




Enhancing Accountability



REPORT

 OF THE NATIONAL ASSEMBLY PARLIAMENT OF KENYA	
DATE: 21 OCT 2019	
DAY: Thursday	
TABLED BY: LAMP.	
CLERK-AT THE-TABLE: Mr. Maira Wanjiku	

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
CENTRAL IMENTI CONSTITUENCY**

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30054 - 00100, NAIROBI
REGISTRY
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Revised Template 30th June 2019



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND CENTRAL
IMENTI 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)**

OFFICE OF THE AUDITOR - GENERAL
EMBU HUB
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CENTRAL IMENTI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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 CENTRAL IMENTI day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Paul N. Thiga
2.	Sub-County Accountant	Richard Maina
3.	Chairman NGCDFC	Isaac Buuri
4.	Member NGCDFC	Lucy Kagwiria

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1646 Meru
CDF Office Building
Mutego along Embu Meru Road
Meru, KENYA

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

(f) NGCDF Central Imenti Constituency Contacts

E-mail: ngcdfcentralimenti.go.ke
Website: www.go.ke

(g) NGCDF Central Imenti Constituency Bankers

1. Equity Bank (specify the constituency account banker details)
Equity bank nkubu branch -AC/No. 0370261971374

(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

**FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

**Budget Performance against Actual Amounts for Current Year Based On Economic
Classification and Programmes**

In the financial year 2018/19, Imenti Central CDF was allocated Kshs.109,040,876 with Kshs.9,813,679 going to recurrent expenses and the balance of Kshs.99,227,198 going to development projects as follows;

Sector	Amount (Kshs)
Pry schools	33,300,000
Secondary schools	13,100,000
Security	10,014,306
Bursary	32,712,263
Other statutory	10,100,629
	99,227,198

A total of Kshs.109,982,267 has been spent on various projects as follows in the financial year 2018/19as follows;

Item	Amount (Kshs)
Compensation of Employees	1,715,606
Use of goods and services	9,842,890
Transfers to Other Government Units	64,950,000
Other grants and transfers	33,159,771
Acquisition of Assets	314,000
Totals	109,982,267

Key achievements for the Imenti Central NG-CDF

The NG-CDFC has realised the following key achievements in the course of NG-CDF projects implementation in the year 2018/19;

-The CDFC has paid fees to many students in the form of bursaries leading to higher retention of students in learning institutions thus enhancing performance.

-Release of funds for construction and renovation in education institutions leading to improved learning environments and thus performance.

-Release of funds for construction and renovation of A.P. lines and chiefs 'offices.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CENTRAL IMENTI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

Emerging issues related to the Central Imenti NG-CDF

-Conflict between county governments and NG-CDF in cofounded projects.

Implementation challenges and recommended way forward.


-Late disbursement of funds from the NG-CDFB.

-Local politics surrounding projects implementation.

-Price fluctuations of materials. This is being addressed through allocation of enough funds for a phase or project.

-Poor record keeping by PMC's include among others. This is being addressed through PMCs training.

Sign



CHAIRMAN NGCDFCOMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CENTRAL IMENTI 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.

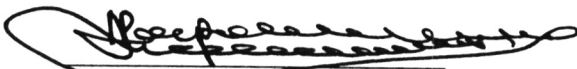
The Accounting Officer in charge of the NGCDF-Central Imenti Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 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.

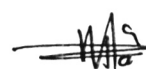
The Accounting Officer in charge of the NGCDF- Central Imenti Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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- Central Imenti 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- Central Imenti 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

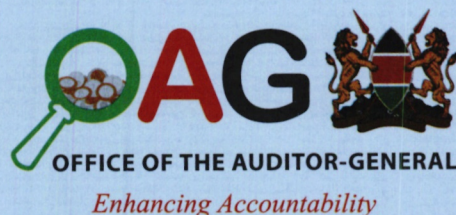
The NGCDF- Central Imenti Constituency financial statements were approved and signed by the Accounting Officer on 10 September 2019 and signed by:


Fund Account Manager
Name: Paul. N. Thiga


Sub-County Accountant
Name: Richard M. Kariuki
ICPAK Member Number: 9024

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CENTRAL IMENTI 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 – Central Imenti Constituency set out on pages 8 to 23 which comprise of the statement of financial assets as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Central Imenti 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Financial Assets

As disclosed in Note 10A to the financial statements, the statement of financial assets reflects a bank balance of Kshs.8,766,362. However, the respective bank reconciliation statement reflected payments in bank statements which had not been recorded in the cashbook amounting to Kshs.24,597 thereby overstating the cashbook balance by the same amount.

Further, the statement reflects net liabilities at the bottom instead of net financial position balance of Kshs.8,766,362. The error was not corrected.

In the circumstance, the accuracy of bank balance of Kshs.8,766,362 reflected in the statement of financial assets as at 30 June, 2019 could not be ascertained.

2. Unsupported Committees Bank Balances

As disclosed in Note 6 and Note 7 to the financial statements, the statement of receipts and payments reflects transfer to other Government Entities amount of Kshs.64,950,000 and other grants and other payments amount of Kshs.33,159,771, both totalling to Kshs.98,109,771 being project funds disbursed to various institutions. Included in this balance is an amount of Kshs.31,443,028 reflected in Note 15.4 as Project Management Committee (PMC) bank balances being the unspent project funds held by PMCs. However, the respective cashbooks, bank certificates and bank reconciliation statements were not provided.

In the circumstances, the accuracy, completeness and validity of PMC bank balances totalling to Kshs.31,433,028 as at 30 June, 2019 could not be confirmed.

3. Unsupported Use of Goods and Services

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.9,842,890. However, Management did not provide supporting documents for an amount of Kshs.1,963,380 as shown below:

No	Item	Unsupported Amount (Kshs)	Missing Supporting documents
1	Committee allowances	175,000	Cheque distribution register and justification for paying allowances yet institutions ought to have collected the cheques
2	Fuel, oil and lubricants	320,000	Approved requests stating the reasons for fueling vehicles not owned by the Fund and their respective original work tickets
3	Training expenses	1,468,380	Invitation letters, approved rates of trainee allowance of between Kshs.500 to Kshs.8,000, quotations/ tender documents, procurement committee minutes
	Total	1,963,380	

In the circumstances, the accuracy, completeness and validity of use of goods and services expenditure totalling to Kshs.1,963,380 for the year ended 30 June, 2019 could not be ascertained.

4. Transfers to Other Government Entities

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other Government Entities totalling to Kshs.64,950,000 which includes Kshs.52,450,000 in respect to transfers to primary schools. The following unsatisfactory observations were made:

4.1. Gatuatine Primary School

The balance includes an amount of Kshs.1,550,000 transferred to Gatuatine Primary School for levelling of the school field. However, review of records revealed that request for quotations method of procurement was used instead of open tendering. Further, tender opening minutes, Tender Evaluation Committee minutes, letters of offer and acceptance, and regret letters were not provided.

Further, the contract agreement was signed on 27 August, 2018 while the quotations were opened on 22 August, 2018 which is five (5) days before the contract award. This is contrary to Section 135 of the Public Procurement and Asset Disposal Act, 2015 which requires that the agreement is entered into within the period specified in the notification but not before fourteen (14) days have elapsed.

In addition, the winning bidder quoted a total of Kshs.1,657,640 but the signed contract reflected a total of Kshs.1,541,640 while the valuation certificate dated 02 October, 2019 reflected contract sum total of Kshs.1,772,873. No explanation was provided for variances in contract sum in the three records.

Also, included in the bills of quantities was an amount of Kshs.36,000 for planting grass but physical verification done in November, 2019 showed that the grass had only been planted to about 50% of the field and the contractor was not on site.

In the circumstances, the accuracy, completeness and validity for the expenditure amounting to Kshs.1,550,000 for the year ended 30 June, 2019 could not be ascertained.

4.2. Ngeene Primary School

Also, the balance includes expenditure totalling to Kshs.1,000,000 transferred to Ngeene Primary School for plastering, flooring and painting of three (3) classrooms and electrification respectively. However, physical verification done in November, 2019 revealed that a total of Kshs.800,000 was utilized on re-roofing of eleven (11) classrooms instead of the approved works. No approval documents were provided for change of project.

Further, supporting documents showing how an amount of Kshs.200,000 for electrification was used were not provided and electrical wires were not properly fitted.

In the circumstances, the accuracy, completeness and validity of the expenditure amounting to Kshs.1,000,000 for the year ended 30 June, 2019 could not be ascertained.

4.3. Kirigara Primary School

In addition, the balance includes an amount of Kshs.3,500,000 transferred to Kirigara Primary School for plastering, flooring and painting of eleven (11) classrooms. However, physical verification done in November, 2019 revealed that re-roofing of the eleven (11) classrooms was done instead of the approved works. No approval documents were provided showing the change of project.

Further, the Project Management Committee (PMC) signed a contract amounting to Kshs.2,400,000 with the contractor on 23 January, 2019 for the works. However, a review of records revealed that the contractor's bid document amount of Kshs.4,537,618 was adjusted to Kshs.2,400,000 by handwriting. No explanation was provided for the adjustment.

In the circumstances, the accuracy, completeness and validity of the expenditure totalling to Kshs.3,500,000 for the year ended 30 June, 2019 could not be ascertained.

5. Other Grants and Transfers

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and other payments totalling to Kshs.33,159,771. The following unsatisfactory observations were made:

5.1. Unsupported Emergency Project

The balance includes emergency projects totalling to Kshs.1,300,000 which was transferred to Kauthene Police Post for completion of the Police Post. The project comprised of doors fixing, electrification, water works, purchase of water tanks and furniture, construction of a reception counter and waiting bay. However, a report on the urgent unforeseen situation and bills of quantities were not provided.

Further, a request for funding letter revealed that the estimated cost for the project totalled to Kshs.350,000 resulting in an unexplained and unreconciled variance of Kshs.950,000.

In the circumstances, the accuracy, completeness and validity of expenditure totalling to Kshs.1,300,000 for the year ended 30 June, 2019 could not be ascertained.

5.2. Unsupported Bursaries

The balance also includes bursaries totalling to Kshs.27,448,565. However, the Management did not provide; a list of applicants, and Bursary Committee minutes showing how beneficiaries were vetted and awarded.

Further, bursaries totalling to Kshs.5,859,226 were not supported by an acknowledgement from the recipient institutions.

In the circumstances, the accuracy, completeness and validity of bursaries amounting to Kshs.27,448,565 for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Central Imenti 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 Matters

1. Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.173,789,505 and Kshs.118,748,629 respectively, resulting to an under-funding of Kshs.55,040,876 or 32% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.173,789,505 and Kshs.109,982,267 respectively, resulting to an under expenditure of Kshs.63,807,238 or 37% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere

to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

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 else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-compliance with Public Sector Accounting Standards Board Requirements

Review of the annual report and financial statements revealed that Management prepared statement of financial assets instead of "statement of assets and liabilities" and title for the statements of financial assets did not include accounting year as at "30 June, 2019". Also, the statements of receipts and payments, statement of cash flows, summary statement of appropriation: recurrent and development combined did not include the phrase "for the year ended 30 June, 2019". Further, summary statement of appropriation: recurrent and summary statement of appropriation: development and budget execution by programmes and sub-programmes were not included in the financial statements. This is contrary to Public Sector Accounting Standards Board (PSASB) financial reporting template issued in June, 2019 for a National Government entity and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

Consequently, the Management is in breach of the law.

2. Delay in Project Implementation

The Project Implementation Status provided showed that one hundred and forty-five (145) projects with a budget allocation totalling to Kshs.155,218,489 were to be implemented during the year. However, only one (1) project amounting to Kshs.314,000 (0.2%) had been completed, one hundred twenty-three (123) projects worth Kshs.152,382,292 (98.2%) were on-going and twenty-one (21) worth projects Kshs.2,522,197 (1.6%) had not started as at 30 June, 2019.

In the circumstances, the public did not get the expected services equivalent to an amount of Kshs.152,382,292 for ongoing projects and an amount of Kshs.2,522,197

for projects not started all totalling to Kshs.154,904,489 for the year ended 30 June, 2019.

3. Irregular Contracts

3.1. Kirigara Mixed Day Secondary School

The Management incurred an expenditure totalling to Kshs.1,000,000, under transfers to other Government units transferred to Kirigara Mixed Day Secondary School for laboratory construction. Review of records revealed that an amount of Kshs.150,510 was paid to a supplier for installation of gas system in the laboratory. However, the lowest bidder, who quoted an amount of Kshs.107,737 was disqualified due to lack of National Construction Authority (NCA) certificate and award was therefore given to the second lowest bidder whose NCA certificate was expired at the time of the award. Further, the supplier invoiced the school on the same day the Tender Committee evaluated the bids.

In addition, the last date for submission of request for quotations issued to bidders for the supply of materials was not stated in the quotations. This is contrary to Section 70(6)(f) of the Public Procurement and Asset Disposal Act, 2015 which requires that the deadline for tender submission be indicated in the tender documents.

In the circumstances, the Management is in breach of the law.

3.2. Kiagu District Officers' Office

The Management incurred an amount of Kshs.675,000, under security projects, transferred in January, 2019 to Kiagu District Officer's (DO's) office for painting, plumbing, electricity connection, septic tank and purchase of furniture. However, review of records and physical verification done in November, 2019 revealed that electricity connection, septic tank construction and purchase of furniture had not been done. Although an amount of Kshs.389,975 was in the bank as at 14 January, 2020, no explanation was provided for the project delay.

Further, the Management spent an amount of Kshs.75,000 on felling of trees, removal of stumps, excavation works, hiring of a crane, tiling works and shower installation which were not part of the budgeted and approved works.

In the circumstances, the Management was in breach of the law.

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Untagged Fixed Assets

Annex 5 to the financial statements reflects a balance of Kshs.38,874,585 in respect to fixed assets as at 30 June, 2019. However, review of the fixed assets registers and physical verification of the assets revealed that the assets were not tagged for ease of identification and movement.

In the circumstances, I am unable to confirm existence of effective internal controls on the security, location and condition of the Kshs.38,874,585 fixed assets as at 30 June, 2019.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 Management is aware of the intention to terminate the Fund or to cease operations.

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

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

Those charged with Governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

01 October, 2021

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CENTRAL IMENTI CONSTITUENCY**

Reports and Financial Statements

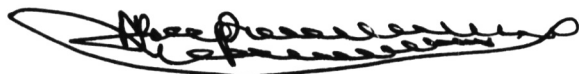
For the year ended June 30, 2019

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	113,434,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		113,434,483	43,405,172
PAYMENTS			
Compensation of employees	4	1,715,606	1,397,798
Use of goods and services	5	9,842,890	4,568,870
Transfers to Other Government Units	6	64,950,000	13,000,000
Other grants and transfers	7	33,159,771	19,212,309
Acquisition of Assets	8	314,000	-
Other Payments	9	-	
TOTAL PAYMENTS		109,986,267	38,178,977
SURPLUS/DEFICIT		3,452,216	5,226,195

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Central Imenti Constituency financial statements were approved on 10 September 2019 and signed by:



Fund Account Manager
Name: Paul. N. Thiga



Sub-County Accountant
Name: Richard M. Kariuki
ICPAK Member Number: 9024

:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

CENTRAL IMENTI CONSTITUENCY

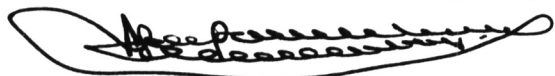
Reports and Financial Statements

For the year ended June 30, 2019

V. STATEMENT OF FINANCIAL ASSETS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,766,362	5,314,146
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		8,766,362	5,314,146
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		8,766,362	5,314,146
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		<u>8,766,362</u>	<u>5,314,146</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	5,314,146	87,951
Surplus/Deficit for the year		3,452,216	5,226,195
NET LIABILITIES		8,766,362	5,314,146

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Central Imenti Constituency financial statements were approved on 10 September 2019 and signed by:



Fund Account Manager
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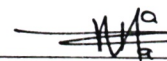
VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board	1	113,434,483	43,405,172
Total Receipts		113,434,483	43,405,172
Payments			
Compensation of Employees	4	1,715,606	1,397,798
Use of goods and services	5	9,842,890	4,568,870
Transfers to Other Government Units	6	64,950,000	13,000,000
Other grants and transfers	7	33,159,771	19,212,309
Total Payments		109,668,268	38,178,977
Total Receipts Less Total Payments		3,766,216	5,226,195
Adjusted for:			
Net cash flow from operating activities		3,766,216	5,226,195
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(314,000)	
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		3,452,216	5,226,195
Cash and cash equivalent at BEGINNING of the year	13	5,314,146	87,951
Cash and cash equivalent at END of the year		8,766,362	5,314,146

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Central Imenti Constituency financial statements were approved 10 September 2019 and signed by:



Fund Account Manager
Name: Paul. N. Thiga



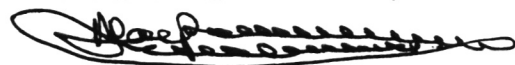
Sub-County Accountant
Name: Richard M. Kariuki
ICPAK Member Number: 9024

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	h=f/e %
RECEIPTS						
Transfers from CDF Board	109,040,876	59,434,483	168,475,359	113,434,483	55,040,876	67.3
Unspent Funds Balance		5,314,146	5,314,146	5,314,146		
TOTAL RECEIPTS	109,040,876	64,748,629	173,789,505	118,748,629	55,040,876	68.3
PAYMENTS			-		-	
Compensation of Employees	2,200,000	-	2,200,000	1,715,606	484,394	78.0
Use of goods and services	7,613,679	8,761,337	16,375,016	9,842,890	6,532,126	60.1
Transfers to Other Government Units	46,400,000	30,791,379	77,191,379	64,950,000	12,241,379	84.1
Other grants and transfers	52,827,197	24,881,913	77,709,110	33,159,771	44,549,339	42.7
Acquisition of Assets		314,000	314,000	314,000	-	100
TOTAL	109,040,876	64,748,629	173,789,505	109,982,267	63,807,238	63.3

- a) Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)
 i. As noted only 42.2% of the budget was received from the NG-CDFB in May 2019 leaving very little time for projects implementation and thus the reason for the underutilization in all the categories

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Central Imenti Constituency financial statements were approved on 10 September 2019 and signed by:



Fund Account Manager
 Name: Paul. N. Thiga



Sub-County Accountant
 Name: Richard M. Kariuki
 ICPAK Member Number: 9024

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- Central Imenti 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 criterion is applied for loans received in the form of a direct payment.

During the year ended 30th June 2019, 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 Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) 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.

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

VIII. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	B005155	54,784,483.15	
	B005313	2,550,000.00	
	B030321	10,000,000.00	
	B030366	10,000,000.00	
	B006309	7,000,000.00	
	B042690	2,100,000.00	
	B047083	27,000,000.00	
	A855779		5,500,000.00
	A892878		37,905,172.00
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
TOTAL		113,434,483	43,405,172

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

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

3 OTHER RECEIPTS		
Description	2018-2019	2017 - 2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents		-
Other Receipts Not Classified Elsewhere (specify)		-
TOTAL	-	-

4 COMPENSATION OF EMPLOYEES		
Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,626,506	1,397,798
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance	65,100	
Leave allowance	24,000	
Other personnel payments		
Employer contribution to NSSF		
Gratuity-Paid		
Gratuity-Accrued		
TOTAL	1,715,606	1,397,798

5 USE OF GOODS AND SERVICES		
Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	396,490	390,810
Electricity		15,000
Water & sewerage charges		
Office rent		
Communication, supplies and services		
Domestic travel and subsistence	298,190	23,800
Printing, advertising and information supplies & services		

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

Rentals of produced assets		
Training expenses	1,468,380	993,155
Hospitality supplies and services		
Other committee expenses	1,509,570	286,622
Committee allowance	2,159,760	1,239,389
Insurance costs		107,019
Specialised materials and services		
Office and general supplies and services		7,575
Fuel , oil & lubricants	320,000	51,000
Other operating expenses		
Bank service commission and charges		
Security operations		
Routine maintenance - vehicles and other transport equipment	190,500	163,800
Routine maintenance- other assets		1,290,700
Strategic plan	3,500,000	
TOTAL	9,842,890	4,568,870

6 TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	52,450,000	2,800,000
Transfers to Secondary schools	12,500,000	10,200,000
Transfers to Tertiary institutions		
TIVET		
TOTAL	64,950,000	13,000,000

7 GRANTS AND OTHER PAYMENTS		
Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	7,582,359	2,983,256
Bursary -Tertiary	19,866,206	6,616,426
Bursary-Special schools		
Mocks & CAT		
Security	2,675,000	6,700,000
Sports	1,736,206	

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

Other projects		1,176,421
Environment		1,736,206
Emergency Projects	1,300,000	-
TOTAL	33,159,771	19,212,309

8 ACQUISITION OF ASSETS		
		-
<u>Non Financial Assets</u>	2018-2019	2018-2017
	Kshs	Kshs.
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles		-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	
Purchase of computers ,printers and other IT equipments	314,000	
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	314,000	-

9 Other Payments		
ICT HUB	-	-
specify	-	-
specify	-	-
TOTAL	-	-

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs	Kshs
<i>EQUITY BANK -NKUBU BRANCH</i>	<i>A/C no.03702619 71374</i>	8,766,362	5,314,146

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

10B: CASH IN HAND)			
		2018-2019	2017 - 2018
		Kshs	Kshs
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

11: OUTSTANDING IMPRESTS				
<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2019)</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
		-	-	-
		-	-	-
		-	-	-
TOTAL		-	-	-

12 Retention			
Supplier/Contractor	PV No.	2018-2019	2017 - 2018
TOTAL			

13 BALANCES BROUGHT FORWARD		
	2018-2019	2017 - 2018
	(1/7/2018	(1/7/2017)
	Kshs	Kshs
Bank accounts	5,314,146	87,951
Cash in hand		-
Imprest		-
TOTAL	5,314,146	87,951

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CENTRAL IMENTI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

14	PRIOR YEAR ADJUSTMENTS		
		2018-2019	2017 - 2018
		Kshs	Kshs
Bank accounts			
Cash in hand			-
Imprest			
TOTAL			

15	OTHER IMPORTANT DISCLOSURES		
15.1:	PENDING ACCOUNTS PAYABLE (See Annex		
		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 Gratuity	-	-
	Others (specify)	-	-
	Total	-	-
15.3:	UNUTILIZED FUND (See Annex 3)		
		2018-2019	2017 - 2018
		Kshs	Kshs
	Unutilized Funds	63,807,238	64,748,629
	Acquisition of assets		
	Total	63,807,238	64,748,629
15.4:	PMC account balances (See Annex 4		
	PMC account Balances (see attached list)	31,443,028	20,300,000.00
	Total	31,443,028	20,300,000.00

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

16 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0.	Variance Between the Financial statement and Ledgers/Cashbook	Implementation of the 2017/2018 projects has however been fast tracked in the year 2018/2019	Paul N. Thiga-F.A.M.	Not Resolved	
1.2.	Variance Between summary statement of appropriation: recurrent and development and the approved budget	The stale cheques were written back to the cashbook on 31/10/2018 folio no. 25343 thus correcting the above noted anomaly	Paul N. Thiga-F.A.M.	Not Resolved	
2.0.	Cash and cash equivalents	The stale cheques were written back to the cashbook on 31/10/2018 folio no. 25343 thus correcting the above noted anomaly. See attached copy of the cashbook indicating the same.	Paul N. Thiga-F.A.M.	Not Resolved	
3.0.	Bursary	The NG-CDFC has resolved to have cheques for nearby institutions taken by NG-CDFC staff. For far flung institutions, Raymond Mutembei has been	Paul N. Thiga-F.A.M.	Not	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		assigned the duty of following up. This has seen the compliance rate rise from 15% in 2017/18 to 81% this financial year			
	Other Matters				
1.0	Budgetary Control and Performance	The delay in release of funds and implementation was occasioned by the late release of funds to the constituencies by the NG-CDFB which is beyond the control of the NG-CDF.	Paul N. Thiga	Not resolved	
2.0	Project Implementation status		Paul N. Thiga	Not resolved	
3.0.	Presentation of the financial statements	Included in the 2018/2019 financial statements	Paul N. Thiga	Not Resolved	

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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 2016	Outstanding Balance 2014	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						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	B	C	d=a-c		
Senior Management							
1.							
2.							
3.							
4.							
5.							
6.							
7.							
Sub-Total							
Unionisable Employees							
8.							
Sub-Total							
Others (specify)							
9. Sub-Total							
10. Grand Total							

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ANNEX 3 –UNUTILIZED FUNDS (See Analysis Annex 6)

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		484,394	402,202	
Use of goods & services		6,532,126	2,556,150	
Amounts due to other Government entities		12,241,379	30,791,379	
26Sub-Total		19,253,899	35,170,171	
Amounts due to other grants and other transfers		44,549,339	29,578,458	
Sub-Total		44,549,339	29,578,458	
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Grand Total		63,807,238	64,748,629	

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ANNEX 4 PMC BANK BALANCES

	Project	A/C Number	Bank	Balance (Kshs)
1	Kirigara Pry Sch	1141207483200	Co-Operative	2,985,980
2	Mukuune Pry Sch	1148207481800	Co-Operative	4,845
3	Nkuene Pry Sch	1141207481500	Co-Operative	2,775
4	Kariene Pry Sch	1141207486600	Co-Operative	329,855
5	Kariene Pry Community Field	1141207510200	Co-Operative	29,065
6	Kariene Pry Grounds	1141207516200	Co-Operative	87,355
7	Kiria Pry Sch	1141207473600	Co-Operative	62,087
8	Mariene Pry Sch	1141207477000	Co-Operative	12,575
9	Katheju Pry Sch	1141207489100	Co-Operative	674,975
10	Karindine Pry Sch	1141207475700	Co-Operative	500
11	Karugwa Pry Sch	1141207427800	Co-Operative	14,795
12	St Nicholas Pry Sch	1141207504100	Co-Operative	700,000
13	Kathiranga Pry Sch	1141207473600	Co-Operative	62,087
14	Kauthene Pry Sch	1141027484000	Co-Operative	13,092
15	Kirigara Day Sec Sch	1134021463100	Co-Operative	591
16	Ruiga Day Sec Sch	1141418568900	Co-Operative	58,866
17	Nyweri Sec Sch	1141023303900	Co-Operative	38,565
18	Mariene Day Sec Sch	1141207410400	Co-Operative	51,045
19	Gikune Assistant Chiefs Office	1141207393500	Co-Operative	1,575
20	Kathiranga Central Ass Chief Office	1141207402300	Co-Operative	499,325
21	Kauthene Police Post	370294663567	Equity	7,305
22	Gatuatine Pry Sch	370269435946	Equity	1,618,305
23	Kibari Pry Sch	370264767295	Equity	1,810,244
24	Kaugu Pry Sch	370277706451	Equity	978,750
25	Gikuru Pry Sch	370264500795	Equity	600,195
26	Aipca Mbajone Pry Sch	370263875452	Equity	804,375
27	Njuthine Pry Sch	370264491597	Equity	601,643
28	Gatune Pry Sch	370264490530	Equity	703,218
29	Ngeene Pry Sch	370270262258	Equity	1,001,760

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	Project	A/C Number	Bank	Balance (Kshs)
30	Chaarria Pry Sch	370264490972	Equity	464,275
31	Gitene Pry Sch	370264490363	Equity	1,405,775
32	Murathi Pry Sch	370262660162	Equity	33,839
33	Kieni Pry Sch	370269237213	Equity	870
34	Rikana Pry Sch	370293010787	Equity	217,575
35	Mugambone Pry Sch	370277737481	Equity	40,360
36	Kathathene Pry Sch	370277687868	Equity	3,600,720
37	Mukune Gakwine Pry Sch	370269255719	Equity	17,952
38	Rwanderi Pry Sch	370277706738	Equity	193,445
39	Gitauga Pry Sch	370277691980	Equity	915
40	Mpindi Pry Sch	370264515223	Equity	700,010
41	Mbwinjeru Pry Sch	370277697968	Equity	169,900
42	Kanywee Pry Sch	370264492568	Equity	315
43	Kithirune Pry Sch	370277699810	Equity	110,980
44	Kioru Pry Sch	370277693749	Equity	220
45	Nkuura Pry Sch	370264563661	Equity	74,590
46	Gacuru Pry Sch	370264498379	Equity	140,381
47	Kijijone Pry Sch	370277909920	Equity	12,000
48	Kiija Day Sec Sch	370277398344	Equity	98,449
49	Muri Day Sec Sch	370277394164	Equity	567,145
50	Kiria Sec Sch	370264513619	Equity	1,000,650
51	St Bonaventure Sec Sch	370269233984	Equity	806,270
52	Katheri Girls Sec Sch	370278689648	Equity	2,980
53	Mugambone Sec Sch	370278886280	Equity	60,000
54	Kariene Sec Sch	370278900461	Equity	239,346
55	Katheri Boys Sec Sch	370277953557	Equity	700,000
56	Holy Family Day Sec Sch	370277981346	Equity	50
57	Kauthene Assistant Chiefs Office	370278911563	Equity	800,000
58	Rwanderi Assistant Chief	370278981262	Equity	200,000
59	Kiagu Do's Office	370271034364	Equity	389,975
60	Central Imenti Sports	370278905310	Equity	1,736,206

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	Project	A/C Number	Bank	Balance (Kshs)
61	Kianthumbi Day Sec Sch	370277407940	Equity	160
62	Gaitu Chiefs Camp	370272623820	Equity	79,930
63	Mukiria Ap Line	370277375667	Equity	28,335
64	Kirigara Ass Chief Office	370277454775	Equity	29
65	Tabata Day Sec Sch	370262484218	Equity	1,007,675
66	Kairebi Pry Sch	370262660319	Equity	65,115
67	Gatenderene Pry Sch	370269254564	Equity	599,551
68	Kaguma Pry Sch	370278150750	Equity	31,620
69	Katheri Pry Sch	370264499665	Equity	160
70	Mujwa Pry Sch	370277717351	Equity	15,915
71	Murathi Day Sec Sch	63000037418	Family	4,022
72	Nduruma Chiefs Camp	62000024519	Family	194,006
73	Gakurwene Police Post	62000024533	Family	4
74	Kirima Kia Athi Ass Chief Office	62000024522	Family	600,000
75	Kathiranga North Ass Chief Office	62000024595	Family	481,788
76	Aipca Mbwinjeru Pry Sch	62000024846	Family Bank	694,047
77	Deb Kinjo Pry Sch	1235814645	Kcb	99,415
78	Kinjo South Ass Chiefs Office	1235134636	Kcb	315
	Total			31,443,028

ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	0			0
Buildings and structures	15,487,795			15,487,795
Transport equipment	3,600,000			3,600,000
Office equipment, furniture and fittings	132,450			132,450

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ICT Equipment, Software and Other ICT Assets	1,334,820	314,000		1,648,820
Other Machinery and Equipment	18,005,520			18,005,520
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	38,560,585			38,874,585

ANNEX 6 –UNUTILIZED FUNDS ANALYSIS

S/No	Project	Amount (Kshs)
	Statutory Votes	
1	Emergency	4,604,681
	Admin/Recurrent	
1	Employee salaries	484,394
2	Goods and services	3,609,700
3	NSSF	57,600
4	NHIF	120,000
5	Committee expenses	1,380,800
	Monitoring and Evaluation (M&E)	
1	Goods and services	140,240
2	Committee expenses	660,787
3	CDFC/PMC capacity building	872,999
	Bursary/Exams	
1	Bursary Secondary Schools	8,479,213
2	Bursary Tertiary Institutions	6,279,503
3	Textbooks	10,000,000
	Environmental Activities	
1	Muri Primary School	125,000
2	Githongo Secondary School	125,000
3	Karugwa Primary School	125,000
4	Kathita Primary School	125,000
5	Muthangene Primary School	100,000
6	Kathiranga Primary School	100,000
7	Muruugi Primary School	100,000
8	Kithirune Girls Secondary School	100,000

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S/No	Project	Amount (Kshs)
9	Mbuinjeru Primary School	100,000
10	Kioru Primary School	100,000
11	Tabata Primary School	100,000
12	Kirirwa Primary School	100,000
13	Kiria Primary School	100,000
14	Kariene Day Secondary School	100,000
15	Holy Family Day Secondary School	100,000
16	Mugambone Primary School	100,000
17	Rware Primary School	100,000
18	Chaarria Primary School	100,000
19	Ntonyero Seondary & Primary School	180,818
20	Mbanjone Primary School	100,000
	Secondary Schools Projects	
1	Mugambone Secondary School	800,000
5	Kaukene Secondary School	1,000,000
7	Kathiranga Day Secondary School	900,000
11	Gacuru Secondary School	1,000,000
	Primary Schools Project	
12	Runywene Primary School	600,000
14	Kk Ngogo Primary School	500,000
15	Ntharagwene Primary School	800,000
26	Nyweri Primary School	800,000
27	Bishop Nthamburi Primary School	800,000
30	Ruiga Primary School	600,000
31	Ruiga Primary School	600,000
33	Mwitumura Primary School	600,000
36	Kirirwa Primary School	600,000
37	Gaitu Primary -St Nicholas	600,000
41	Muri Primary School	800,000
42	Muurugi Primary School	800,000
43	Matetu Primary	400,000
45	Rwanderi Primary School	1,000,000
	Tertiary Institutions Projects	
	Usafi Gardening Institute	341,379
	Security Projects	
1	Kathiranga West Assistant Chief Office	700,000
2	Kithirune West Chief Office	800,000
3	Nduruma Chief Office-Kaongo	800,000
4	Kioru Assistant Chief Office	700,000
5	Muruugi Assistant Chief Office	700,000
6	Kiarago Assistant Chief Office	800,000
7	Mbanjone Assistant Chief Office	800,000

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S/No	Project	Amount (Kshs)
8	Katheri West Chiefs Office	800,000
9	Nkuene Chiefs Office	800,000
10	Nkuene Assistant Chief Office	714,306
11	Nkuene Ya Kioro Assistant Chief Office	800,000
13	Kathwene Assistant Chief Office	800,000
	Grand Total	63,807,238



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