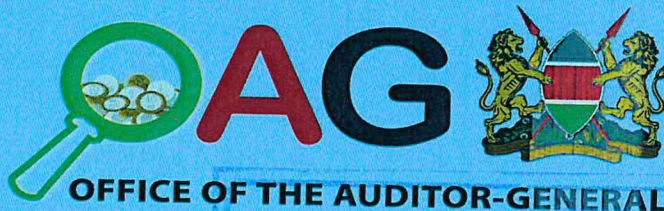


REPUBLIC OF KENYA



Enhancing Accountability

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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KITUTU CHACHE SOUTH CONSTITUENCY**

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





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KITUTU CHACHE SOUTH
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY**

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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) KITUTU
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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 Kitutu Chache South 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 | Edwin K. Rutto |
| 2. | Sub-County Accountant | Benjamin E. Oino |
| 3. | Chairman NGCDFC | James M.Maobe |
| 4. | Member of NGCDFC | James O.Orito |

(d) Fiduciary Oversight Arrangements

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

Kitutu Chache South NG-CDF Office Building
Monarch Building-Opposite ACC's Office Mosochi
P.O. Box 2223-40200
KISII

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For the year ended June 30, 2020

(f) NGCDF Kitutu Chache South Constituency Contacts

Telephone: (254) 720140374

E-mail: cdffkitutuchachesouth@ngcdf.go.ke

Website: www.go.ke

(g) NGCDF Kitutu Chache South Constituency Bankers

Co-operative Bank of Kenya

Kisii Branch

P.O. Box 2469

KISII, KENYA

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
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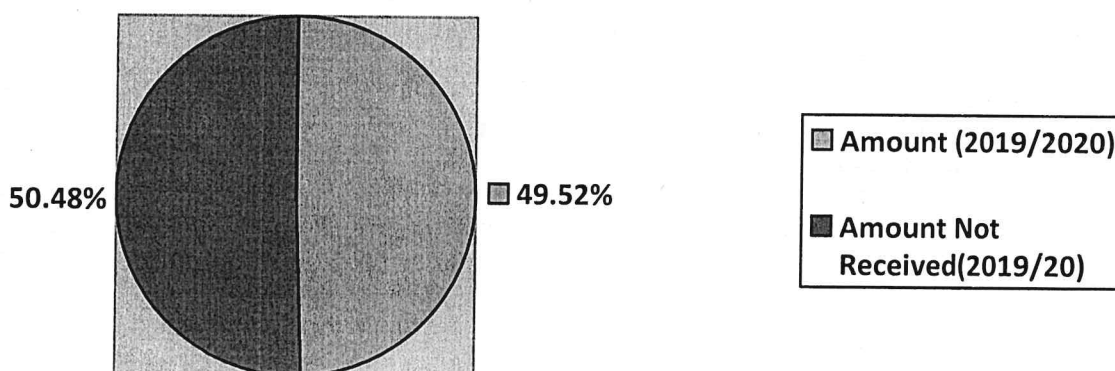
For the year ended June 30, 2020

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

During the financial year 2019/2020 Kitutu Chache South Constituency was allocated a total allocation of Ksh. 137,367,274. The total amount was budgeted for in the proposal for the financial year and it was approved in totality. The constituency received a total of Ksh.123, 040, 875.50 this amount received includes amounts relating to previous year which had not been received. From the current financial year Ksh.68,000,000 was received.

On appropriation the constituency utilization was average, the constituency was able to absorb more than 50% of the total available funds. This was somehow lower than previous years, this lower absorption was majorly attributed to COVID 19 Pandemic which caused some institution which are fundable by the fun to be closed delaying disbursement of funds.

About 50% of funds allocated during the financial year was received. The chart below shows a representation of amount received from board the financial year in comparison to the amount not yet received is represented by the pie chart below; This representation is for 2019/2020 funds



From the chart it can be seen that slightly more than 50% of the 2019/2020 funds were still with the board at the end of the financial year.

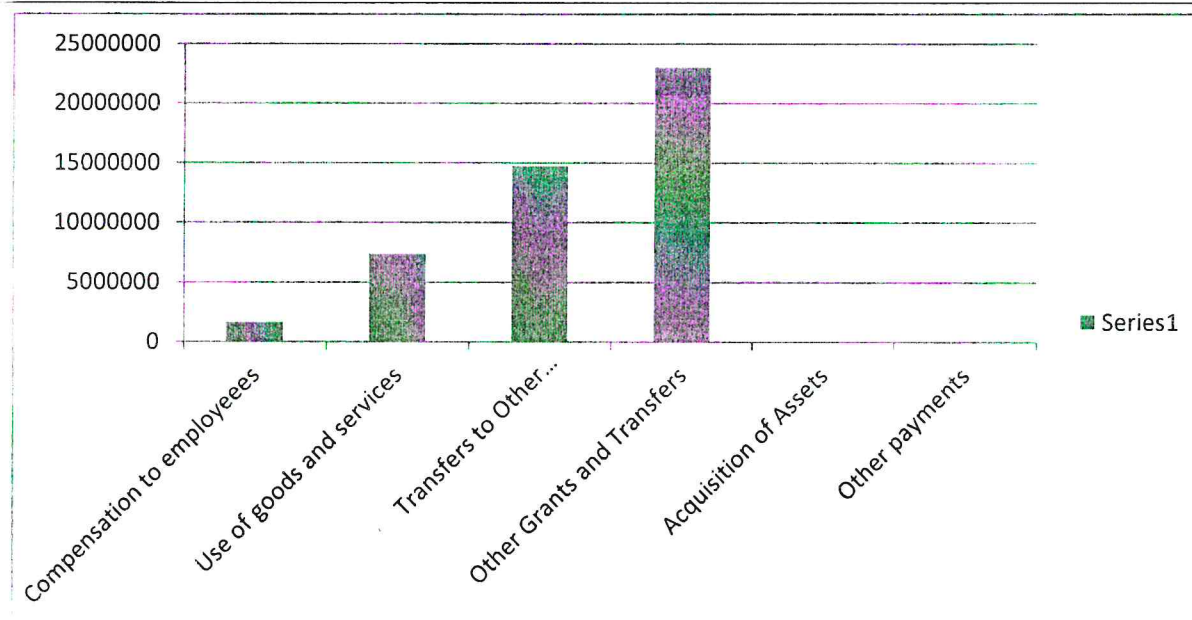
The NG-CDF Committee prioritized the funds which were received and gave priority to projects in Other Grants and Transfers and Transfers to other government entities as well as transfers to other government entities. Most of these projects were done to satisfaction. The bulk of funds utilized in the financial were in bursary, education projects and other grants and transfers.

The table below shows the utilization proportion of various votes during the financial year.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
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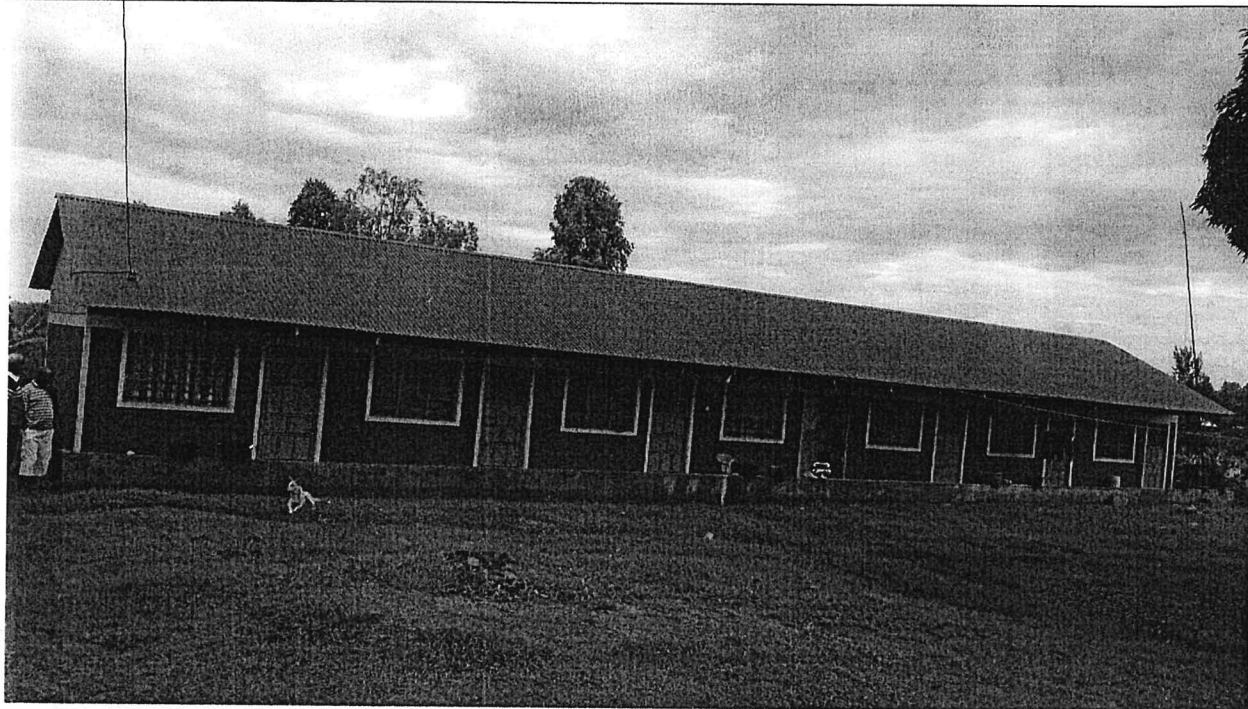
Kitutu Chache South National Government Constituency Development Fund Committee (NGCDF) projects were implemented through Project Management Committees. Some of the projects implemented during the year are represented pictorially below.

During the course of implementation of projects Constituencies Development Fund Committee noted that Project Management Committees require adequate training to ensure effective implementation of projects.

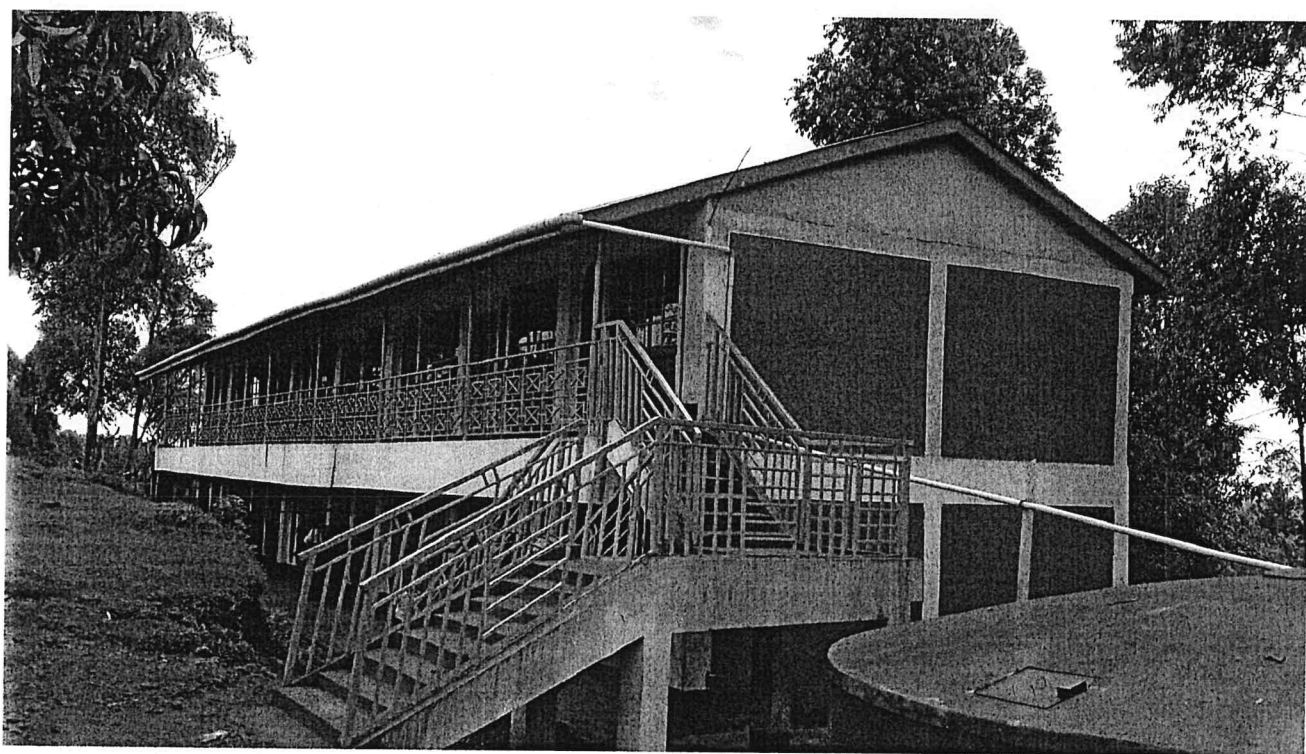
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
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KITUTU CHACHE SOUTH NG CDF PROJECT-7 UNITS OF STAFF HOUSES CONSTRUCTED BY NG-CDF AT RUGA AP. LINE



**KITUTU CHACHE SOUTH NG CDF PROJECT-8 CLASSROOMS CONSTRUCTED BY NG-CDF AT
KIANYABINGE PRIMARY SCHOOL**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
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The major emerging issue which arose during the year was the COVID 19 Pandemic, this pandemic affected the absorption rate of the fund since most institution where funding had been planned where closed i.e. schools, this affected bursary disbursement and project implementation.

The major challenge faced by Kitutu Chache South NG-CDF Committee during the year was shortage of technical person in construction at the county level which led to delayed preparation of construction documents i.e. Bill of Quantities, drawings as well as close supervision of projects by experts, this challenged sometimes led to poor workmanship in some project. The solve this challenge the committee has planned to employ clerk of works to assist in documentation and supervision.

Sign 

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
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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-Kitutu Chache South Constituency's 2018-2022 plan are to:

- a) To Improve Access to and Quality of Education in the Constituency
- b) To improve security in the Constituency
- c) To improve, coordinate and facilitate infrastructural development in Constituency
- d) To reduce poverty and inequality in the Constituency
- e) To mobilize Resources for Development in the Constituency
- f) To Build Capacity to Implement Development Projects in the Constituency
- g) To promote sports activities and prevent environmental degradation in the Constituency

Progress on attainment of Strategic development objectives

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

| Constituency Program | Objective | Outcome | Indicator | Performance |
|----------------------|---|---|--|---|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | <ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels | In FY 19/20 -we increased number of classrooms, dormitories, laboratoties by 50 classrooms schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules |
| Security | To improve security in the Constituency | Improved security in the constituency | Number of usable security facilities. | In2019/2020 four additional administrative/security offices were built during the year. |
| Environment | To promote | Youth | Number of | Four spring were |

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| | sports activities in the Constituency | participation in sports. | environmental projects constructed during the year | protected during the year. |
|------------------------|---|---|---|---|
| Sports | To prevent environmental degradation in the Constituency | Green and sustainable environment | Number of teams participating in tournament | Twenty youth football teams participated in the constituency football tournament. It included 10 from female and 10 for male. |
| Disaster Management | | | | |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU CHACHE SOUTH CONSTITUENCY

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – Kitutu Chache South 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

The Constituency Development Fund (CDF) as established by the CDF Act (2003). In January 2013, Parliament enacted CDF Act 2013, hence effectively repealing CDF Act 2003 as amended in 2007. The new law was also aimed to align the operations of the Fund to the new devolved government structure and the attainment of the vision 2030. The NG-CDF Act of 2015 is one of the devolved funds meant to achieve rapid socio-economic development at constituency level through financing of locally prioritized projects and enhanced community participation.

This was to be achieved by dedicating a specific portion of the ordinary Government Revenue to addressing felt needs of the local populations especially those that provide basic education, agricultural services and security.

To address the strategic issues, the overall objective is “*to reduce poverty and ensure equitable distribution of resources in the constituency*”. This will be witnessed in improved living standards for all inhabitants of Kitutu Chache South Constituency through high quality service delivery and accountability.

There are eight strategic objectives with specific strategies:

| Strategic Objective | Strategies |
|--|--|
| Strategic Objective 1: To Improve Access to and Quality of Education the Kitutu Chache South Constituency | <i>Strategy 1.1: Provision of bursaries to needy children in Kitutu Chache South Constituency.</i> |
| | <i>Strategy 1.2: Improving primary and secondary schools infrastructure in Kitutu Chache South Constituency;</i> |
| | <i>Strategy 1.3: To improve education outcomes at all levels of learning within the learning in Kitutu Chache South Constituency.</i> |
| Strategic Objective 2: To improve security in the Kitutu Chache South Constituency | <i>Strategy 2.1: Improving working conditions of security personnel; and</i> |
| | <i>Strategy 2.2: Enhance security for residents through multi-stakeholder pronged approaches</i> |
| Strategic Objective 3: To improve, coordinate and facilitate infrastructural development in Kitutu Chache South Constituency | <i>Strategy 3.1: Coordinate development work in the Kitutu Chache South Constituency and network with all development agents.</i> |
| | <i>Strategy 3.2: Open and improve feeder roads in Kitutu Chache South Constituency.</i> |
| Strategic Objective 4: To reduce poverty and inequality in Kitutu Chache South Constituency | <i>Strategy 4.1: Provision of employment opportunities that exist in the constituency and applying affirmative action in employment.</i> |
| | <i>Strategy 4.2: Empowering youth with skills in Kitutu Chache South Constituency</i> |
| | <i>Strategy 4.3: To harness the potential of youth in combating unemployment in Kitutu Chache South Constituency.</i> |
| Strategic Objective 5: To | <i>Strategy 5.1: Improving existing health facilities in Kitutu Chache</i> |

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| Strategic Objective | Strategies |
|---|--|
| improve health standards in Kitutu Chache South Constituency | <i>South Constituency</i> <i>Strategy 5.2: Construction of more evenly distributed health facilities in Kitutu Chache South Constituency</i> <i>Strategy 5.3: Improving the working environment of health personnel in Kitutu Chache South Constituency</i> |
| Strategic Objective 6: To mobilize Resources for Development in Kitutu Chache South Constituency | <i>Strategy 6.1: Mobilizing additional funding from National and County Governments, development partners, NGOs, CBOs, private sector, youth and women funds and other funding programmes in the Kitutu Chache South constituency.</i> <i>Strategy 6.2: Formation of Public Private Partnerships (PPP).</i> |
| Strategic Objective 7: To Build Capacity to Implement Development Projects in Kitutu Chache South Constituency | <i>Strategy 7.1: Providing funds for training CDF members and other stakeholders involved in the implementation of the constituency programmes and projects;</i> <i>Strategy 7.2: Improving the Institutional Capacity in Institutions in Kitutu Chache South Constituency;</i> <i>Strategy 7.3: Empowering special interest groups and provides safety nets for the vulnerable groups in Kitutu Chache South Constituency;</i> <i>Strategy 7.4: Encouraging the effective participation and involvement of the community in in Kitutu Chache South Constituency project identification, implementation, monitoring and evaluation;</i> <i>Strategy 7.5: Promoting good governance and accountability through projects/ programme impact analysis, monitoring and evaluation of in Kitutu Chache South Constituency; and</i> <i>Strategy 7.6: Enhancing operational excellence in in Kitutu Chache South Constituency</i> |
| Strategic Objective 8: To promote sports activities and prevent environmental degradation in Kitutu Chache South Constituency | <i>Strategy 8.1: Promoting sports activities in the in Kitutu Chache South Constituency.</i> <i>Strategy 8.2: Adopting environmental friendly practices in Kitutu Chache South Constituency.</i> |

Community participation to CDF projects is anchored at the Ward level. The community through open public forums championed by the MP and CD/FC Chair Person plans/ identifies and prioritizes development projects and democratically elects persons to represent them at the CD/FC. The CD/FC on behalf of the communities is mandated by the CDF Act 2013 to appraise, rank, cost and monitor implementation of the projects in accordance to the guidelines provided for by the act. The community through the Project Management Committees sustain the project upon completion by the CDF.

Kitutu Chache South NG - CDF has undertaken a comprehensive analysis of the anticipated risks likely to be faced at strategic, organizational, operational, financial and technological levels while implementing the Strategic Plan. Internal monitoring will be done on basis of a number of indicators, whose details are depicted in the implementation matrix

Environmental sustainability involves making decisions and taking action that are in the interests of protecting the community, with particular emphasis on preserving the capability of the environment to support human life.

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Sustainability means “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” Sustainability is not an end goal, but a journey that the Board and Constituency committees should take to improve the social equity, environmental, and economic conditions in their jurisdiction.

2. ENVIRONMENTAL PERFORMANCE

Public participation in the identification and implementation of environmental projects

The Kenyan Constitution encourages public participation in the management, protection and conservation of the environment. The NGCDF Board and NG-CDFCs are therefore required to involve the public in the identification and implementation of environmental projects to ensure maintenance and sustainability.

Eligible projects under the NG-CDF Environment programme

1. Projects falling within the National Government functions such as;
 - (i) **Fishing, hunting and gathering;**
 - (a) Construction of fishing bays and bandas to ensure cleanliness of the environment and ease of waste management;
 - (b) Construction of Eco-san toilets along the beaches
 - (c) Installation of bee hives for public institutions which helps in pollination and reproduction of plants
 - (d) Training of fisheries community on the best fishing and hunting practices
 - (ii) **Protection of animals and wildlife;**
 - (a) Partnering with relevant Government Departments in fencing national parks and gazetted forests.
 - (b) Partnering with relevant Government departments in sensitizing the community against poaching
 - (iii) **Water protection, securing sufficient residual water, and the safety of dams;**
 - (a) Protection of springs, dams and water reservoirs
 - (b) Building of gabions, training of rivers, desilting of dams, fencing of dams and water catchment areas
 - (iv) **Energy policy;**
 - (a) Installation of biogas and energy saving devices in public institutions *(All NGCDF funded projects should comply with this requirement)*
 - (b) Sensitizing the community on energy saving policies
 - (c) Carrying out energy requirements surveys

During the year Kitutu Chache South Protected four water springs

3.EMPLOYEES WELFARE TERMS AND CONDITIONS OF SERVICE

This gives the general procedure of employment of NG-CDFC staff.

Kitutu Chache South NG-CDF employs staff on contract of two years renewable subject to performance.

Recruitment Procedure, the Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

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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.

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 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 are 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.

HIV/AIDS HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive. HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace. HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

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

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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 favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour 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 (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) 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.

4. MARKET PLACE PRACTICES NG-CDFC

Fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the

grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

a) Responsible competition practice. During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

b) Responsible Supply chain and supplier relations Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) Responsible marketing and advertisement - outline efforts to maintain ethical marketing practices Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) Product stewardship in order to safeguard consumer rights and interests, the Kitutu Chache South NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide

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quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

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, including joint projects with other constituencies, 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's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision-making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognizing that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
CHACHE SOUTH CONSTITUENCY**

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For the year ended June 30, 2020

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

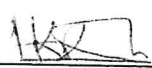
The Accounting Officer in charge of the NGCDF-Kitutu Chache South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on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

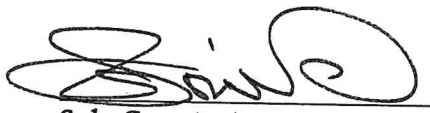
The Accounting Officer in charge of the NGCDF-Kitutu Chache South Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used 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-Kitutu Chache South Constituency financial statements were approved and signed by the Accounting Officer on 30.09 2020.


Fund Account Manager

Name: Edwin K. Ruto



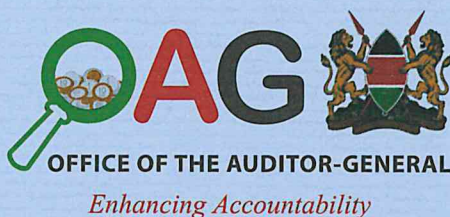
Sub-County Accountant

Name: Benjamin Oino

ICPAK Member Number: 20476

REPUBLIC OF KENYA

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the financial statements of National Government Constituencies Development Fund - Kitutu Chache South Constituency set out on pages 19 to 54, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows, 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kitutu Chache South Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccurate Cash and Cash Equivalents Balance

The statement of financial position as at 30 June, 2020 reflects cash and cash equivalent balance of Kshs.35,273,688 as disclosed in Note 10A to the financial statements. Review of the bank reconciliation statement for June, 2020 revealed that reconciling items totaling Kshs.665,207 had been excluded from the statement. The Management has not provided an explanation why the same has not been written back to the cashbook and bank respectively.

In the circumstances, the accuracy, validity and completeness of cash and cash equivalent figure of Kshs.35,273,688 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 - Kitutu Chache South Constituency 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. Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.205,878,160 and Kshs.136,510,386 respectively resulting to an under-collection of Kshs.69,367,774 or 34% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.205,878,160 and Kshs.105,660,179 respectively resulting to an under expenditure of Kshs.100,217,981 or 49% of the budget. Further, included in the Kshs.100,217,981 is Kshs.35,273,688 in respect to cash at bank, being funds released by the Board but not spent by the Fund.

Based on the approved estimates, under collection, under expenditure and failure to spend funds already released affected the planned activities and may have impacted negatively on service delivery to the public.

2. Workmanship of Projects Implemented

The statement of receipts and payments for the year ended 30 June, 2020 reflects transfer to Other Government Units of Kshs.39,000,000 as disclosed in Note 6 to the financial statements. Included in the balance is Kshs.20,050,000 transferred to Primary schools. Physical verification on five (5) projects with approved budget of Kshs.1,500,000 revealed that the projects were complete but had not been branded with the Constituencies Development Fund logo and the latrines had no doors. Further, inspection of six (6) projects with a budget of Kshs.5,400,000 revealed various anomalies as shown below;

| Project Name | Budget (Kshs.) | Activity | Status |
|--------------------------|-----------------------|--|--|
| Kanunda Secondary School | 700,000 | Construction of 3 classrooms to completion, foundation, walling, roofing, fixing doors and windows, plastering, flooring and painting. | Two classrooms complete and in use Not labelled |

| Project Name | Budget (Kshs.) | Activity | Status |
|-------------------------------|----------------|--|---|
| Nyanguru Sec. School | 2,400,000 | Completion of two classrooms on storied tuition block (Kshs.300,000) Plastering, flooring, fixing doors and construction Of three new classrooms to completion. Foundation, walling, suspended slab , fixing doors and windows, plastering, flooring and painting (Kshs.2,100,000) | Ongoing project Suspended wall constructed Pillars erected Doors and windows not fixed Flooring not done Not yet plastered |
| Matieko Secondary School | 700,000 | Renovation of two classrooms to completion, reroofing, Plastering, fixing doors and windows, flooring and Painting | Ongoing Project Not in use Painting not done |
| Bogeka Sec. School | 400,000 | Construction of one classroom, foundation, walling, roofing plastering and flooring. | Building constructed up to completion Plastering not done Flooring not done Not labelled |
| Nyakeogiro Secondary School | 500,000 | Completion of eight roomed administration block started by PTA; Plastering , flooring , fixing doors and windows and painting | Ongoing Project Doors and windows not fixed Flooring and painting not done Plastering not done |
| Ongícha Primary School School | 700,000 | Renovation of six classrooms to completion by re-roofing, Plastering, fixing doors and windows and painting | Plastering and re-roofing done The building is not painted In use and not labelled |

In the circumstances, value for money on expenditure on transfer to Other Government Units for the year ended June, 2020 could not be confirmed.

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, , I confirm that, nothing 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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 Fund ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 Fund policies and procedures may deteriorate.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue 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

07 February, 2022

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU CHACHE SOUTH CONSTITUENCY


Reports and Financial Statements


For the year ended June 30, 2020

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

| | Note | 2019 - 2020 | 2018 - 2019 |
|-------------------------------------|------|--------------------|--------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from NGCDF board | 1 | 124,777,084 | 107,048,274 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| | | | |
| TOTAL RECEIPTS | | 124,777,084 | 107,048,274 |
| | | | |
| PAYMENTS | | | |
| | | | |
| Compensation of employees | 4 | 1,774,290 | 1,459,577 |
| Use of goods and services | 5 | 10,003,560 | 11,122,830 |
| Transfers to Other Government Units | 6 | 39,000,000 | 40,400,000 |
| Other grants and transfers | 7 | 48,893,705 | 59,473,932 |
| Acquisition of Assets | 8 | 5,988,623 | - |
| Other Payments | 9 | - | - |
| | | | |
| TOTAL PAYMENTS | | 105,660,179 | 112,456,339 |
| | | | |
| SURPLUS/(DEFICIT) | | 19,116,906 | (5,408,065) |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kitutu Chache South Constituency financial statements were approved on 30.09.2020 and signed by:


Fund Account Manager
Name: Edwin K. Rutto


National Sub-County Accountant
Name: Benjamin Oino
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
CHACHE SOUTH CONSTITUENCY**


Reports and Financial Statements

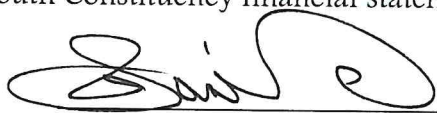
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

| | Note | 2019-2020 Kshs | 2018-2019 Kshs |
|--|------|-------------------|--------------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 35,273,688 | 11,733,302 |
| Cash Balances (cash at hand) | 10B | - | |
| Total Cash and Cash Equivalents | | 35,273,688 | 11,733,302 |
| Accounts Receivable | | - | |
| Outstanding Imprests | 11 | | |
| TOTAL FINANCIAL ASSETS | | 35,273,688 | 11,733,302 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable | | | |
| Retention | 12A | 598,862 | |
| Deposits (Gratuity) | 12B | | |
| TOTAL FINANCIAL LIABILITIES | | | |
| NET FINANCIAL ASSETS | | 34,674,826 | <u>11,733,302</u> |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 13 | 11,733,302 | 14,647,780 |
| Prior year adjustments | 14 | 3,824,618 | 2,493,587 |
| Surplus/Deficit for the year | | 19,116,906 | (5,408,065) |
| NET FINANCIAL POSITION | | 34,674,826 | <u>11,733,302</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kitutu Chache South Constituency financial statements were approved on 30.09.2020 and signed by:


Fund Account Manager
Name: Edwin K. Rutto


National Sub-County Accountant
Name: Benjamin Oino
ICPAK Member Number: 20476

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
CHACHE SOUTH CONSTITUENCY**

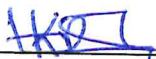
Reports and Financial Statements


For the year ended June 30, 2020

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

| | | 2019 – 2020 | 2018 - 2019 |
|---|-----------|--------------------|--------------------|
| | | Kshs | Kshs |
| Receipts for operating income | | | |
| Transfers from NGCDF Board | 1 | 124,777,084 | 107,048,274 |
| Other Receipts | 3 | | - |
| Total receipts | | 124,777,084 | 107,048,274 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 1,774,290 | 1,459,577 |
| Use of goods and services | 5 | 10,003,560 | 11,122,830 |
| Transfers to Other Government Units | 6 | 39,000,000 | 40,400,000 |
| Other grants and transfers | 7 | 48,893,705 | 59,473,932 |
| Other Payments | 9 | - | - |
| Total payments | | 99,671,55 | 112,456,339 |
| Total Receipts Less Total Payments | | | (5,408,065) |
| Adjusted for: | | | |
| Decrease/(Increase) in Accounts receivable: (outstanding imprest) | 15 | | |
| Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention) | 16 | 598,862 | |
| Prior year adjustments | 14 | 3,824,618 | 2,493,587 |
| Net cash flow from operating activities | | 29,529,009 | (2,914,478) |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 8 | 5,988,623 | - |
| Net cash flows from Investing Activities | | (5,988,623) | - |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 23,540,386 | (2,914,478) |
| Cash and cash equivalent at BEGINNING of the year | 13 | 11,733,302 | 14,647,780 |
| Cash and cash equivalent at END of the year | | 35,273,688 | 11,733,302 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kitutu Chache South Constituency financial statements were approved on 30.09.2020 and signed by:


Fund Account Manager
Name: Edwin K. Rutto


National Sub-County Accountant
Name: Benjamin Oino
ICPAK Member Number: 20476

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

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

| 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 | 137,367,774 | 68,510,386 | 205,878,160 | 136,510,386 | 69,367,774 | 65.5% |
| Proceeds from Sale of Assets | | | | - | - | |
| Other Receipts | | | | | | |
| | 137,367,724 | 68,510,386 | 205,878,160 | 136,510,386 | 69,367,774 | 65.5% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,891,305 | 0.00 | 2,891,305 | 1,774,290 | 1,117,015 | 61.4% |
| Use of goods and services | 9,472,240 | 533,681.00 | 10,005,921 | 10,003,560 | 2,361 | 99.8% |
| Transfers to Other Government Units | 69,500,000 | 30,650,000.00 | 100,150,000 | 39,000,000 | 61,150,000 | 38.9% |
| Other grants and transfers | 55,504,179 | 18,149,678.00 | 73,653,857 | 48,893,705 | 24,760,151 | 66.4% |
| Acquisition of Assets | 0 | 14,000,000.00 | 14,000,000 | 5,988,623 | 8,011,377 | 42.8% |
| Other Payments | 0 | 5,177,027.00 | 5,177,027 | | 5,177,027 | 0.0% |
| TOTALS | 137,367,774 | 68,510,386 | 205,878,160 | 105,660,179 | 100,217,931 | 51.30% |

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

- Adjustment refers to balances brought forward from 2018/19, receipts from the Board relating to previous financial years
- Compensation to employees is at 61.4% because planned recruitment of staff was not done.
- Transfers to government entities is at 39.30 % because all funds for the year had not been received.
- Other grants and transfers are at 66.4 % because projects were funded based on priority on needs as total funds had not been received.
- Acquisition of assets is currently ongoing while other payments projects are still at the procurement stage of implementation

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

The NGCDF-Kitutu Chache South Constituency financial statements were approved on 30.09.2020 and signed by:



Fund Account Manager
Name: Edwin K. Rutto



Sub-County Accountant
Name: Benjamin Oino
ICPAK Member Number:20476

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 | 2,891,304.82 | | 2,891,304.82 | 1,774,290 | 1,117,014.82 |
| 1.2 Committee allowances | 2,500,000.00 | | 2,500,000.00 | | 2,500,000.00 |
| 1.3 Use of goods and services | 2,551,208.62 | 533,681.00 | 3,084,889.62 | 10003560 | (6,918,670.38) |
| | | | 0.00 | | - |
| 2.0 Monitoring and evaluation | | | 0.00 | | - |
| 2.1 Capacity building | 1,293,640.00 | | 1,293,640.00 | | 1,293,640.00 |
| 2.2 Committee allowances | 1,749,805.52 | | 1,749,805.52 | | 1,749,805.52 |
| 2.3 Use of goods and services | 1,077,586.20 | | 1,077,586.20 | | 1,077,586.20 |
| | | | 0.00 | | - |
| 3.0 Emergency | 7,198,241.38 | | 7,198,241.38 | 7,462,811.00 | (264,569.62) |
| 4.0 Bursary and Social Security | | | 0.00 | | - |
| 4.1 Primary Schools | | | 0.00 | | - |
| 4.2 Secondary Schools | 13,641,931.00 | 5,832,032 | 19,473,963.00 | 408,000.00 | 19,065,963.00 |
| 4.3 Tertiary Institutions | 24,219,297.64 | | 24,219,297.64 | 31,655,000.00 | (7,435,702.36) |
| 4.4 Universities | | | 0.00 | | |

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 | 2,891,304.82 | | 2,891,304.82 | 1,774,290 | 1,117,014.82 |
| 1.2 Committee allowances | 2,500,000.00 | | 2,500,000.00 | | 2,500,000.00 |
| 1.3 Use of goods and services | 2,551,208.62 | 533,681.00 | 3,084,889.62 | 10003560 | (6,918,670.38) |
| | | | 0.00 | | - |
| 2.0 Monitoring and evaluation | | | 0.00 | | - |
| 2.1 Capacity building | 1,293,640.00 | | 1,293,640.00 | | 1,293,640.00 |
| 2.2 Committee allowances | 1,749,805.52 | | 1,749,805.52 | | 1,749,805.52 |
| 2.3 Use of goods and services | 1,077,586.20 | | 1,077,586.20 | | 1,077,586.20 |
| | | | 0.00 | | - |
| 3.0 Emergency | 7,198,241.38 | | 7,198,241.38 | 7,462,811.00 | (264,569.62) |
| 4.0 Bursary and Social Security | | | 0.00 | | - |
| 4.1 Primary Schools | | | 0.00 | | - |
| 4.2 Secondary Schools | 13,641,931.00 | 5,832,032 | 19,473,963.00 | 408,000.00 | 19,065,963.00 |
| 4.3 Tertiary Institutions | 24,219,297.64 | | 24,219,297.64 | 31,655,000.00 | (7,435,702.36) |
| 4.4 Universities | | | 0.00 | | |

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

The NGCDF-Kitutu Chache South Constituency financial statements were approved on 30.09 2020 and signed by:



Fund Account Manager
Name: Edwin K. Ruffo



Sub-County Accountant
Name: Benjamin Oino
ICPAK Member Number: 20476

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 |
|------------------------------|------------------------------|--------------|---------------------------|---|-------------------------------------|
| 4.5 Social Security | | | 0.00 | | - |
| 5.0 Sports | 2,747,354.48 | 2,151,745.52 | 4,899,100.00 | 4,899,100.00 | - |
| 5.1 | | | 0.00 | | - |
| 5.2 | | | 0.00 | | - |
| 5.3 | | | 0.00 | | - |
| 6.0 Environment | | | | | - |
| Spring protection | 2,747,354.48 | 49,019.68 | 2,796,374.16 | 2,180,489.50 | 615,884.66 |
| Water Harvesting | | 1,736,208.80 | 1,736,208.80 | | 1,736,208.80 |
| | | | 0.00 | | - |
| 7.0 Primary Schools Projects | | | 0.00 | | - |
| (List all the Projects) | | | 0.00 | | - |
| | | | 0.00 | | - |
| Bokeabu Primary School | 700,000.00 | 200000 | 900,000.00 | 900,000.00 | - |
| Bototo Primary School | 700,000.00 | 200000 | 900,000.00 | 200,000.00 | 700,000.00 |
| Daraja Mbili Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Getembe Primary School | 700,000.00 | 500000 | 1,200,000.00 | 500,000.00 | 700,000.00 |
| Jogoo Primary School | 700,000.00 | 500000 | 1,200,000.00 | 500,000.00 | |

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 |
|---------------------------------------|------------------------------|--------------|---------------------------|---|-------------------------------------|
| Kianyabinge Primary School | 700,000.00 | 400000 | 1,100,000.00 | 400,000.00 | 700,000.00 |
| Kioye Primary School | 700,000.00 | 300000 | 1,000,000.00 | 200,000.00 | 800,000.00 |
| Kisii Special School | 700,000 | 400000 | 1,100,000.00 | 400,000 | 700,000.00 |
| Nyabiyongo Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Gesarara Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Nyakeogiro Primary School | 700,000.00 | 200000 | 900,000.00 | 200,000.00 | 700,000.00 |
| Nyambara Primary School | 700,000.00 | 500000 | 1,200,000.00 | 500,000.00 | 700,000.00 |
| Nyanchogochi Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Nyosia Primary School | 700,000.00 | 200000 | 900,000.00 | 200,000.00 | 700,000.00 |
| Rera Primary School | 700,000.00 | 300000 | 1,000,000.00 | 300,000.00 | 700,000.00 |
| St. Joseph's Nyabururu Primary School | 700,000.00 | 400000 | 1,100,000.00 | | 1,100,000.00 |
| St. Patrick's Primary School-Mosocho | 700,000.00 | 1,000,000.00 | 1,700,000.00 | | 1,700,000.00 |
| Nyaore Primary School | 700,000.00 | | 700,000.00 | 400,000.00 | 300,000.00 |
| St. Mary Boys Primary School-Mosocho | 700,000.00 | 100000 | 800,000.00 | 700,000.00 | 100,000.00 |
| Kiongongi Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Nyankongo Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |

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 |
|---------------------------------|------------------------------|-------------|---------------------------|---|-------------------------------------|
| St. Mary's Girls Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Kiamwasi Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Kiogo Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Moneke Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Riangoko Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Nyabundo Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Ebate Primary School | 700,000.00 | 300000 | 1,000,000.00 | 300,000.00 | 700,000.00 |
| Kanyimbo Primary School | 1,400,000.00 | | 1,400,000.00 | | 1,400,000.00 |
| Mwechobori Primary School | 700,000.00 | | 700,000.00 | 700,000.00 | - |
| Nyamorenayo Primary school | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Iranda Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Kanunda Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Kiombeta Primary School | 700,000.00 | | 700,000.00 | 700,000.00 | - |
| Getare 11 Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Nyagisai Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Keore Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Siara Primary School | 1,400,000.00 | 150000 | 1,550,000.00 | 850,000.00 | |

| Programme/Sub-programme | Original Budget 2019/2020 | Adjustments | Final Budget 2019/2020 | Actual on comparable basis 30/06/2020 | Budget utilization difference |
|---|------------------------------|-------------|---------------------------|---|-------------------------------------|
| | | | | | 700,000.00 |
| Mariiba Primary School | 700,000.00 | | 700,000.00 | 400,000.00 | 300,000.00 |
| Sakawa Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Nyamondo Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Matieko Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Matieko Primary School | 800,000.00 | | 800,000.00 | | 800,000.00 |
| Ongicha Primary School | 700,000.00 | | 700,000.00 | 700,000.00 | - |
| Raganga Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Nyamatuta Primary School | 800,000.00 | | 800,000.00 | | 800,000.00 |
| Nyatieko Primary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Rwora Primary School | 400,000.00 | | 400,000.00 | | 400,000.00 |
| Magena Primary School | | 2000000 | 2,000,000.00 | | 2,000,000.00 |
| 8.0 Secondary Schools Projects (List all the Projects) | | | 0.00 | | - |
| | | | 0.00 | | - |
| Bogeka Secondary School | 700,000.00 | 400000 | 1,100,000.00 | 400,000.00 | 700,000.00 |
| Getembe Secondary School | 1,700,000.00 | 1150000 | 2,850,000.00 | 2,350,000.00 | 500,000.00 |
| Kanunda Secondary School | 2,100,000.00 | 2500000 | 4,600,000.00 | 3,700,000.00 | 900,000.00 |

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 |
|--------------------------------|------------------------------|-------------|---------------------------|---|-------------------------------------|
| Keore Secondary School | 700,000.00 | 200000 | 900,000.00 | 200,000.00 | 700,000.00 |
| Nyakeogiro Secondary School | 500,000.00 | | 500,000.00 | | 500,000.00 |
| Nyanguru Secondary School | 2,400,000.00 | 500000 | 2,900,000.00 | | 2,900,000.00 |
| Nyaore Secondary School | 500,000.00 | 500000 | 1,000,000.00 | 1,200,000.00 | (200,000.00) |
| Nyatieko Secondary School | 1,800,000.00 | 1500000 | 3,300,000.00 | 1,600,000.00 | 1,700,000.00 |
| Ong'icha Secondary School | 1,700,000.00 | 1600000 | 3,300,000.00 | 1,100,000.00 | 2,200,000.00 |
| St. Catherine Iranda Secondary | 1,400,000.00 | 800000 | 2,200,000.00 | 800,000.00 | 1,400,000.00 |
| St. Patrick's Secondary School | 700,000.00 | 600000 | 1,300,000.00 | 100,000.00 | 1,200,000.00 |
| St. Patrick's Secondary School | 200,000.00 | 0 | 200,000.00 | 500,000.00 | (300,000.00) |
| Kiogo Secondary | 500,000.00 | | 500,000.00 | | 500,000.00 |
| Kioge Secondary School | 2,500,000 | | 2,500,000.00 | | 2,500,000.00 |
| Matieko Secondary School | 700,000.00 | | 700,000.00 | 700,000.00 | - |
| Raganga Secondary School | 700,000.00 | | 700,000.00 | 500,000.00 | 200,000.00 |
| Nyamaturu Secondary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Kiongongi Secondary School | 700,000.00 | | 700,000.00 | | 700,000.00 |
| Riotero Secondary School | 7,200,000.00 | | 7,200,000.00 | 3,600,000.00 | 3,600,000.00 |
| Matieko Secondary School | 7,200,000.00 | | 7,200,000.00 | 4,200,000.00 | |

| Programme/Sub-programme | Original Budget 2019/2020 | Adjustments | Final Budget 2019/2020 | Actual on comparable basis 30/06/2020 | Budget utilization difference |
|---|------------------------------|---------------|---------------------------|---|-------------------------------------|
| | | | | | 3,000,000.00 |
| Daraja Mbili Secondary School | 200000 | | 200,000.00 | 200000 | - |
| Ongicha Secondary School | | | 0.00 | 500000 | (500,000.00) |
| 9.0 Tertiary institutions Projects (List all the Projects) | | | 0.00 | | - |
| Kiamwasi T.T.I | | 10,000,000.00 | 10,000,000.00 | 10000000 | - |
| 10.0 Security Projects | | | 0.00 | | - |
| | | | 0.00 | | - |
| Kitutu Central D.C.'s Office | 800,000.00 | | 800,000.00 | 800,000.00 | - |
| Kitutu Central Sub County Police Station | 800,000.00 | | 800,000.00 | 500,000.00 | 300,000.00 |
| Nyatieko Assistant Chief's office | 800,000.00 | | 800,000.00 | | 800,000.00 |
| Nyatieko Chief's office | 450,000.00 | | 450,000.00 | | 450,000.00 |
| Nyakoe Chief's Office | 800,000.00 | | 800,000.00 | | 800,000.00 |
| Raganga Chief's office | 800,000.00 | | 800,000.00 | 500,000.00 | 300,000.00 |
| Mosocho A.C.C, Office | 500,000.00 | 1,230,344.00 | 1,730,344.00 | | 1,730,344.00 |
| Bogeka chief's Office | | 2,500,000.00 | 2,500,000.00 | | 2,500,000.00 |
| Matieko Chief's Office | | 2,500,000.00 | 2,500,000.00 | 500000 | 2,000,000.00 |

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 |
|---|------------------------------|----------------------|---------------------------|---|-------------------------------------|
| Township Chief's Officer | | 2,500,000.00 | 2,500,000.00 | | 2,500,000.00 |
| 11.0 Acquisition of assets | | | 0.00 | | - |
| 11.1 Motor Vehicles (including motorbikes) | | 0 | 0.00 | | - |
| 11.2 Construction of CDF office | | 14,000,000.00 | 14,000,000.00 | 5,988,623.00 | 8,011,377.00 |
| 11.3 Purchase of furniture and equipment | | 500,000.00 | 500,000.00 | | 500,000.00 |
| 11.4 Purchase of computers | | 0 | 0.00 | | - |
| 11.5 Purchase of land | | 0 | 0.00 | | - |
| 12.0 Others | | | 0.00 | | - |
| 12.1 Strategic Plan | | 2,900,000.00 | 2,900,000.00 | | 2,900,000.00 |
| 12.2 Innovation Hub | | 4,677,027.00 | 4,677,027.00 | | 4,677,027.00 |
| TOTAL | 137,267,724.14 | 68,510,386.00 | 205,778,110.14 | 105,660,179 | 100,217,931.64 |

(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)

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

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-Kitutu Chache South 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

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) –
KITUTU CHACHE SOUTH 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. B005305 | 1 | | 28,000,000 |
| AIE NO. B005279 | 2 | | 25,048,274 |
| AIE NO. B030190 | 3 | | 10,000,000 |
| AIE NO. B030460 | 4 | | 15,000,000 |
| AIE NO. B006406 | 5 | | 6,000,000 |
| AIE NO. A699145 | 6 | | 11,000,000 |
| AIE NO. B042922 | 7 | | 12,000,000 |
| AIE NO: B047179 | 1 | 55,040,876 | |
| AIE NO: B047488 | 2 | 4,000,000 | |
| AIE NO: B041490 | 3 | 20,000,000 | |
| AIE NO: B047942 | 5 | 6,000,000 | |
| AIE NO: B049335 | 6 | 14,000,000 | |
| AIE NO: B0104359 | 7 | 24,000,000 | |
| A.I.E NO: B047942 | 8 | 1,736,209 | |
| TOTAL | | 124,777,084 | 107,048,274 |

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) –
KITUTU CHACHE SOUTH 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 | - | - |
| | | |
| Total | - | - |

4. COMPENSATION OF EMPLOYEES

| | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Basic wages of temporary employees | 1,680,570 | 1,459,577 |
| Personal allowances paid as part of salary | | |
| Pension and other social security contributions (Gratuity) | | |
| Employer Contributions Compulsory national social security schemes | 93,720 | - |
| Total | 1,774,290 | 1,459,577 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| Description | 2019 - 2020 | 2018 - 2019 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | | |
| Electricity | 500,000 | 200,000 |
| Water & sewerage charges | | 900,000 |
| Office rent | | 400,000 |
| Communication, supplies and services | 90,000 | 350,000 |
| Domestic travel and subsistence | 171,334 | 400,000 |
| Printing, advertising and information supplies & services | | 208,000 |
| Rentals of produced assets | | 900,000 |
| Training expenses | | 200,000 |
| Hospitality supplies and services | 280,000 | - |
| Other committee expenses | | 624,130 |
| Committee allowance | 95,000 | 360,000 |
| Insurance costs | 4,800,000 | 4,800,000 |
| Specialised materials and services | | 280,700 |
| Office and general supplies and services | | |
| Fuel, oil & lubricants | 500,000 | |
| Other operating expenses | 2,251,000 | 1,150,000 |
| Bank service commission and charges | 1,000,000 | 350,000 |
| Other Operating Expenses | | |
| Security operations | 50,790 | - |
| Routine maintenance - vehicles and other transport equipment | | - |
| Routine maintenance- other assets | 265,436 | |
| TOTAL | 10,003,560 | 11,122,830 |

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) | 8,950,000 | 15,400,000 |
| Transfers to secondary schools (see attached list) | 20,050,000 | 25,000,000 |
| Transfers to tertiary institutions (see attached list) | 10,000,000 | |
| Transfers to health institutions (see attached list) | | |
| TOTAL | 39,000,000 | 40,400,000 |

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7. OTHER GRANTS AND OTHER PAYMENTS

| | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 408,000 | 8,384,000 |
| Bursary – tertiary institutions (see attached list) | 31,645,000 | 32,620,000 |
| Bursary – special schools (see attached list) | ~ | |
| Mock & CAT (see attached list) | ~ | |
| Security projects (see attached list) | 2,298,305 | 7,269,656 |
| Sports projects (see attached list) | 4,899,100 | 3,896,032 |
| Environment projects (see attached list) | 2,180,490 | 300,000 |
| Emergency projects (see attached list) | 7,462,811 | 7,004,244 |
| | | |
| Total | 48,893,706 | 59,473,932 |

8. ACQUISITION OF ASSETS

| | 2019-2020 | 2018-2019 |
|--|--------------|-----------|
| | Kshs | Kshs |
| Purchase of Buildings | ~ | ~ |
| Construction of Buildings | 5,988,623.00 | ~ |
| 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 Specialised Plant, Equipment and Machinery | ~ | ~ |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | ~ | ~ |
| Acquisition of Land | ~ | ~ |
| Acquisition of Intangible Assets | ~ | ~ |
| | | |
| Total | ~ | ~ |

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9. OTHER PAYMENTS

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

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

| Name of Bank, Account No. & currency | 2019-2020 | 2018-2019 |
|--|------------|------------|
| | Kshs | Kshs |
| <i>Co-operative Bank, Account No. 01141423185500</i> | 35,273,688 | 11,733,302 |
| | | |
| | | |
| | | |
| Total | 35,273,688 | 11,733,302 |
| | | |
| 10B: CASH IN HAND | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Other Locations (<i>specify</i>) | - | - |
| | | |
| Total | | - |

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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 | | | | ~ |

12A. RETENTION

| | 2019 - 2020 | 2018-2019 |
|-------------------------|-------------|-------------|
| | <i>Kshs</i> | <i>Kshs</i> |
| Stroika Contractors Ltd | 598,862 | ~ |
| | | |
| | | |
| Total | 598,862 | ~ |

12B. GRATUITY DEPOSITS

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

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13. BALANCES BROUGHT FORWARD

| | 2019-2020 | 2018-2019 |
|---------------|-------------------|-------------------|
| | Kshs | Kshs |
| Bank accounts | 35,273,688 | 11,733,302 |
| Cash in hand | | |
| Imprest | | |
| | | |
| Total | 35,273,688 | 11,733,302 |

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 | | 3,824,618 | |
| Cash in hand | | | |
| Accounts Payables | | | |
| Receivables | | | |
| Others (<i>specify</i>) | | | |
| | | 3,824,618 | |

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) | - | - |

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| | | |
|--|---|---|
| Deposit and Retentions held during the year (B) | ~ | ~ |
| Deposit and Retentions paid during the Year (C) | ~ | ~ |
| Net changes in account receivables $D = A + B - C$ | ~ | ~ |

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17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

| | 2019-2020 | 2018-2019 |
|---------------------------|-----------|-----------|
| | Kshs | Kshs |
| NGCDFC Staff | - | - |
| Others (<i>specify</i>) | - | - |
| | - | - |

17.3: UNUTILIZED FUND (See Annex 3)

| | 2019-2020 | 2018-2019 |
|---|--------------------|-------------------|
| | Kshs | Kshs |
| Compensation of employees | 1,117,015 | 0 |
| Use of goods and services | 2,361 | 533,681 |
| Amounts due to other Government entities (see attached list) | 61,150,000 | 30,650,000 |
| Amounts due to other grants and other transfers (see attached list) | 24,760,151 | 18,149,678 |
| Acquisition of assets | 8,011,377 | 14,000,000 |
| Others (<i>specify</i>) | 5,177,027 | 5,177,027 |
| TOTAL | 100,217,931 | 68,510,386 |

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17.4: PMC account balances (See Annex 5)

| | 2019-2020 | 2018-2019 |
|--|--------------|-----------|
| | Kshs | Kshs |
| PMC account Balances (see attached list) | 3,093,247.54 | - |
| | | |
| | 3,093,247.54 | - |

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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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU CHACHE SOUTH
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU CHACHE SOUTH CONSTITUENCY

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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(Work In Progress) | | 5,988,623.00 | | 5,988,623.00 |
| Transport equipment | 4,300,000.00 | - | - | 4,300,000.00 |
| Office equipment, furniture and fittings | 251,400.00 | - | - | 251,400.00 |
| ICT Equipment, Software and Other ICT Assets | | | | |
| Other Machinery and Equipment | | | | |
| Heritage and cultural assets | | | | |
| Intangible assets | | | | |
| Total | 4,551,400.00 | 5,988,623.00 | - | 10,540,023 |

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

| PMC | Bank | Account number | Bank Balance 2019/20 |
|------------------------------|-------------------|-----------------------|---------------------------------|
| Bogeka PAG Sec. Sch | Co-operative Bank | 01141670098000 | 18,005.00 |
| Bokeabu Primary Sch | Co-operative Bank | 01117017460801 | 3,050.00 |
| Botori AP Line | Co-operative Bank | 01100424880600 | 37,150.00 |
| Bototo DOK Pri. Sch | Co-operative Bank | 01100016648000 | 40,860.00 |
| Daraja Mbili Primary Sch | Co-operative Bank | 01139018515800 | 1,130.25 |
| Ebate Primary School | Co-operative Bank | 01100423517500 | - |
| Getembe Primary Sch | Co-operative Bank | 01100424508300 | - |
| Geturi Mixed Sec Sch | Co-operative Bank | 01117016776400 | 1,940.00 |
| Geturi Primary School | Co-operative Bank | 01117017519901 | 4,140.00 |
| Ititi DOK Primary Sch | Co-operative Bank | 01120017461600 | - |
| Jogoo SDA Primary School | Co-operative Bank | 01100423989700 | 4,151.97 |
| Kanunda DOK Primary Sch | Co-operative Bank | 01100017461100 | 280.00 |
| Kanunda Secondary Sch | Co-operative Bank | 01120017970000 | 3,605.56 |
| Keore Primary Sch | Co-operative Bank | 01139017461502 | 7,062.50 |
| Kianyabinge DOK Pri. Sch | Co-operative Bank | 01117424523100 | 1,160.00 |
| Kioge Girls High Sch | Co-operative Bank | 01141019670500 | 3,965.00 |
| Kioge Primary School | Co-operative Bank | 01139016649202 | 3,420.00 |
| Kisii Special School | Co-operative Bank | 01141017800800 | 218,770.00 |
| Kisii Special School | Co-operative Bank | 01100424366800 | 4,086.84 |
| Mariiba DOK Primary Sch | Co-operative Bank | 01141423502500 | 287,575.25 |
| Matieko Asst. Chief's Office | Co-operative Bank | 01141809784100 | - |
| Moneke Primary Sch | Co-operative Bank | 01117017487502 | 2,600.00 |
| Mwechobori DEB Primary Sch | Co-operative Bank | 01139424606100 | 714.79 |
| Nyabiyongo DOK Pri. Sch | Co-operative Bank | 01139017329102 | 2,270.00 |
| Nyabundo DEB Pri. Sch | Co-operative Bank | 01117017522802 | 61,080.00 |

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| PMC | Bank | Account number | Bank Balance 2019/20 |
|------------------------------|-------------------|----------------|-------------------------|
| Nyakeogiro SDA Pri. Sch | Co-operative Bank | 01117423550881 | 640.00 |
| Nyakeogiro Sec Sch | Co-operative Bank | 01141808796200 | 6,455.00 |
| Nyamatusa DEB Primary Sch | Co-operative Bank | 01100017457400 | 290.00 |
| Nyambara DOK Primary Sch | Co-operative Bank | 01120017460300 | - |
| Nyamorenjo DEB Pri. Sch | Co-operative Bank | 01139016024903 | 8,142.75 |
| Nyanguru Sec. SCh | Co-operative Bank | 01192808738700 | 2,584.00 |
| Nyanguru Sec. SCh | Co-operative Bank | 01117671347500 | 1,410.00 |
| Nyaore DOK Primary Sch | Co-operative Bank | 01100423365300 | 4,471.20 |
| Nyosia Primary School | Co-operative Bank | 01117017457701 | 1,630.00 |
| Ongicha Primary Sch | Co-operative Bank | 01120017082100 | 693,653.39 |
| Raganga DOK Pri. Sch | Co-operative Bank | 01117016831002 | 420.00 |
| Rera DOK Primary Sch | Co-operative Bank | 01139017079203 | 178,973.25 |
| Rwora DOK Primary Sch | Co-operative Bank | 01139476434700 | 9,755.25 |
| Sakawa DEB Pri. Sch | Co-operative Bank | 01100019608200 | - |
| Siara DOK Primary Sch | Co-operative Bank | 01192808762100 | |
| Siara DOK Primary Sch | Co-operative Bank | 01117017074301 | 516,960.00 |
| St. Ambrose Nyaore Sec. Sch | Co-operative Bank | 01139019582102 | - |
| St. Patrick's Primary Sch | Co-operative Bank | 01120296805600 | 16,240.54 |
| St. Patrick's Sec. Sch | Co-operative Bank | | |
| St. Philips Matieko Sec. SCh | Co-operative Bank | 01141016896300 | 443,544.00 |
| Ebate DOK Primary SCh. | Co-operative Bank | 01100423517500 | - |
| Gesarara DEB Primary Sch | Co-operative Bank | 01117016261901 | 1,061.00 |
| Raganga Chief's Office | Co-operative Bank | 01141809778300 | 500,000.00 |
| Total | | | 3,093,247.54 |

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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) |
|---|---|--|---|---|---|
| 1.Funding of Devolved Government Functions | Included in other grants and transfers balance of Kshs.48,567,233 is Kshs.25,000,000 and Ksh.600,000 allocated to water and agricultural projects respectively. However following the enactment of the NG-CDF Act ,2015 on 16 th February 2016,the management continued to fund functions meant for the County Governments contrary to section 24 of the Act which states that the projects under this Act shall be respect of works, services falling within the functions of the national government under the constitution. | The funded water projects and agricultural project during the financial year 2016/2017 were project balances which had been approved in the year 2015/2016 and earlier which were ongoing. The Committee is now in process of handing over completed projects which fall under the county and | Fund Manager | Resolved | |

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| 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) |
|--|---|---|---|---|---|
| | | at same time submit reports on incomplete devolve project so that the NG-CDF Board can make a decision on how the projects will be completed. the projects. | | | |
| 2.0 Irregular use of Emergency | Included under grants and transfers balance of Ksh.48,567,233 is Kshs.4,048,540 which in turn includes non-emergency projects worth Kshs.2,500,000 disbursed to fund emergency projects. However, projects worth Kshs.2,500,000.00 did not qualify as emergencies in accordance with Section 8(3) of the Act. | It was the in the opinion of the committee that this projects were emergency projects, since leaving them at the state they were would have been more costly in the long run, some required roofing and leaving them as were the project would have been more | Fund Manager and District Accountant | Resolved | |

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| 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) |
|--|-----------------------------------|---|---|---|---|
| | | vulnerable to heavy rains and other harmful weather conditions. This project was implemented as emergency projects as envisaged by Section 8(3) of the NG-CDF Act. | | | |