

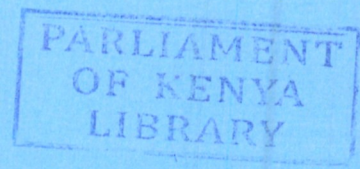
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT



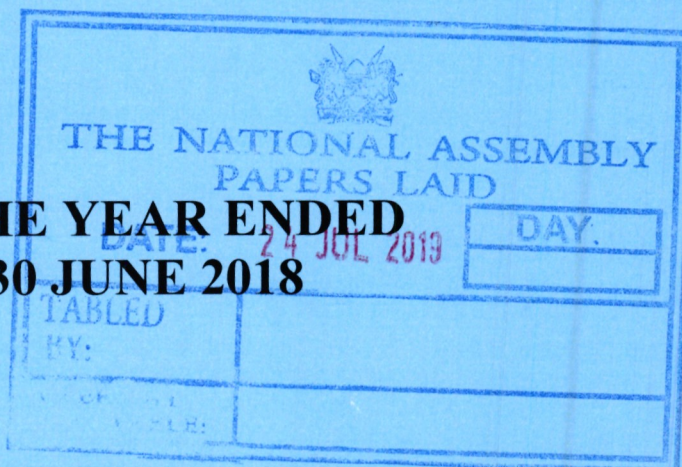
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
GATUNDU SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI.
REGISTRY
- 8 MAY 2019
RECEIVED

Revised Template 30th June 2018




**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND GATUNDU
SOUTH 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)

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2019	
DAY: Wednesday	
TABLED BY:	Hon. Aden Duale (Lom)
CLERK-AT THE-TABLE:	Halima Ahmed



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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATUNDU SOUTH 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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



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

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF Gatundu South 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	Cynthia Robi
3.	Sub-County Accountant	Jackline Wasilwa
4.	Chairman NGCDFC	Kimani Nage
5.	Member NGCDFC	John Mwangi Kiare

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -Gatundu South Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF Gatundu South Constituency Headquarters

P.O. Box 213 01030
NGCDF Building
Gatundu



1950-1951

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

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF GATUNDU SOUTH Constituency Contacts

Telephone: (254)727 389 947

E-mail: ngcdfgatundu.go.ke

Website: www.go.ke

(g) NGCDF GATUNDU SOUTH Constituency Bankers

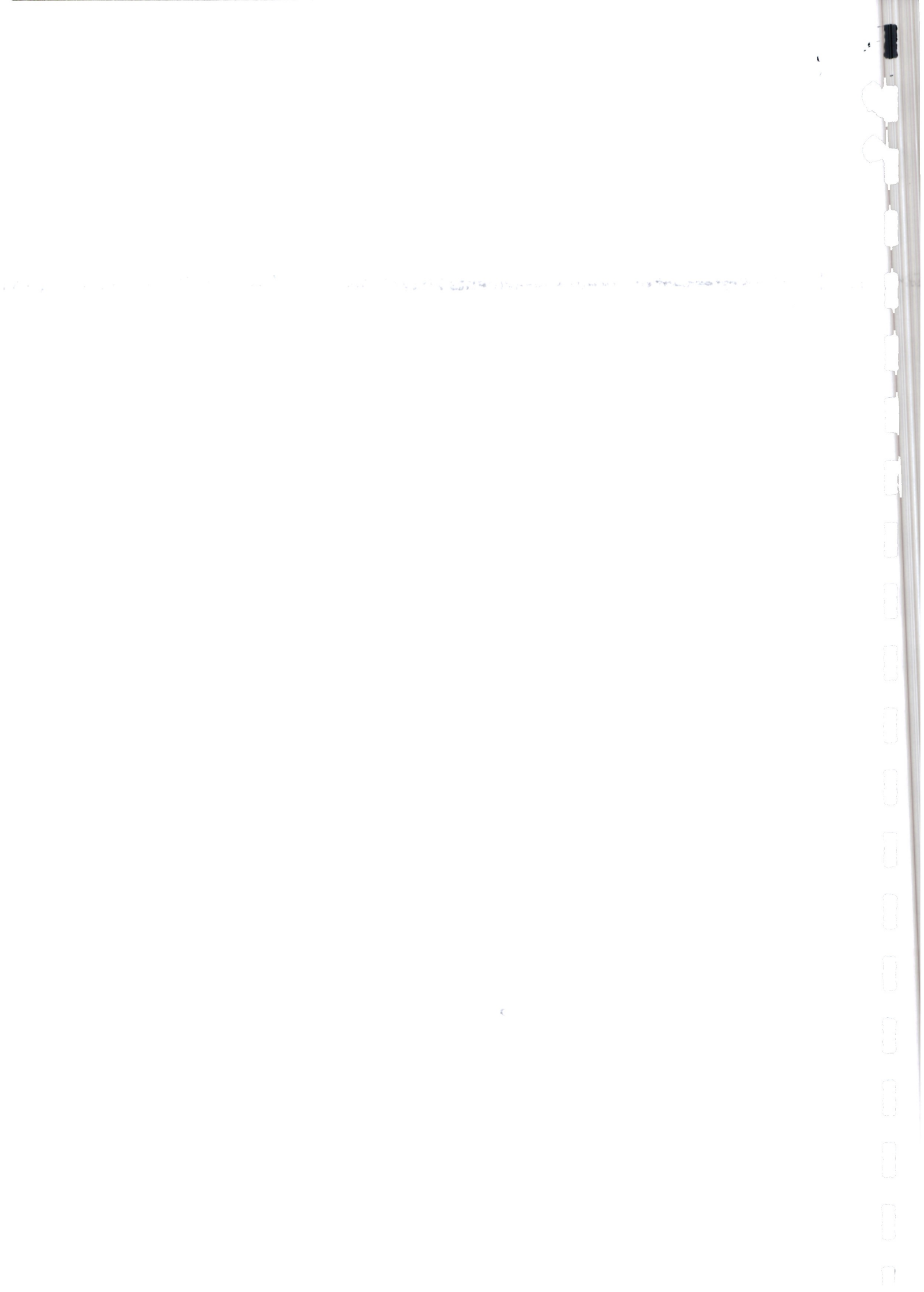
1. Equity Bank
Gatundu Town
P.O. Box
Gatundu

(h) Independent Auditors

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

(i) Principal Legal Adviser

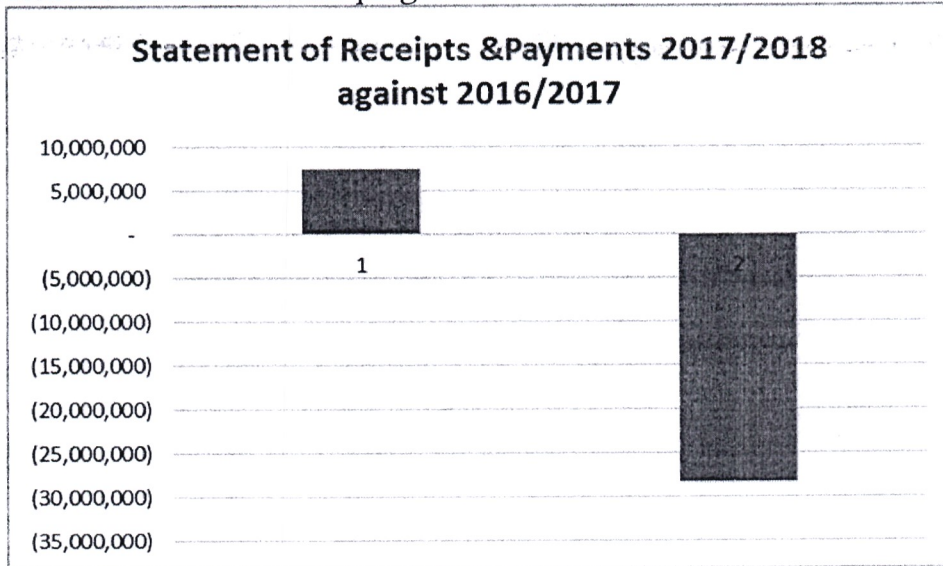
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



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

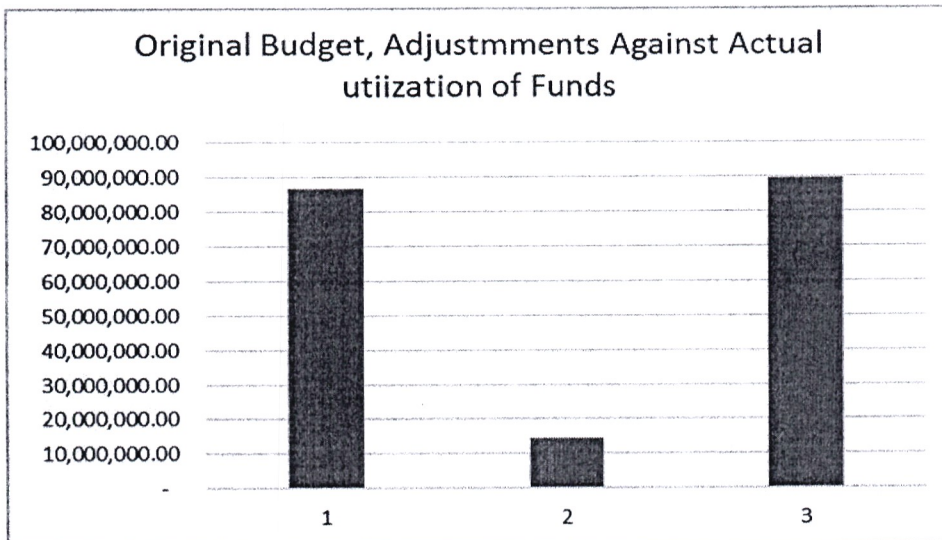
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Summary of the budget performance against actual amounts for current year based on economic classification and programmes

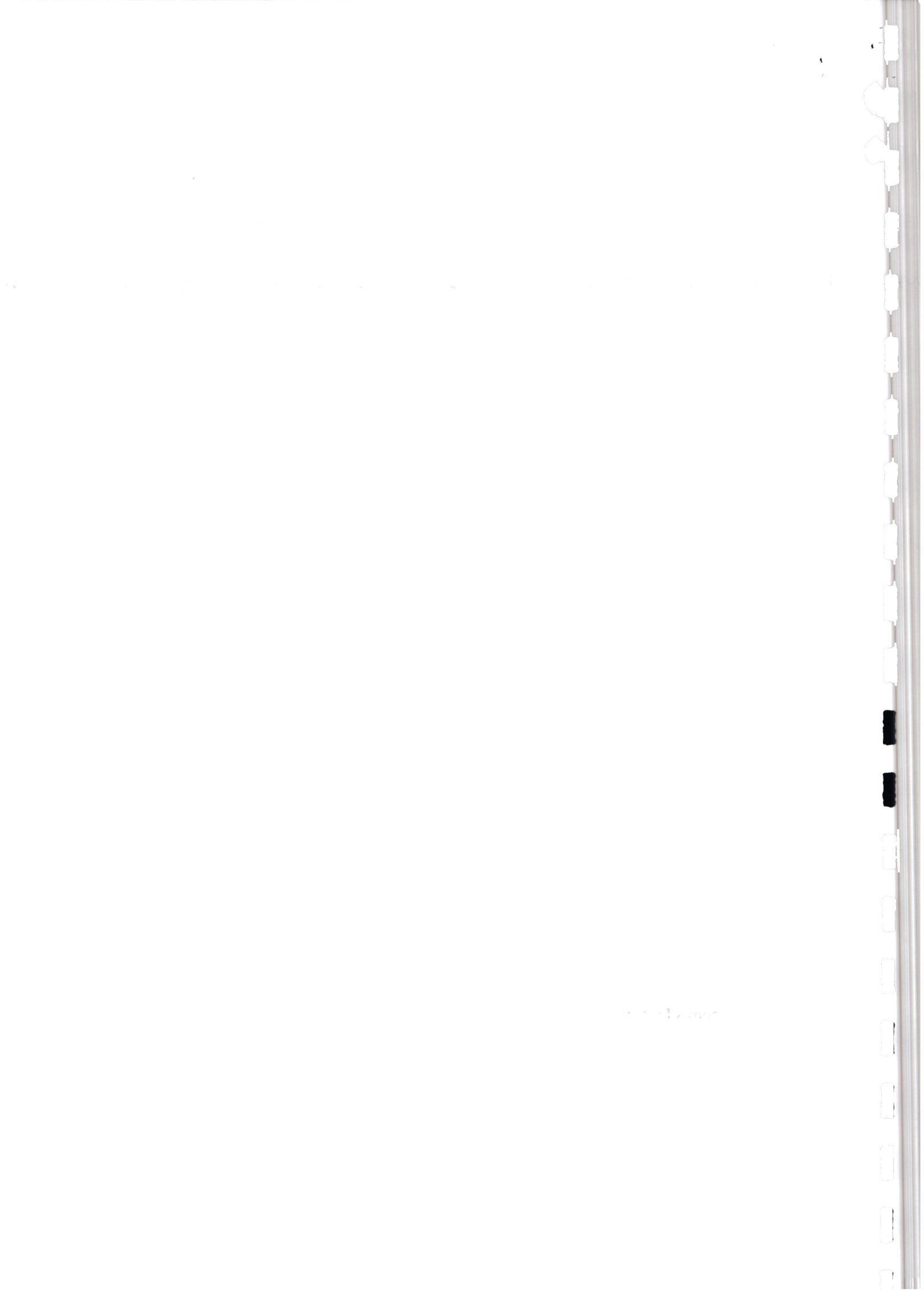


Key
1-(Surplus of FY 2017/2018)
2-(Deficient of Fy 2016/2017)

This is an indicator of a Better performed Year 2017/2018 Compared to 2016/2017.



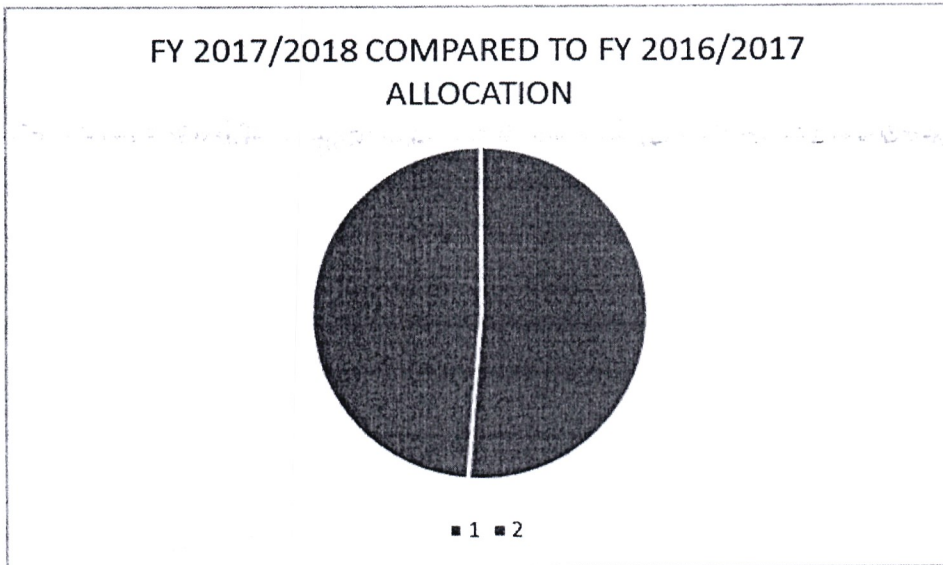
Key
1-Original Budget Allocation
2-Total Adjustment Allocation during the Year 2017/2018)
3-Total Actual on Comparable Basis i.e The Total Funds Allocated during the year was implemented at 90% comparatively before the Year Additional Fund Allocation



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

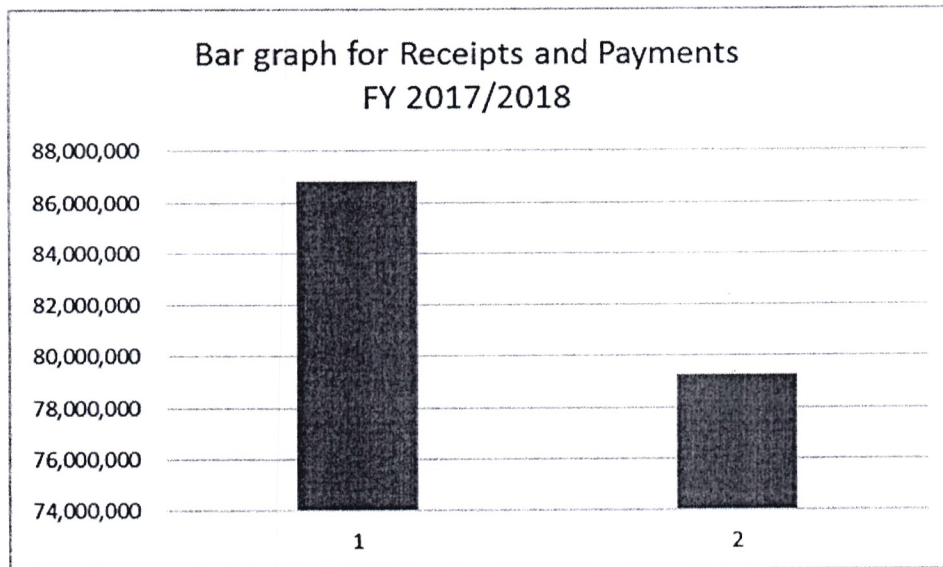
**Reports and Financial Statements
For the year ended June 30, 2018**

TITLE:



Key

- 1-FY 2017/2018 Showing great improvement on financial year allocation.
- 2 FY 2016/2017 Allocation which shows less funds than the current year allocation



- Key 1-Total receipts During the Year from the NGCDF Board
- 2-Total Expenditure during the Year In NGCDF Gatundu South.



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

KEY ACHIEVEMENTS IN THE FINANCIAL YEAR 2017/2018



FIG 1.1:Gatundu Primary Under expansion of Classroomms.



FIG1.2:The Renovated NGCDF Office in Gatundu South Constituency which was constructed 4years ago.

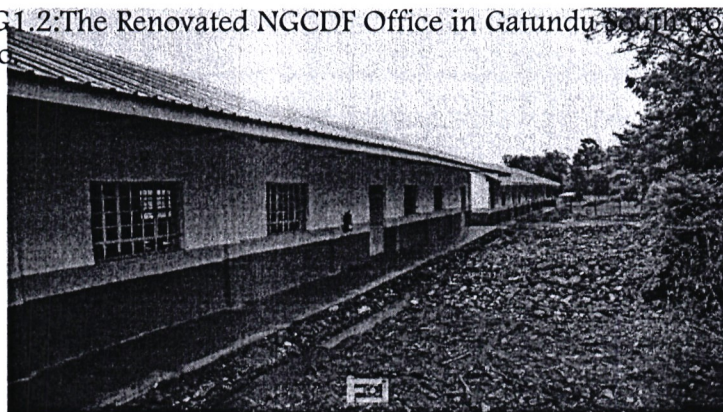


FIG 1.3 this is Gatundu KMTC New Classrooms Constructed By NGCDF Gatundu South Constituency for Better Learning Environment. FY 2017/2018

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



FIG 1.4: KMTC SCHOOL Bus for swift mobility of the two campuses which have been all established by NGCDF between 2015/2016 and 2017/2018 with a total enrolment of 400 Students.

IMPLEMENTATION CHALLENGES

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

Despite the fact that the year financial year 2017/2018 has had a fare share of challenges, i.e the board gave the first disbursement in February 2018, the absorption rate of the constituency has been good given the odds of events.

Sign

CHAIRMAN NGCDF COMMITTEE



James Kimani Nage

1. $\frac{1}{x^2} = x^{-2}$

2. $\frac{1}{x^3} = x^{-3}$

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

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF- Gatundu South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 20XX. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the NGCDF- Gatundu South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Gatundu South Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF- Gatundu South Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Gatundu South Constituency financial statements were approved and signed by the Accounting Officer on 24/9/18 2018.


Fund Account Manager
Name: Cynthia Robi


Sub-County Accountant
Name: Jackline Wasilwa
ICPAK Member Number: 10875



REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH 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- Gatundu South Constituency set out on pages 9 to 33, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flow and summary statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and 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 National Government Constituencies Development Fund- Gatundu South 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 Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

2. Net Financial Position

The statement of assets and liabilities as at 30 June 2018 reflects total financial assets of Kshs.10,876,504 and nil liabilities. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the net financial position of Kshs.10,876,504 has instead been presented as net liabilities.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Gatundu South 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 –
Gatundu South 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 matter described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no key audit matters to communicate in my report.

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 Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in 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

1. Budgetary Performance

During the financial year 2017/2018, Gatundu South NG-CDF had an approved revenue budget of Kshs.101,074,199 which included adjustments (previous year balances that were not transferred from CDF Board Account to the constituency account) of Kshs.14,263,855. Available records indicate that the Gatundu South NG-CDF had an expenditure budget of Kshs.101,074,199, but the actual expenditure was Kshs.79,247,418 during the year, resulting in under expenditure of Kshs.21,826,782 (or about 22% of the budgeted amount).

Further, during the year under review, the fund budgeted to receive Kshs.101,074,199 from the NCDF Board. However, the Board remitted Kshs. 89,694,889 resulting in a deficit of Kshs.11,379,311 or 11%. Consequently, planned and approved projects could not be fully implemented.

2. Misapplication of Expenditure - Kshs. 19,348,940

Examination of records kept by Gatundu South NG-CDF revealed that Kshs.6,099,390 and Kshs.7,100,000 were spent on the construction of three classrooms and procurement of school bus, respectively for Gatundu KMTC; and renovation of seven classrooms, re-roofing, painting, repair of walls and floors at Mutunguru KMTC Kshs.6,149,550 contrary to the Constitution of Kenya of 2010, Fourth Schedule 2(a) which classifies health services including health facilities as devolved functions of the County Government.

3. Repair and Maintenance of Motor Vehicle

Examination of Quotations Analysis Report dated 15/05/2017 revealed that Quotation No.CDF/GTD.S/2016/17 for Repair of Motor Vehicle GK A 624R (Toyota Hilux D/Cabin) was issued to three firms. However, the purported winning bidder awarded the contract at Kshs.468,205 is registered by National Construction Authority as a Civil Engineering Water

Works Contractor under Category 8 to undertake borehole drilling, equipping and servicing. This is contrary to Section 71(2)(b) of the Public Procurement and Disposal Act, 2015 which requires suppliers to apply for category of jobs that they are registered to provide.

Further, the firm was paid the entire amount of money while an audit verification inspection undertaken on 18 April 2019 revealed that the vehicle is unserviceable and grounded.

4. Construction of ablution block at Gatundu Primary School

Examination of the approved budget revealed that an amount of Kshs.1,500,000 was provided for the construction of new pupils' ablution block of 6 - pits for girls, 3 - pits and urinal for boys, with terrazzo floor, wall tiles and wash hand basin.

Records further show that TENDER NO.GTD-S/NG-CDF/GATUNDU P/001/2017-2018 was awarded to the lowest bidder at Kshs 6,135,930. No explanation has been given on how the extra amount of Kshs.4,635,930 was financed without approval of the board.

In addition, the contract agreement and certificate of practical completion indicates that the scope of works was varied in excess of twenty-five percent (25%) to include construction of one classroom, renovation works to a hall, 8 - pit latrines and urinal and water-borne toilet contrary to Section 139(4)(e) of the Public Procurement and Asset Disposal Act, 2015.

5.The Companies Which Were Awarded Contracts in Comparison with the List of Pre-Qualified Contractors

Examination of records further show that five out of forty pre-qualified contractors for building and construction works during the year under review were frequently awarded contracts contrary to Article 227(2)(b) of the Constitution which discourages unfair competition or discrimination.

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 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

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 controls 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 – Gatundu South Constituency to sustain services, disclosing and 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 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:

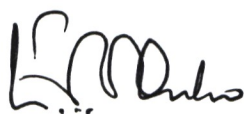
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 sustaining 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 National Government Constituencies Development Fund – Gatundu South 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

21 May 2019

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

Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	86,810,345	82,396,552
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		86,810,345	82,396,552
PAYMENTS			
Compensation of employees	4	2,145,656	1,753,497
Use of goods and services	5	5,425,204	6,375,411
Transfers to Other Government Units	6	42,300,000	52,669,035
Other grants and transfers	7	28,573,558	49,064,587
Acquisition of Assets	8	803,000	858,726
Other Payments	9	0	50,000
TOTAL PAYMENTS		79,247,418	110,771,256
SURPLUS/(DEFICIT)		<u>7,562,927</u>	<u>(28,374,703)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF - Gatundu South Constituency financial statements were approved on 24/9/2018 and signed by

Fund Account Manager
Name:



Sub-County Accountant
Name: 10875
ICPAK Member Number:

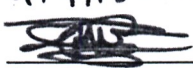
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATUNDU SOUTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

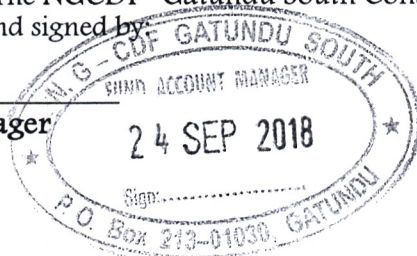
V. STATEMENT OF ASSETS AND LIABILITY


	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	10,876,504	2,884,544
Cash Balances (cash at hand)	10B	<u>0</u>	<u>0</u>
		0	0
Outstanding Imprests	11	<u>0</u>	<u>0</u>
TOTAL FINANCIAL ASSETS		<u>10,876,504</u>	<u>2,884,544</u>
REPRESENTED BY			
Retention	12	279,888	
Fund balance b/fwd 1st July...	13	2,884,544	31,259,247
Surplus/Deficit for the year		7,562,927	(28,374,703)
Prior year adjustments	14	<u>149,145</u>	<u>0</u>
NET LIABILITIES		<u>10,876,504</u>	<u>2,884,544</u>

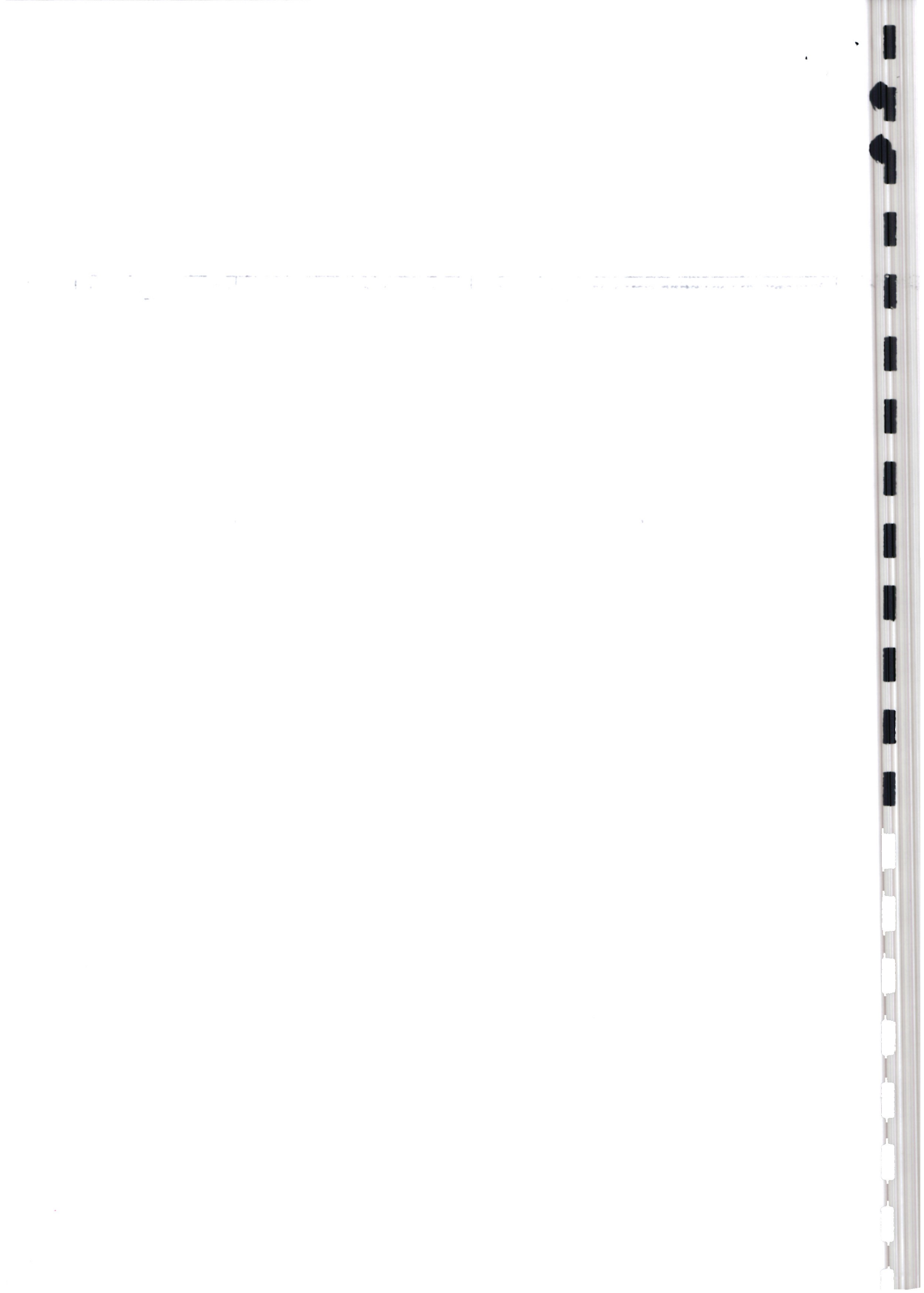
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Gatundu South Constituency financial statements were approved on

24/9/18 2018 and signed by:


Fund Account Manager
Name:




Sub-County Accountant
Name: 10875
ICPAK Member Number:



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


VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	86,810,345	82,396,552
Other Receipts	3	0	0
		86,810,345	82,396,552
Payments for operating expenses			
Compensation of Employees	4	2,145,656	1,740,733
Use of goods and services	5	5,425,204	6,375,411
Transfers to Other Government Units	6	42,300,000	52,669,035
Other grants and transfers	7	28,573,558	49,064,587
Other Payments	9	0	50,000
		78,444,418	109,912,530
Adjusted for:			
Retentions	12	279,888	0
Adjustments during the year	14	149,145	0
Net cash flow from operating activities		8,794,960	(27,515,978)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	803,000	858,726
Net cash flows from Investing Activities		(803,000)	(858,726)
NET INCREASE IN CASH AND CASH EQUIVALENT		7,991,960	(28,374,704)
Cash and cash equivalent at BEGINNING of the year	13	2,884,544	31,259,248
Cash and cash equivalent at END of the year		<u>10,876,504</u>	<u>2,884,544</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Gatundu South Constituency financial statements were approved on 24/9/2018 and signed by:


Fund Account Manager
Name:




Sub-County Accountant
Name: 10875
ICPAK Member Number:

1. The first part of the document is a list of names and titles, including the names of the authors and the titles of their works. This list is organized in a structured manner, likely serving as a table of contents or a reference list for the document.

1. 2

1. 2

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	14,263,855	101,074,199	89,694,889	11,379,311	89%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	0%
TOTAL	86,810,345	14,263,855	101,074,199	89,694,889	11,379,311	89%
PAYMENTS						
Compensation of employees	1,560,000	1,884,544	3,444,544	2,145,656	1,298,888	62%
Use of goods and services	8,301,445	1,540,345	9,841,790	5,425,204	4,416,586	55%
Transfers to Other Government Units	43,200,321	10,532,839	53,733,160	42,300,000	11,433,160	79%
Other grants and transfers	26,271,552	306,127	26,577,679	26,577,678	1	100%
Acquisition of Assets	2,800,000	-	2,800,000	2,798,880	1,120	100%
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0%
TOTALS	86,810,345	14,263,855	101,074,199	79,247,418	21,826,781	78%

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



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

IN B GIVE EXPLANATION ON ALL ITEMS BELOW 90% UTILIZATION

On Receipts, the Total Receipt from the NGCDF Board is 89% which is due to an additional Fund which was planned in May 2018 for proposal submission of 11,379,310.34.


On Compensation of Employees 62% the Employee Budget had an addition of Funds from the previous year which is a rollover and the constituency had anticipated to employ 5 staff In addition the existing staff but we employed 3 while 1 old staff died & another one terminated his contract prematurely.

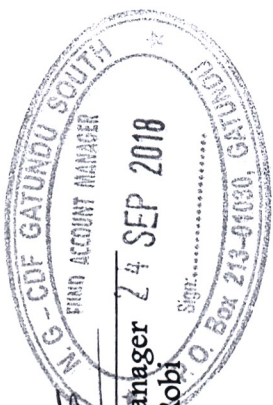
Use of Goods and Services at 55% is due to the addition Funds which we factored the 500,000 for the Capacity Building and Committee Expende.


On Tranfer to Other Government Units, 79% is due to the Additional Fund Projects which the proposal was submitted on 31st May 2018 with projects under this sector being 10, 270,000 and approval was on 5th July 2018

On Other Payment 0% this is a project of Constituency Innovation Hubs which is underway to be done and so far no expense has been incurred as at end financial year.

The NGCDF- Gatundu South Constituency financial statements were approved on 24/9/ 2018 and signed by:


Fund Account Manager
 Name: Cynthia Robi




Sub-County Accountant
 Name: Jackline Wasilwa
 ICPAK Member Number: 10875

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATUNDU SOUTH 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- Gatundu South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATUNDU SOUTH CONSTITUENCY
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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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



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

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

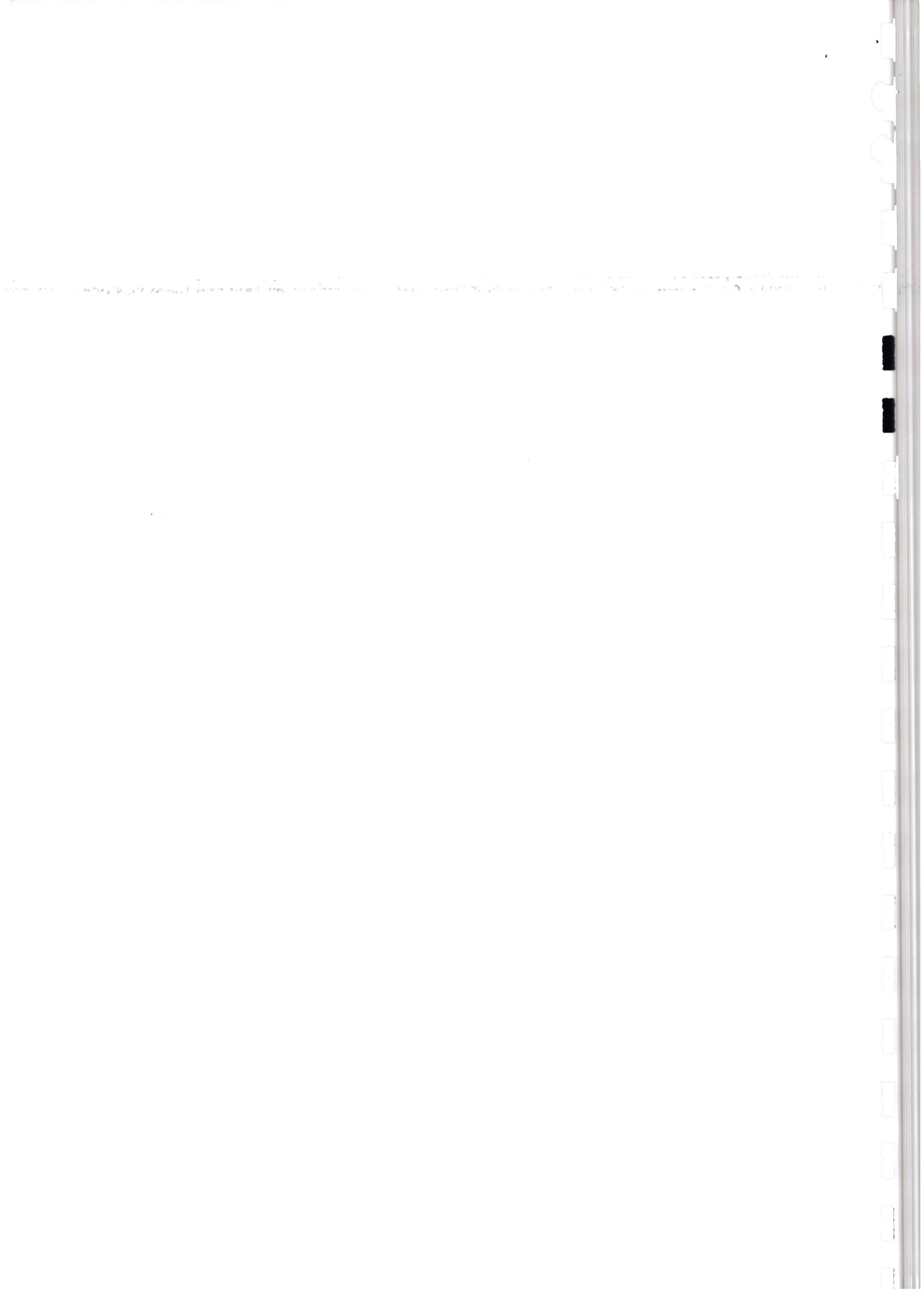
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations 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.



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

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.

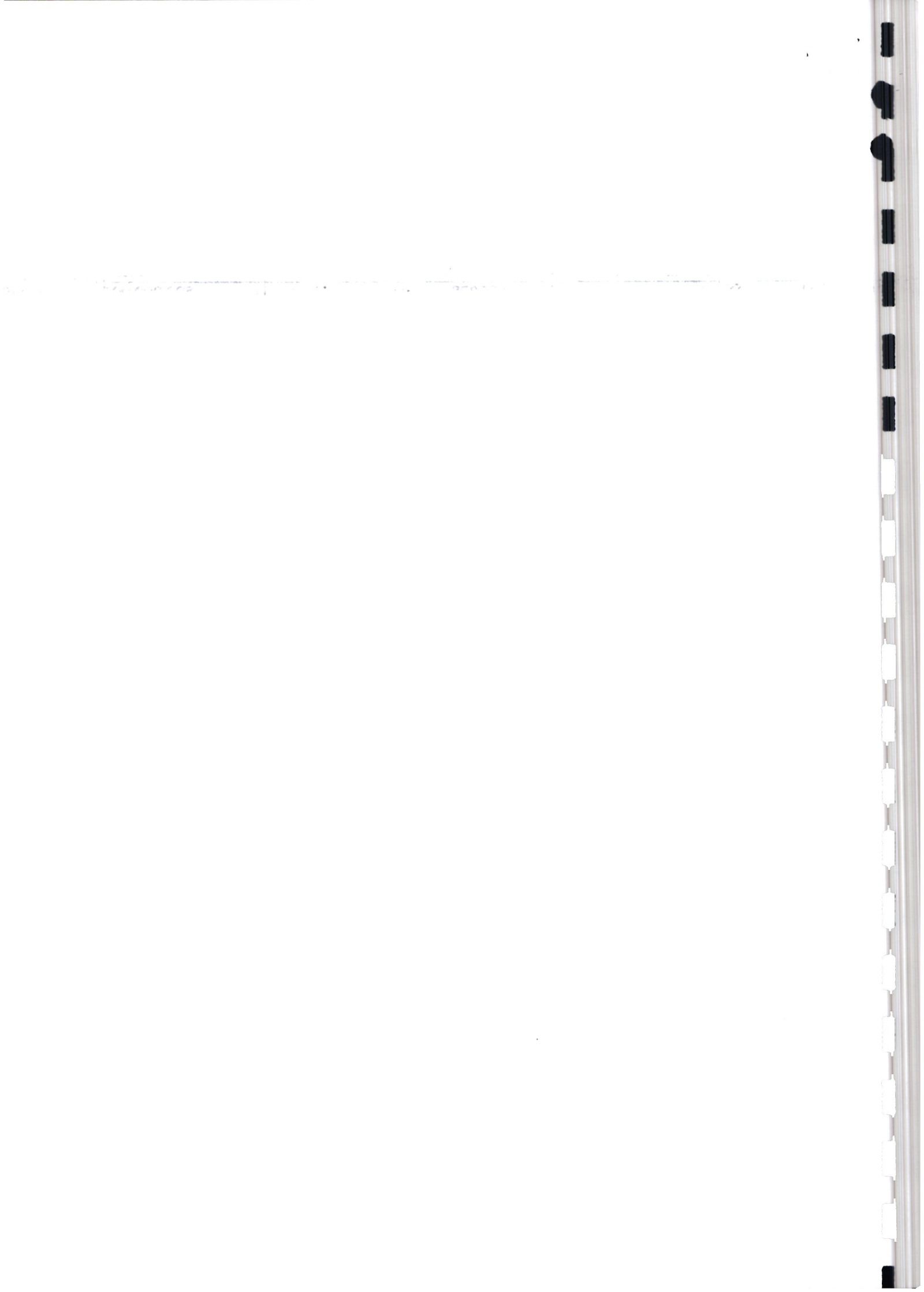
14. Errors

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) –
GATUNDU SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

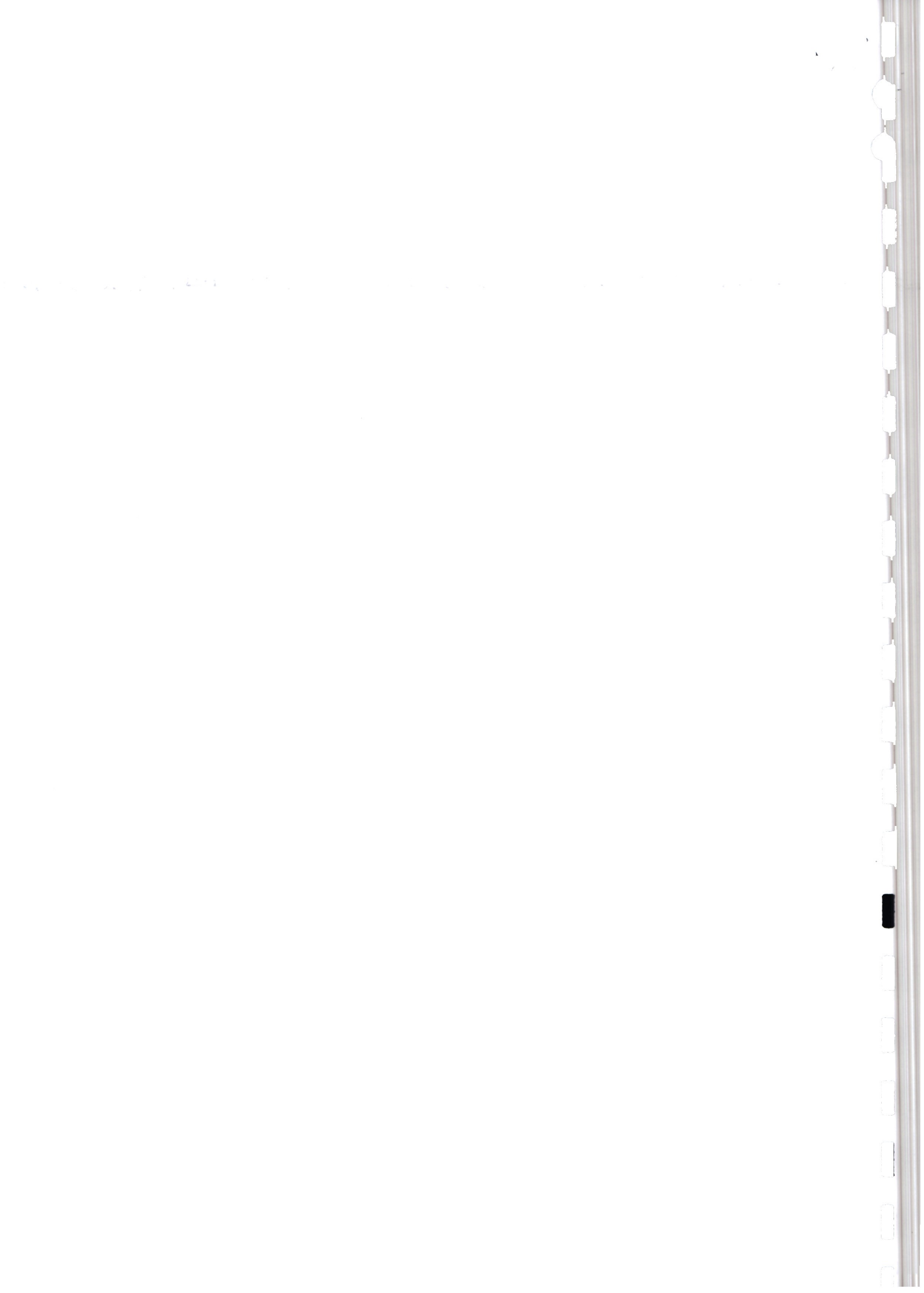
IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017 - 2018	2016 - 2017
Normal Allocation			Kshs
	A825958		500,000.00
	A829552		4,094,827.60
	A839593		36,853,449.00
	A855508		30,117,239.00
	A855712		10,831,036.00
30-Jan-18	A855809	5,500,000.00	
23-Feb-18	A892622	37,905,172.00	-
21-May-18	A896859	43,405,172.80	-
Receipt from other Constituency			-
TOTAL		86,810,344.80	82,396,552

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATUNDU SOUTH CONSTITUENCY**
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,379,146	1,535,225
Basic wages of casual labour	90,593	93,600
Personal allowances paid as part of salary		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Gratuity	247,686	0
Other personnel payments	428,231	124,672
Total	2,145,656	1,753,497



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	1,453,600	1,292,900
Utilities, supplies and services	352,200	42,980
Communication, supplies and services	330,540	6,960
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	1,450,200	0
Hospitality supplies and services(Other Allowance)	1,454,265	2,700,000
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	88,284	1,832,914
Fuel ,Oil &lubricants	146,115	425,000
Other operating expenses	50,000	31,141
Routine maintenance – vehicles and other transport equipment	100,000	43,516
Routine maintenance – other assets	0	0
Total	5,425,204	6,375,411



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	18,000,000	22,531,035
Transfers to secondary schools (see attached list)	3,600,000	20,138,000
Transfers to tertiary institutions (see attached list)	20,700,000	10,000,000
Transfers to health institutions (see attached list)	0	0
TOTAL	42,300,000	52,669,035

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,884,396	21,457,000
Bursary – tertiary institutions (see attached list)	9,124,317	7,221,400
Bursary – special schools (see attached list)	450,000	0
Mock & CAT (see attached list)	0	1,098,930
Security projects (see attached list)	0	9,650,000
Sports projects (see attached list)	0	2,527,927
Other capital grants and transfer	0	2,496,900
Environment projects (see attached list)	500,000	578,601
Emergency projects (see attached list)	4,618,965	4,033,829
NGCDF Office/PWO Office	1,995,880	
Total	28,573,558	49,064,587



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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

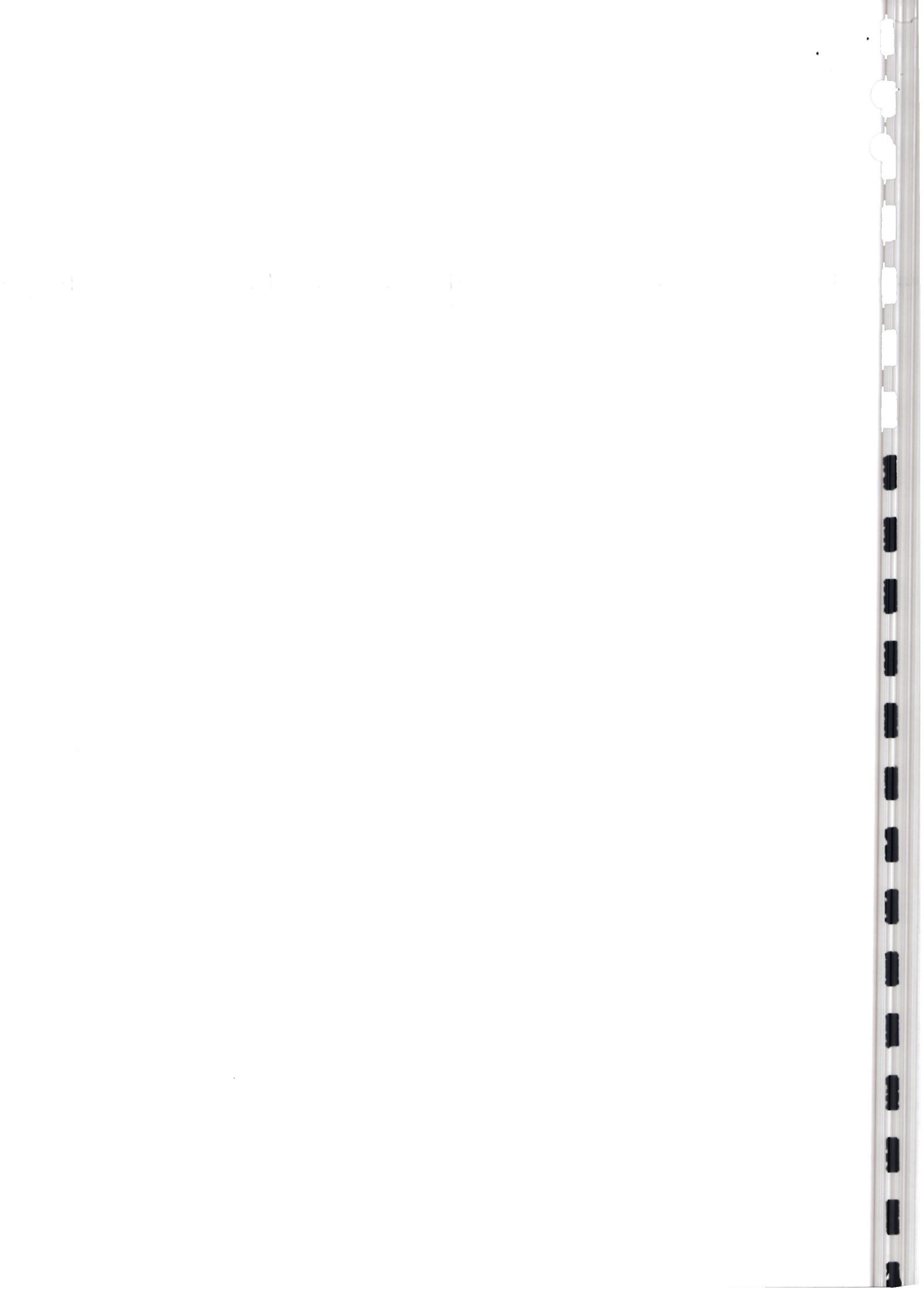
8. ACQUISITION OF ASSETS

Non-Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	803,000	858,726
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	803,000	858,726

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Other Payment	0	50,000
Strategic plan	0	0
ICT Hub	0	0
TIVET	0	50,000



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>EQUITY –GATUNDU BR.-0660261950170</i>	10,876,504	2,884,544
	0	0
		0
Total	10,876,504	2,884,544
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

1. *Staphylococcus aureus* (100%)

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12RETENTION

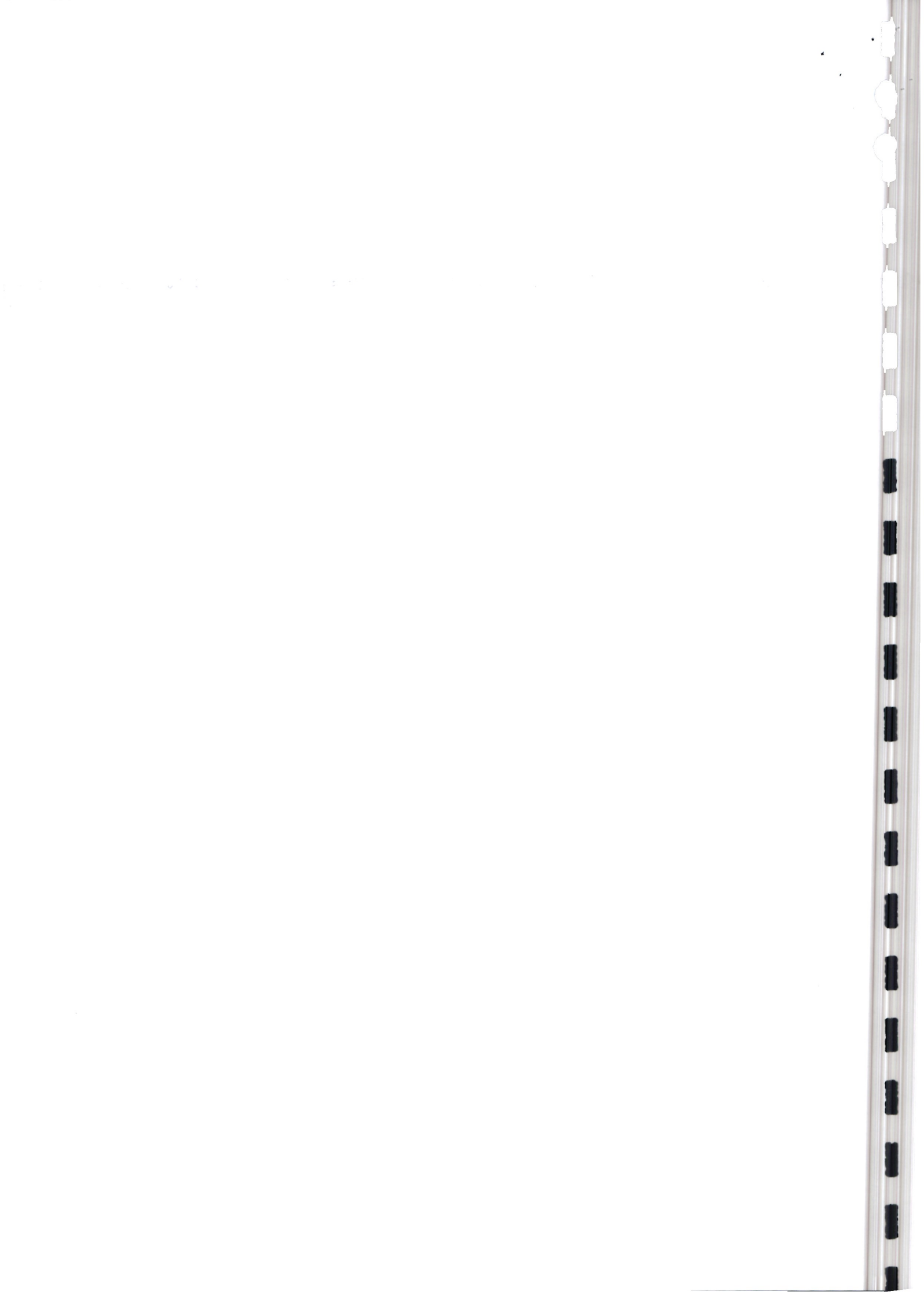
	2017 - 2018	2016-2017
	Kshs	Kshs
Kelly (EA)LTD	179,928	0
Kelly (EA)LTD	99,960	0
Supplier 3	0	0
Total	279,888	0

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	10,876,504	2,884,544
Cash in hand	0	
Imprest	0	0
Total	10,876,504	2,884,544

[Provide short appropriate explanations as necessary]



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATUNDU SOUTH CONSTITUENCY**
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts(Reversed stale Cheque not replaced)	161,909	0
Cash in hand	0	0
Imprest	0	0
Total	161,909	0

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>specify</i>)	0	0
	0	0

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,298,888	1,200,655
Use of goods and services	3,828,793	340,000
Committee Expenses& Capacity Building	587,793	714,889
Amounts due to other Government entities (see attached list)	11,433,160	580,000
		0
Amounts due to other grants and other transfers (see attached list)	1	50,000
Acquisition of assets	1,120	0
Others (<i>ICT HUB</i>)	4,677,027	0
	21,826,781	2,884,544

This is amount not disbursed from the NGCDF board 11,379,311 plus cash and equivalent of 10,447,471



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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 4)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	507,412	111,325.20
	507,412	111,325.20



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATUNDU SOUTH CONSTITUENCY

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

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						

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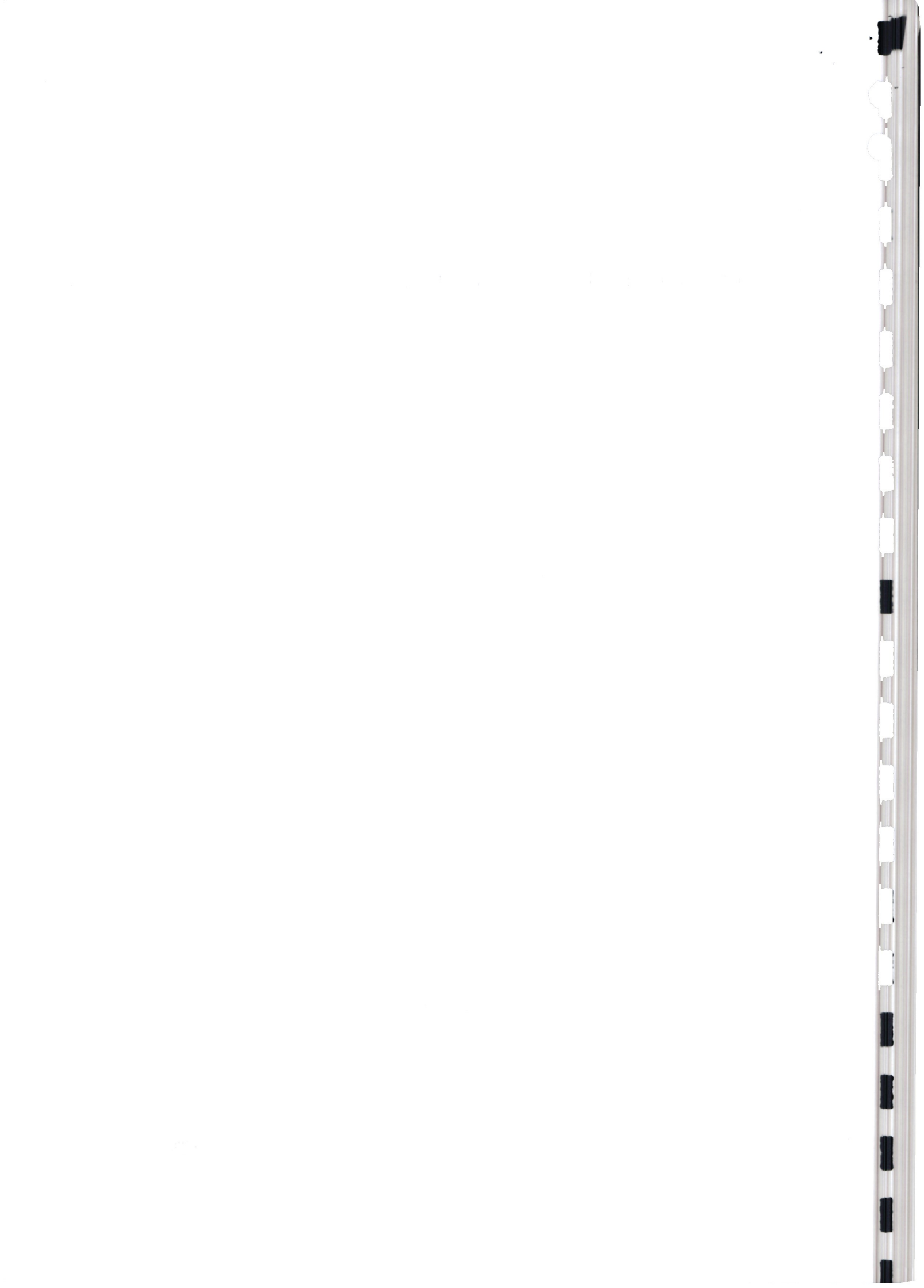
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATUNDU SOUTH CONSTITUENCY

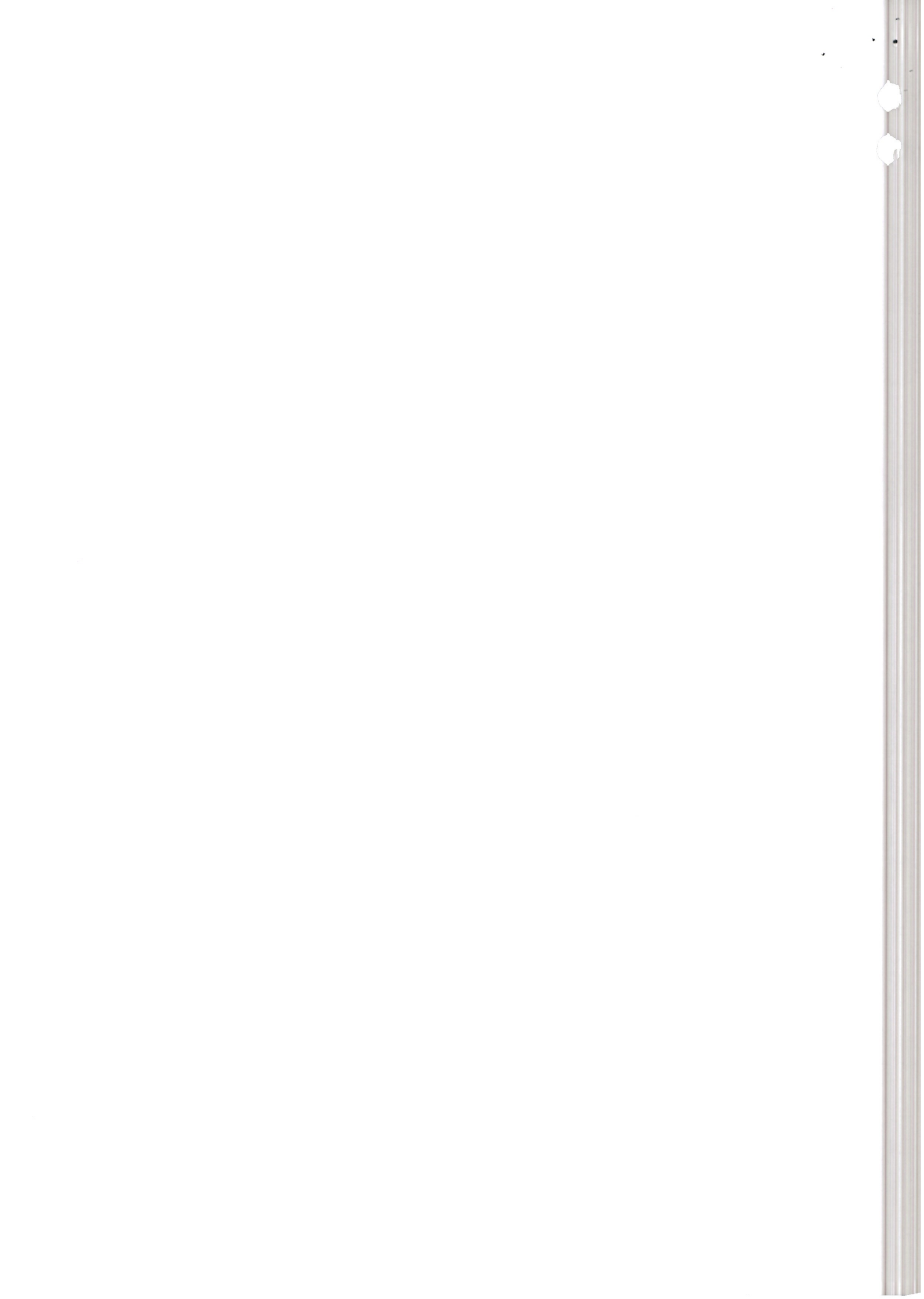
Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount a	Date Payable Contracted B	Amount Paid To-Date c	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							





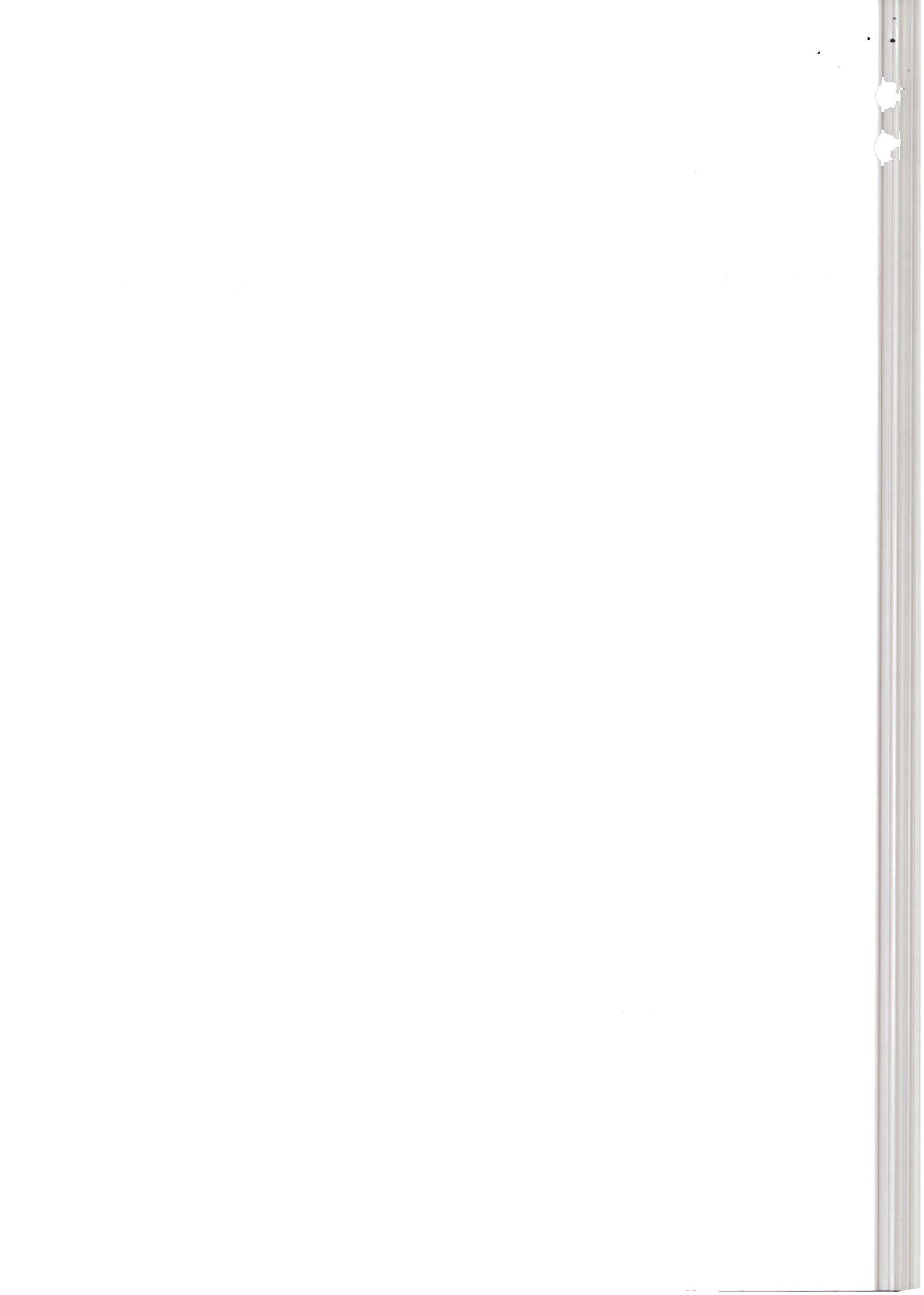
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost b/f (Kshs) 2016/17
Land	-	0	0	0
Buildings and structures	10,259,410.00	0	0	10,259,410.00
Transport equipment	3,094,999.00	0	0	3,094,999.00
Office equipment, furniture and fittings	3,337,140.00	803,000.00	0	1,341,260.00
ICT Equipment, Software and Other ICT Assets	381,640.00	0	0	381,640.00
Other Machinery and Equipment	865,796.00	0	0	865,796.00
Heritage and cultural assets	-	0	0	-
Intangible assets	-	0	0	-
Total	17,938,985	803,000.00	0	15,943,105



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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ANNEX 5–PMC BANK BALANCES AS AT 30TH JUNE 2018

	BANK	ACCOUNT	2017- 2018	2016-2017
PMC account Balances (see attached list)	EQUITY		Kshs	Kshs
Wamitaa Primary School	EQUITY	0660176346637	125.00	1,900.13
Ruburi Primary School	EQUITY	0660176346585	0.00	00
DEO's Office	EQUITY	0660176356257	155.00	00
Gatundu Primary School	EQUITY	0660176348552	1,060,52	00
Gatundu KMTC – Classes/BUS	EQUITY	0660272354269	501,295	00
Nembu Primary School	EQUITY	0660176346561	145.00	00
Ituru Primary School	EQUITY	0660176346542	10.00	00
Gachika Primary School	EQUITY	0660176402186	2,935.00	00
Karembu Primary School	EQUITY	0660176357206	30.00	00
Muhoho Primary School	EQUITY	0660176356268	265.00	00
Mthurumbi Primary School	EQUITY	0660177247709	20.00	00
Kagio Primary School	EQUITY	0660177242879	0.00	00
Wamwangi Secondary School	EQUITY	0660177243004	295.00	1,975
Mutunguru KMTC - Classes	EQUITY	0660177247686	230.00	00
Karatu bPrimary School	EQUITY	0660177243523	40.00	00
Kiganjo Primary School	EQUITY	0660177243109	200.00	00
Thaara Asistant Chief's Office	EQUITY	0660161441884	555.00	775.00
Gachoka A.P Post	Equity	0660162830828		343.25
Gachoka Secondary School	Equity	0660272354257		15
Gakunju memorial pry sch	Equity	0660263839454		

1. The first part of the document is a list of names and titles, including the names of the authors and the titles of their respective works. This list is organized in a structured manner, likely serving as a table of contents or a reference list for the document.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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				2,084.45
Gathage secondary school	Equity	0660265009314		30.00
Gathage Assistant Chief's Office	Equity	0660170904084		425
Gathiru Primary School	Equity	0660162166078		120
Gathuri sec school	Equity	0660166067959		-
Gatitu Girls Secondary School	Equity	0660171303871		725
Gatitu Primary School	Equity	0660191642454		1080.95
Gatundu KMTC	Equity	1770272146812		11249.1
Gikobu Primary school	Equity	0660296385938		665.00
Gikure Primary School Toilets	Equity	0660171082679		139.95
Githunguchu pry school	Equity	0660168285283		1,491,792.0 0
Githuya sec school	Equity	0660266072760		0.90
Ituru high school	Equity	0660166067899		0.60
Kagera Primary School	Equity	0660293191887		2491.20
kahugu-ini Ap Post	Equity	0660161442621		730
Kamutua sec school	Equity	0660266072804		80.00
Karinga sec school	Equity	0660166067982		
Kiamugo Primary School	Equity	0660162890264		0
Kiamwangi AP POST PMC	Equity	0660168410750		5,473.30
Kiamwangi Primary School	Equity	0660161813976		390.00
Kiamwangi sec school	Equity	0660161769276		2259
Kigaa A.P Post	Equity	0660162826431		340.00
Kigaa Primary school	Equity	0660262827125		5,074.20
Kiganjo market Public TOILET PMC	Equity	0660168382470		58
Kiganjo Primary School	Equity	0660272354222		220.00

Figure 1. [Faint, illegible text]

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Kimunyu Primary School	Equity	0660193119224		0.15
Kimunyu secondary school	Equity	0660263368079		2574.80
Kimunyu stadium	Equity	0660264265590		47.00
Mundoro A.P Post	Equity	0660199637757		6,650.00
Munyiuni secondary school	Equity	0660195070170		170
Mutati AP Post	Equity	0660169211643		76,633
Ndarugu Secondary School	Equity	0660171088412		890
Nembu AP Post	Equity	0660161442459		105
Nembu sec school	Equity	0660266072827		920
Ngenda AP Post	Equity	0660170903814		1,100.00
Ngenda Secondary school	Equity	0660166067864		5525
Thaara Asistant Chief's Office	Equity	0660161441884		30.00
Thaara Primary	Equity	0660193267800		775
Wamitaa Primary School	Equity	0660162167420		1.00
Wamwangi market Public Toilet	Equity	0660168380802		1900.13
Wamwangi Secondary School	Equity	0660295143030		190.00
			507,412	111,325.58

Prepared by:


 24 SEP 2018
 Sign:.....
 Box 213-01030, GATUNDU

CYNTHIA ROBI
Fund Account Manager
NG-CDF Gatundu South

Confirmed by:

THE UNIVERSITY OF CHICAGO LIBRARY

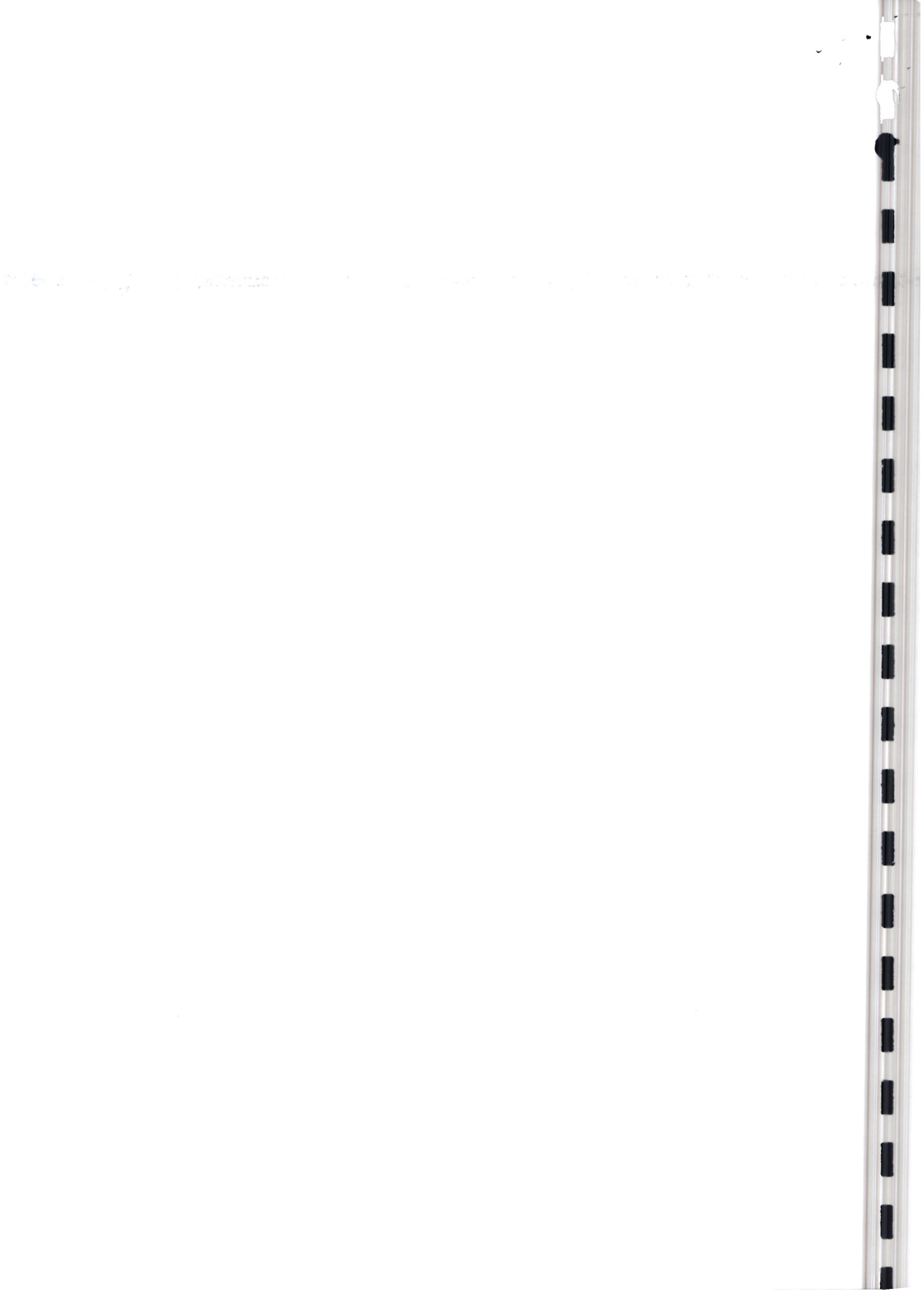


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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ANNEX 6: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

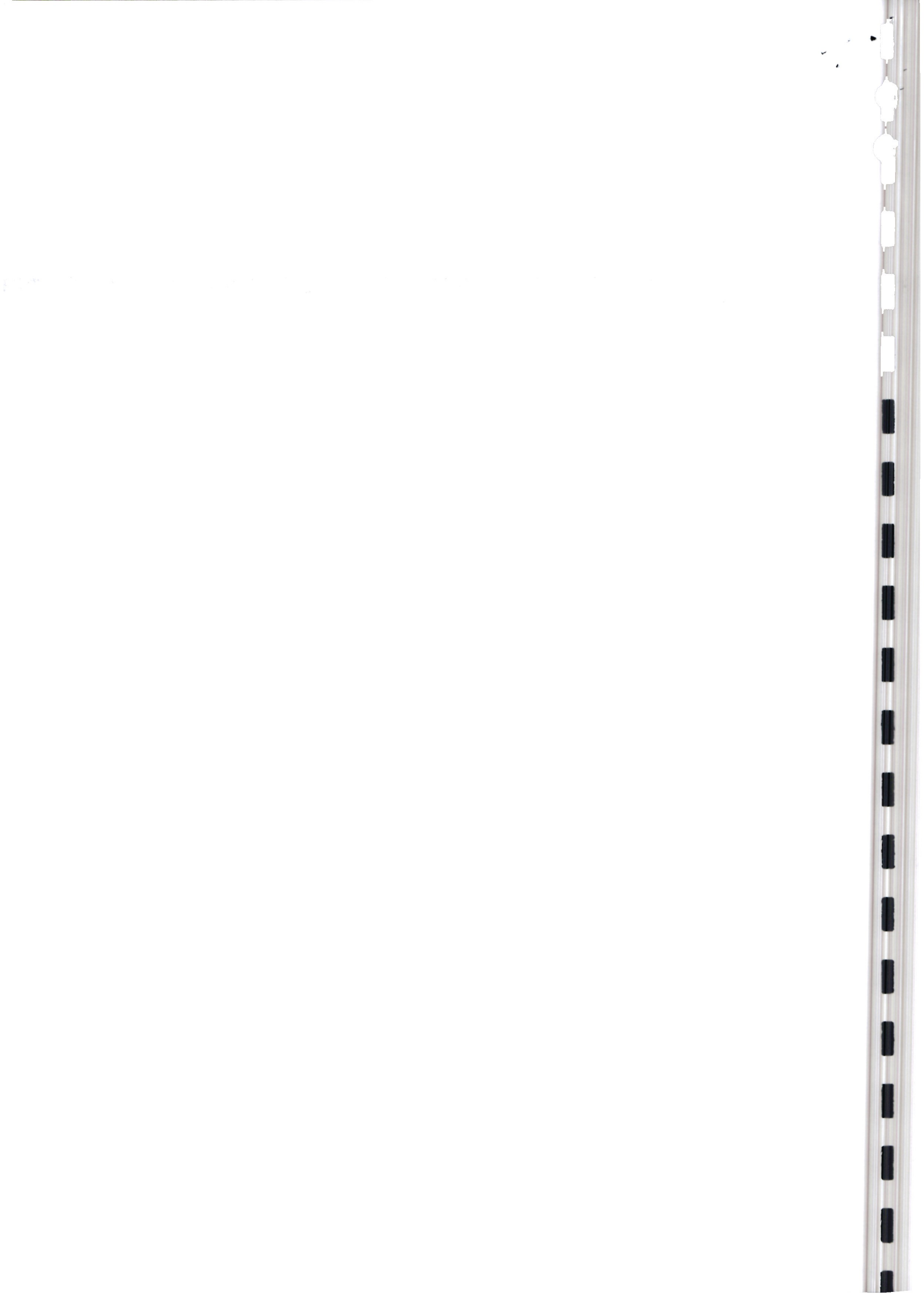
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
4.2:	Management to ensure all reallocations are properly supported.	Wrong Classifications The attached are the reallocation letters from the board making the difference from the original budget.	FAM-Cynthia Robi	Resolved on ML	5days
4.3:	The differences between the ledgers and the financial statement should be corrected and the financial statements amended accordingly.	Transfers to Primary School -The attached is a corrected financial statement with the correct classification of Environment and not electricity project as earlier indicated however the figure posted earlier as Environment projects was meant to be Other Capitals grants and transfer.	FAM-Cynthia Robi	Resolved on ML	5days
4.4:	The management to provide	The attached is a copy of the	FAM-	Resolved	5days



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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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)
	proof that the advertisement was done and confirmation that the contractor shall do the remaining the landscaping and stone patching.	<i>receipt for open tender advertisement, the local people's Daily newspaper which had the advert was misplaced in the registry however we shall in future have the copy maintained in the project file, a letter to the contractor following up on the remaining works is attached as well.</i>	Cynthia Robi	on ML	
4.5	The management to explain the reason why the website is not operational yet though payments were made in full for the same.	Procurement of Website - <i>The website was open, and worked for some Period and went off, however the maintenance fees was not factored in the installation of the website. This financial year we look forward to factor it in financial budget.</i>	FAM- Cynthia Robi	Resolved on ML	5days



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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Reference No. in 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)
.6	The management to provide the tender documents for audit verification	<p>Construction of Ngenda AP Post -During the audit the project file was misplaced, however the project file has been found for verification, the attached are copies of Advertisement Receipt, offer letter, acceptance letter from the contractor and BQs, Tender minutes and Technical Evaluation report certificate of completion.</p> <p>The Advertisement for Tender receipt is attached for the FY 2016/2017 which the project was included.</p> <p>Looking for people's Daily Advert which was misplaced in the registry as the office reallocation was done.</p>	FAM-Cynthia	Resolved on ML	5days



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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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)
4.7	For transparency, the CDF should ensure that amounts awarded to the needy students are acknowledged by issuing receipts to confirm that the listed students benefited from the amounts disbursed for their educational support.	Unacknowledgement of Bursary Funds - <i>The Attached are some of the acknowledgement notes and receipts that file which they had been filed could not be traced during the Audit time.</i>	FAM-Cynthia Robi	Resolved on ML	5days
4.8	All expenditures should be properly reported.	Sport project <i>The attached are the voucher and the distribution list copy for the sporting activity which were purchase and distributed to the 38 sub locations team leaders.</i>	FAM-Cynthia Robi	Resolved on ML	5days

