
Sports		460,082		
Environment		1,654,038		
Sub-Total		23,690,854		
Sub-Total				
Acquisition of assets				



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

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Others (<i>specify</i>)				
Sub-Total				
Grand Total		70,334,962		

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	4,000,000	-	-	4,000,000
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	680,730	-	-	680,730
ICT Equipment, Software and Other ICT Assets	1,200,700	-	-	1,200,700
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	5,881,430			5,881,430

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

Reports and Financial Statements

For the year ended June 30, 2020

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kikuyu Police post	Jamii Bora Bank	3061829409002	25,484	20,334.61
Kamangu Primary school	Equity Bank	0570279463465	307,912.00	4,000,000
Kamangu Police post	Equity Bank	05702799287455	1,114,934.00	2,000,000
Gichuru Memorial Secondary school	Equity Bank	0570293128987	3,797,655.75	1,698,074.75
Gicharani Primary school	Equity Bank	0570292357909	815,568.90	2,064,084.90
Gatune Primary school	Equity Bank	0570193102686	426.80	502,056.80
Renguti Primary school	Equity Bank	0570279515415	53,490.00	1,000,000.00
Kikuyu Boys High school	Equity Bank	0570260865911	3,412,269.50	1,000,437.50
Kerwa Police Post	Equity Bank	0570270129113	136,973.00	2,502,026.00
Njumbi Primary school	Equity Bank	0570293364367	3,033,359.50	2,513,453.50
Nachu Secondary school	Equity Bank	0570293238637	68,149.00	1,015,894.00
Mbomboini Police post	Equity Bank	0570279369808	116,954.00	2,000,000.00
Kinoo Police Post	Equity Bank	0570293380430	4,014,059.00	353,378.00
Riu Nderi Primary school	Equity Bank	0570260630647	3,169,050.00	171,943.50
Lusigetti Senior High school	Equity Bank	0570270173526	21,250.00	773.00
Kerwa Secondary school	Equity Bank	0570298134882	3,233,531.50	371,701.50
HGM Kinoo Primary school	Equity Bank	0570278492673	8,770.00	6,782,779.00
Kandengwa Primary school	Equity Bank	0570268567039	361,693.50	3,075,910.50
Mama Ngina Primary school	Equity Bank	0570291568078	4,043,112.78	2,340,099.78
Lisigetti Primary school	Equity Bank	0570293603903	4,153,235.50	4,000,982.50
Wambaa Primary school	Equity Bank	0570279411986	99,203.00	2,000,000.00
Thogoto Primary school	Equity Bank	0570293526976	3,057,938.00	1,013,807.00
Thogoto AP Post	Equity Bank	0570262581047	2,000,014.80	14.80

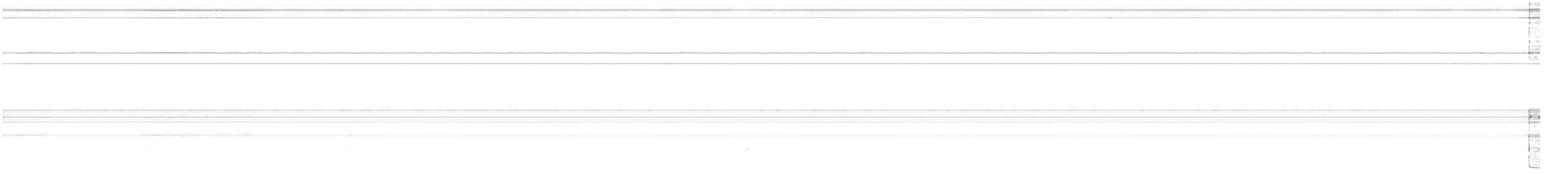


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KIKUYU CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kikuyu Township primary school	Equity Bank	0570299666973	1,645,147.50	4,056,612.50
Kikuyu Day Secondary school	Equity Bank	0570262803526	4,072,928.40	18,458.40
Fr. Kevin Kelly High school	Equity Bank	0570298667497	2,686,634.55	16.55
Gathiru Primary school	Equity Bank	0570298932865	50,358.50	1,342,478.00
Total			45,500,103.48	45,845,317.09



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

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)
NG-CDF BOARD/GEN-AUDIT/VOL. VII/015 F2018/19	Unutilised funds/Under expenditure	The balance at the end of the year was broken down into the votes	Elizabeth Kagira Fund Account Manager	Resolved	Done
NG-CDF BOARD/GEN-AUDIT/VOL. VII/015 F2018/19	Non-compliance with recommended financial reporting template e.g failure to indicate specific parameters on the expected performance indicators	The specific parameters have been indicated in the revised financial report	Elizabeth Kagira Fund Account Manager	Resolved	Done
NG-CDF BOARD/GEN-AUDIT/VOL. VII/015 F2018/19	Budget execution by program does not indicate original budget, adjustment, final budget and actual amount disbursed to each project	The budget execution by program has been revised to indicate original, adjustment, final budget and actual amount of each project	Elizabeth Kagira Fund Account Manager	Resolved	Done
NG-CDF BOARD/GEN-AUDIT/VOL. VII/015 F2018/19	Delay in implementation of a project-Lusigetti primary school over KSh.4 million has remained in project bank account for more than a year	The project has since been implemented	Elizabeth Kagira Fund Account Manager	Resolved	Done

