

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11 AUG 2019

DAY: THURSDAY

OF

TABLED
BY:

MAJORITY LEADER

THE AUDITOR-GENERAL

CLERK OF
THE TABLE

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KIRINYAGA CENTRAL CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KIRINYAGA
CENTRAL CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Kennth Kariuki
3.	Sub-County Accountant	C.M. Mutisya
4.	Chairman NGCDFC	Paul Muene Mugo
5.	Member NGCDFC	Charles M.Munene Muriithi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 753-00100
Kerugoya
Youth Empowerment Centre Building
Behind Kaitheri Polytechnic.

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(f) NGCDF KIRINYAGA CENTRAL Constituency Contacts

E-mail: kirinyagacentralcdf@gmail.com
Website: www.kirinyagacentralcdf.org

(g) NGCDF KIRINYAGA CENTRAL Constituency Bankers

1. Co-operative bank
Kerugoya Branch
P.O. Box 635-10300
Kerugoya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I the chairman of Kirinyaga central constituency development fund would like to forward the financial statements for this constituency to your office as contained in this report. It is my confirmation that this statement gives the Kirinyaga Central NG-CDF financial Status as at 30/06/2018

INTRODUCTION

Kirinyaga Central Constituency is one of the four constituencies of Kirinyaga County in the republic of Kenya. The other Constituencies are: Mwea, Gichugu and Ndia. The Constituency has a population of over 200,000 people, the main economic activity being farming, in all its form, e.g. Subsistence farming, dairy farming, Horticulture, Tea, Coffee and Rice farming in swampy areas of Kanyekiini Ward.

Due to the high population, the Constituency has a number of challenges which the Constituency Development committee has to deal with.

BUDGET PERFORMANCE

During the collection of the budget proposal meetings from the members of the public a lot of needs were presented to the committee. Unfortunately only a few needs could be included in the budget proposals to the NG-CDF board due the funds allocated for the Kirinyaga Central NG-CDF. Some of the Major needs presented to the committee were: Renovation of classrooms for Primary and secondary schools, construction of new classrooms due to the increased number of students, Construction of secondary schools science laboratories and many others, to mention just a few. Given that the needs are too high compared to the allocated funds, the government needs to increase the funding allocation for the constituencies. The budget have been doing fairly well although with some challenges which includes delayed release of constituency budget ceilings, delayed disbursement of funds to the constituency, slow rate of re-allocation and re-submission approvals

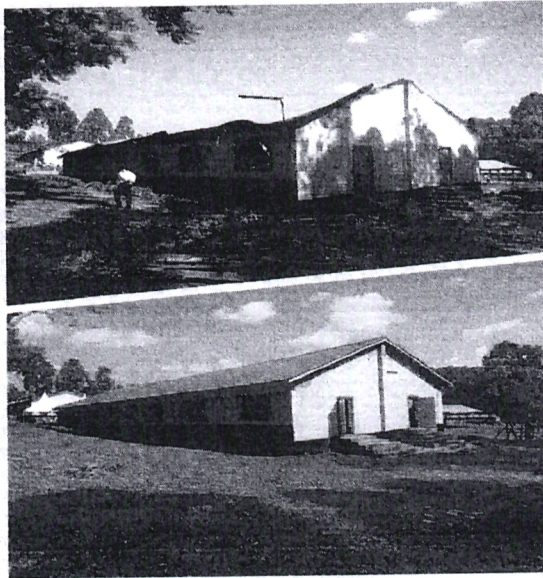

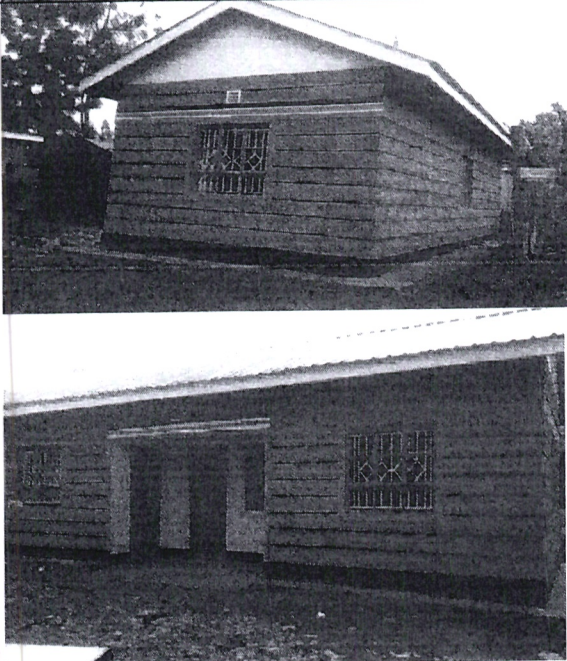
MAJOR ACHIEVEMENTS

In the year under review, Kirinyaga Central NG-CDFC has awarded bursaries worth over Kshs.20.5M. This has gone a long way in ensuring that both secondary and college students have stayed in class, without being sent home to collect school fees. In addition to the bursaries the NG-CDFC has also constructed several secondary schools science laboratories; Administration police residential houses; Renovation of classrooms ;Chiefs and Assistant Chiefs offices at the same time renovating those found in the bad shape like the Kerugoya Ward Chiefs office .Environmental improvement has also received attention through the planting of trees by the youth and the women groups in various primary schools.

Youth talents and Publicity awareness has also received a boost through distributions of branded sports kits to various sports teams, which included women volleyball teams.

Some of the development projects done to completion in both education and security within the financial year are as indicated below.

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NO.	Project name	Image of the project	Financial Year	Impact of the project
d) Education Projects				
1	Kerugoya Boys High School Aberdare Dormitory		FY 2017/18	Improved school dormitory accommodation as a result of decongestion in the dormitories.
d) Security Projects				
2.	Administration Police Houses at Kagumo Chief's Camp		FY 2017/18	Improved accommodation of police officer and also security in the administrative area
3	Karia Chief's Office		FY 2017/18	Reduced distance for the community to get services offered by the chief. Also improved security in the area.

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EMERGING ISSUES

The amount allocating as NG- CDFC funding is like a drop in the Ocean since the needs are quite overwhelming. It is my view that funding needs be increased in order to cater for the increased community needs. The number of meetings by the NG-CDFC needs be increased from 24 meetings per year to 34 so that the committee will have more time to deliberate on the community needs. Also the facilitation for the committee needs be increased through increased allowances to improve the motivation of the members.


Proper policies also needs be developed, in such a way that they define various responsibilities to be undertaken by different stake holders who may include government departs, community, etc.

IMPLEMENTATION CHALLENGES

We have more needs and less funding. This means that the percentage given to the National Government Constituencies Development fund(NG-CDF) for all the constituencies needs to be increased from the current 2.5% to about 5%. Noting that the only visible development in the country is through the NG-CDF, this request needs some attention. We are experiencing poor performance by the technical departments resulting to delays in project implementation. We are also experiencing political interferences, where the County government is not approving construction sites or its officers not giving the necessary assistance to the NG-CDFC.

CONCLUSION

The NG- CDF is a noble idea and needs to be supported by all. This fund also needs to be controlled from the National Government for the country's developmental goals to be achieved.


KIRINYAGA CENTRAL
C. Constituency
24 SEP 2018
Paul Munene
P.O. Box 10300
KERUGOCHI

NG-CDF Chairman -Kirinyaga Central Constituency.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KIRINYAGA CENTRAL CONSTITUENCY**

**Reports and Financial Statements
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II 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-KIRINYAGA CENTRAL 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.

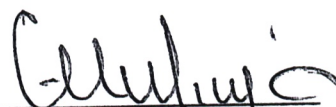
The Accounting Officer in charge of the NGCDF-KIRINYAGA CENTRAL Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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-KIRINYAGA CENTRAL 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-KIRINYAGA CENTRAL 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-KIRINYAGA CENTRAL Constituency financial statements were approved and signed by the Accounting Officer on 18/SEPTEMBER 2018.

ACCOUNTING OFFICER
KIRINYAGA CENTRAL
P. O. Box 153-10300,
KERUGOYA.
Fund Account Manager
Name: Kenneth Kariuki


Sub-County Accountant
Name: Charles M. Mutisya
ICPAK Member Number:

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- KIRINYAGA CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kirinyaga Central Constituency set out on pages 8 to 28, which comprise the statement of financial assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect 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 National Government Constituencies Development Fund-Kirinyaga Central 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 comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Net Financial Position

The statement of financial assets as at 30 June 2018 reflects net financial assets balance of Kshs.9,999,893. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the statement of financial assets shows net liabilities instead of the net financial position of Kshs.9,999,893.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund-Kirinyaga Central 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 qualified opinion.

Report of the Auditor-General on the financial statements of National Government Constituencies Development Fund-Kirinyaga Central Constituency for the year ended 30 June 2018

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 Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section, I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections 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

Budget Absorption

A review of summary statement of appropriation-recurrent and development combined revealed 62% and 55% overall budget realization/utilization on receipts and expenditure respectively during the year ended 30 June 2018 as follows:

Item	2017/2018 Budgeted Amount Kshs.	2017/2018 Actual Amount Kshs.	Difference Kshs.	Percentage of Budget Realization/Utilization
Receipts	144,405,893	89,621,410	54,784,483	62%
Expenditure	144,405,893	79,621,517	64,784,376	55%

The above analysis indicates that the Kirinyaga Central NG-CDF underspent the budgeted funds by Kshs.64,784,376 or 45% of the approved budget of Kshs.144,405,893. Although the CDF management attributed the under expenditure to delayed disbursement of funds by the NG-CDF Board, the low absorption impacted negatively on service delivery to the constituents.

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 matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the ability of National Government Constituencies Development Fund-Kirinyaga Central Constituency to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends 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 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 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.

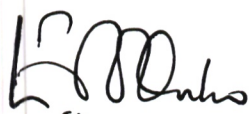
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 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 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 National Government Constituencies Development Fund-Kirinyaga Central Constituency 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


05 July 2019

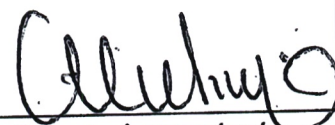
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KIRINYAGA CENTRAL CONSTITUENCY
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018 Kshs	2016-2017 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	84 353 447.00	92 642 940.00
Proceeds from Sale of Assets	2		84 000.00
Other Receipts	3	-	989 122.00
TOTAL RECEIPTS		84 353 447.00	93 716 062.00
PAYMENTS			
Compensation of employees	4	1 605 550.00	1 462 720.00
Use of goods and services	5	3 467 279.00	4 614 481.00
Transfers to Other Government Units	6	30 050 000.00	36 203 281.00
Other grants and transfers	7	37 481 297.00	55 042 908.00
Acquisition of Assets	8	7 017 391.00	239 000.00
Other Payments	9	-	1 853 990.00
TOTAL PAYMENTS		79 621 517.00	99 416 380.00
SURPLUS/DEFICIT		4 731 930.00	(5 700 318.00)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIRINYAGA CENTRAL Constituency financial statements were approved on 18/SEPTEMBER/ 2018 and signed by:


Fund Account Manager
Name: Kenneth Kariuki


Sub-County Accountant
Name: Charles M. Mutisya
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KIRINYAGA CENTRAL CONSTITUENCY**


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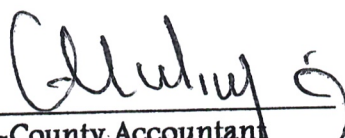
V STATEMENT OF FINANCIAL ASSETS

	Note	2017-2018	2016-2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9 999 893.00	5 267 963.00
Cash Balances (Cash at hand)	10B	-	-
Total Cash and Cash Equivalents		9 999 893.00	5 267 963.00
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		9 999 893.00	5 267 963.00
FINANCIAL LIABILITIES			
Account Payables-Retention	12	-	-
NET FINANCIAL ASSETS		9 999 893.00	5 267 963.00
REPRESENTED BY			
Fund balance b/fwd. 1st July 2017	13	5 267 963.00	10 968 281.00
Surplus/Deficit for the year		4 731 930.00	(5 700 318.00)
Prior year adjustments	14	-	-
NET LIABILITIES		9 999 893.00	5 267 963.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIRINYAGA CENTRAL Constituency financial statements were approved on 18/SEPTEMBER/ 2018 and signed by:

**CDF FUND ACCOUNT MANAGER
KIRINYAGA CENTRAL
P. O. Box 753-10300,
KERUGOYA.**


Fund Account Manager
Name: Kenneth Kariuki


Sub-County Accountant
Name: Charles M. Mutisya
ICPAK Member Number:

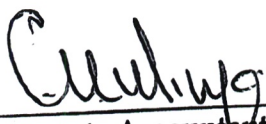
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
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VI. STATEMENT OF CASHFLOW

	Note	2017-2018	2016-2017
Receipts for operating income			
Transfers from CDF Board	1	84 353 447.00	92 642 940.00
Other Receipts	3		84 000.00
		84 353 447.00	92 726 940.00
Payments for operating expenses			
Compensation of Employees	4	1 605 550.00	1 462 720.00
Use of goods and services	5	3 467 279.00	4 614 481.00
Transfers to Other Government Units	7	30 050 000.00	36 203 281.00
Other grants and transfers	8	37 481 297.00	55 042 908.00
Other Payments	11	-	1 853 990.00
		72 604 126.00	99 177 380.00
Adjusted for:			
Adjustments during the year	14	-	989 122.00
Net cash flow from operating activities		11 749 321.00	(5 461 318.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(7 017 391.00)	(239 000.00)
Net cash flows from Investing Activities		(7 017 391.00)	(239 000.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		4 731 930.00	(5 700 318.00)
Cash and cash equivalent at BEGINNING of the year	13	5 267 963.00	10 968 281.00
Cash and cash equivalent at END of the year	15	9 999 893.00	5 267 963.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIRINYAGA CENTRAL Constituency financial statements were approved on 18/SEPTEMBER/2018 and signed by:

CDF FUND ACCOUNT MANAGER
KIRINYAGA CENTRAL
(P.O. Box 763-10300,
Fund Account Manager)
Name: Kenneth Kariuki


Sub-County Accountant
Name: Charles M. Mutisya
ICPAK Member Number:

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	f=d/c %
RECEIPTS						
Transfers from CDF Board	86 810 345.00	57 595 548.00	144 405 893.00	89 621 410.00	54 784 483.00	62
Proceeds from Sale of Assets		0.00	0.00		-	
Other Receipts	0.00	0.00	0.00	-	-	
	86 810 345.00	57 595 548.00	144 405 893.00	89 621 410.00	54 784 483.00	62
PAYMENTS						
Compensation of Employees	1 737 000.00	1 493 320.00	3 230 320.00	1 605 550.00	1 624 770.00	50
Use of goods and services	6 063 000.00	4 351 654.00	10 414 654.00	3 467 279.00	6 947 375.00	33
Transfers to Other Government Units	32 150 000.00	7 950 000.00	40 100 000.00	30 050 000.00	10 050 000.00	75
Other grants and transfers	31 183 318.00	39 800 574.00	70 983 892.00	37 481 297.00	33 502 595.00	53
Acquisition of Assets	8 000 000.00	4 000 000.00	12 000 000.00	7 017 391.00	4 982 609.00	58
Other Payments	7 677 027.00	0.00	7 677 027.00	-	7 677 027.00	0
TOTALS	86 810 345.00	57 595 548.00	144 405 893.00	79 621 517.00	64 784 376.00	55

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

There were no AIA during the year.

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

- i. Underutilization of compensation of employee was caused by the delay of the NG-CDF board to disburse the funds to the constituency account
- ii. Underutilization Use of goods and services was caused by the delay of the NG-CDF board to disburse the funds to the constituency account
- iii. Under utilization Transfers to Other Government Units was caused by the delay of the NG-CDF board to disburse the funds to the constituency
- iv. Under utilization Other grants and transfers was caused by the delay of the NG-CDF board to disburse the funds to the constituency account

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KIRINYAGA CENTRAL CONSTITUENCY
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v. *Under utilization* Acquisition of Assets was caused by the delay of the NG-CDF board to disburse the funds to the constituency account

vi. *Underutilization* Other Payments was caused by the delay of the NG-CDF board to disburse the funds to the constituency account


(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

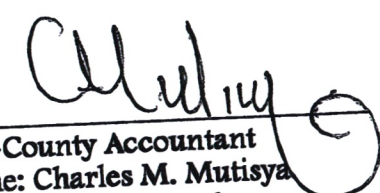
The adjustment in the original budget comprised of the following

Closing cashbook balance for the financial year 2016/17	Kshs 5,267,963.00
Pending payables/ Balance to be released by NG-CDF board.....	Kshs 40,948,275.00
Additional Budget for financial year 2017/2018	Kshs 11,379,310.00
TOTAL	Kshs 57,595,548.00

The NG-CDF-KIRINYAGA CENTRAL Constituency financial statements were approved on 18/SEPTEMBER 2018 and signed by:

CDF FUND ACCOUNT MANAGER
KIRINYAGA CENTRAL
P. O. Box 753-10300,
KERUGOYA.


 Fund Account Manager
 Name: Kenneth Kariuki


 Sub-County Accountant
 Name: Charles M. Mutisya
 ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
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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-KIRINYAGA CENTRAL 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.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Bank account balances include amounts held at the Central Bank of Kenya and at various

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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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 2017 for the period 1st July 2017 to 30th 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 30th June 2018.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
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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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

IX. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES				
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2017 - 2018	2016 - 2017
			Kshs	Kshs
1330407	Normal Allocation	AIE NO. A 855873	5 500 000.00	1 000 000.00
		AIE NO. A 892698	40 948 275.00	4 094 828.00
		AIE NO. A892955	37 905 172.00	50 194 664.00
				36 853 448.00
				500 000.00
1330408	Conditional grants	AIE NO...		
		AIE NO...	-	-
1330409	Receipt from other Constituency		-	-
	TOTAL		84 353 447.00	92 642 940.00
	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
3510000	Description		2017- 2018	2016- 2017
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings			
3510601	Receipts from the Sale of Vehicles and Transport Equipment			-
3510801	Receipts from the Sale Plant Machinery and Equipment			
3510803	Receipts from the Sale of office and general equipment			
	Total		-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
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3 OTHER RECEIPTS				
1400000	Description		2016 - 2017	2015- 2016
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of tender documents		-	-
1450207	Cashbook Overcast			
	Total		-	-
4 COMPENSATION OF EMPLOYEES				
2110000	Description		2017- 2018	2016- 2017
			Kshs	Kshs
2110201	Basic wages of contractual employees		1 025 494.00	1 226 880.00
2110202	Basic wages of casual labour		9 000.00	119 000.00
2110202	Personal allowances paid as part of salary		-	
2110301	House allowance		-	17 000.00
2110314	Transport allowance		-	
2110320	Leave allowance		-	
2110326	Other personnel payments		-	
2120000	Social security benefit			38 400.00
2120101	Employer contribution to NSSF-Penalty		5, 616.00	61 440.00
2710120	gratuity		565 440.00	
	Total		1 605 550.00	1 462 720.00
5 USE OF GOODS AND SERVICES				
2200000	Description		2017 - 2018	2016 - 2017
			Kshs	Kshs
2210100	Utilities, supplies and services and suspense balance (less 9,229.74)		190 562.00	416 720.00
2210104	Office rent		126 000.00	144 000.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
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2210200	Communication, supplies and services (internet connection and office communication network)		18 950.00	
2210300	Domestic travel and subsistence			
2210500	Printing, advertising and information supplies & services (preparation of NG-CDF service charter, Core values and president portrait)		29 500.00	287 680.00
2210600	Rentals of produced assets			
2210700	Training expenses		25 000.00	762 000.00
2210800	Hospitality supplies and services			
2210802	Other committee expenses			432 000.00
2210809	Committee allowance		2 573 000.00	2 323 500.00
	Previous year committee allowances			-
2210900	Insurance costs			-
2211000	Specialised materials and services (security services)		63 142.00	-
2211100	Office and general supplies and services (Tonners and Printing Papers)		216 995.00	85 000.00
2211200	Fuel ,oil & lubricants			
2211300	Other operating expenses- Bank cahrges and posta annual fee and water bills		202 630.00	163 581.00
2220100	Routine maintenance – vehicles and other transport equipment			
2220200	Routine maintenance – other assets-Toilet repair		21 500.00	
	Total		3 467 279.00	4 614 481.00
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
			2017 - 2018	2016 - 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
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	Description		Kshs	Kshs
	Transfers to primary schools		18 950 000.00	6 647 643.00
2630205	Transfers to secondary schools		10 400 000.00	28 855 638.00
2630206	Transfers to Tertiary institutions			-
2630207	Transfers to Health institutions		700 000.00	700 000.00
	TOTAL		30 050 000.00	36 203 281.00
2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
			2017 - 2018	2016 - 2017
	Description		Kshs	Kshs
2640101	Bursary -Secondary		16,291,040.00	16 916 500.00
2640102	Bursary -Tertiary		5,208,960.00	5 583 500.00
2640104	Bursary-Special schools			
2640105	Mocks & CAT			
2640504	water			
2640505	Agriculture (food security)			
2640506	Electricity projects			
2640507	Security		12 746 288.00	1 047 166.00
2640508	Roads			26 246 092.00
2640509	Sports		1 395 009.00	1 999 650.00
2640510	Environment		840 000.00	1 000 000.00
2640200	Emergency Projects (RE-CONSTRUCTION OF BURNT DOMITORY AT KERUGOYA BOYS HIGH SCH)		1 000 000.00	2 250 000.00
	Total		37 481 297.00	55 042 908.00
3100000	8 ACQUISITION OF ASSETS			
	Non-Financial Assets		2017- 2018	2016- 2017
			Kshs	Kshs
3110102	Purchase of Buildings			
3110202	Construction of Buildings		7 017 391.00	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

3110302	Refurbishment of Buildings				
3110701	Purchase of Vehicles				
3110704	Purchase of Bicycles & Motorcycles				
3110801	Overhaul of Vehicles				
3111001	Purchase of Office furniture and fittings				
3111002	Purchase of computers ,printers and other IT equipment				136,000.00
3111005	Purchase of photocopier				
3111009	Purchase of other office equipment				92 500.00
3111112	Purchase of soft ware				
3130101	Acquisition of Land (Kimandi and Kiandieri title deed fee to ministry of lands)				10 500.00
	Total			7 017 391.00	239 000.00
	9 Other Payments				
	specify -KERUGOYA STADIUM TOILETS			-	1 853 990.00
	specify-KAGUMO STAGE SHADES				
	specify				-
	TOTAL			-	1 853 990.00
	10A: Bank Balances (cash book bank balance)				
	Name of Bank, Account No. & currency	Account Number		2017 - 2018	2016 - 2017
				Kshs (30/6/2018)	Kshs (30/6/2017)
	Cooperative Bank, Kerugoya Branch A/C no.	01120034956700		9 999 893.00	5 267 963.00
	Total			9 999 893.00	5 267 963.00
	10B: CASH IN HAND)				

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

			2017 - 2018	2016 - 2017
			Kshs (30/6/2018)	Kshs (30/6/2017)
	Location 1		-	-
	Location 2		-	-
	Location 3		-	-
	Other receipts (specify)		-	-
	Total		-	-
			<i>[Provide cash count certificates for each]</i>	
11: OUTSTANDING IMPRESTS				
	Name of Officer	Date imprest taken	2017/2018	2016/2017
			Kshs	Kshs
	Name of Officer	dd/mm/yy		
	Name of Officer	dd/mm/yy		
	Name of Officer	dd/mm/yy	-	-
	Total			
12. CURRENT PAYABLES				
			2017 - 2018	2016 - 2017
			Kshs	Kshs
	Retention			-
13. CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR				
			2017 - 2018	2016 - 2017
			Kshs (1/7/2017)	Kshs (1/7/2016)
	Bank accounts		5 267 963.00	10 968 281.00
	Cash in hand (Office standing imprest)		-	-
	Imprest		-	-
	Total		5 267 963.00	10 968 281.00
		<i>[Provide short appropriate explanations as necessary]</i>		
14. PRIOR YEAR ADJUSTMENTS				
			2017- 2018	2016- 2017
			Kshs	Kshs

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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Reports and Financial Statements
For the year ended June 30, 2018**

	Bank accounts inward deposit			
	Cash in hand		-	10 000.00
	Reversed stale cheques for the previous years		-	979 122.00
	Imprest		-	-
	Cashbook undercast		-	
	Total for the adjustment		-	989 122.00
15 OTHER IMPORTANT DISCLOSURES				
15.1: PENDING ACCOUNTS PAYABLE				
			2017-2018	2016 - 2017
			Kshs	Kshs
	Construction of buildings		-	-
	Construction of civil works		-	-
	Supply of goods		-	-
	Supply of services		-	-
	TOTAL		-	-
15.2: PENDING STAFF PAYABLES				
			Kshs	Kshs
	Senior management		-	-
	Middle management		-	-
	Unionisable employees		-	-
	Others (<i>specify</i>)		-	-
15.3: UN-UTILISED FUND				
			Kshs	Kshs
	Amounts due to other Government entities (see attached list Annex-3)		10,050,000.00	-
	Amounts due to other grants and other transfers (see attached list Annex-3)		28,331,248.86	31,570,000.00
	Others-Employee Compensation		1,509,450.00	812,819.00
	Others-Use of goods		3,036,757.10	4,565,456.86
	Others- Acquisition of assets		4,980,000.00	4,000,000.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
KIRINYAGA CENTRAL CONSTITUENCY
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For the year ended June 30, 2018**

	Others-4 Constituency ICT Hubs		4,677,027.20	-
	Others-Strategic Plan		2,200,000.00	-
		TOTAL	54,784,483.15	40,948,275.86

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	31,152,259.00	5,108,634.25
TOTAL	31,152,259.00	5,108,634.25

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							

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT (NG-CDF)- (KIRINYAGA CENTRAL)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFFS PAYABLES

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

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,509,450.00	812,819.00	
Use of goods & services		3,036,757.10	4,565,456.86	
Amounts due to other Government entities	Kiamutuirea Secondary school twin classrooms	1,500,000.00		
	Kangaita primary school - renovation of classrooms	550,000.00		
	Kagumo ccm primary sch- Renovation of classrooms	600,000.00		
	Kirimunge Primary School- Renovation of classrooms	700,000.00		
	Mukinduri Pry Sch.- Renovation of classrooms	400,000.00		
	Gitwe Primary Sch. Renovation of classrooms	500,000.00		
	Mutitu Pry Sch. –Renovation of classrooms	2,300,000.00		
	Gatuto Pry Sch.- Drilling and equipping a borehole	3,500,000.00		
	Sub-Total	10,050,000.00		
Amounts due to other grants and other transfers	Emergency	4,137,931.03		
	Youth & Sports	1,957,586.00	1,400,000.00	
	Education bursaries	19,666,379.83	16,000,000.00	
	Security- Mukinduri A.P. Camp	1,901,766.00		
	-Kibingo/Ndimi A.P. Camp	200,000.00	1,500,000.00	
	Kariko Assistant chiefs Camp		1,100,000.00	
	Karia Chiefs Office		1,020,000.00	
	Kerugoya Police Station Police Lines		3,000,000.00	
	Kagumo A.P. Camp		3,600,000.00	
	Ngomongo A.P. Camp		3,200,000.00	
	Kerugoya A.P. Line Toilets		750,000.00	

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	ENVIRONMENT			
	Gakoigo Pry Sch	113,793.00		
	Kaitheri Pry Sch.	120,000.00		
	Kagumo ccm Pry Sch.	113,793.00		
	Mutira Pry Sch	120,000.00		
	Sub-Total	28,331,248.86	31,570,000.00	
	Sub-Total			
Acquisition of assets	Funding of the construction of NG-CDF office	4,980,000.00	4,000,000.00	
Others (specify)	Four constituency ICT hubs	4,677,027.20		
	Strategic Plan	2,200,000.00		
	Sub-Total	6,877,027.20		
	Grand Total	54,784,483.15	40,948,275.86	

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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	-	7,017,391.00	-	7,017,391.00
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	646,540.00	-	-	646,540.00
ICT Equipment, Software and Other ICT Assets	1,153,301.00	-	-	1,153,301.00
Other Machinery and Equipment	135,880.00	-	-	135,880.00
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	1,935,721.00			8,953,112.00

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kirimunge Pry Sch-CDF A/C	COOPERATIVE	01139034847002	3,323,212.50	3,212.50
Kagumo ccm Pry Sch CDF A/C	COOPERATIVE	01139034609101	2,503,742.50	3,742.00
Mukinduri Pry Sch CDF A/C	COOPERATIVE	01139034848601	2,326,333.50	6,222.50
Gitwe Primary School CDF A/C	COOPERATIVE	01139034841903	3,321,053.00	1,050.25
Gatwe Pry Sch cdf a/c	COOPERATIVE	01139034846400	2,275,445.00	5,445.00
Kirimunge Secondary Sch.	COOPERATIVE	01139273758402	4,001,050.00	1,050.00
Mutitu Secondary Sch.	COOPERATIVE	01139035077502	2,486,490.00	986,490.00
Mutitu Pry Sch. CDF A/C	COOPERATIVE	01139034843501	14,372.50	14,372.50
Gakoigo Pry Sch	EQUITY	0100262481718	2,104,020.00	35,710.00
Kiamuruga Pry Sch. CDF A/C	EQUITY	0100262470791	2,287,105.00	18,590.00
Kiandieri Pry Sch.	EQUITY	0100297778709	2,324,175.00	4,175.00
Kiamutuiria Sec Sch.	EQUITY	0100262592544	600,360.00	3,982,800.00
Kaitheri Pry Sch CDF A/C	EQUITY	0100262468439	5,370.00	5,370.00
Mutira Pry Sch. CDF A/C	EQUITY	0100262480475	6,430.00	37,305.00
Kangaita Pry CDF A/C	KENYA COMMERCIAL	01155029054	2,571,100.00	1,100.00
Kiranja Sec Sch CDF A/C	KENYA COMMERCIAL	01104034182	1,002,000.00	2,000.00
Total			31,152,259.00	5,108,634.25

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ANNEX 6: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>4.1. Un-reconciled cash and bank balance</p> <p>Criteria</p> <p>Regulation 90 (3) of the Public Finance Management – National Government Regulations, 2015 states that Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.</p> <p>Observation</p> <p>Statement of assets as at 30 June 2017 reflected bank balances of 5,267,963. However, the cashbook availed for audit reflected a balance of Kshs.4, 717,793.50 resulting to a variance of Kshs.550, 169.50 that was not explained. Further, the bank statement of</p>	<p>The cashbook balance as at 30/06/2017 was kshs 4,767,793.50 and not 4,717,793.50 while the financial statement had a balance of Kshs 5,267,963.50 giving a variance of Kshs 500170. This variance was as a result of an issued A.I.E. number A855592 of kshs 500,000 dated 22/02/2017 (Appendix 1) which was not credited in the cashbook at the end of the year. This omission has since been corrected. The remaining balance of Kshs 170 may be an arithmetic error in the cashbook which we are verifying.</p>	<p>Kenneth Kariuki-F.A.M.</p>	<p>Resolved</p>	

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	<p>Co-operative bank account No. 01120034956700 was Kshs. 6,716,076 as at 30 June 2017. The three (3) balances have not been reconciled.</p> <p>Risk(s)/Effect(s)/Implications Misstatement of cash and bank balances of Kshs.5, 267,963.</p> <p>Recommendation The CDF should reconcile books of accounts.</p>				
	<p>4.2. Budget Review</p> <p>Criteria IPSAS 24 on the preparation and presentation of the financial statements where the Standard requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities which are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. The Standard also requires disclosure of an explanation of the reasons for material</p>	<p>The main cause of the failure to implement the budget as planned is delay in the disbursement of the funds to the constituency by the NG-CDF national board from the time of the fund requisition to the time the funds are released. For instance the second disbursement for the financial year 2016/17 fund request was made on 10 May 2017 but the funds released on 22/02/2018. This is clear evidence that the failure is not on the NG-CDF committee but the NG-CDF National board</p>	<p>NG-CDF BOARD</p>	<p>Resolved</p>	

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differences between the budget and actual amounts. Compliance with the requirements of this Standard will ensure that public sector entities discharge their accountability obligations and enhance the transparency of their financial statements by demonstrating compliance with the approved budget(s) for which they are held publicly accountable and, where the budget(s) and the financial statements are prepared on the same basis, their financial performance in achieving the budgeted results.

Observation

	Final Budget (Kshs)	Actual Expenditure (Kshs)
Receipts		
Transfers from CDF Board	144,559,497	103,611,211
Proceeds from sale of Assets	-	-
Other Receipts	144,559,497	84,000
Payments		
Compensation of Employee	2,390,859	1,462,720

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Use of goods and Services	8,743,917	4,614,481	4,129,436
Transfers to Other Government Units	37,774,809	36,203,281	1,571,528
Other grants and transfers	89,414,071	55,053,408	34,360,663
Acquisition of Assets	374,700	228,500	146,200
Other payments	5,861,141	1,853,990	4,007,151

From the above table expenditure in the year under review was kshs.99, 416,380 against a budget of Kshs.144,559,497 resulting to under expenditure of Kshs.45,143,117 or 31%. The low absorption denied the constituents services and development. Further, analysis of the budget revealed that out of the total expenditure of Kshs.99, 416,380, an amount of Kshs.62,662,945 or 63% relates to previous years project.

The details are as per attached

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	<p>appendices III and IV and detailed analysis of projects visited in appendix V.</p> <p>Risk(s)/Effect(s)/Implications</p> <p>The constituents may miss out on services and economic development.</p> <p>Recommendation</p> <p>The management to provide explanation why it cannot absorb the funds as budgeted and to put more efforts to see the funds utilization is increased to provide services and development.</p>				
	<ul style="list-style-type: none"> • Unsupported CDFC allowances Kshs.3,021,500 <p>Criteria</p> <p>Section 152 (3) to (5) of the Public Finance Management Act 2012, A public officer to whom a cash advance is made shall account for the use of the advance within a reasonable time.</p> <p>The CDF Board circular ref no CDF BOARDI CIRCULARS/VOL.I. I/ 167 stipulates that as per CDF Act 2013 Section shall be the</p>	<p>There were no misappropriation of funds, all the imprest taken by the fund account manager were fully accounted for and supported and the support documents availed to the auditor.</p>	<p>Kenneth Kariuki-F.A.M</p>	<p>Resolved</p>	

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custodian of all records and equipment of the constituency during the term of parliament and during transitions occasioned by general elections or a by-election; The same circular further states that in line with CDF Act 2013 Section 42(5&6), payments shall be made only to projects approved by the Board and every payment or instruction for payment out of the Constituency Fund Account shall be strictly on the basis of a minutes resolution of the Constituency Development Fund Committee. The A. I.E holder shall ensure appropriate supporting documents are attached to payment vouchers before approving payment.

Observation

Statement of receipts and payments reflects use of goods and services balance of Kshs.4, 614,481 for the year under review. The balance includes an amount of Kshs.3, 021,500 for CDFC allowances paid on diverse dates without supporting minutes, attendance register and evaluation and monitoring

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	<p>report, work tickets. See Appendix 1 for details.</p> <p>Risks(s)/Effect(s)/Implications Misappropriation of resources.</p> <p>Recommendation All payment should be supported.</p>				
	<p>• Bursary Expenditure</p> <p>Criteria Section 149 (1) of the PFM Act 2012 provides that an accounting officer is accountable to the county assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful, authorized, effective, efficient, economical and transparent.</p> <p>Observation Statement of receipts and payment reflects other grants and transfers balance of Kshs.55, 053,408 for the year ended 30 June 2017. Included in the amount is Kshs.16, 916,500 and Kshs.5, 583,500 totalling Kshs.22, 500,000 being bursary for Secondary</p>	<p>It is true we have not been able to get all the receipts or bursary acknowledgement letters from various institutions but it is our requirement that all the benefiting institutions must acknowledge receipt of these cheques. It is also good to note that through some efforts undertaken we have been able to achieve 63.54% acknowledgement and its our hope that with our continued effort we will be able to get 100% acknowledgement.</p>	<p>Kenneth Kariuki-F.A.M</p>	<p>Resolved</p>	

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	<p>Schools and tertiary institutes respectively. However, out of the Kshs. 22,500,000 only Kshs. 14,296,300 was acknowledged through letters and receipts from the benefiting institutions leaving a balance of Kshs. 8,203,700 not acknowledged. See appendix 11 for details.</p> <p>Risk(s)/Effect(s)/Implications</p> <p>The funds might have been misused.</p> <p>Recommendation</p> <p>For transparency, the CDF should ensure that amounts awarded to the needy students are acknowledgement by issuing receipts to confirm that the listed students benefited from the amounts disbursed for their educational support.</p>				
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