

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

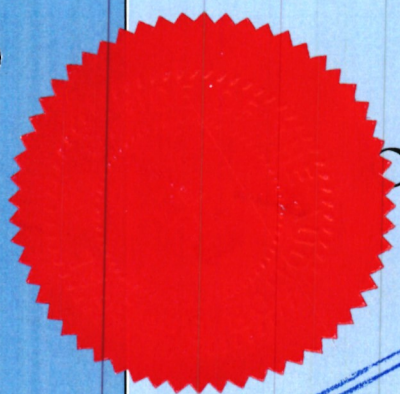
ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KANGEMA CONSITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

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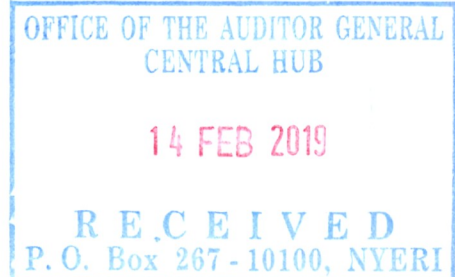


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KANGEMA
CONSTITUENCY**

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA 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 KANGEMA 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	John Munyau
3.	Sub-County Accountant	David Nyotu
4.	Chairman NGCDFC	Samuel M Muraguri
5.	Member NGCDFC	Emma Wanjiru Irungu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 22-10202
NGCDF Office Building
DCC;s Compound
Kangema, KENYA

(f) NGCDF KANGEMA Constituency Contacts

Telephone: (254) None
E-mail: Kangemacdf@gmail.com
Website: None

(g) NGCDF KANGEMA Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Equity Bank
Kangema Branch
Po Box Private bag
Kangema, Kenya

(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)
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The financial year 2017/2018 witnessed the most prolonged electoral process the country has ever had in its independence history. This significantly affected the overall performance of the NG-CDFC in the following fundamental areas;

- (a) Late operationalization of the NG-CDFC, The NG-CDFC was gazetted late in November 2017 and held its first sitting in December of the same year. This meant that the NG-CDFC was in office for about 6 months before the end of the financial year.
- (b) Late disbursement of funds and / or Board resolutions. Funds for the 2017/2018 were released in May, 2018, leaving only one month for absorption. This led to a low absorption rate of the project funds
- (c) The incoming NG-CDFC members were all new to the task and required proper orientation and induction to the operation of NG-CDF kitty as well as on the guidelines and Regulations pertaining to the administration of the kitty. This meant slow absorption of the funds due to caution taken out of not being well versed with these operations.

Key achievements for the entity (under this section use pictorials to depict successful projects undertaken during the year),

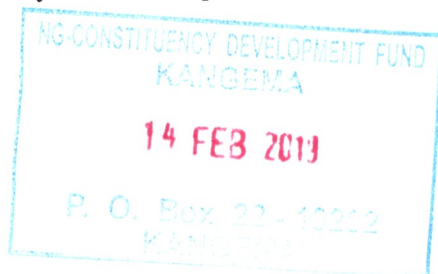
- (a) The main achievement the NG-CDFC has managed to attain is the incorporation of line departments in the administration of the kitty. We managed to seek guidance and professional advice of the technical departments in the formulation of Bills of Quantity, architectural designs, work plans, procurement of works, goods and services. The NG-CDFC is ready to take off in the current financial year, having obtained BQ's for all the projects from the works office, tendered the same, opened the tender documents all under the guidance of the procurement office and evaluation done technically by the line department, currently awaiting awarding for serious work to commence.
- (b) The NG-CDFC has managed to undertake to completion the following projects;
 - Securing Gakira AP Camp which was seriously undermined by the heavy rains that pounded the area.
 - Allocation of bursaries to need students Secondary Schools Kshs 10,062,000.00, Tertiary Institutions Kshs. 4,329,000.00 and special institutions Ksh 127,000.00

Implementation challenges and recommended way forward.be(Ensure that you include what the entity is doing to overcome the challenges noted).

The following are the challenges so far met by the NG-CDFC,

- (a) Underfunding of projects. The time offered by the Board to draw up budget proposals is insufficient to come up with a comprehensive budget that takes care of the underlying cost elements like BQ's, architectural designs, registration of projects with the county council, NEMA etc. Consequently these costs are not funded. This becomes a challenge during implementation of projects, and sometimes calls for negotiations with the contractors. We have however involved the line departments in formulation of budget proposals to give guidelines on the costs of projects rather than relying on estimates. The Board should give adequate time; say two months, to come up with proper budget proposals.
- (b) 5% administration expenses. These allocations to PMCs' as funds for the administration of the project are quite insufficient. These funds cannot adequately meet the requirements for PMC's to travel to bank, NG-CDFC offices, Pay allowances, stationery, procure BQs, architectural designs and registration of the projects. The NG-CDFC had to scale down on the number of times a PMC should meet during the implementation of a project to a maximum of four. This information was passed to PMC's during training. The Board should look into ways of increasing these allocations in order to adequately meet the requirements of administering of projects monies.

Sign;



Samuel Muchunu Muraguri
CHAIRMAN NG-CDF COMMITTEE.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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-KANGEMA 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-KANGEMA 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, 20XX, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KANGEMA 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-KANGEMA 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-KANGEMA Constituency financial statements were approved and signed by the Accounting Officer on 7th August 2018.



Fund Account Manager
Name: John Muniyau

FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P.O. Box 22 - 10202
KANGEMA



Sub-County Accountant
Name: David Nyotu
ICPAK Member Number: 8321

DISTRICT ACCOUNTANT
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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-KANGEMA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Kangema Constituency set out on pages 6 to 44, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows, summary statements 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Kangema 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.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Conclusions on lawfulness and effectiveness in use of public resources and effectiveness of internal controls, risk management and governance sections of my report, I have determined that there are no key audit matters to communicate in my report.

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund-Kangema Constituency for the year ended 30 June 2018

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 Conclusions on lawfulness and effectiveness in use of public resources and effectiveness of internal controls, risk management and governance 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. Incomplete Installation of Generator at Kangema Ranet FM

Note 7 to the financial statements for the year ended 30 June 2018 reflects other grants and other payments of Kshs.28,879,737 which includes expenditure of Kshs.9,799,979 in respect of security projects, out of which an amount of Kshs.1,000,000 was spent on purchase, installation and commissioning of a standby generator at Kangema Ranet FM. However, physical verification of the project revealed that the standby generator has not been commissioned due the incompatible electricity connection in the premises. Available information showed that the automatic switch mode installed in the generator require a three phase electricity supply while the supply connection in the premises was of a single phase. No effort appears to have been taken by the CDF management to have the generator operational and commissioned to serve the intended purpose.

Consequently, it has not been possible to ascertain the effectiveness of the expenditure of Kshs.1,000,000 incurred during the year ended 30 June 2018 on purchase of the standby generator.

2. Construction of Kiawambogo Police Post

Disclosed under Note 7 to the financial statements under other grants and other payments of Kshs.28,879,737 is an expenditure of Kshs.9,799,979 in respect of security projects, out of which of Kshs.5,000,000 was for construction of Kiawambogo police post/patrol base. The contract was awarded to M/s Marstep Limited at a contract sum of Kshs.4,897,000. Although the police lines / patrol base was indicated to be complete, the project was not operational. A review of correspondences between the CDF office and Kenya Police revealed that the armory constructed within the building did not conform with the Kenya police guidelines, an indication of lack of consultation between the CDF office and user department. Further, physical inspection of the project revealed leaking roof due to poor workmanship by the contractor.

As a result, the effectiveness of the expenditure of Kshs.5,000,000 incurred on the project during the year ended 30 June 2018 could not be confirmed.

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund-Kangema Constituency for the year ended 30 June 2018

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 Conclusions on lawfulness and effectiveness in use of public resources and effectiveness of internal controls, risk management and governance sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Bursary Management

Note 7 to the financial statements reflects other grants and other payments of Kshs.28,879,737 which includes bursary to secondary schools, tertiary institutions and special schools totalling Kshs.14,518,000. Records indicate that the beneficiaries were each awarded bursary amount ranging between Kshs.5,000 and Kshs.7,000. However, the CDF management do not have documented bursary policy to guide and streamline the management of the funds.

Therefore, it was not possible ascertain the criteria used in setting the minimum and maximum amount of bursary to be awarded to the intended beneficiaries in various institutions of learning.

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

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund-Kangema Constituency for the year ended 30 June 2018

Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of National Government Constituencies Development Fund-Kangema Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of National Government Constituencies Development Fund-Kangema 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

9 April 2019

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

III. \STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	43,405,172.00	128,704,066.00
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		43,405,172.00	128,704,06.00
PAYMENTS			
Compensation of employees	4	1,257,359.00	1,865,696.00
Use of goods and services	5	4,620,064.00	10,459,666.00
Transfers to Other Government Units	6	13,937,689.00	55,409,459.00
Other grants and transfers	7	28,879,737.00	78,310,403.00
Acquisition of Assets	8	5,299,995.00	16,488,350.00
Other Payments	9		
TOTAL PAYMENTS		(53,904,845)	(165,918,641)
SURPLUS/(DEFICIT)		<u>(10,589,673)</u>	<u>(37,214,575)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 7th August 2018. and signed by:



Fund Account Manager
Name: John Munyau

FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P. O. Box 22 - 10202
KANGEMA



Sub-County Accountant
Name: David Nyotu
ICPAK Member Number: 8321

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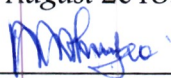
Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,853,010	20,442,683
Cash Balances (cash at hand)	10B	-	-
Cash and cash equivalents		-	
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		9,853,010	20,442,683
REPRESENTED BY			
Current Payables			
Retention	12		
Fund balance b/fwd 1st July...	13	20,442,683	54,272,190
Surplus/Deficit for the year		(10,589,673)	(33,829,508)
Prior year adjustments	14	-	-
NET LIABILITIES		9,853,010	20,442,682

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 7th August 2018. and signed by:



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Name: John Munyau

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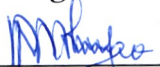
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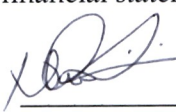
V. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	43,405,172.00	128,704,066.00
Other Receipts	3		
		43,405,172.00	128,704,066.00
Payments for operating expenses			
Compensation of Employees	4	1,257,359.00	1,865,696.00
Use of goods and services	5	4,620,064.00	10,459,666.00
Transfers to Other Government Units	6	13,937,689.00	55,409,459.00
Other grants and transfers	7	28,879,737.00	78,310,403.00
Other Payments	9		
		(48,694,850.00)	(146,045,224.00)
Adjusted for:			
Adjustments during the year	14		
Net cash flow from operating activities		(5,289,678.00)	(17,341,158.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	(5,299,995)	(16,488,350)
Net cash flows from Investing Activities		(5,299,995)	(16,488,350)
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,589,672.74)	(33,829,508)
Cash and cash equivalent at BEGINNING of the year	13	<u>20,442,683.00</u>	54,272,191.42
Cash and cash equivalent at END of the year		<u>9,853,010.00</u>	<u>20,442,683.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 7th August 2018 and signed by:


 Fund Account Manager
 Name: John Munyau

FUND ACCOUNT MANAGER
 NG - CDF KANGEMA
 P.O. Box 372-010202
 MURANGA WEST


 Sub-County Accountant
 Name: David Nyotu
 ICPAK Member Number: 8321

DISTRICT ACCOUNTANT
 MURANGA WEST
 P.O. Box 372-010202
 KANGEMA

VI. 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 NGCDF Board	86,810,345.00	34,366,820.00	121,177,165	63,847,855	57,329,310	52.7%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	2,073,490.00	3,787,273.00	5,860,762	1,257,359	4,603,403	21.4%
Use of goods and services	5,828,235.00	4,624,380.00	10,452,614	4,620,064	5,832,550	43.7%
Transfers to Other Government Units	30,337,669.00	9,200,000.00	39,537,669	13,937,689	25,599,980	35.3%
Other grants and transfers	48,570,951.00	11,455,172.00	60,026,124	28,879,737	31,146,387	48.1%
Acquisition of Assets	-	5,299,995.00	5,299,995	5,299,995	-	100.0%
Other Payments						
TOTALS	86,810,345.00	34,366,820.00	121,187,503	53,994,845	67,182,320	44.6%

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

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

- i. Compensation of employees-there was only one employee from October 2017 to February 2018 so the wage bill went down. There was also delayed disbursement from the board
- ii. Use of goods and services-There was a very low level of activity shortly before, during and after the electioneering period hence low utilization
- iii. Transfers to Other Government Units- There was a very low level of activity shortly before, during and after the electioneering period hence low utilization

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY
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iv. Other grants and transfers- There was a very low level of activity shortly before, during and after the electioneering period hence low utilization

(c) The final budget has been adjusted as tabulated below;


Particulars	Amount Kshs.
1 Opening cashbook balance	20,442,683.00
2 Unfunded projects for FY 2016/2017	2,544,827.00
3 Supplementary Budget for 2017/2018	11,379,310.00
Total	34,366,820.00

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

The NGCDF-KANGEMA Constituency financial statements were approved on 7th August 2018.18 and signed by:


Fund Account Manager
Name: John Munyau

FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P. O. Box 22 - 10202
KANGEMA


Sub-County Accountant
Name: David Nyotu
ICPAK Member Number: 8321

DISTRICT ACCOUNTANT
MURANGA WEST
P.O. BOX 371-01020
KANGEMA

VII. 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-KANGEMA 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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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.

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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) –
KANGEMA CONSTITUENCY**

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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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY**
Reports and Financial Statements
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VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE BOARD

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE No A855841	1	5,500,000.00	
AIE No A892949	2	37,905,172.00	
AIE NO 829583	1		4,094,828.00
AIE NO 839542	2		26,170,445.00
AIE NO 855241	3		36,853,449.00
AIE NO 855525	4		23,175,000.00
AIE NO 855721	5		38,410,344.00
TOTAL		43,405,172.00	128,704,066.00

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total	0.00	0.00

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

3. OTHER RECEIPTS

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received		
Rents		
Receipts from Sale of tender documents		
Other Receipts Not Classified Elsewhere		
Total	0.00	0.00

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	1,004,975	1,451,360
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity	252,384	414,336
Other personnel payments		
Total	1,257,359.00	1,865,696.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	1,918,000.00	3,461,765.00
Utilities, supplies and services	181,144.00	870,000.00
Communication, supplies and services		
Strategic plan	51,000.00	1,949,000.00
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses		1,356,000.00
Hospitality supplies and services		
		582,735.00
Insurance costs		
Specialized materials and services		
Office and general supplies and services	1,733,970.00	1,345,914.00
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	85,950.00	129,862.00
Routine maintenance – other assets		114,390.00
Fuel, oils and Lubricants	650,000.00	650,000.00
Total	4,620,064.00	10,459,666.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA 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 Kshs	2016-2017 Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	4,637,689.00	29,609,459.00
Transfers to secondary schools (see attached list)	9,300,000.00	17,625,000.00
Transfers to tertiary institutions (see attached list)		625,000.00
Transfers to health institutions (see attached list)		7,550,000.00
TOTAL	13,937,689.00	55,409,459.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools (see attached list)	10,062,000.00	30,135,933.00
Bursary – tertiary institutions (see attached list)	4,329,000.00	10,987,000.00
Bursary – special schools (see attached list)	127,000.00	272,000.00
Mock & CAT (see attached list)		900,000.00
Security projects (see attached list)	9,799,979.00	19,285,000.00
Sports projects (see attached list)		3,584,839.00
Environment projects (see attached list)	1,819,828.00	3,270,000.00
Emergency projects (see attached list)	2,741,930.00	9,875,631.05
Total	28,879,737.00	78,310,403.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018 Kshs	2016-2017 Kshs
Purchase of Buildings		
Construction of Buildings	5,000,000.00	15,000,000.00
Refurbishment of Buildings		500,000.00
Purchase of Vehicles and Other Transport Equipment		
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		988,350.00
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialised Plant, Equipment and Machinery(Generator)	299,995.00	
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
Total	5,299,995.00	16,488,350.00

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	500,000.00	0.00
ICT Hub	4,677,027.20	0.00
TIVET	0.00	0.00
	5,177,027.20	0.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA 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
Equity Bank K,angema Branch 30,294,329,608	9,853,010.01	20,442,683.05
Total	9,853,010.01	20,442,683.05
10B: CASH IN HAND		
Location 1	0.00	0.00
Location 2	0.00	0.00
Location 3	0.00	0.00
Other Locations (<i>specify</i>)	0.00	0.00
	0.00	0.00
Total	0.00	0.00
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA 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	0.00	0.00	0.00
<i>Name of Officer or Institution</i>	N/A	0.00	0.00	0.00
<i>Name of Officer or Institution</i>	N/A	0.00	0.00	0.00
<i>Name of Officer or Institution</i>	N/A	0.00	0.00	0.00
<i>Name of Officer or Institution</i>	N/A	0.00	0.00	0.00
<i>Name of Officer or Institution</i>	N/A	0.00	0.00	0.00
Total				0.00

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

12RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	0.00	0.00
Supplier 2	0.00	0.00
Supplier 3	0.00	0.00
Total	0.00	0.00

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	0.00	0.00
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	0.00	0.00

[Provide short appropriate explanations as necessary]

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	0.00	0.00
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	0.00	0.00

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	0.00	0.00
Construction of civil works	0.00	0.00
Supply of goods	0.00	0.00
Supply of services	0.00	0.00
	0.00	0.00

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0.00	0.00
Middle management	144,800.00	1,047,349.00
Unionisable employees	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
	144,800.00	1,047,349.00

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	4,026,441	3,210,310.38
Use of goods and services	5,283,550	4,024,379.94
Amounts due to other Government entities (see attached list)	25,599,980	9,200,000.00
Amounts due to other grants and other transfers (see attached list)	29,295,387	9,655,172.40
Acquisition of assets	0.00	5,299,995.00
Others (<i>specify</i>)	0.00	0.00
	64,205,358	31,389,857.72

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY

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For the year ended June 30, 2018

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)	10,575,035.00	16,443,543.48
	10,575,035.00	16,443,543.48

15.5: Trial Balance

TRIAL BALANCE AS AT 30TH JUNE 2018			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	9,853,010	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	1,257,359	
	Use of goods and services	4,620,064	
	Transfers to Other Government Units	13,937,689	
	Other grants and transfers	28,879,737	
	Acquisition of Assets	5,299,995	
	Other Payments	-	
Receipts			
	Transfers from the Board		43,405,172
	Proceeds from sale of assets		-
	Others receipts		-
Prior Year Adjustment			
	Fund Balance b/f		20,442,683
TOTAL			
		63,847,855	63,847,855

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

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						

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4. Eric Maina Kagwaini		62,000.00	1 st March 2018	Nil	62,000.00	Nil	
5. Bernard N Mwangi		31,000.00	1 st March 2018	Nil	31,000.00	Nil	
6. Antony M Bilha		31,000.00	1 st March 2018	Nil	31,000.00	Nil	
7. Anastaciah W Mbirua		24,800.00	1 st March 2018	Nil	24,800.00	Nil	
Sub-Total							
Unionisable Employees							
8.							
9.							
10.							
Sub-Total							
Others (specify)							
11.							
12.							
13.							
Sub-Total							
Grand Total		144,800			144,800		

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
Reports and Financial Statements
For the year ended June 30, 2014 (K.shs'000)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees	Payment of staff salaries and gratuity	1,617,241.38	3,787,272.73	
Use of goods & services	Purchase of fuel, repairs and maintenance, printing, stationery, Airtime, travel and subsistence, etc.	1,804,910.44	4,624,379.94	
Amounts due to other Government entities				
Njii-Ithatu school	Completion of an administration block painting works, external finishes and electrical works.	250,000.00	0.00	
Ngooro Primary school	Completion of 4 door toilets-plastering and painting	125,000.00	0.00	

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Kahiti Primary school	Completion of a model staffroom- roofing and fittings, painting and sanitary provisions.	750,000.00	0.00	
Mugechikaboro Primary School	Completion of a classroom roofing stage, with roofing works being done to completion.	250,000.00	0.00	
Njii-Ithatu Primary School	Construction of Headteacher's office- painting and partial external finishes.	150,000.00	0.00	
Nyakahura Primary School	Renovation of 8 no classrooms - remaining works to be done include painting works and partial plaster works to remaining classes.	250,000.00	0.00	
Kianguyi Primary school	Completion of a Model Staffroom- partial plastering,painting,plumbing works and Electrical works	300,000.00	0.00	
Holy Rosary Primary school	Completion of a Model Staffroom- partial plastering,painting,plumbing works and Electrical works	350,000.00	0.00	

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
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For the year ended June 30, 2017 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Githiga Primary school	Completion of a model staffroom-painting, landscaping around, gutters and fittings of toilets and fittings being done.	750,000.00	0.00	
kibutha Primary School	Completions of a hall remaining works include roofing works fittings and general finishes.	950,000.00	0.00	
St. John's Kiruri Primary School	Completion of a model staffroom roofing stage with roofing cover being windows and doors.	750,000.00	0.00	
Kanguru Primary school	Completion of a 4 door toilet – Painting and fittings of doors.	180,000.00	0.00	
Kihoya Primary school	Completion of a 4 door toilet – Painting and fittings of doors.	150,000.00	0.00	
Gachogi Primary school	Completion of a model staffroom - The structure has averagely 92 % with only partial external works and floor tiles to remaining to be done.	120,000.00	0.00	
Kihoya Primary school	Completion of a model staffroom-averagely 97% of work has been done	100,000.00	0.00	

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	the remaining work include floor finishes			
Kiawambogo Primary School	Completion of a septic Tank and 8door Toilet- Painting and fittings of doors.	350,000.00	0.00	
Nyagatugu Primary School	Completion of a model staffroom finishing stage with painting and decoration being underway.	350,000.00	0.00	
Rwathia Primary School	Completion 4 door toilet - , walling construction roofing and painting	850,000.00	0.00	
Ichichi Primary school	Completion of a 4 door toilet- painting and plumbing works	100,000.00	0.00	
Karuri Primary School	Renovation of Classrooms and administration block- reroofing,painting,flooring and walling	1,000,000.00	0.00	
Kenya-Njeru Primary School	Renovation of 5 No.classrooms-roofing, painting, plastering, windows and doors.	800,000.00	0.00	
Gachogi Primary School	Construction of One classroom	824,979.66	0.00	

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)

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For the year ended June 30, 2017 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Nyagatugu Primary School	Construction of a modern 8 door ablution block	1,500,000.00	0.00	
Githiga Primary school	Construction of a Modern ablution block.	1,800,000.00	0.00	
Ihiga Secondary school	Completion of a 100 students Dormitory - Doors and Windows glazing fixing, rendering works, External Pointing and Electrical installation.	2,500,000.00	0.00	
Njii-Ithatu Secondary school	Completion of two classrooms- roofing and fitting stage.	600,000.00	0.00	
Watuha Sec School	Completion of a 100 students Dormitory - glazing fixing, rendering works, External Pointing and Electrical installation	1,500,000.00	0.00	
kanorero Secondary School	Completion of class- Plastering and painting	150,000.00	0.00	
Gatunduini Sec School	Construction of an Administration block- roofing stage, with roofing works being done to completion.	750,000.00	0.00	

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Iyego Secondary School	Construction of two classrooms -remaining works include suspended slab construction and general finishes.	1,800,000.00	0.00	
kanorero Secondary School	Completion of a Dining Hall - walling internally and flooring done. Painting and decoration has been done internally and partially externally.	450,000.00	0.00	
Kiairathe Secondary School	Completion of a laboratory-the remaining works are general finishes, fume chamber finishing and prep& store provision	750,000.00	0.00	
Gakira Secondary School	Completion of two classrooms-Suspended slab concreting work to the remaining section is on progress. Remaining works include general finishes and fittings.	1,400,000.00	0.00	
Nyagatugu Secondary school	Completion of a kitchen - tiling has been done the remaining work is plumbing works i.e. drainage system.	350,000.00	0.00	

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Rwathia mixed secondary School	Completion of class room -remaining works include general finishes and electrical installation.	300,000.00	0.00	
Kiruri Secondary School	Construction of Modern 6 door staff toilet	800,000.00	0.00	
Iyego Secondary School	Construction of two classrooms.	2,400,000.00	0.00	
Nyagatugu Secondary school	Construction of two classrooms.	2,400,000.00	0.00	
Sub-Total		29,149,979.66	0.00	
Amounts due to other grants and other transfers				
Njii-Ithatu AP Camp	Completion of AP Camp-general finishing, Painting Electrical works and securing the compound.	150,000.00	0.00	
Githunguri A/chief's Office	Completion-general finishing, Electrical installation and Painting of Ass. Chief's office. Electrical works and	250,000.00	0.00	

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	paving			
Gakira AP Camp-	Construction of AP Camp- completion of first floor construction, fittings and general finishes.	2,000,000.00	0.00	
Ihiga-ini As/chief's Office	Completions of Ass.chief's office- finishing stage i.e. plaster work.	150,000.00	0.00	
Kiamara Chief's Office	Completion of Chief's office- project is habitable only few items are remaining- painting,fittings,general finishes and electrification.	400,000.00	0.00	
Thirikwa AP Camp-	Construction of an AP camp-Roofing, plaster and painting.	450,000.00	0.00	
Kanguru Ass/chief's Office	Completion of Ass.chief's office by Walling, Roofing, plaster and painting.	750,000.00	0.00	
Gatang'ara AP Camp and A/chief's Office -	Construction of an AP Camp and Ass.Chief's Office- remaining works has include general	1,000,000.00	0.00	

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	finishing works and electrical works.			
Gikui Chief's Office	Construction of Modern a 3 door Toilets	574,979.67	0.00	
Gikui Chief's Office	Purchase of Furniture- Executive table and visitors chairs	150,000.00	0.00	
Kanyenya- ini ACC's Office	Purchase of Furniture- Executive table and visitors chairs	200,000.00	0.00	
Kihoya Chief's Office	Construction of a podium at the chief's office compound.	400,000.00	0.00	
Kangema ACC's House	Renovation of the House for ACC 1 Kangema - painting, window panes and fitting of a flush toilet.	600,000.00	0.00	
Kiamara Police Post	Construction of two single room housing staff units.	831,034.49	0.00	
Kiamara Police Post	Renovation of two staff housing units-plaster, painting and window panes.	300,000.00	0.00	
KangemaRanet FM Station	Fitting the Studio room with an acoustic ceiling.	600,000.00	0.00	

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Constituency Sports Tournament	Carry out Constituency Sports tournament and the winning teams/schools to be awarded with trophies, balls, and games kits	1,872,413.79	0.00	
Bursary	Payment of bursary to needy student	6,060,344.81	0.00	
Kangema Empowerment Centre C I H	Installation of a Constituency Innovation Hub at Kangema Empowerment Centre in partnership with Ministry of ICT through Telecom Kenya	1,169,256.80	0.00	
Kihoya DO's Office C I H	Installation of a Constituency Innovation Hub at Kihoya DO's office in partnership with Ministry of ICT through Telecom Kenya	1,169,256.80	0.00	
Kanyenyaini DO's Office C I H	Installation of a Constituency Innovation Hub at Kanyenyaini DO's office in partnership with Ministry of ICT through Telecom Kenya	1,169,256.80	0.00	

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Sub-Total				
Grand Total		54,556,896.95		

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
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ANNEX 4 -- SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures	69,685,064.45	5,000,000	0.00	74,685,064.45
Transport equipment	6,526,757.00		0.00	6,526,757.00
Office equipment, furniture and fittings	1,217,750.00		0.00	1,217,750.00
ICT Equipment, Software and Other ICT Assets	90,016.00		0.00	90,016.00
Other Machinery and Equipment		299,995	0.00	299,995.00
Heritage and cultural assets			0.00	
Intangible assets				
Total	72,219,592.45	5,299,995	0.00	77,519,587.45

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
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For the year ended June 30, 2014 (Kshs'000)

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Wanjerere Secondary School Pmc	EQUITY	30262063801	5,200,000.00	451.00
Kiawairegi Primary School Pmc	EQUITY	30299794045	1,946.00	1,946.90
Nyakahura Ap.Camp Pmc	EQUITY	30270076811	550.00	550.00
Kangema Market & Shoe Shiner sheds pmc	EQUITY	30166899011	3,870.00	3,870.00
Kiruri Boys Sec. School Pmc	EQUITY	30296818175	279.00	108,645.00
Karura Primary School Pmc	EQUITY	30299796654	929.00	256,609.00
Kangema Adult Education Pmc	EQUITY	30169908805	299.60	299.60
Githima Primary School pmc	EQUITY	30299973358	1,589.60	1,589.60
Muguru Primary School pmc	EQUITY	30260521854	5,221.00	97,214.00
Kiawambogo Seondary School Pmc	EQUITY	30260487616	285.00	350,670.00
Gikui Primary Sch.Pmc	EQUITY	30299971143	799,830.00	1,000.00
Ngoeini Primary School Pmc	EQUITY	30264352670	1,650.00	1,650.00
Nyagatugu Primary School Pmc	EQUITY	30269044599	839,744.49	2,055.00
Rwathia Primary School pmc	EQUITY	30270074204	17,385.00	17,385.00
Nyagatugu Ass.chief's Office Pmc	EQUITY	30260510253	128,405.00	3,625.00
Nduini Primary School Pmc	EQUITY	30292551699	5,685.00	507,285.00
Kenya-Njeru Ass.chief's Office Pmc	EQUITY	30299789126	913.00	91,868.00
Kanguru Ass.chief's Office Pmc	EQUITY	30299789110	2,903.00	2,903.00
Kayu Primary School Pmc	EQUITY	30264380371	425.00	5,640.00
Kayu Ass.chief's office pmc	EQUITY	30299943578	138.00	138.00
Githiga Dispensary pmc	EQUITY	30263724018	234.59	209,269.50
Holy Rosary primary School pmc	EQUITY	30299932007	1,072.00	77,832.00

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kanorero Secondary school pmc	EQUITY	30299797351	91.00	91.00
Iyego Primary School Pmc	EQUITY	30260476490	110.00	110.00
Gitugu Secondary Sch. Pmc	EQUITY	30299858709	375.50	375.50
Kanyenyaini Secondary School pmc	EQUITY	30260424839	2,340.00	551,496.00
Kibutha Primary School pmc	EQUITY	30299903747	569.00	569.00
Rwathia Girls secondary School pmc	EQUITY	30261597477	2,103.00	219,488.00
Rwathia Mixed Sec.Sch pmc	EQUITY	30260378894	791,617.00	69,447.00
Ichichi Primary School pmc	EQUITY	30299796655	1,000,100.00	12,875.00
Kangema Priamry School pmc	EQUITY	30260444000	66.00	66.00
Kiangunyi Primary School pmc	EQUITY	30261706532	1,205.00	1,205.00
Kiairathe secondary School pmc	EQUITY	30299824939	5,484.75	5,484.75
Nyagatugu Sec.sch.pmc	EQUITY	30101551487	13,458.60	13,458.60
Githiga Primary School pmc	EQUITY	30299915412	708.50	687,413.50
Mununga Dispensary Pmc	EQUITY	30271856119	1,273.00	1,000,000.00
Kiruri Chief's offic pmc	EQUITY	30273107648	439.00	1,800,000.00
Karurumo Dispensary Pmc	EQUITY	30271856503	6,196.00	721,638.00
Nyagatugu Dispensary Pmc	EQUITY	30271855889	49,920.00	429,965.00
Kayu Dispensary Pmc	EQUITY	30271855452	4,033.00	268,493.00
Gitugu Primary School Pmc	FAMILY BANK	9000015747	179.45	179.45
Kibutha Girls Sec.School pmc	FAMILY BANK	9000014339	237.00	237.00
St.John's Kiruri Primary Sch.Pmc	FAMILY BANK	9000012076	1,724.20	1,724.00
Mugechi Kaboro Pry Sch.Pmc	FAMILY BANK	9000017891	115.00	115.00
Mukarara Primary School Pmc	FAMILY BANK	9000018475	15.00	386,512.00
Watuha Primary School	FAMILY BANK	9000018469		

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Pmc			8.00	8.00
Ngoeini Ass.chief's Office Pmc	FAMILY BANK	9000011973	7,029.00	14,179.19
Ihigaini Ass.chief's office pmc	FAMILY BANK	9000018471	323.00	789,763.00
Nyakahura Primary School pmc	FAMILY BANK	9000015957	(181.12)	(115.95)
Gatunduini Secondary School Pmc	FAMILY BANK	9000014340	36,257.00	54,728.00
Kiairathe Ass.chiefs' office pmc	FAMILY BANK	9000012256	28.00	322,530.00
Nyakahura Police Post Pmc	FAMILY BANK	9000015772	598.00	598.00
Githunguri Ass.chief's Office pmc	FAMILY BANK	9000012106	(607.85)	(523.39)
Njii-Ithatu Pry.Sch pmc	FAMILY BANK	9000012095	175.20	1,184.00
Kiangunyi Ass.chief's office pmc	FAMILY BANK	9000016107	167.00	167.00
Nyakahura Ass.chief's office pmc	FAMILY BANK	9000014334	182.00	182.00
Kahiti Primary School pmc	FAMILY BANK	9000012014	363.60	327.00
Kanguru Primary School pmc	FAMILY BANK	9000015771	314.08	3,394.08
Watuha Secondary School pmc	FAMILY BANK	9000014365	4,986.00	4,986.00
Njii-Ithatu Secondary School pmc	FAMILY BANK	9000018488	273.00	469,099.00
Ihiga Secondary School pmc	FAMILY BANK	9000014342	505.86	1,562.00
Nyakahura Sec School Pmc	FAMILY BANK	9000020062	-	
Mununga Ap Post pmc	KCB	1171470851	252.50	582.50
Dr.Kiano Sec.School pmc	KCB	1171431848	690.00	720.00
Thirikwa Primary School pmc	KCB	1172936234	40,777.50	146,872.50
Ngooro Primary School Pmc	KCB	1137612304	27,786.50	27,816.50
Gakira Day Sec.Sch. Pmc	KCB	1137812753	3,559.90	314,203.40
Gatang'ara Ap Camp Pmc	KCB	1205182098	9,500.00	9,500.00
Gataguago Water Project pmc	KCB	1164422626	307.15	307.15

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kiamara Chief's Office Pmc	KCB	1138000787	3,062.15	71,120.00
Thirikwa Ap post pmc	KCB	1159582777	(17.50)	1,632.50
Gachogi Primary School pmc	KCB	1150087714	1,182.00	1,212.00
Karurumo Ass.chief's office pmc	KCB	1137787171	9,350.75	9,350.75
Kihoya Heath Centre pmc	KCB	1139043099	642.75	358,007.75
Githiga Ass. Chief's office pmc	KCB	1197930213	131.00	131.00
Kiawambogo Police post Pmc	KCB	1178223523	1,323.00	1,323.00
Marimira Ap camp pmc	KCB	1172823154	1,368,650.00	1,368,650.00
Tuthu Ap camp pmc	KCB	1173035346	245.00	245.00
Kenya-Njeru Primary Sch.pmc	KCB	1171603231	428.00	458.00
Tuthu Primary School pmc	KCB	1171695020	21,030.00	107,420.00
Ichichi Secondary School pmc	KCB	1138088439	63,751.20	280,766.20
Karurumo Primary School pmc	KCB	1171426321	(2,137.50)	10,697.50
Gacharaigu Primary School pmc	KCB	1138879517	5,275.05	501,402.40
Kihoya Primary School pmc	KCB	1171514298	9,439.00	151,559.00
Ihigaini Dispensary Pmc	KCB	1138365092	21,372.50	23,022.50
Kiruri PrimarySchool pmc	KCB	1167658825	6,830.00	6,860.00
Kiamara Health Centre pmc	KCB	1139434640	3,263.10	300,218.10
Muringaini chief's office pmc	KCB	1137885688	15,159.40	15,159.40
Mununga Ass.chief's office pmc	KCB	1210828081	8,588.00	1,799,435.00
Gakira Ap camp pmc	KCB	1178150933	593.50	1,341,719.00
Gacharaigu Secondary Pmc	KCB	1177901218	2,821.00	2,851.00
Njii-Ithatu Ap line Pmc	KCB	1172844135	652.00	10,403.00
Gatangara Dispensary pmc	KCB	1171692331		

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
			4,392.00	4,392.00
Kiawambogo Police post Pmc	KCB	1234788411	-	-
Total			10,575,035.00	16,443,543.48

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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)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The statement of receipts and payments for the year ended 30 June 2016 reflects transfers from NG-CDF Board of Kshs.93, 991,330. However, the summary statement of appropriation; recurrent and development combined indicate actual receipts of Kshs.134, 464,122 during the year under review. The resultant variance of Ksh.40, 472,792 has not been reconciled or explained. Consequently, the accuracy and completeness of transfers from NG-CDF Board of Kshs.93,991,330 for the year ended 30th June 2016 could not be confirmed</p>	<p>The figure of Ksh 93,991,330 in the statement of receipts and payments is the total receipts from the NGCDF board in the financial year 2015-2016 comprising Ksh 45,9991,330 pertaining to allocations for the Financial year 2014-2015 but received during the financial year 2015-2016 and Ksh 48,000,000 pertaining to the financial year 2015-2016 which was received in the same period (see AIEs, Appendix 1). The figure of Ksh 134,464,122 as it appears in the summary statement of appropriation is the sum of the receipts from the board (ksh 93,991,330) and the opening cash book balance (ksh 40,472,792). Ksh 40,472,792 is the opening cash book balance as at 1st July 2015.</p>	Fund Manager	Resolved	N/A

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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)
	Use of Goods and Services Balance as per the Financial Statement was Kshs 5,835,215 while Balance as per schedules was Kshs 5,520,089 a difference of Ksh 315,126	The variances arose as a result of wrong schedules availed to the Auditors at the time of audit. The correct schedules have since been availed (see attached schedules (appendix 2))	Fund Manager	Resolved	N/A
	Other Grants and transfers Balance as per the Financial Statement was Kshs 11,721,420 while Balance as per schedules was Kshs 9,659,250 a difference of Ksh 2,062,170. No explanation or reconciliations have been provided for these variances. In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 th June 2016 could not be confirmed.	The variances arose as a result of wrong schedules availed to the Auditors at the time of audit. The correct schedules have since been availed (see attached schedules (appendix 2))	Fund Manager	Resolved	N/A
	1. Cash and cash	The outstanding imprest of Ksh 959,000 have since been	Fund Manager	Resolved	N/A

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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)
	<p>Equivalents</p> <p>The statements of financial assets as at 30 June 2016 reflects bank balance of ksh 33,406,103.</p> <p>However, a review of the records of imprests maintained at the CDF office revealed that imprests totalling Kshs.959,000 outstanding and unaccounted for as at 30 June 2016 was not disclosed and included in these financial statements. Further, scrutiny of the bank reconciliation statement presented for audit verification indicated that as at 30 June 2016, unrepresented cheques amounting to Kshs.1,055,659 were stale cheques and had not been reversed in the cash book.</p> <p>Consequently, the accuracy</p>	<p>surrendered and the unrepresented stale cheques amounting to Ksh 1,055,659 have been reversed in the cash book</p>			

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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)
	and completeness of cash and cash equivalent balance of Kshs.33,406,102.90 as at 30 June 2016 could not be confirmed				
	<p>1) Overall Budget Performance</p> <p>The summary statement of appropriation; recurrent and development combined indicates that Kangema CDF received a total of KShs.134,464,122 from the National Government Constituencies Development Fund Board against a budgeted amount of KShs.183,809,567 or 70% of the budget and out of which it spent a total KShs.80,191,931 representing</p>	<p>The under expenditures occurred as a result of delayed disbursements of funds for 2015-2016 financial year from the NGCDF board ie Ksh 48,000,000 on 27th June 2016 and the balance of Ksh 49,345,445 in the 2016-2017 financial year which was also occasioned by carryovers due to the transitions after the by-elections of 2012. However the absorption has gone up and there is no more wide spread under expenditures.</p>	Fund Manager	Resolved	N/A

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Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>absorption rate of 60% of actual receipts for the year as follows: The above analysis, reflects that the CDF incurred an under expenditure of kshs.103,617,634 or 60% of the approved budget of Kshs. 183,809,567. No reason was provided for underutilization of budget.</p>				
	<p>1. Project Implementation Analysis During the period under review, the Kangema CDF spent Kshs 72,538,621 on Implementation of projects against approved budget allocation of KShs.170,748,475 earmarked for ninety five (95) projects as summarized below: The above analysis indicates that twenty five (25) projects</p>	<p>The large number of ongoing projects was brought about by delayed disbursements of funds for 2015-2016 financial year from the NGCDF board ie Ksh 48,000,000 on 27th June 2016 and the balance of Ksh 49,345,445 in the 2016-2017 financial year which was also occasioned by carryovers due to the transitions after the by-elections of 2012. However the absorption has gone up and therefore ongoing projects have been minimised.</p>	Fund Manager	Resolved	N/A

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
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	<p>were completed while seventy (70) were at various stages of implementation. Failure to implement projects in time denies the community the benefits and expected services from the projects.</p>				
	<p>3.1 Unsupported Procurement Records maintained by CDF committee shows that during the year under review, an amount of Kshs. 7,363,703 was incurred on procurement of various goods and services. However, no tender documents including requests for quotations, tender opening minute or tender evaluation and award minutes were presented for audit review. In absence of proper supporting documents, the propriety of the</p>	<p>The procurement of goods and services though amounts to ksh 7,363,703, comprised of small progressive payments, Committee allowances, training (internal) and fuel which is supplied by only one petrol station in Kangema. Committee allowances Ksh 3,163,000 Training (internal) Ksh 520,700 Fuel, oils and lubricants Ksh 330,850 However The Kangema NGCDFC has since adopted the restricted tendering method using the prequalified contractors and suppliers at Kangema District treasury (see attached list Appendix 3)</p>	Fund Manager	Resolved	N/A

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)

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For the year ended June 30, 2017 (Kshs'000)

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	<p>expenditure amounting to Kshs. 7,363,708 in year ended 30 June 2016, could not be confirmed as a correct charge to public funds.</p>				
	<p>3.2 Use of inappropriate procurement method Examination of records revealed that Kangema CDF procured goods and services for various projects amounting Kshs. 1,339,000 by floating three (3) requests for quotations instead of minimum of ten (10) quotations contrary to section 174 of the Public Procurement and Disposal Act, 2005. The value of works and services for the projects exceeded the maximum threshold</p>	<p>The use PMCs has posed serious challenges to procurement processes due to their lack of capacity. The PMCs are being continuously trained. The Kangema NGCDFC has since adopted the restricted tendering method using the prequalified contractors and suppliers at Kangema District treasury (see attached list Appendix 4)</p>	Fund Manager	Resolved	N/A

NATIONAL GOVERNMENT ENTITY - (KANGEMA NG-CDF)
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	<p>of Kshs. 500,000 indicated under class C entities in the First Schedule of the Public Procurement and Disposal Regulations, 2013 and therefore the preferred method of procurement should have been restricted tendering method. No explanation was provided for the anomaly.</p> <p>Consequently, it has not been possible to confirm whether the CDF got value for money on Kshs .1, 339, 000 incurred during the year under review.</p>				