




Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID		OF
DATE: 23 NOV 2021		DAY.
TABLED BY:	L.O.M	THE AUDITOR-GENERAL
CLERK-AT THE-TABLE:	Aetnode Chebet	
		ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIGUMO CONSTITUENCY

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KIGUMO
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)



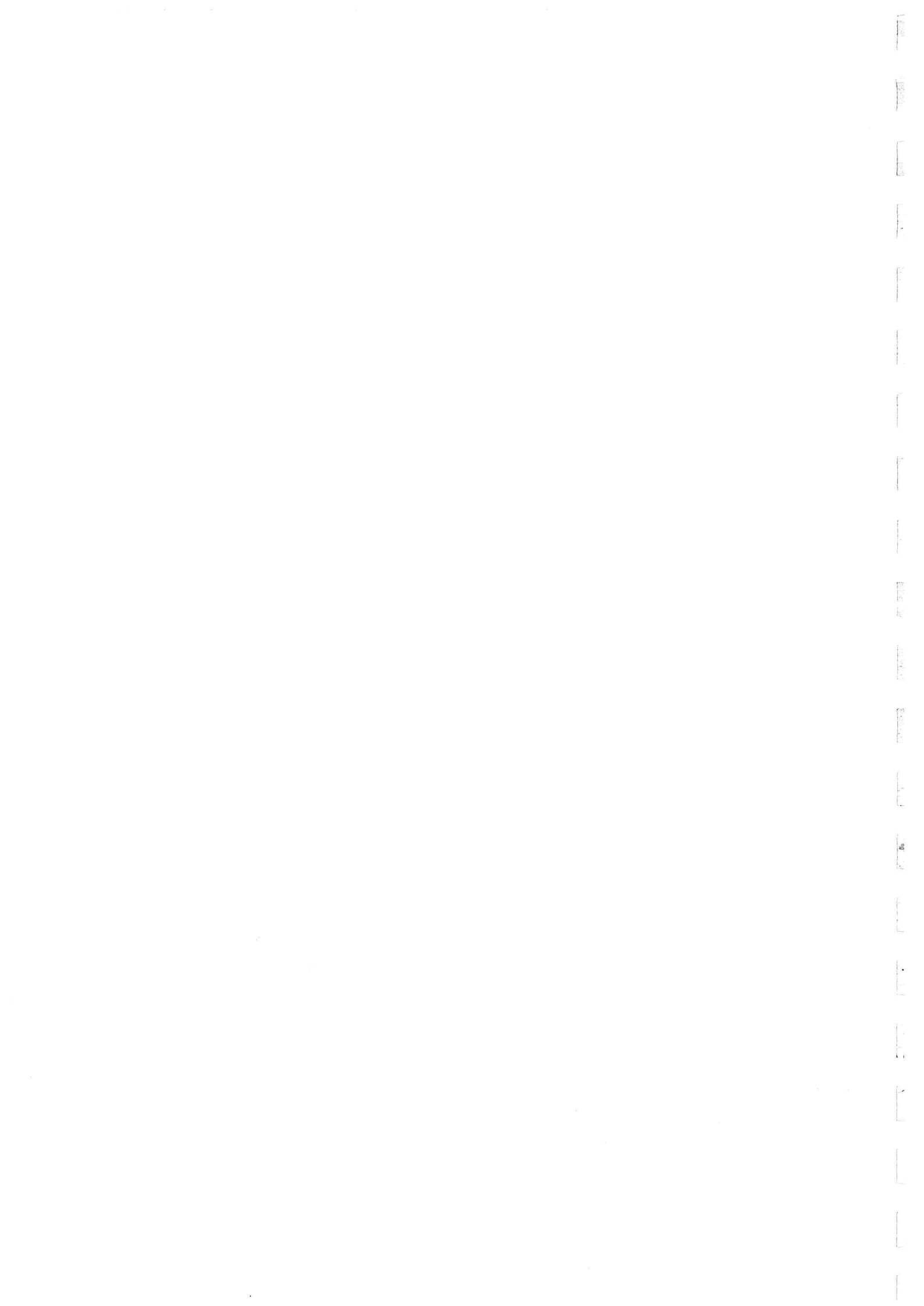


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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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 KIGUMO 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 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Alex Mwangi
2.	Sub-County Accountant	Jacob Muthami
3.	Chairman NGCDFC	Benson Njogu

(d) Fiduciary Oversight Arrangements

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

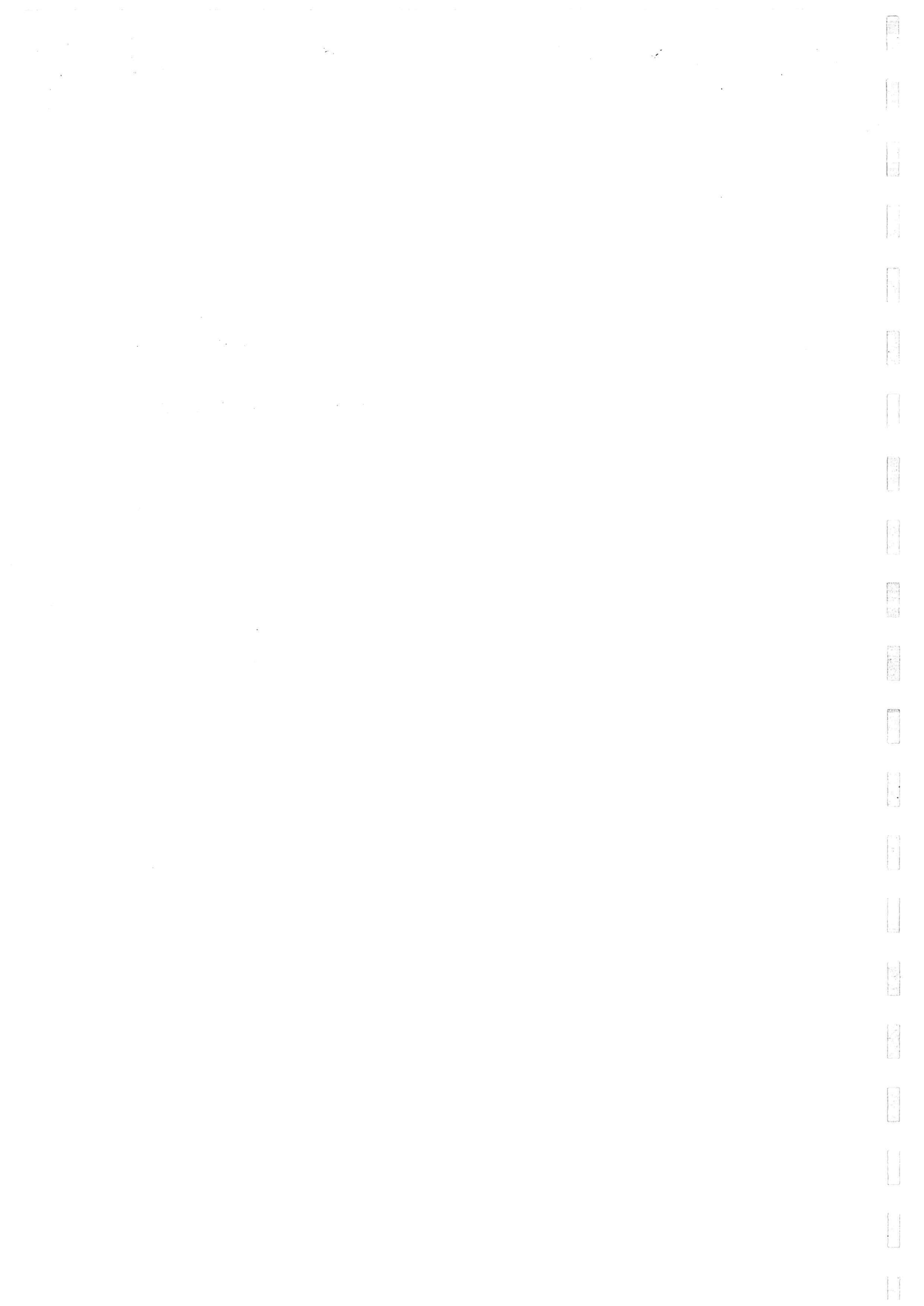
(e) NGCDF KIGUMO Constituency Headquarters

P.O. Box 10

CDF Building/House/Plaza

Next to Police Station

KIGUMO



(f) NGCDF KIGUMO Constituency Contacts

Telephone: (254) 0723636367

E-mail: kigumo@ngcf.go.ke

Website: www.go.ke

(g) NGCDF KIGUMO Constituency Bankers

1. Equity Bank Kangari Branch
A/c Number 0070296246702

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

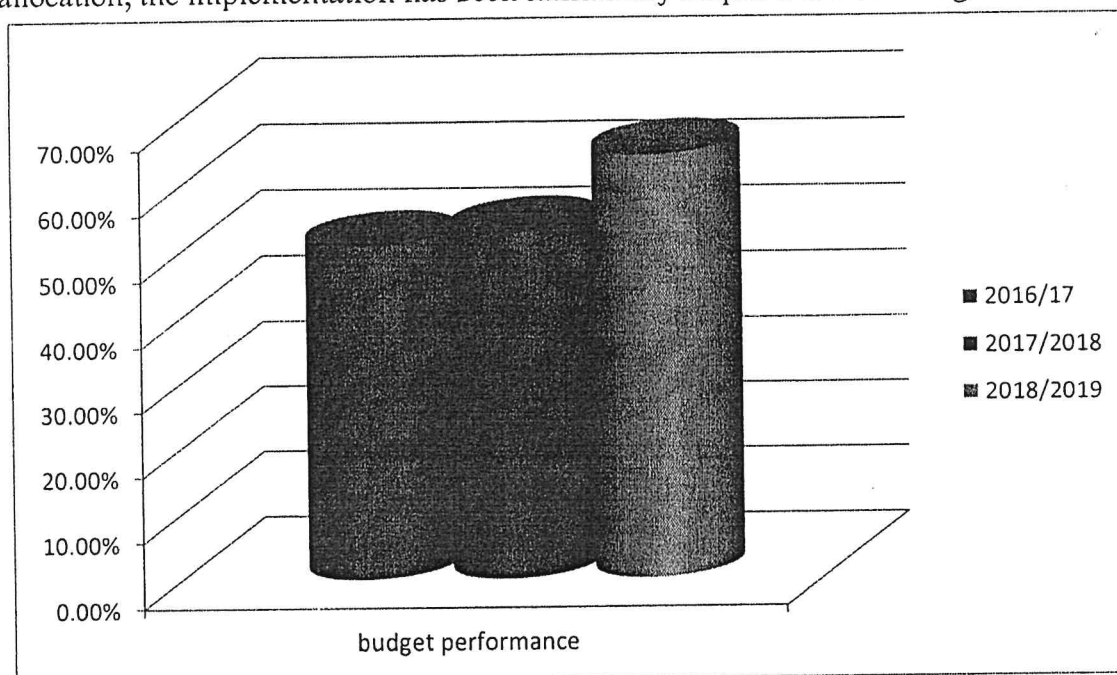
II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

INTRODUCTION

Kigumo Constituency is an electoral Constituency in Kenya. It is one of the seven districts of Muranga County. It was previously one of the three constituencies in the former Maragua District, Central province. The Constituency was established for the 1963 elections. Population density is influenced by land productivity and water availability with Agriculture as the main economic activity, farmers plant tea and coffee as well as maize they also do dairy farming where milk is sold in various market centres.

The NG-CDF Kigumo has always dedicated time to ensure prudent management of resources received from the NG-CDF Board within the five wards of the Constituency. Since inception the committee has completed several development projects that are geared towards infrastructural development, wealth creation and fight against poverty within the constituency

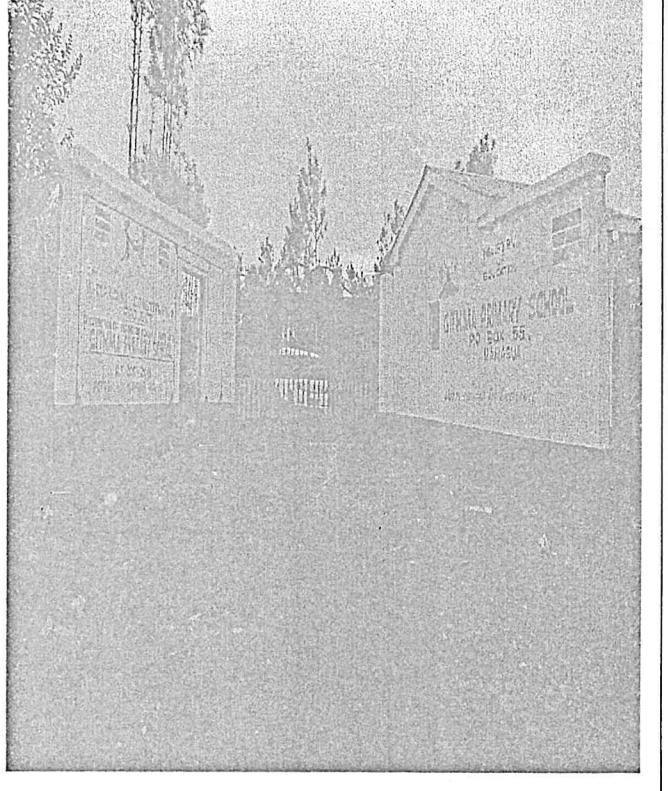
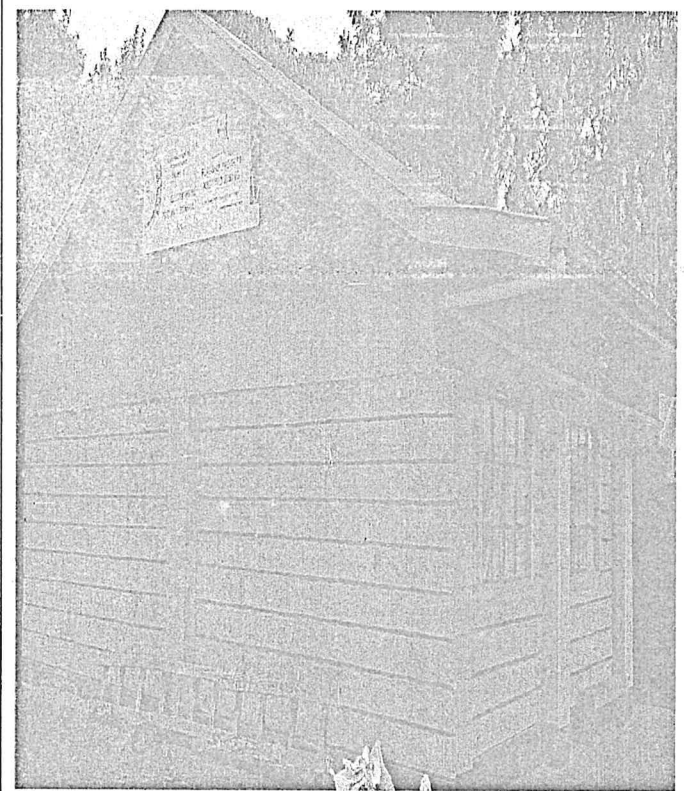
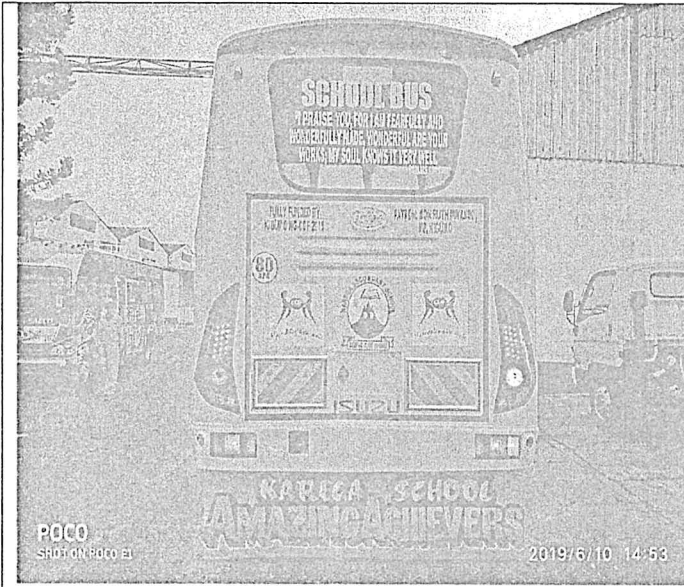
During the financial year 2018/19 Kigumo NG-CDF was able to utilise 64.6% of the allocated resources. At the closure of the financial year the constituency had unutilised funds amounting to Ksh 67,456,499 and a further Ksh 7,080,000 not yet received from the Board out of the Budget allocation, the implementation has been satisfactory despite a few challenges.



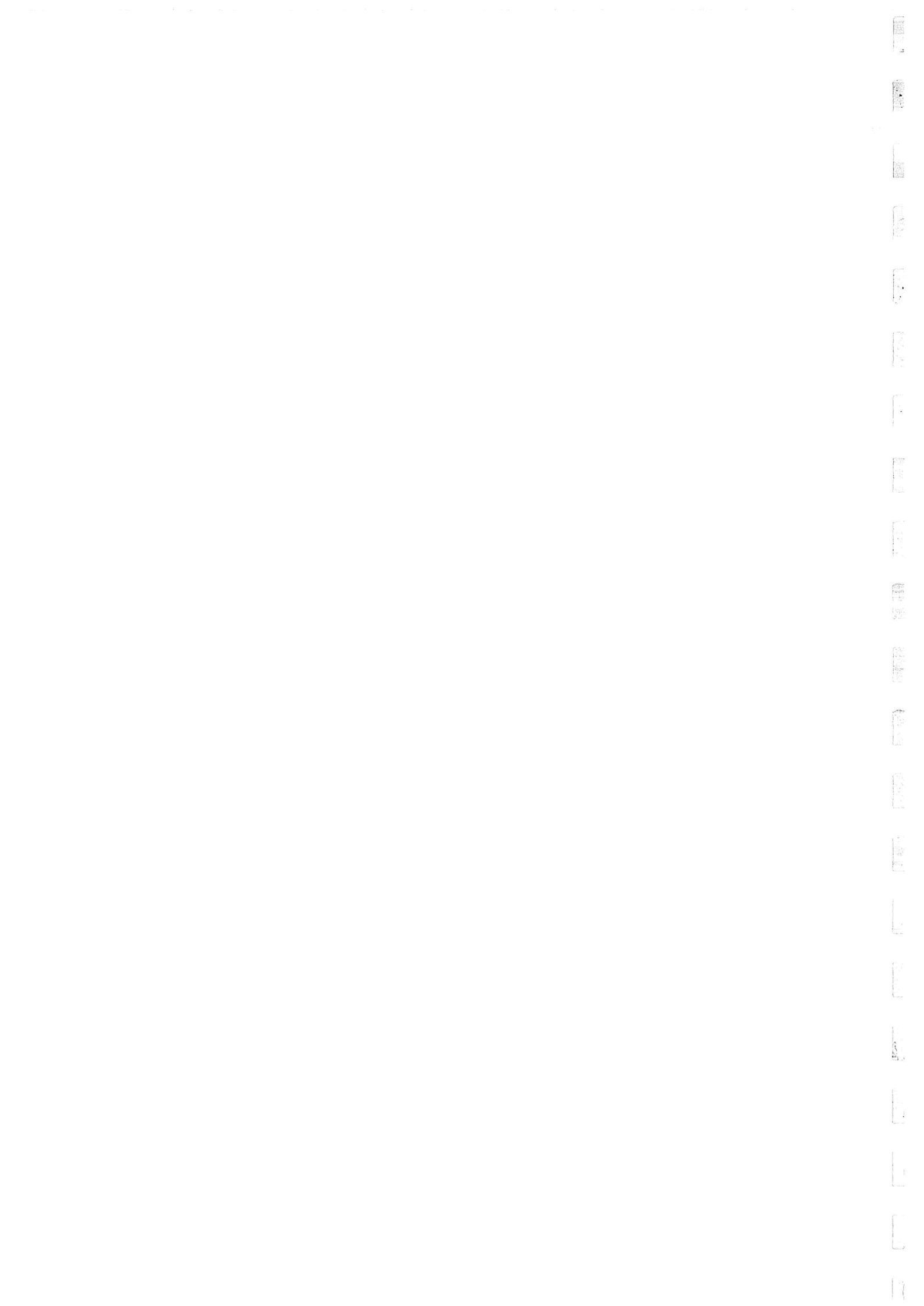
KEY ACHIEVEMENTS

During the Financial year 2018/19 Kigumo Ng-CDF was able to put new facilities like classrooms and laboratories, we have renovated a number of classrooms and this has helped to create a conducive environment for learners, security has also improved to a great extent by renovation of houses for the Administration police officers.

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



Sampled complete projects in use.



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

EMERGING ISSUES

Like any other Constituency, Kigumo has also faced some emerging issues some relating to increase in bursary uptake, we attribute this to hard economic times parents are facing and also increase in school's fees. Reduced allocation of Funds has also impacted negatively on our overall performance, the Board has also introduced performance contracting which will help in improved performance of the NG-CDFC to a great extend

IMPLEMENTATION CHALLENGES

Political influence from the local leaders to some extend has become a challenge in the allocation of resources within the constituency such influence could affect the fair distribution of resources, Project Management Committees, procurement process still poses a great challenge to the committee. We shall continuously endeavour to train and Build PMC's capacity in order to appreciate the laws and regulations governing management of public funds.

APPRECIATION

Let me recognise the CDF BOARD, KNEAO, The Area Member of parliament, all district Heads, CDFC Members and all other stake holders who have stood with us all along. Finally, I would like to appreciate the contribution and individual dedication of our members of staff towards our success.

Sign



Benson Njogu

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIGUMO 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-KIGUMO 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, 2019. 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-KIGUMO 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-KIGUMO 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.

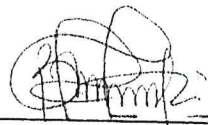
The Accounting Officer in charge of the NGCDF-KIGUMO Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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-KIGUMO Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.

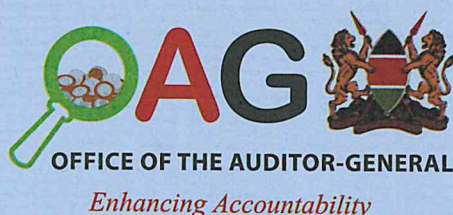

Fund Account Manager
Name: _____

30 MAR 2020


Sub-County Accountant
Name: _____
ICPAK Member Number: _____

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIGUMO 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 - Kigumo Constituency set out on pages 8 to 49, 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 effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kigumo 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. Erroneous Net Liabilities

The statement of assets and liabilities reflects total financial assets of Kshs.60,376,499 and Nil liabilities as at 30 June, 2019. However, contrary to the reporting guidelines issued by the Public Sector Accounting Standards Board, the statement reflects erroneously net liabilities of Kshs.60,376,499 instead of net financial position of the same amount.

Consequently, the state of assets and liabilities contravenes the prescribed format of preparation and presentation of the statement.

2. Other Grants and Transfers

2.1 Variances in Bursary to Needy Students

Disclosed under Note 7 to the financial statements is other grants and transfers payments of Kshs.37,750,611 which includes Kshs.9,834,500 and Kshs.18,635,250 for bursary-secondary schools and bursary-tertiary institutions, respectively. However, the list of beneficiaries presented for audit reflected bursary disbursements of Kshs.13,708,500 compared to the total recorded amount of Kshs.28,469,750, resulting to unexplained difference of Kshs.14,761,250.

Further, the bursary disbursements were not supported with acknowledgement letters or receipts from the schools and institutions to confirm receipt of the bursaries. In addition, some of the beneficiaries were issued with several bursary awards thus denying bursary, other needy applicants.

Consequently, the validity and accuracy of the other grants and transfers of Kshs.37,750,611 could not be confirmed.

2.2 Unsupported Education Day Expenditure

Disclosed under Note 7 to the financial statements is other grants and transfers payments of Kshs.37,750,611 which includes expenditure of Kshs.6,600,000 on emergency projects, out of which an amount of Kshs.862,250 was incurred in respect of Kigumo Education day held on 15 March, 2019.

The expenditure was based on a budget to cater for sitting arrangement, meals, subsistence allowance, publicity, trophies/certificates and entertainment during the function. However, relevant expenditure returns were not provided for audit review. Further, the expenditure appears unrelated to the ordinary activities of the CDF.

As a result, the regularity and validity of the expenditure of Kshs.6,600,000 incurred on emergency projects could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Kigumo 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 reflects final receipts budget and actual on comparable basis of Kshs.190,632,447 and Kshs.183,552,447 respectively resulting to an under-funding of Kshs.7,080,000 or 4% of the budget. Similarly, the Fund spent Kshs.123,175,948 against an approved budget of Kshs.190,632,447 resulting to an under-expenditure of Kshs.67,456,499 or 35% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Kigumo 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

1. Transfers to Other Government Units

1.1 Transfers to Primary Schools

Disclosed under Note 6 to the financial statements is transfers to other government units of Kshs.61,417,027 which include expenditure of Kshs.32,917,027 in respect of transfers to primary schools, out of which disbursements totalling Kshs.9,017,027 were for eight (8) projects during the year ended 30 June, 2019.

Physical verification of the projects revealed poor workmanship in construction and renovation of classrooms as indicated in the table below:

	Project's Name	Amount Disbursed (Kshs.)	Activity	Remarks
1.	Kairitu primary school	1,000,000	Construction of 1 no. classroom	The classroom not in use, visible cracks on the wall and floor and the drainage works not done hence waterlogging.
2.	Njogu-ini primary school	1,017,027	Construction of 2 classrooms	Poor painting works, roof leaking, visible cracks on the floor, wall and verandah.

	Project's Name	Amount Disbursed (Kshs.)	Activity	Remarks
3.	Muiria primary school	500,000	Renovation of 6 Classroom, floor, metal doors, verandah, paint, roofing, windows, window panes, doors wall, plastering, flooring, fascia board and bag washing	Incomplete patches on the floor, poor fascia board, painting and leaking roof.
4.	Kiugu primary school	1,000,000	construction of 2 no block of toilets of 6 cubicles to completion	One of the toilets blocks had a huge gapping/visible cracks on the walls.
5.	Gakuyu primary school	1,000,000	Construction of 1 no. classroom	The walls and the floor had cracks, the verandah part of the slab had cracks and painting was poorly done.
6.	Kinyona primary school	600,000	Construction of 1.no blocks of toilet of 6 cubicles for boys	Visible cracks on the walls and verandah.
7.	Kiahiti primary school	2,900,000	Completion of admin block and of 2.no classrooms	visible cracks noted on the floor and walls, a sign of poor workmanship.
8.	Irigiro primary school	1,000,000	Construction of 2 no block of toilets of 6 cubicles to completion	Visible cracks and gapping on the walls
	Total	9,017,027		

As a result, value for money of the expenditure of Kshs.9,017,027 incurred on the projects during the year ended 30 June, 2019 could not be confirmed.

1.2 Poor Workmanship in Completion of Laboratory at Mugumo-ini Secondary School

Disclosed under Note 6 to the financial statements is transfer to other government entities of Kshs.61,417,027 which includes Kshs.28,500,000 in respect of transfer to secondary schools, out of which an amount of Kshs.1,000,000 was disbursed to Mugumo-ini secondary school for completion of science laboratory phase 2 and installation of fittings.

However, procurement records including tender opening, evaluation and award minutes were not presented for audit review. Further, physical inspection of the project revealed that the walls and the floor had visible cracks, and poorly done black board.

As a result, the value for money of the expenditure of Kshs.1,000,000 incurred on the laboratory project during the year ended 30 June, 2019 could not be confirmed.

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 its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management 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

05 November, 2021

Report of the Auditor-General on National Government Constituencies Development Fund - Kigumo Constituency for the year ended 30 June, 2019

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

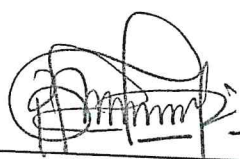
I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	163,825,359	67,273,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		163,825,359	67,273,447
PAYMENTS			
Compensation of employees	4	1,368,717	1,764,120
Use of goods and services	5	15,039,593	7,300,140
Transfers to Other Government Units	6	61,417,027	19,131,420
Other grants and transfers	7	37,750,611	20,984,576
Acquisition of Assets	8	7,600,000	-
Other Payments	9	-	-
TOTAL PAYMENTS		123,175,948	49,180,256
SURPLUS/DEFICIT		40,649,411	18,093,191

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

_____ 30 MAR 2020
 Fund Account Manager
 Name:




 Sub-County Accountant
 Name: MO DISTRICT TREASURY
 ICPAK Member Number: MO.
 Sign: Date:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019


V. STATEMENT OF ASSETS AND LIABILITIES.

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	60,376,499	19,727,088
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		60,376,499	19,727,088
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		60,376,499	19,727,088
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		60,376,499	19,727,088
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	19,727,088	1,633,897
Surplus/Defict for the year		40,649,411	18,093,191
Prior year adjustments	14	-	-
NET LIABILITIES		60,376,499	19,727,088

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



 Fund Account Manager
 Name: *



 Sub-County Accountant
 Name:
 ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VI.STATEMENT OF CASHFLOW

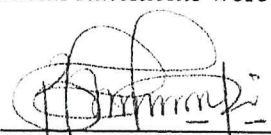
CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board	1	163,825,359	67,273,447
Other Receipts	3		
Total Receipts		163,825,359	67,273,447
Payments			
Compensation of Employees	4	1,368,717	1,764,120
Use of goods and services	5	15,039,593	7,300,140
Transfers to Other Government Units	6	61,417,027	19,131,420
Other grants and transfers	7	37,750,611	20,984,576
Other Payments	9		-
Total Payments		115,575,948	49,180,256
Total Receipts Less Total Payments		48,249,411	18,093,191
Adjusted for:			
Outstanding Imprest	11	-	
Retention	12A	-	
Gratuity Payable	12B	-	
Prior Year adjustment	14		
Net Adjustments			
Net cash flow from operating activities		48,249,411	18,093,191
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	(7,600,000)	
Net cash flows from Investing Activities		(7,600,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		40,649,411	18,093,191
Cash and cash equivalent at BEGINNING of the year	13	19,727,088	1,633,897
Cash and cash equivalent at END of the year		60,376,499	19,727,088

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIGUMO Constituency financial statements were approved on

2019 and signed by:



Fund Account Manager
Name:


Sub-County Accountant
Name:
ICPAK Member Number:



I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilis:
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	81,591,571	190,632,447	183,552,447	7,080,000	96.3%
Proceeds from Sale of Assets			-		-	
Other Receipts			-		-	
TOTAL RECEIPTS	109,040,876	81,591,571	190,632,447	183,552,447	7,080,000	96.3%
PAYMENTS						
Compensation of Employees	2,665,200.00	501,480	3,166,680	1,368,717	1,797,963	43.2%
Use of goods and services	7,148,473	7,891,119	15,039,592	15,039,593		100.0%
Transfers to Other Government Units	44,726,576	31,414,592	76,141,168	61,417,027	14,724,141	80.7%
Other grants and transfers	54,500,626	34,184,380	88,685,006	37,750,611	50,934,395	42.6%
Acquisition of Assets		7,600,000	7,600,000	7,600,000	-	100.0%
Other Payments			-		-	
TOTAL	109,040,876	81,591,571	190,632,447	123,175,948	67,456,499	64.6%

- i. Underutilization on compensation of employees relate to a vacant post for the office assistant that is currently being sought.
 ii. Underutilization on transfer to other government units and other grants and transfers relates to late receipt of allocated funds towards the said project this has however been received and disbursed to relevant projects.



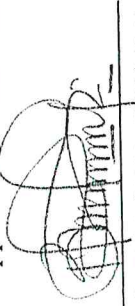
The NGCDF-KIGUMO Constituency financial statements were approved on _____ 2019 and signed by:



Fund Account Manager

Name:

30 MAR 2020



Sub-County Accountant

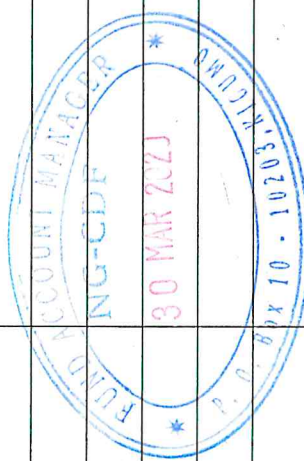
Name:

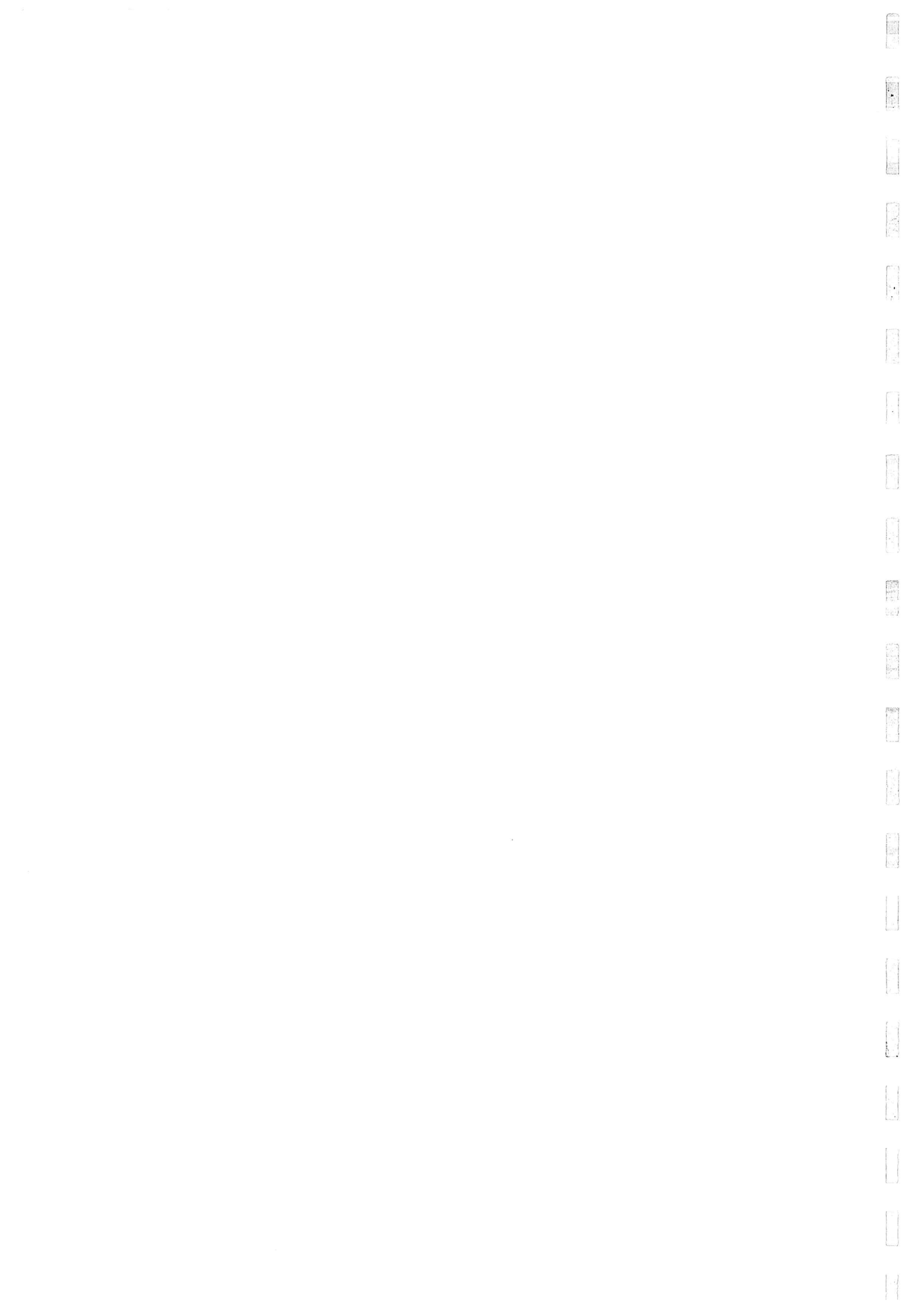
ICPAK Member Number:



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

TRIAL BALANCE AS AT 30TH JUNE 2019		DR	CR
Cash and Cash equivalents			
Bank Balances	60,376,499		
Cash Balances	-		
Outstanding Imprest	-		
Payments			
Compensation of Employees	1,368,717		
Use of goods and services	15,039,593		
Transfers to Other Government Units	61,417,027		
Other grants and transfers	37,750,611		
Acquisition of Assets	7,600,000		
Other Payments	-		
Receipts			
Transfers from the Board			163,825,359
Proceeds from sale of assets			-
Others receipts			-
Prior Year Adjustment			
Receivables			
Payables			
Fund Balance b/f			19,727,088
TOTAL	183,552,447	183,552,447	183,552,446





PARLIAMENTARY ACCOUNTS DEVELOPMENT FUND (NGCDF) – KIGUMO CONSTITUENCY
 Reports and Financial Statements
 for the year ended June 30, 2019

III. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration					
Employees Salaries	2,450,000.00	501,480.00	2,951,480.00	1,368,716.64	1,582,763.36
Goods and Services	1,877,248.90	1,000,000.00	2,877,248.90	1,038,930.00	1,838,318.90
NSSF	160,000.00		160,000.00		160,000.00
NHIF	55,200.00		55,200.00		55,200.00
Committee Expenses	2,000,000.00	2,500,000.00	4,500,000.00	3,794,000.00	706,000.00
Sub-Total	6,542,448.90	4,001,480.00	10,543,928.90	6,201,646.64	4,342,282.26
2.0 Monitoring and Evaluation					
Goods and services	871,224.47	408,184.00	1,279,408.47	503,891.00	775,517.47
Committee expenses	1,000,000.00	1,000,000.00	2,000,000.00	1,755,000.00	245,000.00
CDFC/ PMC Capacity Building	1,400,000.00	300,000.00	1,700,000.00	1,400,000.00	300,000.00
Sub-Total	3,271,224.47	1,708,184.00	4,979,408.47	3,658,891.00	1,320,517.47
3.0 Emergency					
Emergency	5,738,993.45	1,100,000.00	6,838,993.45	6,600,000.00	238,993.45
Emergencies		6,000,000.00	6,000,000.00		6,000,000.00
Sub-Total	5,738,993.45	7,100,000.00	12,838,993.45	6,600,000.00	6,238,993.45
4.0 Bursary and Social Security Programme					
Bursary Secondary Schools	5,000,000.00	8,000,000.00	13,000,000.00	9,834,500.00	3,165,500.00



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

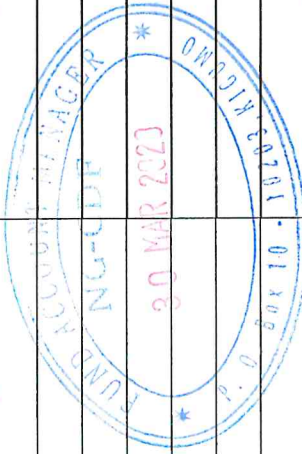
Bursary Tertiary Schools	17,700,000.00	964,879.78	18,664,879.78	18,635,250.00	29,629.78
Bursary Special Schools					
Social Security Programmes -NHIF	8,500,000.00		8,500,000.00		8,500,000.00
Bursaries					
Sub-Total	31,200,000.00	8,964,879.78	40,164,879.78	28,469,750.00	11,695,129.78
5.0 Sports					
KIgumo Tournament	2,180,816.31		2,180,816.31	2,180,816.31	0.00
KIgumo Tournament					
Sub-Total	2,180,816.31	-	2,180,816.31	2,180,816.31	0.00
6.0 Environment					
Kandani Primary School	145,000.00		145,000.00	145,000.00	0.00
Ndonga Primary School	145,000.00		145,000.00	145,000.00	0.00
Mbogoini Primary School	145,000.00		145,000.00	145,000.00	0.00
Kiahaiti Primary School	145,000.00		145,000.00	145,000.00	0.00
Wamahanga Primary School	145,000.00		145,000.00	145,000.00	0.00
Gikondi Primary School	145,000.00		145,000.00	145,000.00	0.00
Kariani Primary School	145,000.00		145,000.00	145,000.00	0.00
Marumi Primary School	145,000.00		145,000.00	145,000.00	0.00
Turu Turu Primary School	145,000.00		145,000.00	145,000.00	0.00
Gatiani Primary School	145,000.00		145,000.00	145,000.00	0.00
Mairi Primary School	145,000.00		145,000.00	145,000.00	0.00
Ikumbi Primary School	145,000.00		145,000.00	145,000.00	0.00
Gatumbi Primary School	145,000.00		145,000.00	145,000.00	0.00
Gacoco Primary School	145,000.00		145,000.00	145,000.00	0.00
Karinga Primary School	150,816.31		150,816.31	150,816.31	0.00
Sub-Total	2,180,816.31	-	2,180,816.31	2,180,816.31	0.00
7.0 Primary School Projects					

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

Githima Primary School	1,300,000.00		1,300,000.00		1,300,000.00
Kigumo Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Kariaini Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Gatitu DEB Primary	1,000,000.00		1,000,000.00		1,000,000.00
Mairi Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Ngurweini primary school	1,000,000.00		1,000,000.00		1,000,000.00
Kimotho Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Makomboki Primary School	1,000,000.00		1,000,000.00		1,000,000.00
St Francis Mukuyuini Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Wamahiga Primary School	600,000.00		600,000.00		600,000.00
Gachathiini Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Thamara Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Njora Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Takeu Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Mathareini Primary School	1,026,576.08		1,026,576.08		1,026,576.08
Gikondi Primary School	2,400,000.00		2,400,000.00		2,400,000.00
Kamukabi Primary School	600,000.00		600,000.00		600,000.00
Mbogoini Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Mumbu Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Gakarati Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Kahuho Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Githima Pri Sch		2,500,000.00	2,500,000.00		0.00
Kiahiti Pri Sch		1,400,000.00	1,400,000.00		0.00
Mathare-ini Pri Sch		600,000.00	600,000.00		0.00
Iriguro Pri School		1,000,000.00	1,000,000.00		0.00

NATIONAL VERIFICATION AND VALIDATION REPORT
Reports and Financial Statements
For the year ended June 30, 2019

Gachathe-ini Pri sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Kiugu Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Karia-ini Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Githima Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Karega Pri Sch	600,000.00	600,000.00	600,000.00	600,000.00	0.00
Kairitu Pri sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Makomboki Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Kahuho Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Githimaini Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Gakuyu Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Kamukabi Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Muiria Pri Sch	500,000.00	500,000.00	500,000.00	500,000.00	0.00
Kinyona Pri Sch	600,000.00	600,000.00	600,000.00	600,000.00	0.00
Ngurwe-ini Pri	500,000.00	500,000.00	500,000.00	500,000.00	0.00
Gakuyu Pri Sch	2,100,000.00	2,100,000.00	2,100,000.00	2,100,000.00	0.00
Njogu-ini Pri Sch	1,017,027.22	1,017,027.22	1,017,027.22	1,017,027.22	0.00
Mbogoini Pri sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Mutunguru Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Mairi Sec Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Kigumo Mixed Sec Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Gacoco Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Matu Pri Sch	600,000.00	600,000.00	600,000.00	600,000.00	0.00
Nguku Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Kiahiti Pri Sch	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	0.00
Githima Pri Sch	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	0.00
Kiahiti Pri Sch	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	0.00
Kairitu Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
Gachoho Pri Sch	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00



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

Sub-Total	21,926,576.08	36,917,027.22	58,843,603.30	36,917,027.22	21,926,576.08
8.0 Secondary School Projects					
Kigumo Bendera High School	5,000,000.00		5,000,000.00	5,000,000.00	0.00
Githima Secondary School	2,000,000.00		2,000,000.00	2,000,000.00	0.00
Mununga High School	2,000,000.00		2,000,000.00		2,000,000.00
Karinga Secondary School	2,000,000.00		2,000,000.00		2,000,000.00
Matu Secondary School	4,200,000.00		4,200,000.00	4,200,000.00	0.00
Kinyona Secondary School	800,000.00		800,000.00		800,000.00
Kahambu Secondary School	600,000.00		600,000.00		600,000.00
Githembe Secondary School	3,200,000.00		3,200,000.00		3,200,000.00
Kanderendu Secondary School	3,000,000.00		3,000,000.00	3,000,000.00	0.00
Rarakwa Girls Sec Sch		1,800,000.00	1,800,000.00	1,800,000.00	0.00
Githembe Sec Sch		1,500,000.00	1,500,000.00	1,500,000.00	0.00
Karega Sec Sch		7,000,000.00	7,000,000.00	7,000,000.00	0.00
Mugumoini Sec Sch		1,000,000.00	1,000,000.00	1,000,000.00	0.00
Sub-Total	22,800,000.00	11,300,000.00	34,100,000.00	25,500,000.00	8,600,000.00
9.0 Tertiary institutions projects					
10.0 Security Projects					
Gatia -ini Police Station	1,800,000.00		1,800,000.00		1,800,000.00
Murhithi Police Station	600,000.00		600,000.00		600,000.00
Gakuyu Police Post	800,000.00		800,000.00	500,000.00	0.00
Kigumo Police Staff House		500,000.00	500,000.00	500,000.00	3,200,000.00
Sub-Total	3,200,000.00	500,000.00	3,700,000.00		
11.0 Acquisitions of Assets					



NATIONAL GOVERNMENT CONSORTIUMS DEVELOPMENT FUND (NGCDF) - KIGUMU CONSORTIUM

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

12.0 Others						
Strategic Plan		3,500,000.00	3,500,000.00	3,367,000.00	133,000.00	
TVET institutions	10,000,000.00		10,000,000.00		10,000,000.00	
NG- CDF office		7,600,000.00	7,600,000.00	7,600,000	0	
Sub-Total	10,000,000.00	11,100,000.00	21,100,000.00	10,967,000.00	10,133,000.00	
GRAND TOTAL	109,040,875.52	81,591,571.00	190,632,446.52	123,175,947.48	67,456,499.04	

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

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

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-KIGUMO 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.

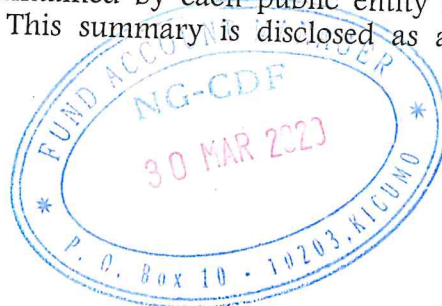
Use of Goods and Services

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.

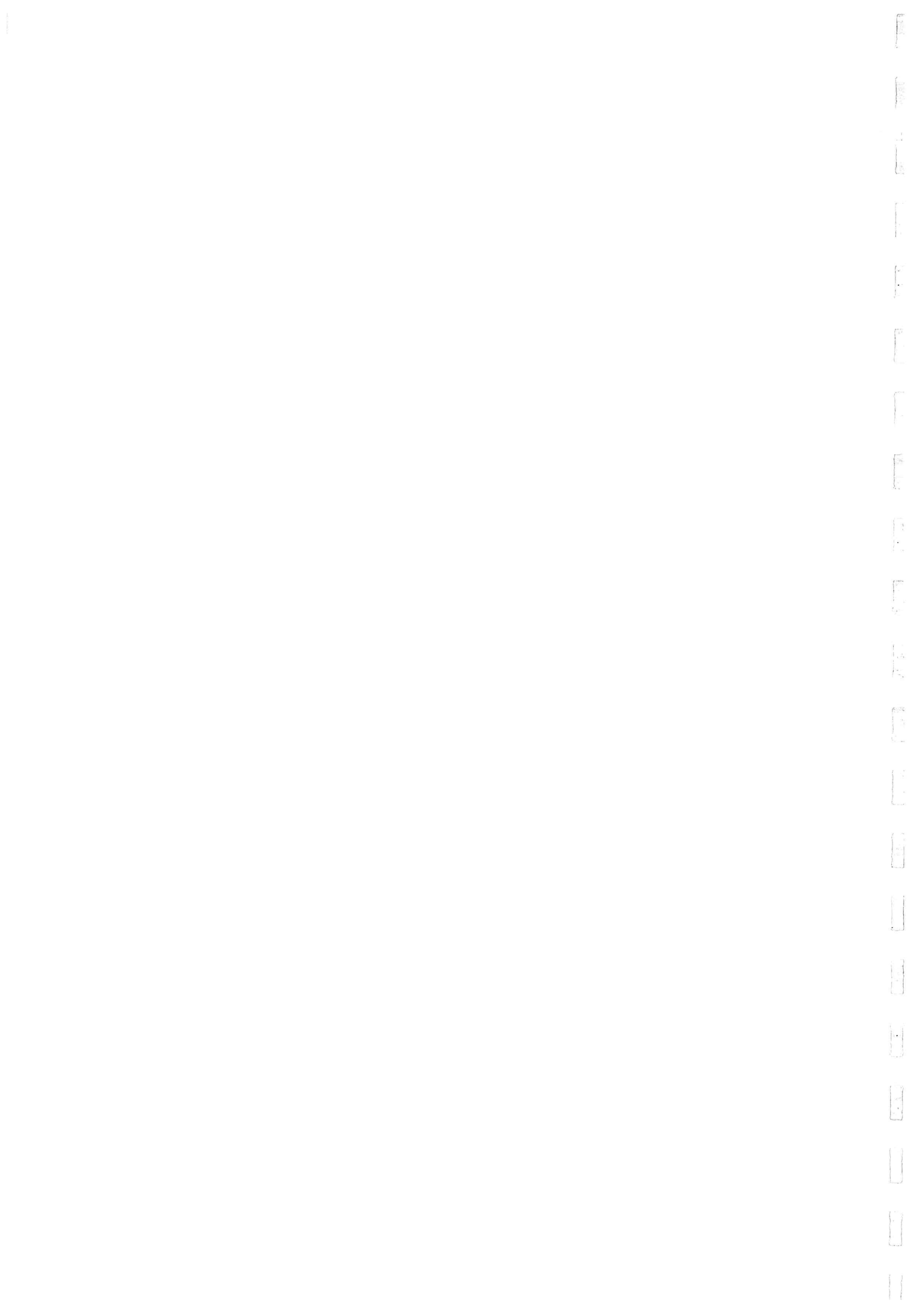
9. Pending Bills

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. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. 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 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.

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) – KIGUMO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES				
1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2018-2019	2017 - 2018
			Kshs	Kshs
1330407	Normal Allocation	B005343	46,784,483.15	
		B030187	10,000,000.00	
		B030438	12,000,000.00	
		B006380	7,000,000.00	
		B042662	8,000,000.00	
		B042768	12,000,000.00	
		B047009	13,000,000.00	
		B047555	55,040,875.50	
		AIE NO A855,859		5,500,000.00
		AIE NO A892584		23,868,275.00
		AIE NO A896754		37,905,172.00
1330408	Conditional grants			
				-
1330409	Receipt from other Constituency			-
	TOTAL		163,825,359	67,273,447
3510000	2 PROCEEDS FROM SALE OF NON- FINANCIAL ASSETS			
	Description		2018-2019	2017 - 2018
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings		-	-
3510601	Receipts from the Sale of Vehicles and		-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIGUMO
CONSTITUENCY

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

	Transport Equipment			
3510801	Receipts from the Sale Plant Machinery and Equipment			
3510803	Receipts from the Sale of Office and General Equipment			
	TOTAL			
1400000	3 OTHER RECEIPTS			
	Description		2018-2019	2017 - 2018
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of Tender Documents			-
1450207	Other Receipts Not Classified Elsewhere			-
	TOTAL		-	-
2110000	4 COMPENSATION OF EMPLOYEES			
	Description		2018-2019	2017 - 2018
			Kshs	Kshs
2110201	Basic wages of contractual employees		1,368,717	564,120
2110202	Basic wages of casual labour			
	Personal allowances paid as part of salary			
2110301	House allowance			
2110314	Transport allowance			
2110320	Leave allowance			
2110326	Other personnel payments			1,200,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIGUMO
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

2120101	Employer contribution to NSSF			
2710120	Gratuity-Paid			
	Gratuity-Accrued			
	TOTAL		1,368,717	1,764,120
2200000	5 USE OF GOODS AND SERVICES			
	Description		2018-2019	2017 - 2018
			Kshs	Kshs
2210100	Utilities, supplies and services		1,016,400	475,011
2210101	Electricity			
2210102	Water & sewerage charges		12,990	
2210104	Office rent			
2210200	Communication, supplies and services		9,450	460,000
2210300	Domestic travel and subsistence		200,000	300,000
2210500	Printing, advertising and information supplies & services			230,000
2210600	Rentals of produced assets			
2210700	Training expenses		1,400,000	1,065,000
2210800	Hospitality supplies and services			
2210802	Other committee expenses		4,935,862	4,551,300
2210809	Committee allowance		3,794,000	
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services		303,891	218,829
2211200	Fuel, oil & lubricants			
2211300	Other operating expenses			
2211301	Bank service commission and charges			

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

2211313	Security operations			
2220100	Routine maintenance - vehicles and other transport equipment			
2220200	Routine maintenance- other assets			
	Strategic Plan		3,367,000	
	TOTAL		15,039,593	7,300,140
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2018-2019	2017 - 2018
			Kshs	Kshs
2630204	Transfers to Primary schools		32,917,027	16,431,420
2630205	Transfers to Secondary schools		28,500,000	2,700,000
2630206	Transfers to Tertiary institutions			
	TIVET			
	TOTAL		61,417,027	19,131,420
2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
	Description		2018-2019	2017 - 2018
			Kshs	Kshs
2640101	Bursary -Secondary		9,834,500	12,656,250
2640102	Bursary -Tertiary		18,635,250	4,930,000
2640104	Bursary-Special schools			
2640105	Mocks & CAT			
2640507	Security		500,000	326,500
2640509	Sports		2,180,861	1,535,913
2640510	Environment		-	1,535,913
2640200	Emergency Projects		6,600,000	

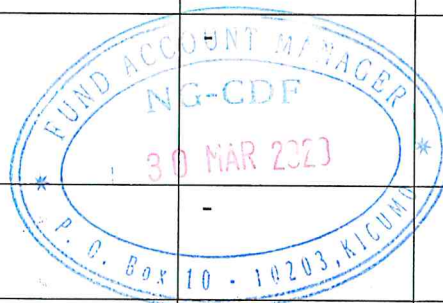


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIGUMO
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

	TOTAL		37,750,611	20,984,576
3100000	8 ACQUISITION OF ASSETS			
	Non Financial Assets		2018-2019	2017 - 2018
			Kshs	Kshs
3110102	Purchase of Buildings		-	-
3110202	Construction of Buildings		-	-
3110302	Refurbishment of Buildings		7,600,000.00	-
3110701	Purchase of Vehicles			-
3110704	Purchase of Bicycles & Motorcycles		-	-
3110801	Overhaul of Vehicles		-	-
3111001	Purchase of office furniture and fittings			
3111002	Purchase of computers ,printers and other IT equipments		-	
3111005	Purchase of photocopier		-	-
3111009	Purchase of other office equipments		-	-
3111112	Purchase of soft ware		-	-
3130101	Acquisition of Land		-	-
	TOTAL		7,600,000	-
	9 Other Payments			
	ICT HUB		-	-
	specify		-	-
	specify		-	-
	TOTAL		-	-
	10A: Bank Balances (cash book bank			





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIGUMO
 CONSTITUENCY

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

	balance)			
	Name of Bank, Account No. & currency	Account Number	2018-2019 Kshs (30/6/2019)	2017 - 2018 Kshs (30/6/2018)
	EQUITY BANK, KANGARI Branch .	A/C no.1146215614	60,376,499	19,727,088
	10B: CASH IN HAND)			
			2018-2019	2017 - 2018
			Kshs (30/6/2019)	Kshs (30/6/2018)
	Location 1		-	-
	Location 2		-	-
	Location 3		-	-
	Other receipts (specify)		-	-
	TOTAL		-	-
			[Provide cash count certificates for each]	
11: OUTSTANDING IMPRESTS				
Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2019)
	Date imprest taken	Kshs	Kshs	Kshs



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIGUMO
CONSTITUENCY

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

			-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
				-
	12 Retention			
	Supplier/Contractor	PV No.	2018-2019	2017 - 2018
	ABC Ltd	29	xx	
	XYZ Ltd	124		xx
	TOTAL		xx	xx
	13 BALANCES BROUGHT FORWARD			
			2018-2019	2017 - 2018
			(1/7/2018	(1/7/2017)
			Kshs	Kshs
	Bank accounts		19,727,088	1,633,897
	Cash in hand			-
	Imprest			-
	TOTAL		19,727,088	1,633,897
	14	PRIOR YEAR ADJUSTMENT S		
			2018-2019	2017 - 2018
			Kshs	Kshs
	Bank accounts		-	-
	Cash in hand			-
	reversed stale cheques(bursary)			
	TOTAL			-
	15	OTHER IMPORTANT DISCLOSURES		



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIGUMO
CONSTITUENCY

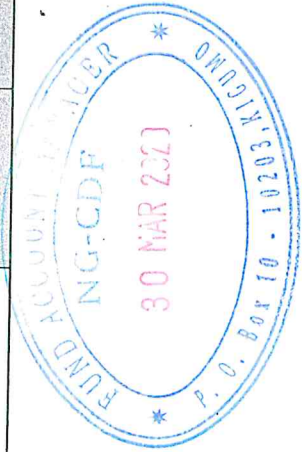
Reports and Financial Statements
For the year ended June 30, 2019

	15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
			2018-2019	2017 - 2018
			Kshs	Kshs
	Construction of buildings		-	-
	Construction of civil works		-	-
	Supply of goods		-	-
	Supply of services		-	-
	TOTAL		-	-
	15.2: PENDING STAFF PAYABLES (See Annex 2)			
			2018-2019	2017 - 2018
			Kshs	Kshs
	NGCDFC Staff		-	-
	Others (specify)		-	-
			-	-
	15.3: UNUTILIZED FUND (See Annex 3)			
			2018-2019	2017 - 2018
			Kshs	Kshs
	Compensation of employees		1,797,963	501,480
	Use of goods and services		497,927	5,208,184.00
	Amounts due to other Government entities		16,407,076	34,097,527
	Amounts due to other grants and other transfers		48,753,533	30,684,380.00
	Acquisition of assets		-	7,600,000
	Others (specify)		-	3,500,000
			67,456,499	81,591,571

NATIONAL GOVERNMENT ENTITY - MARAGUA CONSTITUENCY
 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					





NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLE

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	Comments
NGCDF Staff salary							
1.							
Sub-Total							
NGCDFC Staff gratuity							
john macharia mwangi		52,579.80	1/12/2020	nil	52,579.80		to be paid on expiry of contract
juliet wanjiru irungu		79,984.80	1/12/2020	nil	79,984.80		to be paid on expiry of contract
monica njeri chege		76,617.45	1/12/2020	nil	76,617.45		to be paid on expiry of contract
susan wangui mbau		52,579.80	1/12/2020	nil	52,579.80		to be paid on expiry of contract
edwin mwangi wanjiru		44,100.00	1/12/2020	nil	44,100.00		to be paid on expiry of contract
Sub-Total		305,861.85			305,861.85		

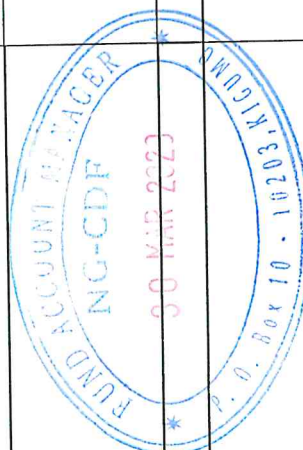


NATIONAL GOVERNMENT ENTITY - (KIGUMO CONSTITUENCY)
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

ANNEX 3 - ANALYSIS OF
 UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance	
		2018/19	2017/18
Compensation of employees		1,797,963	501,480
Use of goods & services		497,927	5,208,184.00
Amounts due to other Government entities		16,407,076	34,097,527
Sub-Total		18,702,966	39,807,191
Amounts due to other grants and other transfers		48,753,533	30,684,380.00
Sub-Total		48,753,533	30,684,380
Acquisition of assets		-	7,600,000
strategic plan		-	3,500,000
Sub-Total		-	11,100,000
Grand Total		67,456,499	81,591,571



NATIONAL GOVERNMENT ENTITY - (KIGUMO CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

– 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				
Buildings and structures	2,883,710	7,600,000		10,483,710.00
Transport equipment	0			0
Office equipment, furniture and fittings	770,850			770,850
ICT Equipment, Software and Other ICT Assets	860,848			860,848
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	4,515,408	7,600,000		12,115,408.00

NATIONAL GOVERNMENT ENTITY - (KIGUMO CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

PMC	Account number	Bank Balance
		2018/19
Kigumo bendera high school	70293407674	3,790,388.00
kigumo mixed secondary	70278637442	5,780.00
kigumo ngcdf office	70278710671	96,888.00
kigumo primary school	70191192672	72,580.00
kigumo social hall	70199846057	138,453.00
kimotho primary school	70199425290	106,507.00
kinyona primary school	70190946348	76,271.00
kiugu primary school	8.90264E+11	23,303.00
mairi primary school	70162326530	328,255.00
mathare-ini primary school	70196994204	1,121,716.00
matu secondary school	70278888628	1,979,892.00
matu primary school	70170586264	22,780.00
mbogoini primary school	8.90262E+11	921.00
mugumoini secondary school	8.90297E+11	53,986.00
muiria primary school	70272842086	18,667.00
mumbu primary school	70197014855	1,203,602.00
muthithi police station	70179183366	28,750.00
mutunguru primary school	70194240202	31,081.00
ndonga primary school	8.90298E+11	61,077.00
nguku primary	70199844355	13,074.00
ngurwe-ini primary school	70277361108	364,581.00
njogu-ini primary school	70171787985	6,069.00

NATIONAL GOVERNMENT ENTITY - (KIGUMO CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

njora primary school	8.90279E+11	49,982.00
thamara primary school	70162866637	52,716.00
wamahiga primary school	8.90297E+11	5,738.00
kiahiti primary school	70294241629	141,674.00
karia-ini primary school	70199815481	1,039,448.00
karega secondary school	70193428286	228,623.00
karega primary school	70190183085	54,590.00
kandani primary school	8.90198E+11	45,304.00
kamukabi primary school	70190980084	19,834.00
kairitu primary school	70278895129	47,396.00
kahuho primary school	8.90298E+11	623,436.00
irigiro primary school	8.90293E+11	3,278.00
ikumbi primary school	70164176055	79,507.00
gathimaini primary school	8.902E+11	65,744.35
gathima sec school	70194364736	1,077,481.00
githembe secondary school	8.90298E+11	970,945.00
gatia-ini police station	70279081396	1,683,880.00
gakuyu primary school	70277912589	40,467.00
gakarati primary school	8.90199E+11	29,943.45
gacoco primary school	70190251977	47,768.55
gachathiini primary school	2.20193E+11	971,410.15
total		16,823,786.50

NATIONAL GOVERNMENT ENTITY - (KIGUMO CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

ANNEX 6:

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)
	<p>Unsupported committee allowances</p> <p>The National Government Constituencies Development Fund-Kigumo Constituency incurred an expenditure of Kshs.1, 778,000 on its NGCDFC allowances which were not supported by appropriate documentation. Details are as follows:</p>	<p><i>Response</i></p> <p><i>The Supporting documents as outlined in the remarks column have now been provided for your perusal.</i></p> <p><i>See annex 4.1.1</i></p>	Fund account manager	resolved	
	<p>Wrong Classification of Social Security Programmes Expenditure</p> <p>Reported under the note 7 to the financial statements are expenses relating to</p>	<p><i>Response</i></p> <p><i>The expenditure has now been properly classified under Social Security Programmes in the amended financial statements for the</i></p>	Fund account manager	resolved	

NATIONAL GOVERNMENT ENTITY - (KIGUMO CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

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>CATs ad Mocks amounting to Kshs.326,500. A review of the supporting documentation indicates that the expenditure of Kshs.326, 500 was however incurred on sponsoring NHIF cards for the elderly people in the constituency and not CATs and Mocks as reported in the financial statements. The funding therefore relates to Social Security Programmes as per the provisions of section 48 of National Government Constituencies Development Fund Act 2015.</p>	<p><i>financial year 2017/2018 and is now available for your perusal.</i></p> <p><i>See annex 4.2.0</i></p>			
	<p>Wrong Classification of Bursary Expenditure Note 7 to the financial statements reflect payments relating to bursary totaling to Kshs.17, 586,250. The figure comprises of Bursary</p>	<p><i>Response</i></p> <p><i>The expenditure of Kshs.370, 000 has now been properly classified under bursary to tertiary institutions in the</i></p>	<p>Fund account manager</p>	<p><i>resolved</i></p>	

NATIONAL GOVERNMENT ENTITY - (KIGUMO CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

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>to Secondary Schools of Kshs.13, 026,250 and Bursary to Tertiary Institutions Kshs.4, 560,000.</p> <p>Included in the amount of Bursary to secondary schools are Bursary awarded to Universities and Tertiary Institutions amounting to Kshs.370, 000. The bursaries were disbursed vide payment voucher Number 02 dated 2nd March 2018. This amount should have however been reported under bursary to tertiary institutions.</p>	<p><i>amended financial statements for the financial year 2017/2018 and is now available for your perusal.</i></p> <p><i>See annex 4.2.2</i></p>			
	<p>Vetting of Applicants and Award of Bursary During the year under review Bursaries amounting to Kshs.17, 586,250 were awarded and disbursed in favour of beneficiaries in both</p>	<p><i>Response</i></p> <p><i>Kigumo NG-CDF uses the following criteria while awarding bursary to bright and needy students within the constituency:</i></p>	Fund account manager	<i>resolved</i>	

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	<p>secondary schools and tertiary institutions. These disbursements were supported by Bursary committee minutes dated 10th February and 27th April 2018. A review of a sample of bursary application forms revealed that there was no evidence that the forms were evaluated. In addition, there was no record in the minutes of the criteria used to vet, identify and categorize needy students. The criteria used to allocate bursary to applicants is therefore appears unclear.</p>	<ul style="list-style-type: none"> • <i>An advertisement is made to local churches and other public places including barazas for the whole of the constituency to collect and dully fill the bursary application form from the NG-CDF office with a two week timeline to return the dully filled and stamped form.</i> • <i>The bursary committee then evaluates the dully filled forms examining whether an applicant is a resident, has attached fee structure or balance fee from the institution,</i> 			

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		<p><i>recommendation by assistant chief on whether he or she is needed and that he warrants the bursary.</i></p> <ul style="list-style-type: none"> <i>The bursary committee also device a formula as to how much is to be allocated in to either day secondary schools, boarding secondary schools and for university and colleges this is determined by the number of applicants for each cluster and the amount available at their disposal. The whole process is minuted by the bursary committee.</i> <p><i>Due to the bulky nature of the exercise some</i></p>			

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		<p><i>evaluators may fail to indicate there reasons on the forms but instead group the beneficiary in one lot and the rejected forms in another the management takes into consideration of the recommendation to in future record their findings in the official use are marked in the forms.</i></p>			
	<p>Inadequately Supported Bursary During the financial year, Kigumo NGCDF disbursed a total of Kshs.12,728,000 to various learning institutions. These disbursements were effected vide payment vouchers numbers 51 of 18th May 2018 for Kshs.4,204,000, 52 of the same date for Kshs.7,729,000 and 69 dated 28th May 2018 for</p>	<p><i>Response</i> <i>The supporting schedules not availed during the audit review period are now available for your perusal.</i> <i>See annex 4.2.4</i></p>	<p>Fund account manager</p>	<p><i>resolved</i></p>	

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	Kshs.795,000. These payments were however not supported by a list of beneficiaries.				
	<p>Environment Project The environment project was allocated kshs.1, 535,913 during financial year 2017/2018. The project activity involved purchase and planting of 409 seedlings in 9 selected schools at a cost of Kshs.102, 394.20 for each school. The funds were transferred to a project Management Committee vide payment voucher number 89 dated 20th June 2018. The transfer was supported by NG-CDFC minutes dated 23rd May 2018 authorizing the disbursement to the Project Management Committee Account.</p>	<p>Response <i>The Kigumo NG-CDF committee is in a process of devising measures to ensure that the trees planted is taken care of to ensure sustainability of the project. The tree seedlings in question were planted during the month of December which in most cases we anticipate some short rains during this time however, during the financial year under review the short rains did not appear and most of the school do not have piped water to ensure watering of the trees. Therefore the management has resolved to change the tree planting</i></p>	Fund account manager	Not-resolved	30/9/2019

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	<p>A visit to 4 sampled schools on 27th February 2019 revealed that, out of approximately 420 seedlings planted in Irigiro Primary School, only 2 were surviving. The rest had dried up. At Gakeu Primary School, although most of the seedling planted was surviving, some were drying up. At Githima Primary school, most of the trees planted had dried up. A big number of the seedlings had also not been planted.</p>	<p><i>period to the month of June up to August where it is wet to ensure a big number of tree are sustained. The committee also has resolved to ensure proper capacity building of the beneficiary for them to own the process and eventually take personal responsibility as the management of these schools and ensure sustainability of the project. The committee is also thinking of diversifying to other environmental sustainability projects within the subsequent financial year such as installing gabions to erosive prone areas, water harvesting in some school and unblocking drainage,</i></p>			

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		<i>cleaning of market areas that are health hazard.</i>			
	<p>Delayed Project – Gacathi-ini Primary School Gacatha-ini Primary School was allocated Kshs.1, 000,000 during financial year 2017/2018 for construction of 2 no. classrooms as per the project code list provided for audit. The kshs.1, 000, 000 allocated was disbursed to the project vide cheque number 6328 dated 20th June 2018. A physical verification exercise conducted on 27th February 2019 revealed the project was just starting over seven months since the funds were disbursed. No proper explanation was provided for the delay in</p>	<p><i>Response</i> <i>At the time of audit the project had just started due to the fact that in this particular school the space where the two no. classrooms were to be built had an old structure that the school needed to demolish owing to the limited space for the growth of the school. The school management therefore differed on whether to demolish or change the activity to have a story classroom instead of construction of 2 no. classrooms. These disagreements delayed the implementation of the project but after further consultations were made,</i></p>	Fund account manager	<i>resolved</i>	

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	the implementation of the project.	<p><i>the resolution was to demolish at their cost to pave way for the construction of classroom as earlier proposed.</i></p> <p><i>The project is 60% complete awaiting finishes that is flooring, plastering, glazing and painting.</i></p> <p><i>See photo evidence.</i></p>			
	<p>Poor Workmanship – Gikondi Primary School Project The project was allocated Kshs.1, 000,000 during financial year 2017/2018 for renovation of 6 no. classrooms. The amount was disbursed to the project vide cheque number 5808 dated 23rd April 2018. The tender for the works was awarded to Tech Sprought Enterprises Ltd at a cost of Kshs.931,250. As at the time of audit in February 2019, the contractor had</p>	<p><i>Response</i> <i>At the time of audit the project was complete but not yet handed over to the user department by the contractor. However, there was still some outstanding work for the project to be fully complete. The certificate for payment are now been availed for your perusal. We have also written to the contractor to remedy the defects in the classrooms as the retention was yet to be paid.</i></p>	Fund account manager	Not-resolved	30/9/2019

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	<p>been paid a total of Kshs.835,930 for the works. However, no certificate from Public Works department was availed to support this payment.</p> <p>A physical verification exercise carried out on 27th February 2019, revealed that although the renovation works had been completed, floors to three classrooms had badly cracked casting doubts on the quality of works carried out by the contractor.</p>				
	<p>Funds Absorption Out of the total funds available to the Constituency during financial year 2017/2018 totaling to Kshs.68,907,344, the constituency had only expended Kshs.49,180,256 as at 30th</p>	<p>Response <i>The shortfall in disbursement relate to additional code list that was yet to be received amounting to ksh 11,379,310 and ksh 18,000,000 from the NG-CDF Board. The fund management made liaison with the board and the funds were received in</i></p>	Fund account manager	<i>resolved</i>	

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	<p>June 2018. This translates to an absorption rate of 71%. The low absorption rates impacts negatively on project implementation and completion. The management however cited delay in disbursement of funds as the contributing factor in the low funds absorption.</p>	<p><i>the subsequent financial year.</i></p> <p><i>Attached is the copy.</i></p> <p><i>See annex 4.5</i></p>			

