

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL. 2019	GAY. Wednesday
TABLED BY: Hon. Aden Duale (Lom)	OF
CLERK AT THE TABLE: Hussein Ahmed	THE AUDITOR-GENERAL



ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
CENTRAL IMENTI CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**





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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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



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

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Paul N. Thiga
3.	Sub-County Accountant	John G. Rintari
4.	Chairman NGCDFC	Isaac Buuri
5.	Member NGCDFC	Lucy Kagwiria

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF CENTRAL IMENTI Constituency Headquarters

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



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

(f) NGCDF CENTRAL IMENTI Constituency Contacts

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

(g) NGCDF CENTRAL IMENTI Constituency Bankers

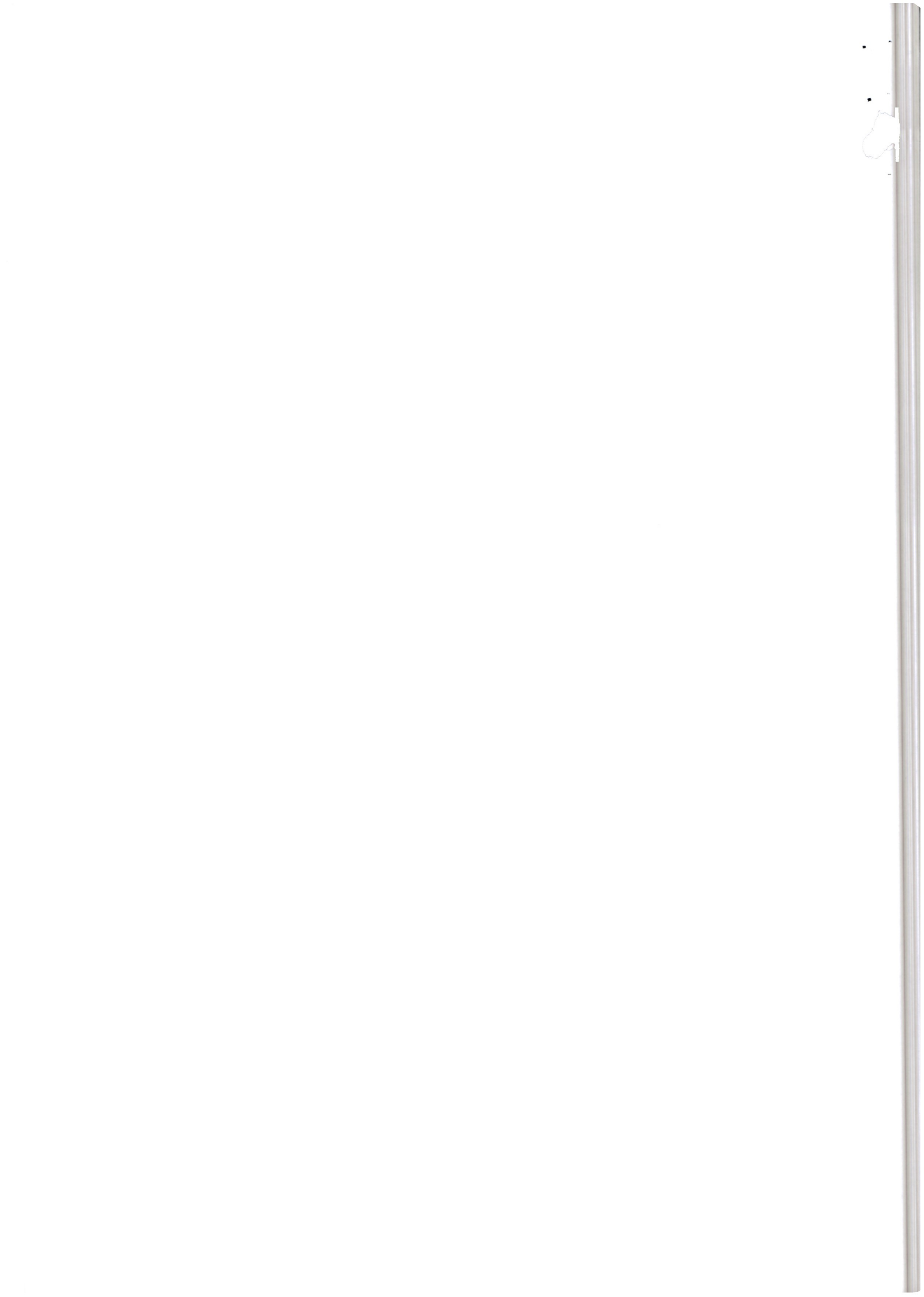
1. Equity Bank (specify the constituency account banker details)
Equity bank nkubu branch -AC/ No. 0370261971374

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

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

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

In the financial year 2017/18, Imenti Central CDF was allocated kshs. **98,189,655.16** with Kshs. **8,837,068.97** going to recurrent expenses and the balance to development projects as follows;

Sector	Amount
Pry schools	27,600,000.00
Secondary schools	12,200,000.00
Tertiary institutions	341,379.31
Security	6,700,000.00
Bursary	24,547,413.80
Other statutory	16,787,372.00
CDF office	1,176,421.06

A total of kshs **38,178,977** has been spent on various projects as follows in the financial year 2017/18 as follows;

ITEM	AMOUNT SPENT
Compensation of Employees	1,397,798
Use of goods and services	3,148,430
Transfers to Other Government Units	13,000,000
Other grants and transfers	20,632,749
TOTALS	38,178,977

Key achievements for the Imenti Central NG-CDF

The NG-CDFC has realised the following key achievements in the course of NG-CDF projects implementation in the year 2017/18;

- The CDFC has paid fees to many students in the form of bursaries leading to higher retention of students in learning institutions thus enhancing performance.
- Release of funds for construction and renovation in education institutions leading to improved learning environments and thus performance.
- Release of funds for construction and renovation of A.P. lines and chiefs 'offices.

Emerging issues related to the Central Imenti NG-CDF

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



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

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

Implementation challenges and recommended way forward.

- Late disbursement of funds from the NG-CDFB.
- Local politics surrounding projects implementation.
- Price fluctuations of materials. This is being adressed through allocation of enough funds for a phase or project.
- Poor record keeping by PMC's Include among others. This is being adressed through PMCs training.

Sign



CHAIRMAN NGCDF COMMITTEE



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

CENTRAL IMENTI CONSTITUENCY

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

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

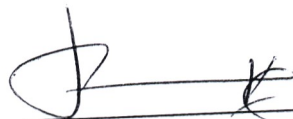
Approval of the financial statements

The NGCDF-CENTRAL IMENTI Constituency financial statements were approved and signed by the Accounting Officer on 26/07 2018.



Fund Account Manager

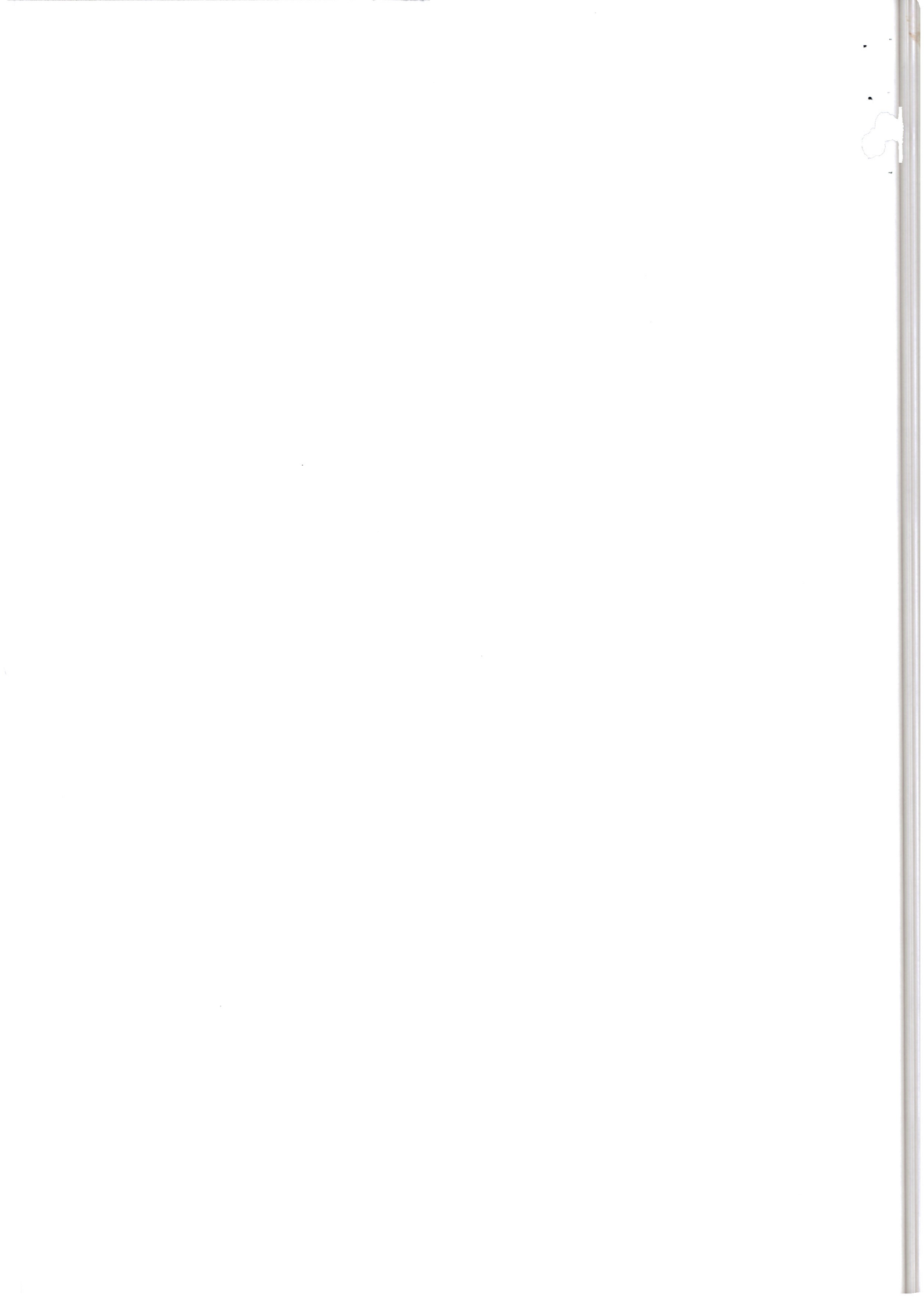
Name: Paul M. Thiga



Sub-County Accountant

Name: JOHN G. RINTARI

ICPAK Member Number:



REPUBLIC OF KENYA

Telephone: +254-20-342330
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E-Mail: oag@oagkenya.go.ke
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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) - CENTRAL IMENTI 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 (NG-CDF) - Central Imenti Constituency set out on pages 8 to 35 which comprise the statement of financial assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Central Imenti 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 National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

1.1 Variance Between the Financial Statements and Ledgers/Cashbook

The financial statements for the year under review reflects a balance of Kshs.29,095,325 on three (3) items while the respective ledgers/cashbook reflects a balance of Kshs.29,029,644 resulting to un-reconciled variance of Kshs.65,681 as shown below;

Item	Note	Financial Statements (Kshs.)	Ledgers/Cashbook (Kshs.)	Variance (Kshs.)
Use of goods and services	5	4,568,870	4,927,809	(358,939)
Other grants and other transfers	7	19,212,309	18,783,689	428,620
Cash and Bank	10A	5,314,146	5,318,146	(4,000)
Total		29,095,325	29,029,644	65,681

Report of the Auditor-General on the National Government Constituencies Development Fund - Central Imenti Constituency for the Year Ended 30 June 2018

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

1.2 Variance Between Summary Statement of Appropriation: Recurrent and Development and the Approved Budget

The summary statements of appropriation: recurrent and development combined for the year ended 30 June 2018 reflects a budgeted receipts of Kshs.102,927,606 while the budget approved by the Constituency Development Fund (CDF) Board reflects approved budgeted receipts of Kshs.81,310,345 resulting in an unreconciled variance of Kshs.21,617,261.

Further, the summary statement of appropriation: recurrent and development combined reflects Kshs.101,127,606 on three expenditure items while the Board's approved expenditure budget reflects Kshs.79,510,345 on the same items resulting in an unexplained variance of Kshs.21,617,261 as shown below;

Items	Statement of Appropriation (Kshs.)	Approved Budget Balances (Kshs.)	Variations (Kshs.)
Use of goods and services	7,125,020	5,012,931	2,112,089
Transfer to other Government units	43,791,379	33,200,000	10,591,379
Other Grants and Transfers	50,211,207	41,297,414	8,913,793
Total	101,127,606	79,510,345	21,617,261

In the circumstances, the accuracy of the summary statement of appropriation – recurrent and development combined for the financial year ended 30 June 2018 could not be ascertained.

2.0 Cash and Cash Equivalent

Note 10A to the financial statements reflects Kshs.5,314,146 in respect to bank balances as at 30 June 2018. However, the respective bank reconciliation statement reflects Kshs.13, 645,059 in respect to un-presented cheques out of which Kshs.1,551,761 were stale as at the time of this audit in January, 2019 but had not been replaced or reversed in the cash book. This resulted in an understatement of the cash book by the same amount. In addition, the bank reconciliation statement reflects Kshs.15,400 in respect to payments in the bank not recorded in the cash book. However, the cashbook has not been adjusted to factor in these payments resulting to an overstatement of the cash book balance by the same amount.

In the circumstances, the accuracy and validity of cash and cash equivalents balance of Kshs.5,314,146 reflected in the financial statements as at 30 June 2018 could not be confirmed.

3.0 Bursary Disbursement

Note 7 to the financial statements for the year ended 30 June 2018 reflects Kshs.19,212,309 in respect to other grants and other payments which includes Kshs.2,983,256 and Kshs.6,616,426 in respect to bursaries to secondary schools and tertiary institutions both totaling to Kshs.9,599,682. However, included in the Kshs.9,599,682 is Kshs.8,122,879 (85%) in respect to bursaries whose acknowledgement letters /receipts from the respective institutions were not availed for audit review.

In the circumstances, it was not possible to ascertain whether the Kshs.8,122,879 bursaries were received by the respective schools and whether they were expended as appropriated in the year ended 30 June 2018.

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

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(s) described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0 Budgetary Controls and Performance

1.1 Receipt Analysis

The Fund's summary statement of appropriation (recurrent and development) combined for the year ended 30 June, 2018 reflects an approved receipts budget of Kshs.102,927,606 and actual receipts of Kshs.43,493,124 resulting to a budget shortfall of Kshs.59,434,482 or (58%) of the approved budgeted receipts.

Overall, the Fund failed to actualize its budget by Kshs.59,434,482 or 58% an indication that most of the programmes and activities that had been planned were not implemented. There is need therefore for Constituency Development Fund management to review its budget making process with a view to formulating a realistic budget that would be actualized for service delivery to the citizens of Central Imenti Constituency.

1.2 Expenditure Analysis

The Fund's summary statement of appropriation (recurrent and development) combined for the year ended 30 June, 2018 reflects an approved expenditure of Kshs.102,927,606 while the actual expenditure is Kshs.38,178,977 resulting to an under expenditure of Kshs.64,748,629 as shown below;

Items	Budget (Kshs)	Actual (Kshs)	Under (Kshs)	% under
Compensation of employees	1,800,000	1,397,798	402,202	22%
Use of goods and services	7,125,020	4,568,870	2,556,150	36%
Transfers to other Government units	43,791,379	13,000,000	30,791,379	70%
Other grants and transfers	50,211,207	19,212,309	30,998,898	62%
TOTAL	102,927,606	38,178,977	64,748,629	

In overall, the Central Imenti Constituency under spent its budget by Kshs.64,748,629 (63%) of the total budget allocation which translates to equivalent services expected but not delivered to the residents of Central Imenti Constituency. These funds could have been allocated to other deserving areas that would have improved delivery of goods and services to the residents of Central Imenti Constituency. There is need therefore for the management to re-look at its budgeting mechanism with a view to focusing on areas which will improve service delivery to the citizens of Central Imenti Constituency.

2.0 Project Implementation Status

The project implementation status report made available for audit review shows that seventy-three (73) projects worth Kshs.49,225,862 were budgeted to be implemented during the year under review. However, none of the projects had been completed, thirty-four (34) projects worth Kshs.21,476,421 were ongoing and thirty-nine (39) projects worth Kshs.27,749,441 had not started as at 30 June 2018 as follows;

Sector	Project Status	Amount Allocated (Kshs.)	Amount Disbursed (Kshs.)	No. of Projects
Education	Completed	0	0	0
	Ongoing	13,600,000	13,600,000	21
	Not started	19,600,000	0	33
	Sub Total	33,200,000	13,600,000	54
Security	Completed	0	0	0
	Ongoing	6,700,000	6,700,000	12
	Not started	0	0	0
	Sub Total	6,700,000	6,700,000	12
Environment	Completed	0	0	0
	Ongoing	0	0	0
	Not started	1,736,207	0	1
	Sub Total	1,736,207	0	1

Sector	Project Status	Amount Allocated (Kshs.)	Amount Disbursed (Kshs.)	No. of Projects
Sports	Completed	0	0	0
	Ongoing	0	0	0
	Not started	1,736,207	0	1
	Sub Total	1,736,207	0	1
Other Payment	Completed	0	0	0
	Ongoing	1,176,421	1,176,421	1
	Not started	4,677,027	0	4
	Sub Total	5,853,448	1,176,421	5
	Grand Total	49,225,862	21,476,421	73

In view of the foregoing, the constituents did not get the expected services equivalent to the Kshs.21,476,421 ongoing and Kshs.27,749,441 not started projects all totalling to Kshs.49,225,862 for the year ended 30 June 2018. This is an indication of inappropriate project implementation mechanism. Therefore, there is need for the Constituency Development Fund management to review its project planning mechanism with a view to prioritizing those projects which will be implemented during the financial year resulting to higher impact into improving service delivery to the citizen of Central Imenti Constituency.

3.0 Presentation of the Financial Statements

The Fund's financial statements for the year ended 30 June 2018 did not include a statement of assets and liabilities, separate summary statements of appropriation for recurrent and development and a budget execution by programmes and sub-programmes. However, the Public Sector Accounting Standards Board (PSASB) stipulates that the financial statements for any National Government entity should include these statements. In addition, the Fund's financial statements included a statement of financial assets which has not been stipulated by PSASB.

In addition, the PSASB stipulates that the finance manager/accountant should include his/her Institute of Certified Public Accountant of Kenya (ICPAK) membership number in the financial statements. However, the accountant did not include his ICPAK membership number since he was not a member of ICPAK.

Further, notes 9, 10A and 10B to the financial statements are repeated while notes 11, 12 and 13 have been omitted from the financial statements and hence misleading to the users.

In the circumstances, the presentation of the financial statements is not in accordance with the recommended PSASB format.

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 section of my report, I

confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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 procedures performed, except for the matter described in the basis for qualified opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for 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 NG-CDF Central Imenti Constituency's ability 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 liquidate the NG-CDF Central Imenti Constituency or to cease operations, or have no realistic alternative but to do so.

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

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

Those charged with governance are responsible for overseeing the NG-CDF Central Imenti Constituency's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the 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 NG-CDF Central Imenti Constituency's policies and procedures may deteriorate.

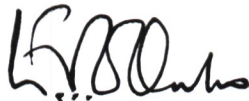
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 NG-CDF Central Imenti Constituency's ability to continue as a going concern or 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 NG-CDF Central Imenti Constituency to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the NG-CDF Central Imenti 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

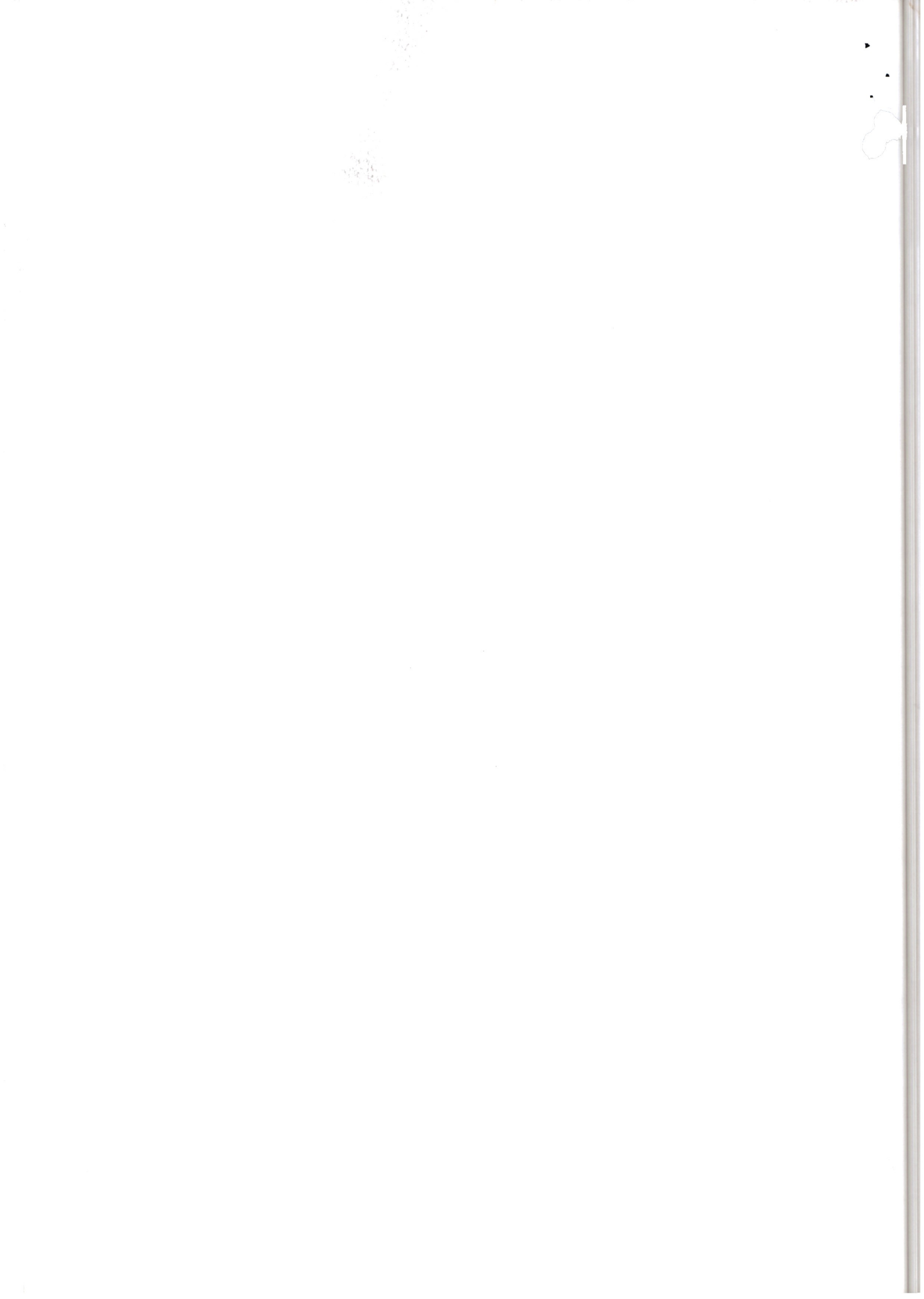
and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

12 April 2019



CENTRAL IMENTI CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

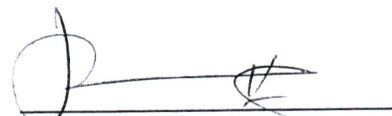
	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	43,405,172	79,346,551
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		43,405,172	79,346,551
PAYMENTS			
Compensation of employees	4	1,397,798	3,783,487
Use of goods and services	5	4,568,870	9,758,839
Transfers to Other Government Units	6	13,000,000	43,532,507
Other grants and transfers	7	19,212,309	47,903,257
Acquisition of Assets	8	-	
Other Payments	9	-	
TOTAL PAYMENTS		38,178,977	104,978,089
SURPLUS/DEFICIT		5,226,195	(25,631,539)

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



Fund Account Manager

Name: Paul N. Thiga



Sub-County Accountant

Name: Juan G. Rintari

ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

CENTRAL IMENTI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

V. STATEMENT OF FINANCIAL ASSETS

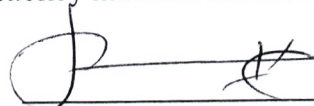
	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	5,314,146	87,951
Cash Balances (cash at hand)	10B	-	-
Total Cash and cash equivalents		5,314,146	87,951
Account Receivables-Outstanding Imprest	11	-	-
Total Financial Assets		5,314,146	87,951
Financial Liabilities			
Accounts payables-Retention & Deposits	12		
NET FINANCIAL ASSETS		<u>5,314,146</u>	<u>87,951</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	87,951	23,167,199
Surplus/Defict for the year		5,226,195	(25,631,538)
Prior year adjustments	14	-	2,552,290
NET FINANCIAL LIABILITIES		5,314,146	87,951

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



Fund Account Manager

Name: *Paul M. Thiga*



Sub-County Accountant

Name: *John G. IZINIRI*

ICPAK Member Number:



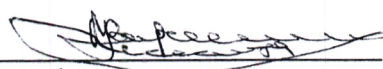
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CENTRAL IMENTI CONSTITUENCY**

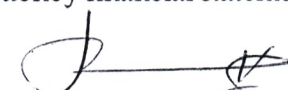
**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF CASHFLOW

		2017- 2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	43,405,172	79,346,551
Other Receipts	3	-	
		43,405,172	79,346,551
Payments for operating expenses			
Compensation of Employees	4	1,397,798	3,783,487
Use of goods and services	5	4,568,870	9,758,839
Transfers to Other Government Units	6	13,000,000	43,532,507
Other grants and transfers	7	19,212,309	47,903,257
Other Payments	9	-	-
		38,178,977	104,978,090
Adjusted for:			
Adjustments during the year	14	-	2,552,290
Net cash flow from operating activities		5,226,195	(23,079,249)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8		
Net cash flows from Investing Activities			-
NET INCREASE IN CASH AND CASH EQUIVALENT		5,226,195	(23,079,248)
Cash and cash equivalent at BEGINNING of the year	13	87,951	23,167,199
Cash and cash equivalent at END of the year		5,314,146	87,951

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


Fund Account Manager
Name: Paul N. Tuga


Sub-County Accountant
Name: JOHN C. RINTARI
ICPAK Member Number:




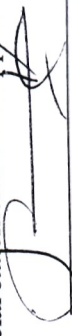
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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	16,117,261	102,927,606	43,493,124	59,434,482	42.3%
Proceeds from Sale of Assets			0			
Other Receipts		0	0			
TOTAL RECEIPTS	86,810,345	16,117,261	102,927,606	43,493,124	59,434,482	42.3%
PAYMENTS						
Compensation of Employees	1,800,000	0	1,800,000	1,397,798	402,202	77.7%
Use of goods and services	6,012,931	1,112,089	7,125,020	4,568,870	3,976,590	44.2%
Transfers to Other Government Units	33,200,000	10,591,379	43,791,379	13,000,000	30,791,379	29.7%
Other grants and transfers	45,797,414	4,413,793	50,211,207	19,212,309	29,578,458	41.1%
TOTAL	86,810,345	16,117,261	102,927,606	38,178,977	64,748,629	37.1%

(a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
 i. As noted only 42.2% of the budget was received from the NG-CDFB in May 2018 leaving very little time for projects implementation and thus the reason for the underutilization in all the categories

The NGCDF-CENTRAL IMENTI Constituency financial statements were approved on _____ 2018 and signed by:


 Fund Account Manager
 Name: Paul N. Thiya


 Sub-County Accountant
 Name: Justin G. RINTARI

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SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-CENTRAL IMENTI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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

Reports and Financial Statements

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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CENTRAL IMENTI 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.

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

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		-	-
1400000	3 OTHER RECEIPTS			
	Description		2017 - 2018	2016 - 2017
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of Tender Documents			-
1450207	Other Receipts Not Classified Elsewhere (Bal B/F)			-
	TOTAL		-	-
2110000	4 COMPENSATION OF EMPLOYEES			
	Description		2017 - 2018	2016 - 2017
			Kshs	Kshs
2110201	Basic wages of contractual employees		1,397,798	1,554,269
2110202	Basic wages of casual labour			
	Personal allowances paid as part of salary			
2110301	House allowance			
2110314	Transport allowance			256,000.00
2110320	Leave allowance			

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

2110326	Other personnel payments			205,511	
2120101	Employer contribution to NSSF				
2710120	Gratuity-contractual employees			1,767,706	
	TOTAL		1,397,798	3,783,486	
2200000	5 USE OF GOODS AND SERVICES				
	Description		2017 - 2018	2016 - 2017	
			Kshs	Kshs	
2210100	Utilities, supplies and services		390,810		
2210101	Electricity		15,000		
2210102	Water & sewerage charges				
2210104	Office rent				
2210200	Communication, supplies and services				
2210300	Domestic travel and subsistence		23,800	2,722,239	
2210500	Printing, advertising and information supplies & services				
2210600	Rentals of produced assets				
2210700	Training expenses		993,155	1,923,000	
2210800	Hospitality supplies and services			595,000	
2210802	Other committee expenses		286,622	4,518,600	
2210809	Committee allowance		1,239,389		
2210900	Insurance costs		107,019		
2211000	Specialised materials and services				
2211100	Office and general supplies and services		7,575		
2211200	Fuel , oil & lubricants		51,000		
2211300	Other operating expenses				
2211301	Bank service commission and charges				

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

2211313	Security operations				
2220100	Routine maintenance - vehicles and other transport equipment		163,800		
2220200	Routine maintenance- other assets		1,290,700		
	TOTAL		4,568,870	9,758,839	
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES				
	Description		2017 - 2018	2016 - 2017	
			Kshs	Kshs	
2630204	Transfers to Primary schools		2,800,000	13,210,000	
2630205	Transfers to Secondary schools		10,200,000	28,097,964	
2630206	Transfers to Tertiary institutions				
2630207	Transfers to Health institutions		-	2,224,543	
	TOTAL		13,000,000	43,532,507	
2640000	7 OTHER GRANTS AND OTHER PAYMENTS				
	Description		2017 - 2018	2016 - 2017	
			Kshs	Kshs	
2640101	Bursary –Secondary		2,983,256	14,075,300	
2640102	Bursary –Tertiary		6,616,426	14,772,500	
2640104	Bursary-Special schools				
2640105	Mocks & CAT			1,641,702	
2640504	Water		-		

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

2640505	Food security		-		
2640506	Electricity		-		
2640507	Security		6,700,000	9,165,250	
2640508	Roads and Bridges				
2640509	Sports			1,627,000	
2640510	Environment		1,736,206	2,228,000	
	Other projects		1,176,421		
2640513	Agriculture				
2640200	Emergency Projects			4,393,505	
	TOTAL		19,212,309	47,903,257	
	8				
3100000	ACQUISITION OF ASSETS				
	<u>Non Financial Assets</u>		2017 - 2018	2016 - 2017	
			Kshs	Kshs	
3110102	Purchase of Buildings		-	-	
3110202	Construction of Buildings		-	-	
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 equipments		-		
3111005	Purchase of photocopier		-		
3111009	Purchase of other office equipments		-	-	
3111112	Purchase of soft ware		-	-	

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

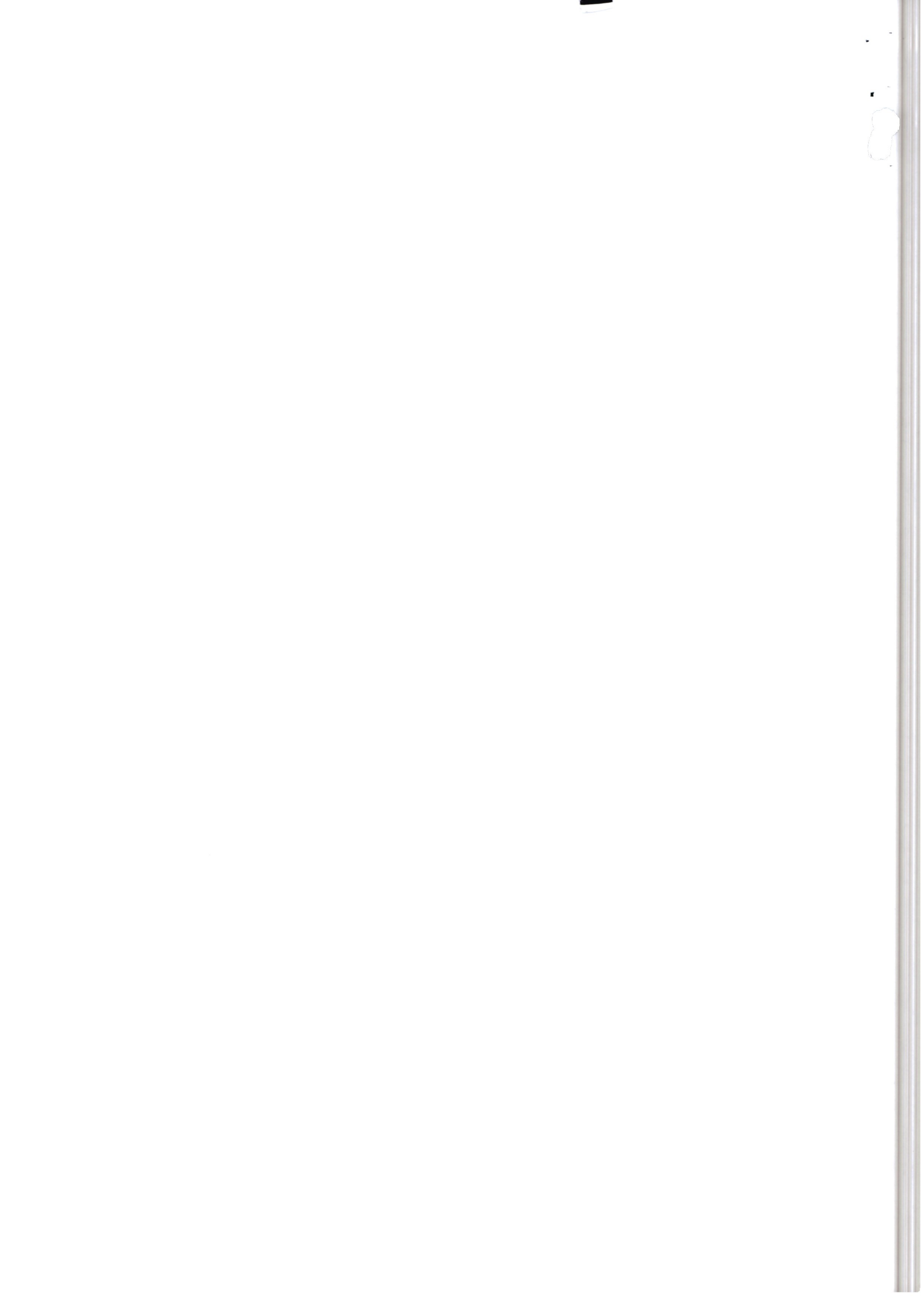
**Reports and Financial Statements
For the year ended June 30, 2018**

3130101	Acquisition of Land		-	-
	TOTAL		-	-
	9 Other Payments			
	specify		-	-
	specify		-	-
	specify		-	-
	TOTAL		-	-
	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)
	Equity bank nkubu branch	AC/No. 0370261971374	5,314,146	87,951
	10B: CASH IN HAND)			
			2017 - 2018	2016 - 2017
			Kshs (30/6/2017)	Kshs (30/6/2016)
	Location 1		-	-
	Location 2		-	-

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

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

	TOTAL		-	-	
	9 Other Payments				
	specify		-	-	
	specify		-	-	
	specify		-	-	
	TOTAL		-	-	
	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)	
	Equity bank nkubu branch	AC/ No. 0370261971374	5,314,146	87,951	
	10B: CASH IN HAND)				
			2017 - 2018	2016 - 2017	
			Kshs (30/6/2017)	Kshs (30/6/2016)	
	Location 1		-	-	
	Location 2		-	-	
	Location 3		-	-	



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

Reports and Financial Statements

For the year ended June 30, 2018

			2017 - 2018	2016 - 2017
			Kshs (1/7/2017)	Kshs (1/7/2016)
	Bank accounts		24,754	23,167,199
	Cash in hand			-
	Imprest			-
	TOTAL		24,754	23,167,199
		<i>[Provide short appropriate explanations as necessary]</i>		
	14			
		PRIOR YEAR ADJUSTMENTS		
			2017 - 2018	2016 - 2017
	Bank accounts		Kshs	Kshs
	Cash in hand		-	-
	Imprest		-	2,552,290
	TOTAL		-	2,552,290
	15			
		OTHER IMPORTANT DISCLOSURES		
	15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
			2016 - 2017	2015 - 2016
			Kshs	Kshs
	Construction of buildings		-	-

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

**Accounts and Financial Statements
for the year ended June 30, 2018**

	Construction of civil works		-	-
	Supply of goods		-	-
	Supply of services		-	-
	TOTAL		-	-
	15.2: PENDING STAFF PAYABLES (See Annex 2)			
			2016 - 2017	2015 - 2016
			Kshs	Kshs
	Staff Salaries		-	-
	Gratuity		-	-
			-	-
			-	-
	15.3: UNUTILIZED FUNDS (See Annex 3)			
			2016 - 2017	2015 - 2016
			Kshs	Kshs
	Amounts due to other Government entities (see attached list)		-	-
	Amounts due to other grants and other transfers (see attached list)		-	-
	Others (specify)		-	-
			-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CENTRAL IMENTI CONSTITUENCY
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	20,300,000.00	,348,002
	20,300,00.00	348,002

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		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.							
12.							
	Sub-Total						
	Grand Total						

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ANNEX 4 -PMC BANK BALANCES AS AT 30TH JUNE 2018

NO	PROJECTS ACCOUNTS	BANK	ACCOUNT NUMBER	Bank Bal 2017/18	Bank Bal 2016/17
	PROJECTS				
	PRY SCH				
	DEB KINJO PRY SCH	KCB	1235814645	600,000.00	
	KIENI PRY SCH	EQUITY	0370269237213	700,000.00	
	NKUMBO	EQUITY	0370277447519	300,000.00	
	MAKANDUNE PRY SCH	EQUITY	0370269369494	600,000.00	
	MBAJONE PRY SCH	EQUITY	0370269254899	600,000.00	
	KANYWEE PRY SCH	EQUITY	0370264492568	600,000.00	
	SEC SCH			0	
	KIAMURI DAY SEC SCH	EQUITY	0370293035902	600,000.00	
	KARUGWA GIRLS SEC SCH	CO-OPERATIVE	01141207393100	700,000.00	
	KAGUMA DAY SEC SCH	EQUITY	037026923279	500,000.00	
	KIJA SEC SCH	EQUITY	0370277398344	600,000.00	
	MURI DAY SEC SCH	EQUITY		600,000.00	
	KITHIRUNE GIRLS SEC SCH	EQUITY	0370262485329	1,000,000.00	
	ACK ST PAULS MAKANDUNE	EQUITY	0370296321354	600,000.00	
	NTONYERO DAY SEC SCH	EQUITY	0370277397343	600,000.00	
	KIRIGARA MIXED DAY SEC SCH	CO-OPERATIVE	01134021463100	1,000,000.00	
10	MURATHI MIXED DAY SEC SCH	FAMILY BANK	063000037418	700,000.00	

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1	RUIGA DAY SEC SCH	CO-OPERATIVE	01141418568900	600,000.00	
2	NYWERI SEC SCH	CO-OPERATIVE	01141023303900	500,000.00	
3	MURATHI DAY SEC SCH	FAMILY BANK	063000037418	700,000.00	
4	MARIENE DAY SEC SCH	CO-OPERATIVE	01141207410400	700,000.00	
5	KIANTHUMBI MIXED DAY SEC SCH	EQUITY	0370277407940	800,000.00	
	SECURITY			0	
1	GAITU CHIEFS CAMP	EQUITY	0370272623820	500,000.00	
2	GIKUNE ASSISTANT CHIEF OFFICE	CO-OPERATIVE	01141207393500	500,000.00	
3	MWITUMURA ASSISTANT CHIEF OFFICE	EQUITY	0370271468314	300,000.00	
4	KINJO SOUTH ASS CHIEFS OFFICE	KCB	1235134636	500,000.00	
5	MUTEGO DISTRICT CID OFFICE	EQUITY	0370277468651	1,000,000.00	
6	MUKIRIA AP LINE	EQUITY	0370277375667	600,000.00	
7	KATHIRANGA CENTRAL ASSISTANT CHIEF'S OFFICE	CO-OPERATIVE	01141207402300	500,000.00	
8	NDURUMA CHIEF'S CAMP	FAMILY BANK	062000024519	700,000.00	
9	GAKURWENE POLICE POST	FAMILY BANK	062000024533	600,000.00	
10	KIRIMA KIA ATHI ASSISTANT CHIEF'S OFFICE	FAMILY BANK	062000024522	500,000.00	
11	KIRIGARA ASSISTANT CHIEF	EQUITY	0370277454775	500,000.00	
12	KATHIRANGA NORTH ASSISTANT CHIEF'S OFFICE			500,000.00	
		G.Total		20,300,000	

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put date when you expect the issue to be resolved)
1.0.	Accuracy of financial statement	The management has strived to ensure accuracy in the 2017/18 financial statement	Paul N. Thiga-F.A.M.	Resolved	
1.2.	Presentation and disclosure of the financial statements	This has been properly done in the 2017/2018 financial statements	Paul N. Thiga-F.A.M.	Resolved	
2.0.	Voidable bursaries	The NG-CDF has come up with a criteria for awarding of bursaries. Bursaries are awarded to those who have applied in 2017/18. There is no such discrepancy noted under 2.2 in the year 2017/18	Paul N. Thiga-F.A.M.	Resolved	
3.0	Committee expenses	Properly supported in 2017/18 financial statements	Paul N. Thiga-F.A.M.	Resolved	
4.0.	Irregular and invalid compensation to employees	Employees were properly recruited, are regularly remunerated and have not been paid any gratuity	Paul N. Thiga-F.A.M.	Resolved	
5.0-8.0,10-12	Accuracy and regularity of expenditures	The current committee is striving to ensure this does not recur in 2017/2018	NG-CDF Members	Ongoing	
9.0	Unauthorised Reallocation of funds	We have ensured that all reallocations are authorised in 2017/2018	F.A.M.	Ongoing	
13.0	Unsupported expenditure	The NG-CDF has strived with the guidance of the F.A.M. to have all the expenditure supported			

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ANNEX 3 – UNUTILIZED FUNDS

IMENTI CENTRAL NG-CDF UNUTILIZED FUNDS AS AT 30TH JUNE 2018					
	Total Allocation		86,810,344.82	43,405,172.00	43,405,172.82
S/ N O	PROJECT	ACTIVITY	AMOUNT	A.I.E. 1&2	BALANCE
	STATUTORY VOTES				
1	Emergency	Meeting constituency emergency needs	4,568,965.52	2,492,544.03	2,076,421.49
	Constituency I.C.T. Innovation Hubs		0.00	0.00	0.00
1	Githongo Polytechnic ICT Innovation Hub	Installation of internet through ICT Hub in Githongo polytechnic.	1,169,256.80	0.00	1,169,256.80
2	Mukiria Polytechnic	Installation of internet through ICT Hub in Mukiria polytechnic.	1,169,256.80	0.00	1,169,256.80
3	Gitie Polytechnic	Installation of internet through ICT Hub in Gitie Polytechnic.	1,169,256.80	0.00	1,169,256.80
4	Kwa Usa Polytechnic	Installation of internet through ICT Hub in Kwa Usa Polytechnic.	1,169,256.80	0.00	1,169,256.80
		Total	0.00	0.00	0.00
	Admin/Recurrent				
			0.00	0.00	0.00
2	Goods and services	Purchase of fuel, repairs and maintenance, printing, stationery, telephone, travel and subsistence, office tea, etc.	1,829,420.69	500,000.00	1,329,420.69
3	NSSF	NSSF	28,800.00	0.00	28,800.00
4	NHIF	NHIF	60,000.00	0.00	60,000.00
5	Committee expenses	Payment of Committee sitting allowances, transport, conferences	1,490,400.00	1,000,000.00	490,400.00
		Total	0.00	0.00	0.00
	M&E				
			0.00	0.00	0.00
2	Committee expenses	Payment of Committee allowances, transport, conferences	1,104,310.34	500,000.00	604,310.34
3	CDFC/PMC capacity building	Undertake Training of the PMCs/NG-CDFCs on NG-CDF Related issues	1,000,000.00	500,000.00	500,000.00
		Total	0.00		0.00

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1	Strategic plan	Preparation of Constituency Strategic Plan for a period of 5 years from 2018 to 2022	3,500,000.00	0.00	3,500,000.00
	Bursary/Exams		0.00		0.00
1	Bursary Secondary Schools	Bursary support to bright and needy students	7,000,000.00	3,750,000.00	3,250,000.00
2	Bursary Tertiary Institutions	Bursary support to bright and needy students	14,702,586.21	9,750,000.00	4,952,586.21
		Total			0.00
1	Sports	procure sports uniform and equipments to the teams that are in the constituency and support tournament	1,736,206.90	0.00	1,736,206.90
		Primary Schools Project	0.00	0.00	0.00
5	Kaongo Primary School	Flooring and plastering of 4 classrooms	600,000.00	0.00	600,000.00
7	Mugambone Primary School	Renovation of 3 classes i.e. flooring, plastering and painting.	600,000.00	0.00	600,000.00
8	Kathathene Primary School	Flooring of one class, plastering and painting of 3 classes	500,000.00	0.00	500,000.00
9	Mukune Gakwine Primary School	Construction of one class to completion (600000) and completion of another from lintel level(300000)	900,000.00	0.00	900,000.00
10	Kairebi Day & Boarding Primary School	class construction to completion	700,000.00	0.00	700,000.00
11	D.E.B Kinjo Primary School	Flooring and plastering of 3 classes	600,000.00	0.00	600,000.00
12	Rwanderi Primary School	Toilets construction (12 doors unit)	400,000.00	0.00	400,000.00
13	Nkuene Primary School	Renovation of 3 classrooms i.e. flooring, plastering, shuttering and painting.	600,000.00	0.00	600,000.00
14	Kariene Primary School	Toilet construction (12 doors block to completion)	600,000.00	0.00	600,000.00
15	Kariene Primary School community field	Washrooms construction - 8 doors block	400,000.00	0.00	400,000.00
16	Kariene Primary grounds	Construction of a dias to completion.	400,000.00	0.00	400,000.00
17	Kiria Primary School	Renovation of 3 classes - flooring, plastering and painting.	600,000.00	0.00	600,000.00



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18	Mariene Primary School	Purchase of desks (100)@200000, Lockers(30)@100000 and tables (20)@100000	400,000.00	0.00	400,000.00
19	Rwangua Primary School	class construction to completion	600,000.00	0.00	600,000.00
20	Katheju Primary School	class construction to completion	700,000.00	0.00	700,000.00
21	Karindine Primary School	Construction of classroom to completion	700,000.00	0.00	700,000.00
22	Gitauga day and boarding Primary School	Classroom construction to completion	700,000.00	0.00	700,000.00
23	Kathita Primary School	Administration block completion-flooring, plastering and shuttering	600,000.00	0.00	600,000.00
24	Mpindi Primary School	class construction to completion	700,000.00	0.00	700,000.00
25	Gitie Primary School	Completion of 5 classrooms - plastering and fixing of windows	600,000.00	0.00	600,000.00
26	A.I.P.C.A mbwinjeru Primary	Construction of 1 class to completion	700,000.00	0.00	700,000.00
27	Karugwa Primary School	Renovation of classrooms- windows fixing and flooring of 4 classes	600,000.00	0.00	600,000.00
28	Kaguma Primary School	Completion of a classroom- flooring, plastering, painting	300,000.00	0.00	300,000.00
29	Kaugu Primary School	Renovation of 3 classes - flooring, plastering and painting.	600,000.00	0.00	600,000.00
30	Mbwinjeru Primary School	Renovation of 6 classes i.e. windows fixing and plastering	600,000.00	0.00	600,000.00
31	Katheri Primary School	Construction of classroom to completion	700,000.00	0.00	700,000.00
32	St Nicholas Primary School kithaku	Construction of classroom to completion	700,000.00	0.00	700,000.00
33	Kathiranga Primary School	Renovation of 3 classes - shuttering, flooring and plastering	600,000.00	0.00	600,000.00
34	Kithirune Primary School	Renovation of classrooms - windows fixing , plastering and flooring of 3 classes	600,000.00	0.00	600,000.00
35	Kioru Primary School	Construction of classroom to completion	700,000.00	0.00	700,000.00

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36	Nkura Primary School	Classrooms completion - flooring, plastering and shuttering -3 classes	600,000.00	0.00	600,000.00
37	Gacuru Primary School	Renovation of 3 classrooms - flooring, plastering and painting	600,000.00	0.00	600,000.00
38	Kauthene Primary School	Completion of classrooms, toilets and purchase of lockers	600,000.00	0.00	600,000.00
39	Kijijone Primary School	Toilets construction (10 doors block) to completion	400,000.00	0.00	400,000.00
		Total	0.00	0.00	0.00
	Total		61,897,716.86	18,492,544.03	43,405,172.83

SUPPLEMENTARY PROPOSALS

N O	PROJECT NAME	PROJECT ACTIVITY	AMOUNT ALLOCATED	RELEASED	BALANCE
	STATUTORY VOTES				
1	Emergency	Meeting constituency emergency needs	568,965.51	0.00	568,965.51
	Admin/Recurrent				
1	Goods and services	Purchase of fuel, repairs and maintenance, printing, stationery, telephone, travel and subsistence, office tea, etc.	382,758.62	0.00	382,758.62
2	Committee expenses	Payment of Committee sitting allowances, transport, conferences	300,000.00	0.00	300,000.00
	Total			0.00	
	M&E				
1	CDFC/PMC capacity building	Undertake Training of the PMCs/NG-CDFCs on NG-CDF Related issues	341,379.32	0.00	341,379.32
	Bursary/Exams				
1	Bursary Secondary Schools	Bursary support to needy students	1,044,827.58	0.00	1,044,827.58
2	Bursary Tertiary Institutions	Bursary support to needy students	1,800,000.00	0.00	1,800,000.00
	Total			0.00	
1	Rikana Pry School	Renovation of 2 classes i.e. flooring, plastering & painting	500,000.00	0.00	500,000.00
2	Kirigara Pry School	Renovation of 8 classes	2,500,000.00	0.00	2,500,000.00

