

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 18 MAY 2019

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THURSDAY

**REPORT**

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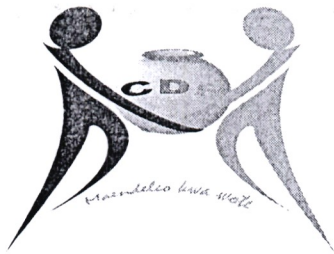
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
CHUKA IGAMBANG'OMBE CONSITUENCY

FOR THE YEAR ENDED  
30 JUNE 2018



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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND CHUKA  
IGAMBANG'OMBE CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018

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



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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**CHUKA IGAMBANG'OMBE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018**

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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 NG CDF Chuka Igambang'ombe 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 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mburu Ngugi
3.	Sub-County Accountant	Bernard Cheruiyot
4.	Chairman NG CDFC	Secondina Ciangai Rugendo
5.	Member NG CDFC	Doreen Mwendu Naivasha

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NG CDF -Chuka Igambang'ombe 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 Chuka Igambang'ombe Constituency Headquarters**

P.O. Box 445-60400  
 100M from Chuka-Meru road  
 Next to the Chuka DC's Playground  
 Chuka

**Reports and Financial Statements  
For the year ended June 30, 2018**

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(f) NGCDF Chuka Igambang'ombe Constituency Contacts

Telephone: (254) 793-322-000  
E-mail: [chukaigambangombe@ngcdf.go.ke](mailto:chukaigambangombe@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

(g) NGCDF Chuka Igambang'ombe Constituency Bankers

1. Equity bank  
Chuka Branch  
A/C No 0210261803915  
Chuka
  
2. Family bank  
Chuka Branch  
A/C No 0000005629  
Chuka

(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

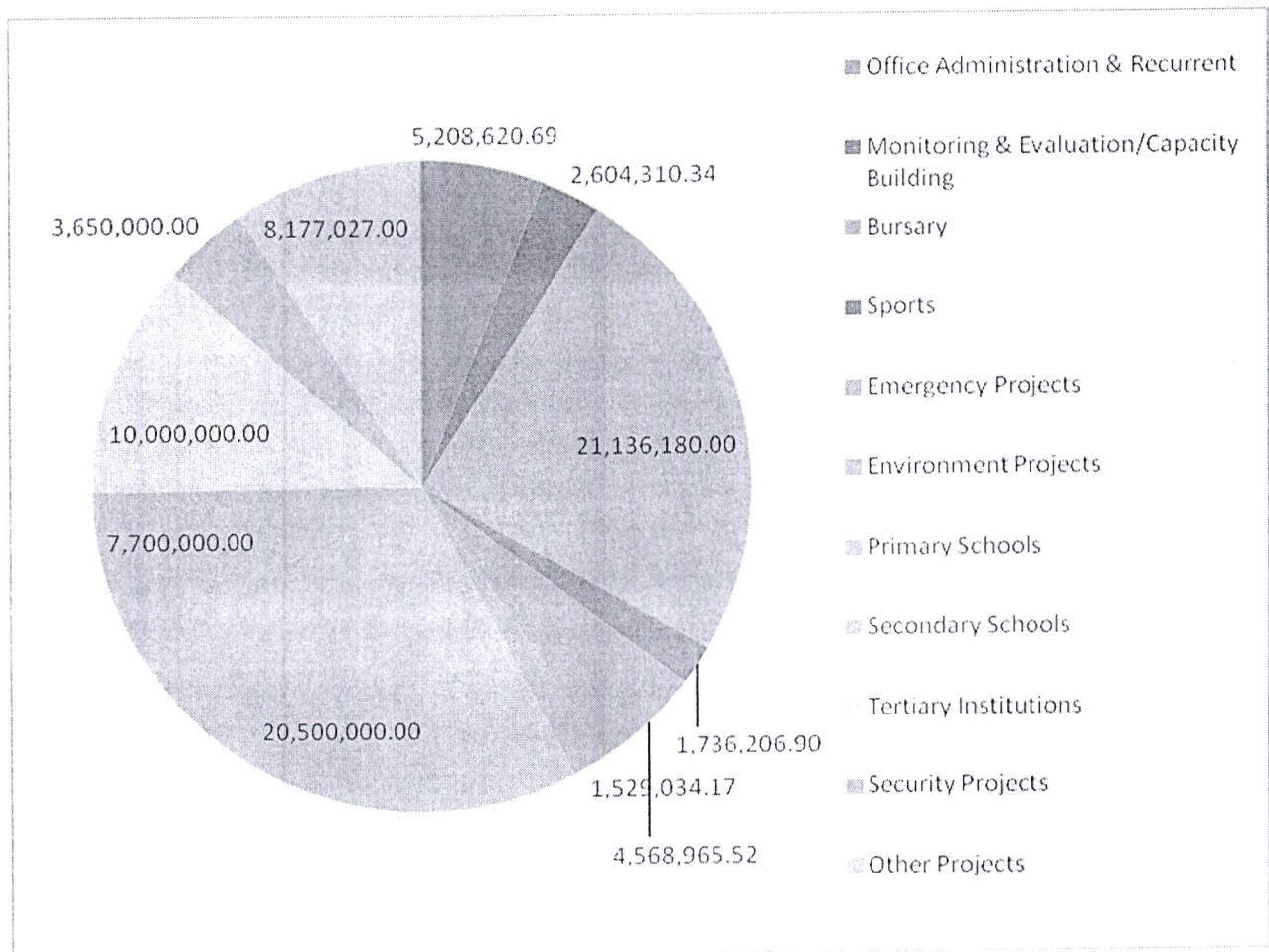
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

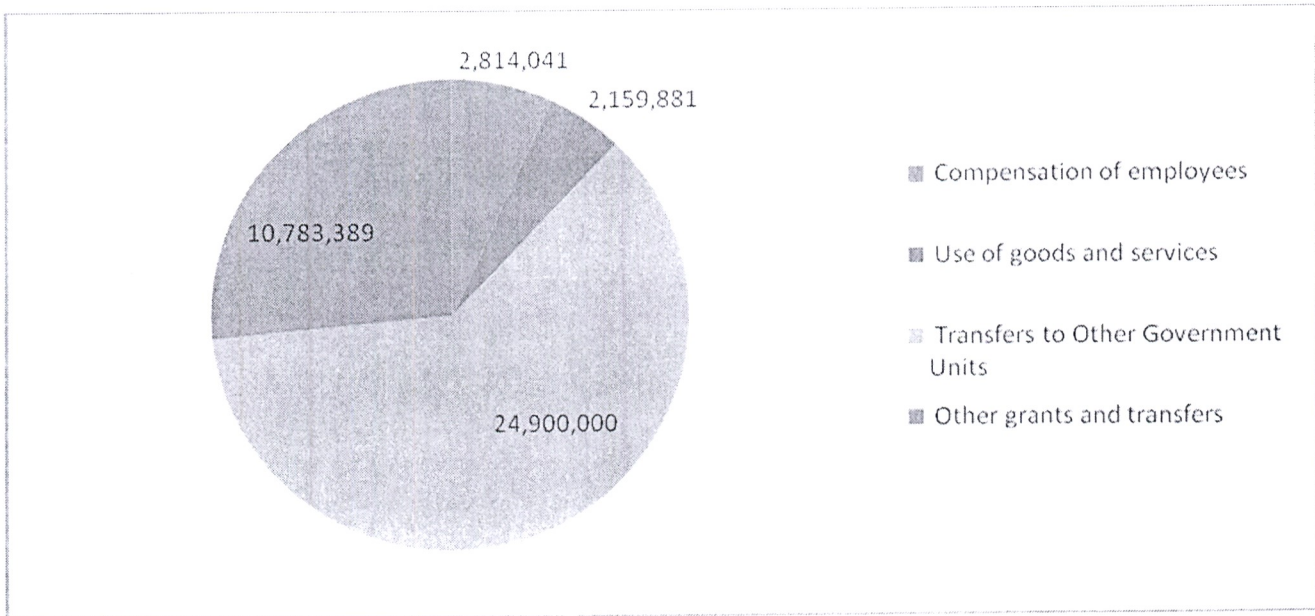
It is my pleasure to deliver the Chairman's report for NG-CDF Chuka Igambang'ombe for the financial year 2017/2018.

In the financial year 2017/18 NG-CDF Chuka Igambang'ombe total allocation was Ksh 86,810,344.82 out of which Ksh 43,405,172 was received from the board, a total of Ksh 40,641,920.87 was disbursed to various projects with the education sector taking a large percentage of the allocation as shown in the pie charts below.

ORIGINAL BUDGET ALLOCATIONS DURING THE YEAR



ACTUAL UTILISATION OF FUNDS DURING THE YEAR



The NG-CDF board should rationalize projects costs through some standardized national and regional projects costs ceilings and ensure funds are disbursed on time.

Last year was a difficult period due to the prolonged electioneering period the NG-CDF funds came in half way through the financial year. The delays in disbursements caused delays in implementation of projects.

During the year there was transition between the old NG-CDF committee and the new NG-CDF Committee selected in 2017 who have continued to learn the NG-CDF operations.

In closing, I would also like to thank the NG-CDF committee and NG-CDF staff of Chuka Igambang'ombe for their continued dedication to our purpose of transforming the constituency.

Sign

CHAIRMAN NG CDF COMMITTEE  
Secondina Ciangai Rugendo

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Chuka Igambang'ombe 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, 2018. 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-Chuka Igambang'ombe 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, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Chuka Igambang'ombe 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.

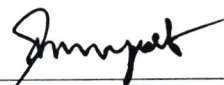
The Accounting Officer in charge of the NGCDF-Chuka Igambang'ombe Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used 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-Chuka Igambang'ombe Constituency financial statements were approved and signed by the Accounting Officer on 23/08 2018.



Fund Account Manager  
Mburu Ngugi



Sub-County Accountant  
Benard Cheruiyot  
ICPAK Member Number: 14826

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-Mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – CHUKA IGAMBANG'OMBE FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

#### **Adverse Opinion**

I have audited the accompanying financial statements of National Government Constituency Development Fund (NG- CDF) – Chuka Igambang'ombe Constituency set out on pages 7 to 31, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanation, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of National Government Constituency Development Fund – Chuka Igambang'ombe Constituency as at 30 June 2018, 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 do not comply with National Government Constituency Development Fund Act, 2015.

#### **Basis for Adverse Opinion**

##### **1.0 Accuracy of the Financial Statements**

##### **1.1 Prior Year Adjustments**

The statement of assets and liabilities as at 30 June 2018 reflects Kshs.6,724,367 in respect to net financial position which includes Kshs.1,897,354 in respect to an unexplained or unsupported item on prior year adjustments which appear more like a balancing figure in the financial statements. In addition, the statement of assets and liabilities reflects Kshs.6,724,367 in respect to bank balances while the cash flow statements for the same period reflects a balance of Kshs.4,827,013 again resulting to an unexplained or unreconciled variance of Kshs.1,897,354.

In the circumstances, the accuracy of the financial statements balances for the year ended 30 June 2018 could not be ascertained.

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund (NG-CDF)- Chuka Igambang'ombe Constituency for the year ended 30 June 2018*

## **1.2 Cash and Cash Equivalents**

Note 10A to the financial statements reflects Kshs.6,724,367 in respect to bank balances as at 30 June 2018. However, the respective bank reconciliation statement reflected Kshs.3,134,755 in respect to unpresented cheques out of which Kshs.1,794,034 had become stale as at the time of this audit in January, 2019 and the same had not been replaced or reversed in the cash book thereby understating the cash and cash equivalents as at 30 June 2018 by the same amount. In addition, note 10 A to the financial statements for the year under review and the Fund's cash book reflected a nil balance in respect to a bank account at Equity bank-Chuka Branch. However, the respective bank balance confirmation certificate reflected a balance of Kshs.1,699,067 resulting into an understatement of the cash and cash equivalents by the same amount.

In the circumstances, the validity and accuracy of the cash and cash equivalents balance of Kshs.6,724,367 as at 30 June 2018 could not be confirmed.

## **2.0 Bursary Funds**

Note 7 to the financial statements reflects Kshs.10,783,389 in respect to other grants and other payments which includes Kshs.4,655,755 and Kshs.1,598,800 in respect to bursaries to secondary schools and tertiary institutions respectively both totaling to Kshs.6,254,555. However, included in the Kshs.6,254,555 are bursaries totaling to Kshs.3,590,855 that was not acknowledged as having been received in the respective institutions. Further, it is noted that the NG-CDF Chuka Igambang'ombe Constituency did not maintain a list of all applicants for the bursaries.

In the circumstances, it was not possible to ascertain if the Kshs.3,590,855 in respect to bursaries was received by the respective institutions and expended as appropriated during the year ended 30 June 2018.

## **3.0 Compensation of Employees**

Note 4 to the financial statements reflects Kshs.2,814,041 in respect to compensation of employees which includes Kshs 2,146,727 whose supporting documentation including payment vouchers, personal files and payrolls were not availed for audit review.

In the circumstances, the propriety and value for money for the Kshs.2,146,727 in respect to compensation of employees for the year ended 30 June 2018 could not be ascertained.

## **4.0 Project Management Committee (PMC) Bank Balances**

Note 6 and 7 to the financial statements reflects transfers to other government entities and other grants and other payments totaling to Kshs.24,900,000 and Kshs.10,783,389

respectively both totaling to Kshs.35,683,389. However, included in the Kshs.35,683,389 is Kshs.21,770,918 in respect of forty-four (44) project management committee (PMC) bank balances as analyzed at Annex 4 to the financial statements and whose bank reconciliations, cash books and bank statements were not provided for audit review.

In the circumstances, the accuracy of PMC bank balances of Kshs.21,770,918 as at 30 June 2018 could not be ascertained.

## **5.0 Committee Expenses**

Note 5 to the financial statement reflects Kshs.2,159,881 in respect to use of goods and services which includes Kshs.1,769,451 in respect to committee expenses which further includes five payments totaling to Kshs.1,001,000 in respect to sitting allowances and whose minutes of the meetings were not availed for audit verification.

In the circumstances, the propriety and value for money for Kshs.1,001,000 in respect to committee expenses could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituency Development Fund– Chuka Igambang’ombe Constituency in accordance with ISSAI 30 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 Adverse 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. Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **1.0 Budget Control and Performance**

#### **1.1 Receipts Analysis**

The statement of appropriation: recurrent and development combined for the year ended 30 June 2018 reflects budgeted receipts of Kshs.100,268,807 and actual receipts of Kshs.45,484,324 resulting to an under- realized receipts of Kshs.54,784,483 (55%).

Overall, the Fund failed to actualize its budget by Kshs.54,784,483 or 55% an indication that most of the programmes and activities that had been planned were not implemented. There is need therefore for Constituency Development Fund management to review its budget making process with a view to formulating a realistic budget that would be actualized for service delivery to the citizens of Chuka Igambang’ombe Constituency.

## 1.2 Expenditure Analysis

The statement of appropriation, recurrent and development for the year ended 30 June, 2018 reflects a budgeted expenditure of Kshs.100,368,808 and actual expenditure of Kshs.40,657,311 resulting in to an under-expenditure of Kshs.59,711,497 on six (6) items as shown below:

Item	Budget (Kshs)	Actual (Kshs)	Under (Kshs)	% under
Compensation of Employees	2,868,900	2,814,041	54,859	1.9%
Use of goods and services	6,053,885	2,159,881	3,894,004	64.3%
Transfers to Other Government Units	45,124,746	24,900,000	20,224,746	44.8%
Other grants and transfers	37,661,491	10,783,389	26,878,102	71.4%
Acquisition of Assets	482,759	0	482,759	100.0%
Other Payments	8,177,027	0	8,177,027	100.0%
<b>Total</b>	<b>100,368,808</b>	<b>40,657,311</b>	<b>59,711,497</b>	

The under-spending of the budget by Kshs.59,711,497 reflects an equivalent promised and expected service but denied to the residents of Chuka Igambang'ombe constituency and an indicator of improper budget planning process. There is need therefore for the management to relook at its budgeting mechanism with a view to focusing on areas which will improve service delivery to the residents of Chuka Igambang'ombe Constituency.

## 2.0 Project Implementation Status

Note 6 and 7 to the financial statements for the year under review reflects transfers to other Government entities and other grants and other payments of Kshs.24,900,000 and Kshs.10,783,389 respectively both totaling to Kshs.35,683,389 which is earmarked for project implementation during the year. However, it has not been possible to ascertain the status of the projects worth Kshs.35,683,389 as important details such as location of projects, total funds allocated per project, funds disbursed and date of completion for projects budgeted for in 2016/2017 but implemented in 2017/2018 were not produced for audit verifications.

In the circumstances, it has not been possible to ascertain the implementation status of projects worth Kshs.35,683,389 for the year ended 30 June 2018.

## 3.0 Projects Verification

Note 6 and 7 to the financial statements reflects Kshs.24,900,000 and Kshs.10,783,389 in respect to transfer to other government entities and other grants and other payments respectively both totalling to Kshs.35,683,389 which includes Kshs.7,600,000 in respect to six (6) projects implemented by the Fund in the year under review. However, a

physically verification of these projects in the month of January 2019 revealed various anomalies as shown here below:

	<b>Project's Name</b>	<b>Project Activities</b>	<b>Amount disbursed (Kshs)</b>	<b>Status( on-going, complete or not started)</b>	<b>Other observations</b>
1	Kairini Primary school	Bore hole	2,100,000	Complete	Constructed outside the primary school premises
2	Kabururu secondary school	Construction of a classroom	500,000	Complete	Classrooms not put to use as school is not registered
3	Murigi girls secondary school	Completion of classes and finishing the administration block	1,500,000	Complete	The project is complete but not in use yet
4	Kathanje Police post	Finishing the police post block	1,000,000	Complete	Cannot be put to use since the armoury room need to be redesigned.
5	Magumoni day secondary school	Construction of a classroom	500,000	complete	The funds were used to construct ten (10) toilets without approval
6	Kenya Medical Training College	Construction of Administration Block	2,000,000	Not started	Project had not started though the funds were disbursed. In addition, it is not clear how much money the CDF Board approved for the construction of the Administration Block as the approved project code list was not made available for audit.
		<b>Total</b>	<b>7,600,000</b>		

In the circumstances, the value for money for Kshs.7,600,000 in respect to projects for the year ended 30 June 2018 could not be ascertained.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of

Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

### **Presentation of the Financial Statements**

The Public Sector Accounting Standards Board (PSASB) stipulates that the financial statements for any National Government entity should include a separate summary statements of appropriation for recurrent and development and a budget execution by programmes and sub- programmes. However, the Fund's financial statements for the year ended 30 June 2018 did not include these statements. In addition, both pages 28 and 29 of the financial statements reflects Annex 4, one in respect to summary of fixed assets register and the other in respect to Project Management Committee (PMC) balances as at 30 June 2018 respectively.

In the circumstances, the presentation of the financial statements for the year under review was not in accordance with the recommended format.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### **Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

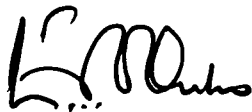
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease 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's 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.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**27 March 2019**

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
 CHUKA IGAMBANG'OMBE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

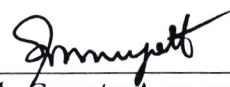
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	43,405,172	81,896,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>43,405,172</b>	<b>81,896,552</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,814,041	2,236,625
Use of goods and services	5	2,159,881	8,906,849
Transfers to Other Government Units	6	24,900,000	40,681,034
Other grants and transfers	7	10,783,389	60,442,171
Acquisition of Assets	8	-	1,714,370
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>40,657,311</b>	<b>113,981,049</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>2,747,861</u></b>	<b><u>(32,084,497)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Chuka Igambang'ombe Constituency financial statements were approved on 23/08/ 2018 and signed by:



Fund Account Manager  
 Mburu Ngugi



Sub-County Accountant  
 Benard Cheruiyot  
 ICPAK Member Number: 14826

## CHUKA IGAMBANG'OMBE CONSTITUENCY

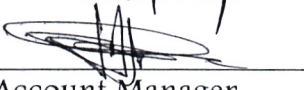
## Reports and Financial Statements

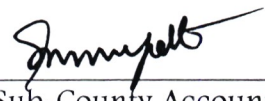
For the year ended June 30, 2018

## V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	6,724,367	2,079,152
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>6,724,367</b>	<b>2,079,152</b>
Current receivables - Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>6,724,367</u></b>	<b><u>2,079,152</u></b>
<b>FINANCIAL LIABILITIES</b>			
Accounts payable - Retention	12	-	-
<b>NET FINANCIAL ASSETS</b>		<b><u>6,724,367</u></b>	<b><u>2,079,152</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July 2017	13	2,079,152	34,163,649
Surplus/Deficit for the year		2,747,861	(32,084,497)
Prior year adjustments	14	<u>1,897,354</u>	-
<b>NET FINANCIAL POSITION</b>		<b><u>6,724,367</u></b>	<b><u>2,079,152</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG CDF-Chuka Igambang'ombe Constituency financial statements were approved on 23/08/ 2018 and signed by:

  
Fund Account Manager  
Mburu Ngugi

  
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## CHUKA IGAMBANG'OMBE CONSTITUENCY


## Reports and Financial Statements

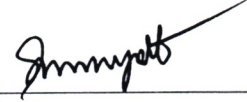
For the year ended June 30, 2018

## VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	43,405,172	81,896,552
Other Receipts	3	-	-
		43,405,172	81,896,552
Payments for operating expenses			
Compensation of Employees	4	2,814,041	2,236,625
Use of goods and services	5	2,159,881	8,906,849
Transfers to Other Government Units	6	24,900,000	40,681,034
Other grants and transfers	7	10,783,389	60,442,171
Other Payments	9	-	-
		40,657,311	112,266,679
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		2,747,861	(30,370,127)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	1,714,370
Net cash flows from Investing Activities		-	(1,714,370)
NET INCREASE IN CASH AND CASH EQUIVALENT		2,747,861	(32,084,498)
Cash and cash equivalent at BEGINNING of the year	13	2,079,152	34,163,649
Cash and cash equivalent at END of the year		<u>4,827,013</u>	2,079,152

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Chuka Igambang'ombe Constituency financial statements were approved on 23/08/ 2018 and signed by:

  
Fund Account Manager  
Mburu Ngugi

  
Sub-County Accountant  
Benard Cheruiyot  
ICPAK Member Number: 14826

:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
CHUKA IGAMBANG'OMBE CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

**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 %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	86,810,345	13,458,462	100,268,807	45,484,324	54,784,483	45%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
<b>Total</b>	<b>86,810,345</b>	<b>13,458,462</b>	<b>100,268,807</b>	<b>45,484,324</b>	<b>54,784,483</b>	
<b>PAYMENTS</b>						
Compensation of Employees	2,330,000	538,900	2,868,900	2,814,041	54,859	98%
Use of goods and services	5,582,931	470,954	6,053,885	2,159,881	3,894,004	36%
Transfers to Other Government Units	38,200,000	6,924,746	45,124,746	24,900,000	20,224,746	55%
Other grants and transfers	32,620,387	5,041,104	37,661,491	10,783,389	26,878,102	29%
Acquisition of Assets	-	482,759	482,759	-	482,759	0%
Other Payments	8,177,027	-	8,177,027	-	8,177,027	0%
<b>TOTALS</b>	<b>86,910,345</b>	<b>13,458,463</b>	<b>100,368,808</b>	<b>40,657,311</b>	<b>59,711,497</b>	

(a) Transfers from NG-CDF board 45% - Funds amounting to Ksh 45,484,324 had not been disbursed as at close of the financial year 2017/2018 there were also additional funds amounting to Ksh 11,379,310.34 that were allocated through the supplementary budget.

(b) Use of goods and services 36% - There committee was yet to receive funds amounting to Ksh 3,894,004 as at close of the financial year 2017/18.

(c) Transfers to Other Government Units 55%-Funds amounting to Ksh 20,224,746 had not yet received as at close of the financial year 2017/2018.

(d) Other grants and transfers 29% - Funds amounting to Ksh 26,878,102 had not been received as at close of the financial year.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
CHUKA IGAMBANG'OMBE CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

- (e) Acquisition of Assets 0%-These were funds for purchase of office equipment Ksh 482,759 from the additional budget that had not been received as at close of the financial year.
- (f) Other Payments of 0%- These are funds for the strategic plan-Ksh 3,500,000 Ksh and Constituency Innovation Hubs Project Ksh 4,677,027.20 which had not been received as at close of the financial year.
- (g) The adjustments were funds for the previous financial year 2016/2017 amounting to Ksh 2,079,152 brought forward in the current year and additional funds of Ksh 11,379,310.34.

The NGCDF-Chuka Igambang'ombe Constituency financial statements were approved on 23 / 08 / 2018 and signed by:



Fund Account Manager  
Mburu Ngugi



Sub-County Accountant  
Benard Cheruiyot  
ICPAK Member Number: 14826

## VIII. 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-Chuka Igambang'ombe 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 30<sup>th</sup> 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.

**CHUKA IGAMBANG'OMBE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018****SIGNIFICANT ACCOUNTING POLICIES**

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**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 Funds**

Unutilized funds consist of bank balances in the constituency account and balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

**CHUKA IGAMBANG'OMBE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018****SIGNIFICANT ACCOUNTING POLICIES**

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**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 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2018.

**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.

## IX. NOTES TO THE FINANCIAL STATEMENTS

## 1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NG CDF Board			
AIE NO 855784	1	5,500,000	-
AIE NO 896810	2	37,905,172	-
A829529/A790774	1	-	4,094,828
A839649/A724179	2	-	36,853,449
A855660/A724208	3	-	4,037,931
A855544A796465	4	-	36,910,344
<b>TOTAL</b>		<b>43,405,172</b>	<b>81,896,552</b>

## 2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	2,814,041	1,764,602
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	472,023
<b>Total</b>	<b>2,814,041</b>	<b>2, 236,625</b>

**CHUKA IGAMBANG'OMBE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018***NOTES TO THE FINANCIAL STATEMENTS (Continued)***5. USE OF GOODS AND SERVICES**

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	1,769,451	4,920,300
Utilities, supplies and services	5,040	104,000
Communication, supplies and services	-	180,000
Domestic travel and subsistence	-	75,000
Printing, advertising and information supplies & services	-	889,640
Rentals of produced assets	-	-
Training expenses	-	900,000
Hospitality supplies and services	-	371,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	587,991
Fuel ,Oil, Lubricants	350,000	500,000
Other operating expenses	35,390	-
Routine maintenance – vehicles and other transport equipment	-	378,918
Routine maintenance – other assets	-	-
<b>Total</b>	<b>2,159,881</b>	<b>8,906,849</b>

**CHUKA IGAMBANG'OMBE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018***NOTES TO THE FINANCIAL STATEMENTS (Continued)***6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	18,700,000	32,831,034
Transfers to secondary schools (see attached list)	4,200,000	7,150,000
Transfers to tertiary institutions (see attached list)	2,000,000	200,000
Transfers to health institutions (see attached list)	-	500,000
<b>TOTAL</b>	<b>24,900,000</b>	<b>40,681,034</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2017-2018	2016-2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	4,655,755	13,763,999
Bursary – tertiary institutions (see attached list)	1,598,800	7,849,021
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	1,500,000
Agriculture projects (see attached list)	-	7,200,000
Security projects (see attached list)	2,150,000	11,150,000
Sports projects (see attached list)	-	4,500,000
Roads projects (see attached list)	-	2,287,931
Environment projects (see attached list)	1,529,034	6,837,921
Emergency projects (see attached list)	850,000	5,353,300
<b>Total</b>	<b>10,783,389</b>	<b>60,442,172</b>

**CHUKA IGAMBANG'OMBE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018***NOTES TO THE FINANCIAL STATEMENTS (Continued)***8. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	1,270,870
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	443,500
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>1,714,370</b>

**9. OTHER PAYMENTS**

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub	-	-
	-	-



## CHUKA IGAMBANG'OMBE CONSTITUENCY

## Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Family Bank Chuka Branch A/C No. 0000005629</i>	6,724,367	-
<i>Equity Bank Chuka Branch A/C No 0210261803915</i>	-	2,079,152
<b>Total</b>	<b>6,724,367</b>	<b>2,079,152</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide cash count certificates for each]</i>		

Reports and Financial Statements  
 For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer or Institution	dd/mm/yy	-	-	-
<b>Total</b>				<b>-</b>

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

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	2,079,152	34,163,649
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>2,079,152</b>	<b>34,163,649</b>

[Provide short appropriate explanations as necessary]

## 14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	1,897,354	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>1,897,354</b>	<b>-</b>

## 15. OTHER IMPORTANT DISCLOSURES

## 15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	<b>-</b>	<b>-</b>

## 15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
	<b>-</b>	<b>-</b>

## 15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	54,859	438,900
Use of goods and services	3,894,004	29,575
Amounts due to other Government entities (see attached list)	20,224,746	1,576,470
Amounts due to other grants and other transfers (see attached list)	26,878,102	34,207
Acquisition of assets	482,759	-
Others ( <i>specify</i> )	8,177,027	-
	<b>59,711,497</b>	<b>2,079,152</b>

## 15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	21,770,918	3,959,089
	21,770,918	3,959,089

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	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						

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Middle Management</b>							
4.							
5.							
6.							
	Sub-Total						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	Sub-Total						
<b>Others (specify)</b>							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						



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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures	20,670,870	-	-	20,670,870
Transport equipment	6,329,130	-	-	6,329,130
Office equipment, furniture and fittings	4,659,495	-	-	4,659,495
ICT Equipment, Software and Other ICT Assets	595,450	-	-	595,450
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>32,254,945</b>	<b>-</b>	<b>-</b>	<b>32,254,945</b>

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**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account Number	Bank Balance 2017/18	Bank Balance 2016/17
CHUKA TOWNSHIP PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005737	200,000	-
GITUMBI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005741	400,000	-
IKUU PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005763	500,000	-
KAARANI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005739	500,000	-
KABURURU PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005764	500,000	-
KAIRINI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005746	23,867	-
KAMBUNGU PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005765	498,600	-
KANGORO PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005762	500,000	-
KANORO PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005757	500,000	-
KARAMBARI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005768	499,670	-
KARENGI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005734	500,000	-
KIAMUCHII CHIEFS OFFICE	FAMILY BANK	54000005751	500,000	-
KIEGOTI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005767	500,000	-
KMTC CHUKA	FAMILY BANK	54000005749	2,000,000	-
MAGUMONI DAY SECONDARY SCHOOL NG-CDF	FAMILY BANK	54000005773	498,600	-
MAGUMONI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005743	298,589	-
MARIAM BOARDING PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005760	500,000	-
MBARAGA PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005735	500,000	-
MUTUGUNI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005761	248,000	-
NDAGONI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005771	500,000	-
NDIRUNI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005744	498,600	-
NGAANI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005759	500,000	-
NJURI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005770	500,000	-
NKOBORE PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005733	500,000	-
NKUMBO PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005738	500,000	-
NTAGATANI PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005752	500,000	-
NTENDERA PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005736	500,000	-
NTURIA PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005769	500,000	-
P.C.E.A.KIERENI BOARDING PRIMARY SCHOOL NG-CDF	FAMILY BANK	54000005758	500,000	-

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TWAMIKUA SECONDARY SCHOOL NG-CDF	FAMILY BANK	54000005772	800,000	-
CHUKA DEB PRIMARY SCHOOL	EQUITY	0210272487890	500,000	-
ERIANI PRIMARY SCHOOL	EQUITY	0210265362281	250,000	-
GOOD HOPE BOARDING PRIMARY SCHOOL	EQUITY	0210271353459	500,085	-
IBITHE PRIMARY SCHOOL NG-CDF	EQUITY	0210271396719	500,680	-
IRUMA PRIMARY SCHOOL	EQUITY	0210265362959	500,031	-
KAMATANKA PRIMARY SCHOOL	EQUITY	0210263511881	500,806	-
KAMUTIRIA SECONDARY SCHOOL	EQUITY	0210271468217	400,065	-
KANTHANJE POLICE POST	EQUITY	0210265362974	809	-
MUKUUNI CHIEF'S OFFICE	EQUITY	0210271397724	500,000	-
MURIGI SECONDARY SCHOOL	EQUITY	0210264301579	1,500,044	-
NGUNGANI LOW COST PRIMARY SCHOOL	EQUITY	0210269032479	1,320	-
RUBATE PRIMARY SCHOOL NG-CDF	EQUITY	0210271397408	500,050	-
KIRIGI PRIMARY SCHOOL	EQUITY	0210192283871	501,092	-
MUCWA ASSISTANT CHIEF'S OFFICE	EQUITY	0212972109473	150,010	-
<b>Total</b>			<b>21,770,918</b>	-

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame (Period within which you expect the issue to be resolved)
1.0	Accuracy of the Opening Balances	The Financial statement has been amended appropriately	FAM	resolved	
2.0	Irregularities in Roads Projects	The PMC has issued copies of the tender documents required.	PMCs and FAM	Resolved	
3.0	Irregularities in Schools Projects	The schools have been notified to obtain reallocation approvals before implementation of projects.	PMCs and FAM	Resolved	
4.0	Irregularities in Schools Projects	The schools have been notified to obtain reallocation approvals before implementation of projects.	PMCs and FAM	Resolved	
Other Matter					
1.0	Budgetary Control and Performance	The funds have been utilized	PMCs and FAM	Resolved	
1.2	Project implementation status	The ongoing and un started projects have since been completed	PMCs and FAM	Resolved	

