



Enhancing Accountability

REPORT

DATE: 21 OCT 2021

DAY:

Thursday

TABLED
BY:

LAMP

OFFERK-AT
THE-TABLE:

Mara Wanjiku

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
GATUNDU SOUTH CONSTITUENCY**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -GATUNDU
SOUTH CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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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 GATUNDU 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 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
.		
1.	A.I.E holder	Samuel Nzuki - FAM
2.	Sub-County Accountant	Caroline Wangui K. DA
3.	Chairman NGCDFC	Kimani Nage Chair
4.	Member NGCDFC	John Mwangi Kiare alternate signatory

(d) Fiduciary Oversight Arrangements

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

P.O. Box 213- 01030
NGCDF Building
Gatundu



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF GATUNDU SOUTH Constituency Contacts

Telephone: (254)727 389 947

E-mail: ngcdfgatundu.go.ke

Website: www.go.ke

(g) NGCDF GATUNDU SOUTH Constituency Bankers

1. Equity Bank
Gatundu Town
P.O. Box
Gatundu

(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

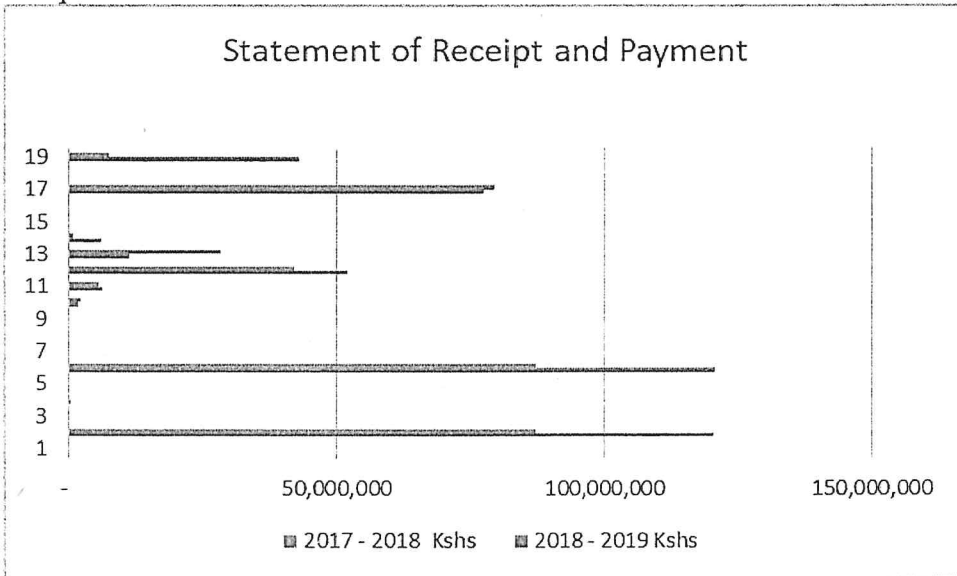
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU SOUTH CONSTITUENCY**

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

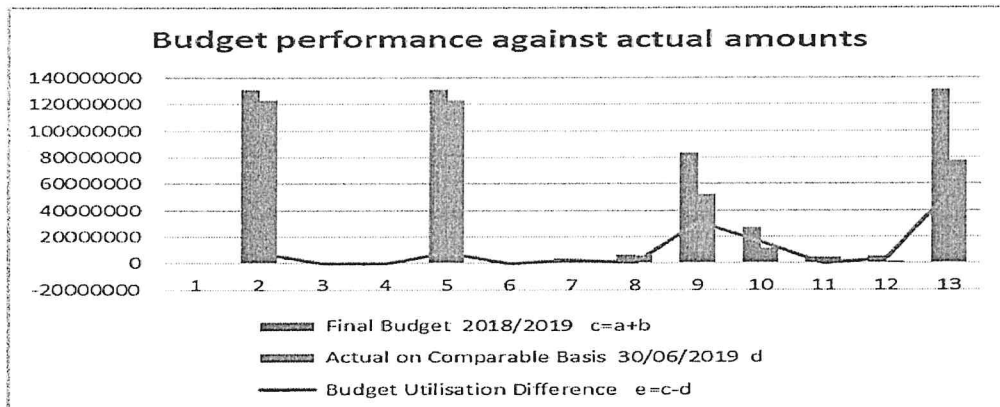
II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The Gatundu South Constituency was allocated **Ksh. 109,040,875.52** during the year and the below statement of receipts and payments represent the performance for the year of FY 2018/19 in comparative to FY 2017/18.



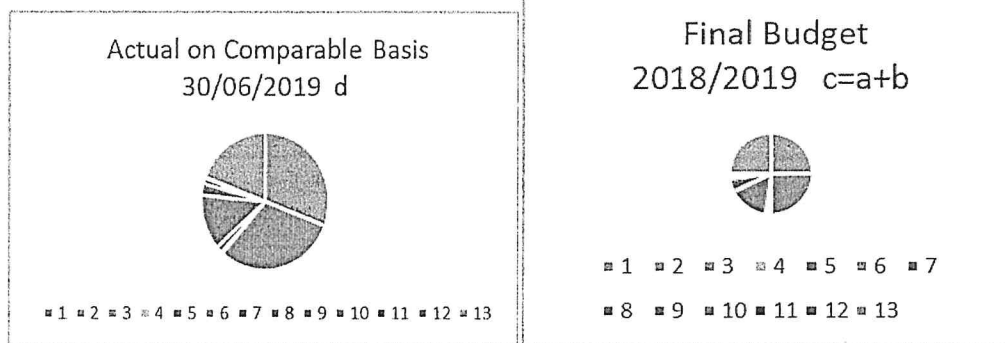
Key
1-(Surplus of FY 2017/2018)
2-(Deficient of FY 2018/2019)

This is an indicator of a Better performed Year 2018/2019 Compared to 2017/2018.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU SOUTH CONSTITUENCY**

**Reports and Financial Statements
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During the Report financial year the constituency implemented several projects in various sector, samples are good projects which implemented well.

FIG 1.1: The Gatundu Technical Training Institute Heavy Machine Shade made for good environment FY 2018/19.

With high threats of insecurity without Fance.

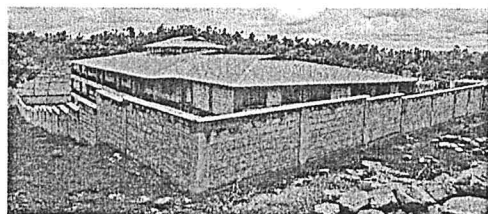
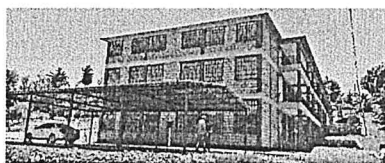


FIG 1.2: Gatundu Technical Training Institute fenced with Perimeter wall FY 2018/19.

The Institution is now safe with First intake ongoing.

The NGCDF Gatundu South has created opportunity to students who did not get chances to be admitted in

Universities.



FIG 1.3: Kiamworia Primary School Deserted with bad condition of classrooms, the pupils shying off of belonging in such a school and they started migrating to far distance schools in such of better learning environment.

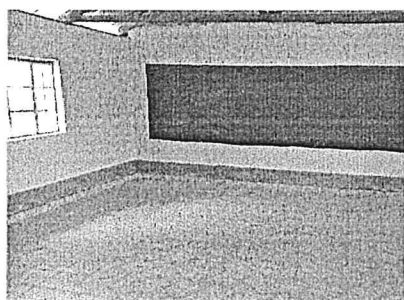


FIG 1.4: Kiamworia Primary School, Done Total Transformation of 8 No. Classroom renovation with Tiles FY 2018/19.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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After Renovation, the pupils were happy to unextend of telling parents, their school is better than home. The teachers enjoyed teaching and the population started increasing by pupils coming back.

FIG 1.6: Kiamworia Primary from a distance, Looking brand new. Renovated FY 2018/19



EMERGING ISSUES RELATED TO THE ENTITY:

Late disbursement of Funds.

Late Project proposal making due to late circulars

IMPLEMENTATION CHALLENGES

There has also been The staff turnover challenge i.e. Fund account managers transfers which results to time consumption in understanding the constituency environment with it operational challenges.

Sign

J. Kimani Nage

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

III. 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-GATUNDU 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, 20XX. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-GATUNDU 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, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-GATUNDU 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-GATUNDU 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

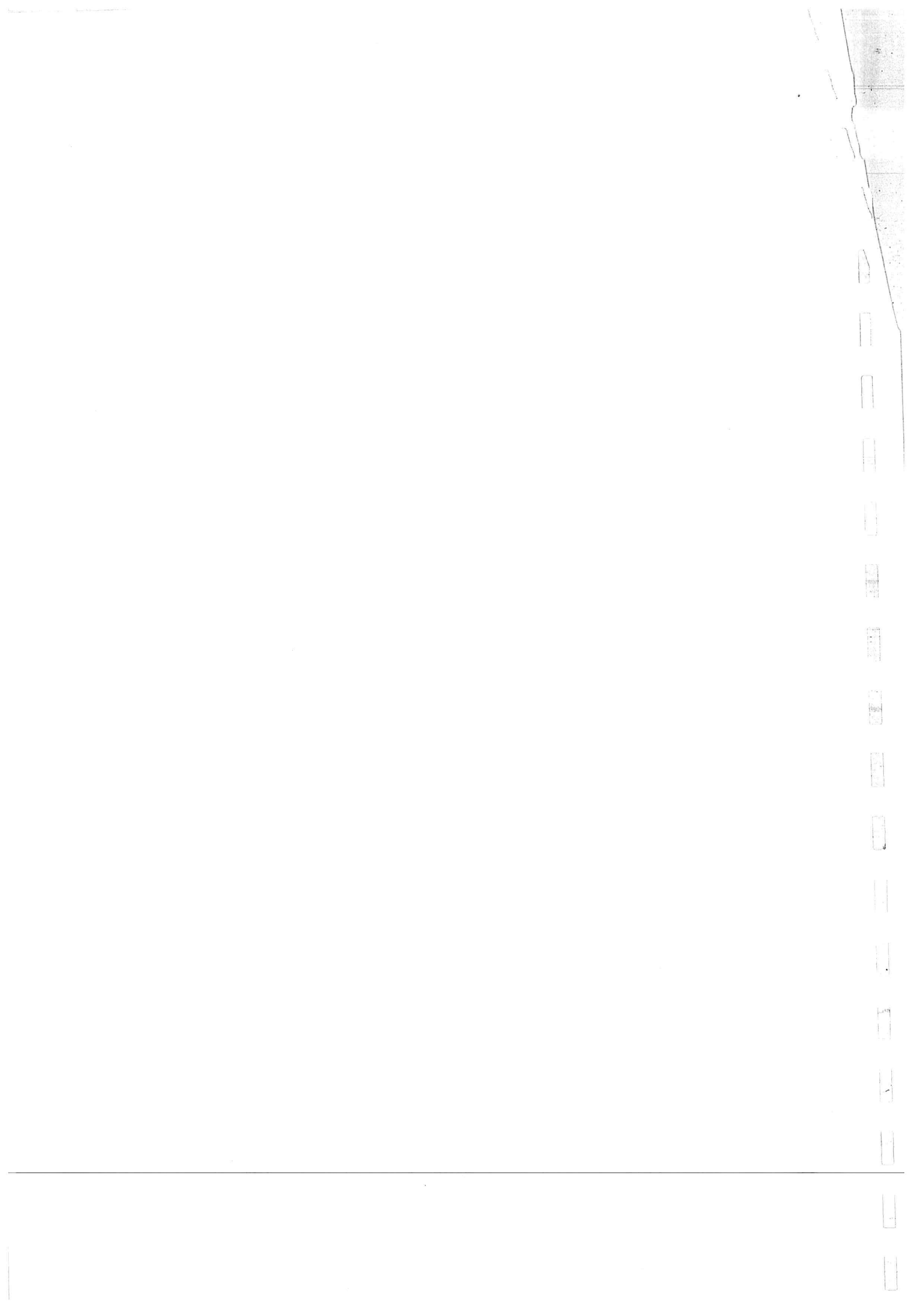
The NGCDF-GATUNDU SOUTH Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.



Fund Account Manager
Name: Samuel Nzuki



Sub-County Accountant
Name: Caroline Wangui K.
ICPAK Member Number: 15883



REPUBLIC OF KENYA

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Anniversary Towers
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GATUNDU SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gatundu South Constituency set out on pages 8 to 41, which comprise the statement of assets and liabilities as at 30 June, 2019 and, the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Gatundu South Constituency as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Variances between Figures in the Statement of Receipts and Payments and Summary Statement of Appropriation

The statement of receipts and payments reflects actual amounts of Kshs.120,548,186 and Kshs.5,914,415 under transfers from NG-CDF Board and acquisition of assets respectively, while the summary statement of appropriation - recurrent and development shows corresponding figures of Kshs.131,296,689 and Kshs.4,677,027 for the items for the year ended 30 June, 2019.

In addition, the statement of receipts and payments reflects a Nil amount against other payments while the summary statement of appropriation reflects a corresponding actual amount of Kshs.1,237,388.

No explanation or reconciliation was provided for the above variances.

Consequently, the accuracy and completeness of the amounts reflected against these account items in the financial statements for the year ended 30 June, 2019 could not be ascertained.

2. Unexplained Prior Year Adjustments

The statement of assets and liabilities reflects prior year adjustments of Kshs.217,950 while the corresponding Note 14 to the financial statements indicate Nil amount. No explanation or reconciliation was provided for this anomaly.

Consequently, the validity and accuracy of the prior year adjustments of Kshs.217,950 for the year under review could not be confirmed.

3. Unsupported Expenditure

Disclosed in Note 5 to the financial statements under use of goods and services is an expenditure of Kshs.1,019,200 relating to committee allowances. The expenditure includes an amount of Kshs.405,00 which was paid vide payment voucher number 117 of 20 June, 2019, as allowances for sub-committee meetings on allocation of bursaries held between 19 and 21 June, 2019.

However, the expenditure was not supported with relevant minutes of the meetings as well as reports indicating the deliberations and resolutions arrived at during the meetings.

As a result, the regularity of the allowances of Kshs.405,000 paid 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-Gatundu South Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.131,296,689 and Kshs.131,424,689 respectively resulting to an unexplained overfunding of Kshs.128,000. Similarly, the Fund spent Kshs.77,275,816 against an approved budget of

Kshs.131,296,690 resulting to an under-expenditure of Kshs.54,020,874 or 41% of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Gatundu South Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, 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

Unutilized Project Funds

During the year under review, the NG-CDF Board approved various projects to be implemented within the Constituency. However, some of the approved projects were not implemented during the year under review. This was due to failure by the constituency fund committee to release funds approved for the projects or the funds disbursed were insignificant to carry out the projects.

Records indicate that out of a total of Kshs.42,260,219 received in respect of five (5) projects, the CDF Management disbursed only an amount of Kshs.238,473. No explanation was provided for failure to implement the budget as approved.

Consequently, approved projects were not implemented as planned, thereby denying the constituents the benefits that would have accrued from the projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

08 October, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	120,420,186	86,810,345
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>128,000</u>	<u>0</u>
TOTAL RECEIPTS		120,548,186	86,810,345
PAYMENTS			
Compensation of employees	4	1,659,256	2,145,656
Use of goods and services	5	6,259,718	5,425,204
Transfers to Other Government Units	6	52,136,351	42,300,000
Other grants and transfers	7	11,306,077	28,573,558
Acquisition of Assets	8	5,914,415	803,000
Other Payments	9	<u>0</u>	<u>0</u>
TOTAL PAYMENTS		77,275,816	79,247,418
SURPLUS/(DEFICIT)		<u>43,272,369</u>	<u>7,562,927</u>

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



Fund Account Manager
Name: Samuel Nzuki





Sub-County Accountant
Name: Caroline Wangui K.
ICPAK Member Number: 15883

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	54,366,823	10,876,504
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		54,366,823	0
Current Receivables			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		54,366,823	10,876,504
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0	279,888
Gratuity	12B	0	0
TOTAL FINANCIAL LIABILITES		0	279,888
NET FINANCIAL ASSETS		0	279,888
REPRESENTED BY			
Fund balance b/fwd	13	10,876,504	2,884,544
Surplus/Defict for the year		43,272,369	7,562,927
Prior year adjustments	14	217,950	149,145
NET FINANCIAL POSITION		54,366,823	10,876,504

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


 Fund Account Manager
 Name: Samuel Nzuki


 Sub-County Accountant
 Name: Caroline Wangui K.
 ICPAK Member Number: 15883

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

GATUNDU SOUTH CONSTITUENCY


Reports and Financial Statements

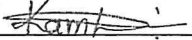
For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	120,420,186	86,810,345
Other Receipts	3	<u>128,000</u>	<u>0</u>
Total receipts		120,548,186	86,810,345
Payments			
Compensation of Employees	4	1,659,256	2,145,656
Use of goods and services	5	6,259,718	5,425,204
Transfers to Other Government Units	6	52,136,351	42,300,000
Other grants and transfers	7	11,306,077	28,573,558
Other Payments	9	0	0
Total payments		71,361,402	78,444,418
Total Receipts Less Total Payments		49,186,784	8,365,927
Adjusted for:			
Outstanding imprest	11	0	0
Retention Payable	12A	217,950	279,888
Gratuity Payable	12B	0	0
Prior year adjustments	14	0	149,145
Net Adjustments		217,950	429,033
Net cash flow from operating activities		49,404,735	8,794,960
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	5,914,415	858,726
Net cash flows from Investing Activities		(5,914,415)	(858,726)
NET INCREASE IN CASH AND CASH EQUIVALENT		43,490,319	(28,374,704)
Cash and cash equivalent at BEGINNING of the year	13	10,876,504	31,259,248
Cash and cash equivalent at END of the year		<u>54,366,823</u>	<u>2,884,544</u>

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


 Fund Account Manager
 Name: Samuel Nzuki


 Sub-County Accountant
 Name: Caroline Wangui K.
 ICPAK Member Number: 15883



VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,875.52	22,255,814	131,296,689	131,296,689.49	-	94%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	128,000.00	(128,000)	-
	109,040,876	22,255,814	131,296,689	131,424,689	(128,000)	94%
PAYMENTS						
Compensation of Employees	2,760,000	1,298,888.00	4,058,888	1,659,255.70	2,399,632	41%
Use of goods and services	2,309,678	4,416,586	6,726,264	6,259,718.02	466,546	93%
Transfers to Other Government Units	71,966,978	11,433,160	83,400,138	52,136,351.00	31,263,787	63%
Other grants and transfers	27,260,219	1	27,260,220	11,306,076.51	15,954,143	41%
Acquisition of Assets	-	4,677,027.00	4,677,027	4,677,027.20	(o)	100%
Other Payments	4,744,000	430,152	5,174,152	1,237,388.00	3,936,764	24%
TOTALS	109,040,876.00	22,255,814	131,296,690	77,275,816.43	54,020,874	59%

(a) The AIA is raised from the sale of tenders



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

On Compensation of Employees 41% the Employee Budget had an addition of Funds from the previous year which is a roll-over .

On Transfer to Other Government Units, 63% is due to the delayed disbursement of Projects Fund.

On Other grants and Transfer Payment 41% this is Bursary of Constituency which was underway during the close of the financial year, however in the first week of the July, the Funds were disbursed to beneficial institution for students' fees.

On Other payments, we had 24% due to Capacity building funds which were yet to be implemented, but due to bursary pressure, it was postpond to be done after the bursary had been issued.

Overall Payment was at 59% due to the large bursary funds which had not been released for payment, and 2 projects which were awaiting reallocation approval before implementation of the project.

The NGCDF-GATUNDU SOUTH Constituency financial statements were approved on _____ 2019 and signed by:



Fund Account Manager
Name: Samuel Nzuki



Sub-County Accountant
Name: Caroline Wangui K.
ICPAK Member Number: 15883

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019 Kshs	Kshs	2018/2019 Kshs	30/06/2019 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,760,000	682,742	3,442,742	1,659,256	1,783,486
1.2 Committee allowances	2,044,000	444,159	2,488,159	1,019,200	1,468,959
1.3 Use of goods and services	1,538,452	664,234	2,202,686	1,270,468	932,218
Employees' Salaries NHIF/NSSF	200,000		200,000	-	200,000
Sub-Total	6,542,452	1,791,135	8,333,587	3,948,924	4,384,663
2.0 Monitoring and evaluation					
2.1 Capacity building	1,700,000	277,386	1,977,386	651,200	1,326,186
2.2 Committee allowances	800,000	339,000	1,139,000	1,079,400	59,600
2.3 Use of goods and services	771,226	204,311	975,537	229,450	746,087
3.0 Emergency					
3.1 Primary Schools	4,738,993	568,965	5,307,959	5,306,966	993
3.2 Secondary schools	1,000,000		1,000,000	1,000,000	0
3.3 Tertiary institutions	0	0	0	0	0
3.4 Security projects	568,965.51	0	568,965.51	568,965.51	0
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	16,700,000	170,283	16,870,283	170,283	16,700,000

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
7.8 Gakunju Memorial Pri. School	1,154,299	-	1,154,299	1,154,299	-
7.9 Kimunyu Pri School	1,000,000	-	1,000,000	1,000,000	-
7.10 Gatundu Pri. School	1,000,000	-	1,000,000	1,000,000	-
7.11 Kiamworia Pri School	5,000,000	-	5,000,000	5,000,000	-
8.0 Secondary Schools Projects (List all the Projects)					
8.1 Ndarugu Secondary School	1,030,000.00	-	1,030,000.00	1,030,000	-
8.2 Kagio Secondary School	1,030,000.00	-	1,030,000.00	1,030,000	-
8.3 Muthiga Girls High School	1,030,000.00	-	1,030,000.00	1,030,000	-
8.4 Gikure Secondary School	1,030,000.00	-	1,030,000.00	1,030,000	-
8.5 Kiamwangi Secondary School	5,000,000.00	-	5,000,000.00	5,000,000	-
8.6 Ndundu secondary school	5,000,000.00	-	5,000,000.00	5,000,000	-
8.7 Gathage secondary school	5,000,000.00	-	5,000,000.00	5,000,000	-
8.8 Kibiru Sec School	9,712,052.00	-	9,712,052.00	9,712,052	-
8.9 Githuya Sec School	5,000,000.00	-	5,000,000.00	5,000,000	-
9.0 Tertiary institutions Projects (List all the Projects)					
9.1 Gatundu KMTc	1,000,000.00	-	1,000,000	1,000,000.00	-

Results and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
9.2 Gatundu TTI	2,000,000.00	-	2,000,000	2,000,000.00	-
9.3 Gatundu TTI	1,000,000.00	-	1,000,000	1,000,000.00	-
9.4 Mutunguru KMTC	15,000,000.00	-	15,000,000	15,000,000	-
10.0 Security Projects					
10.1 Kangenga AP Post	5,000,000.00	-	5,000,000	-	5,000,000
10.2					
10.3					
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)					
11.2 Construction of CDF office	-	179,928.00	179,928	179,928	-
11.3 Purchase of furniture and equipment	-	99,960.00	99,960	99,960	-
11.4 Purchase of computers					
11.5 Purchase of land					
12.0 Others					
12.1 Strategic Plan	2,048,514.00	-	2,010,000	2,010,000	38,514
12.2 Innovation Hub					
Telkom Kenya Ltd -Gatundu KMTC ICT	1,108,777.80	-	1,108,777.80	1,108,778	-
KRA- Telkom Kenya Ltd	60,479.00	-	60,479.00	60,479	-
Telkom Kenya Ltd -Mutunguru KMTC ICT	1,108,777.80	-	1,108,777.80	1,108,778	-
KRA- Telkom Kenya Ltd	60,479.00	-	60,479.00	60,479	-

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Telkom Kenya Ltd - Kiamwangi ACC1 ICT	1,108,777.80	-	1,108,777.80	1,108,778	-
KRA- Telkom Kenya Ltd	60,479.00	-	60,479.00	60,479	-
Telkom Kenya Ltd - Kiganjo ACC1 ICT	1,108,777.80	-	1,108,777.80	1,108,778	-
KRA- Telkom Kenya Ltd	60,479.00	-	60,479.00	60,479	-

(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)

IX. 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-GATUNDU 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 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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



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.

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.

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 2019.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
A855809	1		5,500,000
A892622	2		37,905,172.00
A896859	3		43,405,172.80
B005028	1	11,379,310.35	
B030056	2	10,000,000.00	
B030393	3	15,000,000.00	
B006334		6,000,000.00	
A699048		11,000,000.00	
B042737		12,000,000.00	
B047510		55,040,875.52	
TOTAL		120,420,185.87	86,810,345

2. PROCEEDS FROM SALE OF ASSETS

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

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	128,000	0
Other Receipts Not Classified Elsewhere	0	0
Total	128,000	0

4. COMPENSATION OF EMPLOYEES

		2018-2019	2017-2018
		Kshs	Kshs
Basic wages of contractual employees		1,429,768	1,379,146
Basic wages of casual labour		0	90,593
Personal allowances paid as part of salary		88,590	
House allowance		0	0
Transport allowance		0	0
Leave allowance		0	0
Gratuity – paid	1	140,898	247,686
- accrued	2	0	0
Other personnel payments		0	428,231
Total		1,659,256	2,145,656

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	15,550	1,453,600
Utilities, supplies and services	0	352,200
Communication, supplies and services	9,450	330,540
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	2,010,000	0
Rentals of produced assets	0	0
Training expenses	651,200	1,450,200
Committee Allowance	1,019,200	0
Other Allowance Expences	1,079,400	0
Hospitality supplies and services	0	1,454,265
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	1,474,918	88,284
Other operating expenses	0	146,115
Routine maintenance – vehicles and other transport equipment	0	50,000
Routine maintenance – other assets	0	100,000
Total	6,259,718	5,425,204

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	14,304,299	18,000,000
Transfers to secondary schools (see attached list)	33,832,052	3,600,000
Transfers to tertiary institutions (see attached list)	4,000,000	20,700,000
Transfers to health institutions (see attached list)	0	0
TOTAL	52,136,351	42,300,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	170,283	11,884,396
Bursary – tertiary institutions (see attached list)	68,190	9,124,317
Bursary – special schools (see attached list)	0	450,000
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	0	0
Sports projects (see attached list)	2,579,821	0
Environment projects (see attached list)	2,180,817	500,000
Emergency projects (see attached list)	6,306,965.51	4,618,965
NGCDF Office/PWO Office	0	1,995,880
Total	11,306,076.51	28,573,558

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	279,888	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	957,500	803,000
Purchase of ICT Equipment, Software and Other ICT Assets	4,677,027.20	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	5,914,415.20	803,000

9. OTHER PAYMENTS

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

10A: Bank Accounts Balances

	2018-2019	2017-2018
	Kshs	Kshs
<i>EQUITY –GATUNDU BR.-0660261950170</i>		
<i>Name of Bank, Account No.</i>	54,366,824	10,876,504
<i>Name of Bank, Account No.</i>	0	0
<i>Name of Bank, Account No.</i>	0	0
Total	54,366,824	10,876,504
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Kelly (EA)LTD	0	179,928
Kelly (EA)LTD	0	99,960
Graville Enter limited- Retension	217,950	0
Total	217,950	279,888

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	0	0
Name 2	0	0
Name 3	0	0
Add as appropriate		
Total	0	0

[Provide short appropriate explanations as necessary]



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

13. BALANCES BROUGHT FORWARD

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	10,876,504	2,884,544
Cash in hand	0	0
Imprest	0	0
Total	<u>10,876,504</u>	<u>2,884,544</u>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts (Reversed stale Cheque not replaced)	0	161,909
Cash in hand	0	0
Imprest	0	0
Total	<u>0</u>	<u>161,909</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	0	0
Others (<i>specify</i>)	0	0
	0	0
	0	0

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	2,024,569	1,298,888
Use of goods and services	4,738,619	4,416,586
Amounts due to other Government entities (see attached list)	0	0
Amounts due to other grants and other transfers (see attached list)	20,343,415	11,433,160
Bursaries	27,106,219	
Acquisition of assets		1
Others (<i>specify</i>)	0	1,120
		4,677,027
	54,366,823	21,826,782
	54,366,823	21,826,782

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

Reports and Financial Statements

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						



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

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		2,024,569	1,298,888	
Use of goods & services		1,883,874	3,828,793	
Amounts due to other Government entities		2,854,745	587,793	
		20,343,415	11,433,160	
Sub-Total		27,106,604	17,148,634	
Amounts due to other grants and other transfers			1	
ICT Hubs			4,677,027	
Bursaries		27,260,219		
Sub-Total			4,677,028	
Sub-Total			21,825,662	
Acquisition of assets			1,120	
Others (<i>specify</i>)				
Sub-Total				
Grand Total		54,366,823	21,826,782	



Reports and Financial Statements
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	0	0	0	-
Buildings and structures	10,259,410.00	5,914,415.20	0	16,173,825.20
Transport equipment	3,094,999.00	0	0	3,094,999.00
Office equipment, furniture and fittings	3,337,140.00	0	0	3,337,140.00
ICT Equipment, Software and Other ICT Assets	381,640.00	0	0	381,640.00
Other Machinery and Equipment	865,796.00	0	0	865,796.00
Heritage and cultural assets	-	0	0	-
Intangible assets	-	0	0	-
Total	17,938,985.00	5,914,415.2	0	23,853,400.20



NATIONAL GOVERNMENT ENTITY - (NG-CDF GATUNDU SOUTH)

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

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance	
			2018/19	2017/18
Wamitaa Primary School	EQUITY – GATUNDU	A/C0660176346637		125
DEO's Office	EQUITY – GATUNDU	A/C0660176356257		155
Nembu Primary School	EQUITY – GATUNDU	A/C 0660176346561		145
Ituru Primary School	EQUITY – GATUNDU	A/C0660176346542		10
Gachika Primary School	EQUITY – GATUNDU	A/C0660176402186		2,935.00
Karembu Primary School	EQUITY – GATUNDU	A/C0660176357206		30
Muhoho Primary School	EQUITY – GATUNDU	A/C0660176356268		265
Muthurumbi Primary School	EQUITY – GATUNDU	A/C0660177247709		20
Kagio Primary School	EQUITY – GATUNDU	A/C0660177242879		62
Wamwangi Secondary School	EQUITY – GATUNDU	A/C0660177243004		295
Karatu Primary School	EQUITY – GATUNDU	A/C0660177243523		29
Kiganjo Primary School	EQUITY – GATUNDU	A/C0660177243109		200
Thaara Asistant Chief's Office	EQUITY – GATUNDU	A/C0660161441884		555
Kamutua Secondary	EQUITY – GATUNDU	A/C0660278557658	0	
Muthurumbi Pri. School	EQUITY – GATUNDU	A/C0660177247709	510	
DEO's Office	EQUITY – GATUNDU	A/C0660272354269	965	
Gachika Primary School	EQUITY – GATUNDU	A/C0660176402186	2,935	
Gachoka Primary School	EQUITY – GATUNDU	A/C0660177484513	650	
Karembu Primary School	EQUITY – GATUNDU	A/C0660176357206	39	
Gikure Secondary School	EQUITY – GATUNDU	A/C0660177484366	190	
Handege Primary School	EQUITY – GATUNDU	A/C0660177484709	470	
Ituru Primary School	EQUITY – GATUNDU	A/C0660176346542	10	
Kagio Primary School	EQUITY – GATUNDU	A/C0660177242879	0	
Kagio Secondary School	EQUITY – GATUNDU	A/C0660177484345	370	
Kahugu-ini A.P Post	EQUITY – GATUNDU	A/C0660177484719	895.51	
Karatu Primary School	EQUITY – GATUNDU	A/C0660177243523	40	

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Kiamugo Primary School	EQUITY – GATUNDU	A/C0660177484711	730	
Kiamworia Primary School	EQUITY – GATUNDU	A/C0660278821673	80	
Ngenda Pri. School	EQUITY – GATUNDU	A/C0660191642454	0	
Ngenda Pri. Shool	EQUITY – GATUNDU	A/C0660191642454	0	
Kwamucheru Pri. School	EQUITY – GATUNDU	A/C0660191642454	0	
Gakunju Memorial Primary	EQUITY – GATUNDU	A/C0660191642454	0	
Kimunyu Primary	EQUITY – GATUNDU	A/C0660278769501	499,910	
Gatundu Primary	EQUITY – GATUNDU	A/C0660175348552	0.52	1,060.52
Muhoho Primary School	EQUITY – GATUNDU	A/C0660176356268	265	
Muthiga Girls High School	EQUITY – GATUNDU	A/C0660177484355	730	
Muthurumbi Primary School	EQUITY – GATUNDU	A/C0660177247709	510	
Mutomo Primary School	EQUITY – GATUNDU	A/C0660177484522	730	
Kiamoria Primary	EQUITY – GATUNDU	A/C0660191642454	320	
Githuya Sec School	EQUITY – GATUNDU	A/C0660278821633	260	
Gathage Sec School	EQUITY – GATUNDU	A/C0660278817692	230	
Nd'und'u Sec School	EQUITY – GATUNDU	A/C0660191642454	830	
kibiru Sec School	EQUITY – GATUNDU	A/C0660278769636	1,547,032	
Kiganjo Primary School	EQUITY – GATUNDU	A/C0660177243109	200	
Nembu Primary School	EQUITY – GATUNDU	A/C0660176346561	145	
Ruburi Primary School	EQUITY – GATUNDU	A/C0660176346558	0	
Wamitaa Primary School	EQUITY – GATUNDU	A/C0660176346637	125	
Wamwangi Secondary School	EQUITY – GATUNDU	A/C0660177243004	A/C Closed	
Kiamwangi Sec School	EQUITY – GATUNDU	A/C0660278733099	290	
Gatundu Kenya Medical training College	EQUITY – GATUNDU	A/C0660272354269	965	501,295
KMTC Gatundu – Mutunguru Training Site	EQUITY – GATUNDU	A/C0660191642454	0	
Ndarugu Secondary School	EQUITY – GATUNDU	A/C0660177484260	60	
KMTC Gatundu – Mutunguru Training Site	EQUITY – GATUNDU	A/C0660177247686	230	230
Gatundu Technical Training Institute	EQUITY – GATUNDU	A/C0660278549923	255	
Gatundu Technical Training Institute	EQUITY – GATUNDU	A/C0660191642454	675	
Ndundu Secondary school	EQUITY –	A/C0660278550607	1,270.00	



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	GATUNDU			
			2,062,917.03	507,412

NATIONAL GOVERNMENT ENTITY - (NG-CDF GATUNDU SOUTH)

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Referen ce 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)	Timef ame: (Put a date when you expec the issue to be resolv d)
1	Misallocation of Expenditure Kshs.19,348,940	<i>The attached is extract of NGCDF Act 2015 Sec (24) in line with nature of projects: projects to be in respect of national government functions. The Kenya Medical Training Colleges are under Education Tertiary, and therefore the NGCDF Board approved them for implementation. (Annex 1)</i>	Resolved on Certifica	5days	30 days
2	Net Financial Position.	<i>The Financial statement as a template of IPSAS, the statement of Assets and liabilities is the financial position, being positive is not a liability rather the Net asset. Being the closing balance as the per the attached Bank Reconciliation and Expenditure Report. (Annex 2)</i>	Resolved on Certifica	5days	30 days
3	Budgetary Performance	<i>The NGCDF Gatundu South had an approved budget of Kshs.86,810,344.82 and Kshs.11,379,310.34 respectively totalling to Kshs.101,074,199 in different 4period, leading to delay in p5roject proposal submission fo5r approval and project implementation at the end of financial year. Attached are Circular and proposal submission in various period. (Annex 3)</i>	Resolved on Certifica	5days	30 days

NATIONAL GOVERNMENT ENTITY - (NG-CDF GATUNDU SOUTH)

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	Repair And Maintenance Of Motor Vehicle	<p>We concur with above recommendation, the motor vehicle had an accident on 25th February, 2015 and the Repair were required, the attached is a police abstract and photos indicating the issue. The attached is the memorandum and article of association of the Cebtec company indicating further service & duties the company can render including Motor vehicle spare parts and implements on pg 2 of 14 (c). We also awarded the company on the basis of recommendation from Motor Hub, being the lowest bidder, The motor vehicle was repaired as per inspection report attached from the mechanical engineer, the NGCDFC is in process of disposing off the Motor vehicle as per the attached inspection report dated 14th January, 2019 which indicates it is in good condition except the chassis bent. Attached is the memorandum and article of association, Recommendation Letter, Inspection report, and Disposal committee minutes, for Disposal (Annex 4)</p>	Resolved on Certificate	5days	30 days
5	Construction Of Ablution Block At Gatundu Primary School	<p>We concur with above recommendation, the Ksh. 4,635,930 was funds spent from Emergency vote head, which was unforeseen expense at the time of project proposal. Hence the project being in the same institution the PMC</p>	Resolved on Certificate	5days	30 days

NATIONAL GOVERNMENT ENTITY - (NG-CDF GATUNDU SOUTH)

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

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>combined the BQ. Attached are the Code list indicating how it was financed. Code lists, Request letter for Emergency (Annex 5)</i></p>			

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