

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

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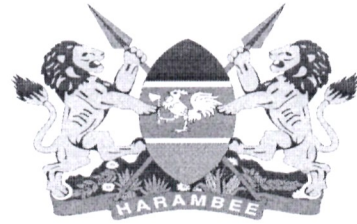
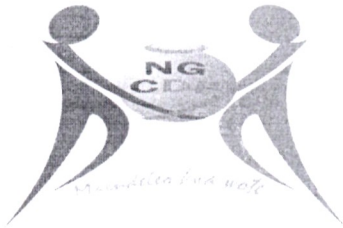
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
SOUTH IMENTI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

Revised Template 30th June 2018



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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	3
II. FORWARD BY THE NG CDF COMMITTEE CHAIRMAN.....	6
III. STATEMENT OF THE NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES.....	9
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	10
V. STATEMENT OF ASSETS AND LIABILITIES	11
VI. STATEMENT OF CASHFLOW.....	12
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	13
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	15
IX. NOTES TO THE FINANCIAL STATEMENTS.....	19

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

SOUTH IMENTI 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 SOUTH 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	Leah Wairimu
3.	Sub-County Accountant	Boniface M Mugambi
4.	Chairman NGCDFC	Nahason Kiruki
5.	Member NGCDFC	Ann Kathambi Gitonga

(d) Fiduciary Oversight Arrangements

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

South Imenti Constituency Office Building.
P.O. Box 111 60206
Kanyakine.
Meru. Kenya

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

(f) NGCDF South Imenti Constituency Contacts

Telephone: (254) 0720 434 742
E-mail: southimenti@cdf.go.ke
Website:

(g) NGCDF South Imenti Constituency Bankers

Constituency CDF main banker
Cooperative Bank of Kenya
Nkubu Branch
Account Number 01120020073300
P.o Box740 60202
Nkubu

(h) Independent Auditors

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

(i) Principal Legal Adviser

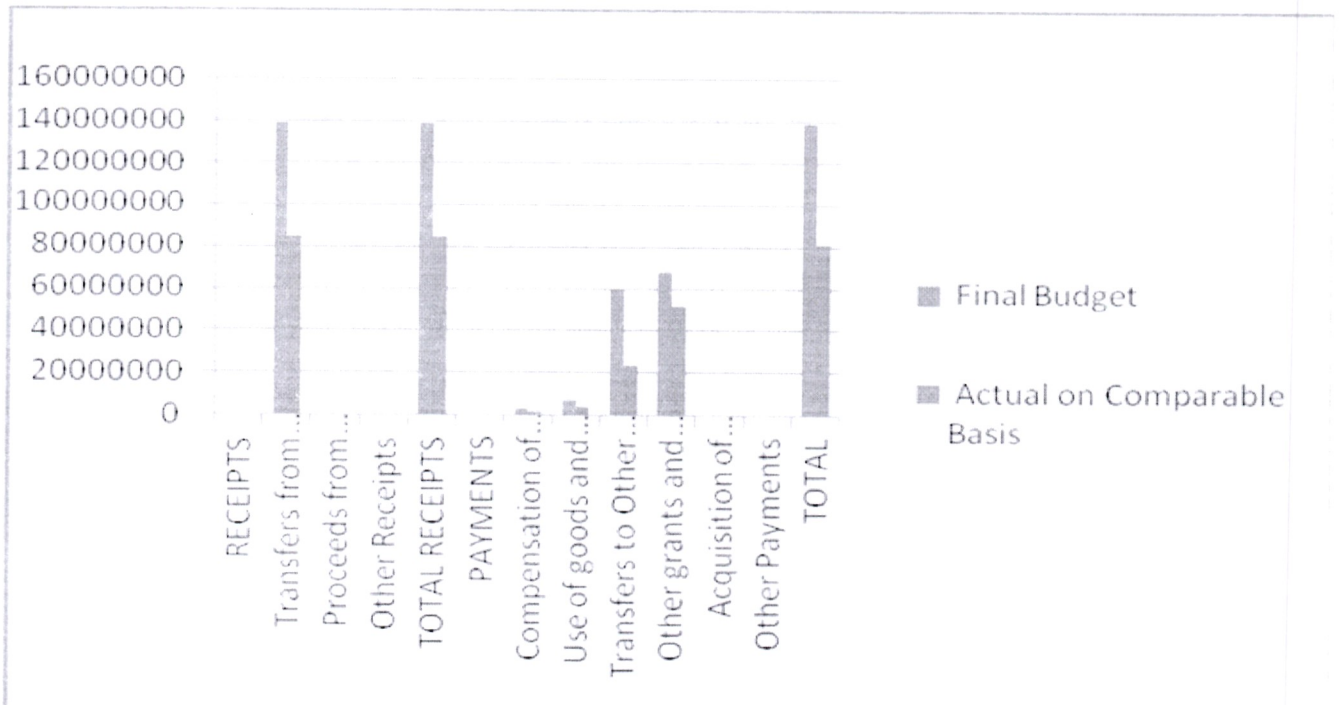
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

In the financial year 2017/2018 South Imenti NG-CDF utilised Kshs 84,499,713 out of Kshs 139,284,196 available for utilisation representing 60.7% absorption rate. The low absorption rate was as a result of delayed release of funds since the first half of the financial year no funding was recorded.

(j) Budget performance against actual



The constituency has greatly benefited from NG-CDF notably in the sectors of education, security, sports, resource centres, and environment conservation.

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

Reports and Financial Statements

For the year ended June 30, 2018

(ii) Key Achievements during the year



(a) Igoji Departmental offices is a fully NG CDF funded project that is 90% complete , it will bring the national government security and education offices closer to wananchi, it has an ICT hub that is already installed therefore will serve the youths and assist them access online jobs

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



(b) Above is Nkumbo Resource Centre fully NG CDF funded project that was started in financial year 2015/2016, the resource centre will host the ICT Hub hence many youths in the area will benefit from the facility through Ajira programme, it will also serve as a library. The project is still ongoing.

During implementation of the projects, the constituency has encountered numerous challenges including: lack of proper planning by project management committees, late release of funds as a result of general elections during last financial year, so many projects requiring assistance against limited resources, change of government policies and legal matters which led to delays in implementing the projects.

To address these challenges we recommend that: more funds be set aside for monitoring and evaluation to enable NG-CDFC carry out project inspection on monthly basis during implementation ,train project management committees on project planning to address the audit issues arising on procurement procedures, the NG CDF Board releases funds on time to ensure utilisation is improved and an increase in the NG-CDF funding to enable the constituency take care of the numerous projects proposed by the residents.

Sign 

CHAIRMAN NGCDF COMMITTEE



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

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

III. STATEMENT OF NG CDF COMMITTEE 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-South 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 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.

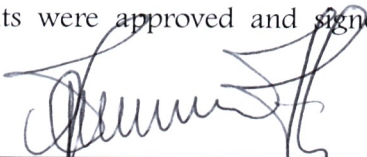
The Accounting Officer in charge of the NGCDF-South Imenti Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF-South Imenti Constituency 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-South Imenti Constituency further confirms the completeness of the accounting records maintained for the NGCDF-South Imenti Constituency, 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.

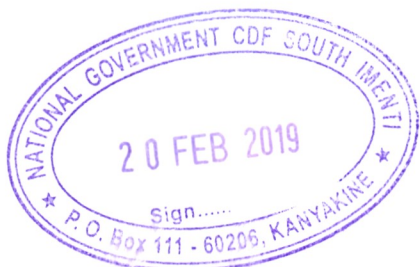
The Accounting Officer in charge of the NGCDF-South Imenti Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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-South Imenti Constituency financial statements were approved and signed by the Accounting Officer on 20/02 2019.


Fund Account Manager
Name: Leah Wairimu


Sub-County Accountant
Name: Boniface M Mugambi
ICPAK Member Number: 17392
THE NATIONAL SUB-COUNTY
ACCOUNTANT
IMENTI SOUTH



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund- South Imenti Constituency set out on pages 10 to 48, which comprise the statement of assets and liabilities 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituency Development Fund – South 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 do not comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Adverse Opinion

1.0 Project Management Committee (PMC) Bank Balances

Note 6 and 7 to the financial statements reflected transfers to other Government entities and other grants and other payments of Kshs.23,250,000 and Kshs.51,692,163 respectively both totaling to Kshs.74,942,163 which was earmarked to implement projects in various sectors within the constituency during the year under review. Included in this amount is Kshs.18,237,134 unutilized funds reflected at Annex 5 to the financial statements as project management committee (PMC) bank balances in respect of twenty-six (26) projects. However, the respective bank reconciliations, bank statements, bank certificates and cash books were not provided for audit review.

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

In the circumstances, the accuracy of PMC bank balances of Kshs.18,237,134 as at 30 June 2018 could not be ascertained.

2.0 Transfer to Primary Schools - Incomplete Projects

Note 6 to the financial statements reflected Kshs.23,250,000 in respect to transfer to other government entities which includes Kshs.19,250,000 in respect to transfer to primary schools to implement various projects, which further includes Kshs.2,200,000 disbursed to Giumpu primary school for heavy grading of the football pitch and levelling the ground. However, a physical verification done on the project in the month of January 2019, revealed that included in the Kshs.2,200,000 payments were works worth Kshs.591,000 which were either not supported or had not been completed as follows:

Incomplete works	Cost of unsupported/incomplete Works (Kshs)
Sign Board	40,000
Material Testing & Control	45,000
Planting of Kikuyu Grass	79,000
Culvert Drainage Works	32,000
Cross Cutting Issues	58,000
Preliminary Provision	337,000
Total	591,000

In the circumstances, it has not been possible to ascertain whether the Kshs.591,000 payment was a proper charge to public funds including whether it has the respective value for money in the year ended 30 June 2018.

3.0 Other Grants and Other Payments

3.1 Bursaries

Note 7 to the financial statements for the year ended 30 June 2018 reflected Kshs.51,692,163 in respect to other grants and other payments which included Kshs.9,358,601 and Kshs.9,488,045 in respect to bursaries to secondary schools and tertiary institutions respectively both totaling to Kshs.18,846,646. However, only bursaries totaling to Kshs.8,514,573 (45%) were acknowledged by the respective beneficiaries through letters of acknowledgement or issue of official receipts leaving a balance of Kshs.10,332,073 (55%) un-acknowledged by the beneficiary institutions.

In the circumstances, the accuracy, validity and value for money for the Kshs.10,332,073 bursaries for the year ended 30 June 2018 could not be ascertained.

Further, it was noted that a total of 2,718 applicants from Abogata East, Igoji West and Nkuene wards had applied for bursary but only 2,379 applicants were vetted resulting to 339 applicants who were not vetted and therefore not considered for bursary contrary to Section 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall vet all persons proposed to receive support in accordance with guidelines issued by the Board.

In the circumstances, it was not possible to ascertain that the bursaries totaling Kshs.18,846,646 were issued to the most needy and qualified applicants.

3.2 Irregular Security Projects

Note 7 to the financial statements for the year ended 30 June 2018 reflected Kshs.51,692,163 in respect to other grants and other payments which includes Kshs.15,000,000 in respect to transfers to security projects which further includes Kshs.10,500,000 disbursed to a project management committee (PMC) for construction of the final phase of the Igoji departmental offices which comprised wall plastering, flooring, electrical works, plumbing works, painting, fittings of ground floor, first and second floors, septic tank and landscaping.

As reported in the previous year, the project is a three storied building whose construction started in the financial year 2010/2011. The project implementation status for the seven financial years starting 2010/2011 to the financial year under review revealed that a total of kshs.37, 028,045 had been spent on the project as at 30 June 2018. However, it was not possible to ascertain the project duration and cost as the contract documents were not made available.

Further, a physical inspection carried out in the month of January 2019 revealed that the building had not been completed as electrical wiring, plumbing works, septic tank and landscaping, doors to the first floor, flooring, ceiling board and doors to the second floor and flooring, painting, ceiling and door to the third floor had not been done seven years after commencement of the project contrary to Section 11 (j) of the National Government Constituencies Development Regulations, 2016 which states that the constituency committees should ensure that all project receive adequate funding and are completed within 3 years.

In the circumstances, the propriety and value for money for the Kshs.37, 028,045 as at 30 June 2018 could not be ascertained.

3.3 Poorly Done Emergency Projects

Note 7 to the financial statements for the year ended 30 June 2018 reflected Kshs.51,692,163 in respect to other grants and other payments which includes Kshs.2, 980,000 in respect to emergency projects which further includes Kshs.450,000 and

Kshs.500,000 in respect to the construction of Gankari foot bridge and Ithitwe culvert respectively both totaling to Kshs.950,000. However, respective supporting documents including advertisements for the tender, bill of quantities, and regret letters to the unsuccessful bidders were not availed for audit verifications. Further, a physical verification carried out in the month of January, 2019 revealed that both the culvert and the bridge wing wall had collapsed which is an indication of poor workmanship.

In the circumstances, the propriety and value for money for the Kshs.950,000 in respect to emergency projects for the year ended 30 June 2018 could not be ascertained.

3.4 Unsupported Expenditure - Supply of Seedlings

Note 7 to the financial statements for the year ended 30 June 2018 reflected Kshs.51,692,163 in respect to other grants and other payments which further includes Kshs.3,374,138 in respect to environmental projects which comprised of Kshs.1,637,932 and Kshs.1,736,206 paid through Local Purchase Order (LPO) numbers NG-CDF/Environment/ (2017) and NG-CDF/Environment/ (2018) respectively for supply of seedlings to various institutions. However, the expenditure was not supported by a list of how the seedlings were distributed to schools and institutions, the minutes on how the project management committee (PMC) was constituted, bank account signatories and introduction letter of the PMC to the bank by the Fund Account Manager.

In addition, Local Purchase Order (LPO) number NG-CDF/Environment/ (2017) was issued on 15 November 2017 which is a day before the bids were opened on 16 November 2017 and thirty (30) days before the bids evaluation which was done on 16 December 2017.

Further, Local Purchase Order (LPO) number NG-CDF/Environment/ (2018) was issued on 24 March 2018 which is eleven (11) days before the set bid submission date of 4 April 2018 contrary to Section 78 (3) Public Procurement and Disposal Act 2015 which states that immediately after the deadline for submitting tenders, the tender opening committee shall open all the tenders received within the stipulated timelines.

In the circumstances, the Fund is in breach of the law. In addition, the propriety and value for money for the Kshs.3,374,138 in respect to environment projects could not be ascertained.

3.5 Construction of a Social Hall- Abogata West Ward

Note 7 to the financial statements for the year ended 30 June 2018 reflected Kshs.51,692,163 in respect to other grants and other payments which include Kshs.8,281,034 in respect to markets and community centers and which further includes Kshs.1,181,034 for the construction of a social hall and Kshs.300,000 for constructing of a pit latrine both totaling to Kshs.1,481,034. However, the respective supporting documents

including inspection reports, Project Management Committee (PMC) minutes authorizing withdrawal of funds and project handover minutes were not availed for audit review.

In addition, disbursements records made available for audit review showed that Kshs.1,781,034 was disbursed and spent on the project by the project management committee resulting to an unapproved expenditure of Kshs.300,000 contrary to Section 25 (2) of the National Government Constituencies Development Regulations, 2016 which states that a Constituency Committee shall not incur expenditure unless such expenditure is supported by an approved work plan, a procurement plan and a budget.

Further, out of Kshs.1,781,034, only Kshs.1,093,691 was certified by the sub-county works officer while the differences amounting to Kshs.687,343 was paid without being certified. In addition, physical verification carried out in the month of January 2019 revealed that the project was not complete since window glasses, painting and electrical works had not been done and the contractor was not on site.

In the circumstances, the Fund is in breach of the law. In addition, the value for money for Kshs.1,781,034 in respect to markets and community centers could not be ascertained.

4.0 Stolen Assets

Annex 4 to the financial statements reflected Kshs.17,725,021 in respect to historical cost of fixed assets which includes Kshs.11,371,750 in respect to transport equipment which further includes Kshs.345,506 and Kshs.29,464 in respect to a Yamaha motorcycle registration number A832N and Sony television serial number 1004245 respectively both totaling to Kshs.374,970. Although the two assets were indicated as stolen in the fixed assets register, they were still reflected as part of the Fund's assets in the financial statements and therefore overstating the assets by the same amount. Further, there was no evidence to show when the items were stolen and whether the matter was reported to police. In the circumstances, the accuracy of Kshs.11,371,750 transport equipment as at 30 June 2018 could not be ascertained. Further, the security and recoverability of the two assets worth Kshs.374,970 as at 30 June 2018 is in doubt.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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 adverse 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 Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0 Budget Control and performance

1.1 Receipts Analysis

The summary statement of appropriation: recurrent and development combined reflected an approved receipt budget for the year ended 30 June 2018 of Kshs.139,284,196 and an actual receipt of Kshs.84,499,713 resulting to a budgeted receipt shortfall of Kshs.54,784,483.

Overall, the Fund failed to actualize its receipt budget by Kshs.54,784,483 or 39.3% an indication that some 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 South Imenti Constituency.

1.2 Expenditure Analysis

The summary statement of appropriation: recurrent and development combined reflected an approved expenditure budget for the year ended 30 June 2018 of Kshs.139,284,196 and an actual expenditure of Kshs.80,668,590, resulting to an under expenditure of Kshs.58,615,607 as shown below:

Item	Budget (Kshs)	Actual (Kshs)	Under (Kshs)	%
Compensation of Employees	3,758,000	1,846,697	1,911,303	51%
Use of Goods and Services	7,156,369	3,879,729	3,276,640	46%
Transfer to Other Government Units	60,150,000	23,250,000	36,900,000	61%
Other Grants and Transfers	67,969,827	51,692,163	16,277,664	24%
Acquisition of Assets	250,000	0	250,000	100%
Total	139,284,196	80,668,589	58,615,607	42%

The under-spending of the budget by Kshs.58,615,607 reflected equivalent services expected and not delivered to the residents of South Imenti constituency. The funds could have been allocated to other deserving areas that would have improved delivery of goods and services to the residents of South 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 South Imenti constituency.

2.0 Projects Implemented Status

The project implementation status report made available for audit review shows that one hundred and fifty-four (154) projects worth Kshs.142,781,314 were budgeted to be implemented during the year under review. However, only sixty-two (62) projects worth Kshs.44,769,060 were completed, thirty-five (35) projects worth Kshs.52,186,974 were on going and fifty-seven (57) projects worth Kshs.45,825,280 had not started as at 30 June 2018 as follows;

Sector	Project Status	Amount Allocated (Kshs)	Amount Disbursed (Kshs.)	Number Of Projects
Education	Completed	13,400,000	13,400,000	28
	Ongoing	8,550,000	8,550,000	19
	Not Started	19,800,000	1,300,000	36
	Sub Total	41,750,000	23,250,000	83
Sports	Completed	1,736,207	1,736,207	1
	Ongoing	0	0	0
	Not Started	0	0	0
	Sub Total	1,736,207	1,736,207	1
Bursary	Completed	18,846,646	18,846,646	2
	On going	21,855,940		
	Not Started	0	0	0
	Sub Total	40,702,586	18,846,646	2
CATS	Completed	1,474,138	1,474,138	1
	On going	0	0	0
	Not Started	0	0	0
	Sub Total	1,474,138	1,474,138	1
Security	Completed	800,000	800,000	3
	Ongoing	13,500,000	13,500,000	9
	Not Started	6,100,000	700,000	13
	Sub Total	20,400,000	15,000,000	25
Emergency	Completed	5,137,931	2,980,000	6
	Ongoing	0	0	0
	Not Started	0	0	0
	Sub Total	5,137,931	2,980,000	6
Environment	Completed	3,374,138	3,374,138	23
	Ongoing	0	0	0
	Not Started	0	0	0
	Sub Total	3,374,138	3,374,138	23
Social Facilities	Completed	0	0	0
	Ongoing	8,281,034	8,281,034	5
	Not Started	14,586,766	0	4

Sector	Project Status	Amount Allocated (Kshs)	Amount Disbursed (Kshs.)	Number Of Projects
	Sub Total	22,867,800	8,281,034	9
ICT Hubs	Completed	0	0	0
	Ongoing	0	0	0
	Not Started	2,338,514	0	3
	Sub Total	2,338,514	0	3
Strategic Plan	Completed	0	0	0
	Ongoing	0	0	0
	Not Started	3,000,000	0	1
	Sub Total	3,000,000	0	1
Grand Total		142,781,314	74,942,163	154

In view of the foregoing, the constituents did not get expected services equivalent to thirty-five (35) ongoing projects worth Kshs.52,186,974 and fifty-seven (57) not started projects worth Kshs.45,825,280 both totaling to Kshs.98,012,254 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 South Imenti Constituency.

3.0 Progress on Follow up of Auditors Recommendations

The financial statements at Page 45 reflected the progress on follow up of auditor's recommendations which indicates that five (5) issues raised in the audited 2016/17 financial statements had not been resolved while two (2) had been resolved. However, no documentary evidence was made available to show how the two issues were resolved and any action being taken by management towards resolving the five audit issues.

In the circumstances, the issues raised in the 2016/2017 Auditor-General's report has remained unresolved as at 30 June 2018 thereby defeating the whole purpose of including the progress report in the financial statements.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Stalled Project- Mikumbune Library

Note 7 to the financial statements for the year ended 30 June 2018 reflected Kshs.51,692,163 in respect to other grants and other payments which include Kshs.8,281,034 in respect to markets and community centers which further includes Kshs.1,500,000 disbursed for the walling, roofing of first floor and finishing of ground floor of Mikumbune Library project which started in April 2008 at a total cost of Kshs.7,221,670. However, as at 30 June 2018 only Kshs.3,600,000 (50%) had been paid and the project was still not complete almost ten (10) years since it started contrary to Section 11 (j) of the National Government Constituencies Development Regulations, 2016 which states that the constituency committees should ensure that all project receive adequate funding and are completed within 3 years. Physical verification carried out in the month of January 2019 revealed that the project had stalled.

In the circumstances, the value for money for Kshs.3,600,000 on the library project could not be confirmed. In addition, the Fund was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and 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 so as 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 National Government Constituencies Fund's-South Imenti Constituency ability to continue as a going concern/ 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 National Government Constituencies Development Fund - South 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 National Government Constituencies Fund's - South 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 noncompliance. 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 National Government Constituencies Fund's –South Imenti Constituency policies and procedures may deteriorate.

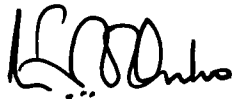
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 National Government Constituencies Development Fund's-South Imenti Constituency 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 National Government Constituencies Development Fund-South 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 National Government Constituencies Development Fund – South 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


10 April 2019

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

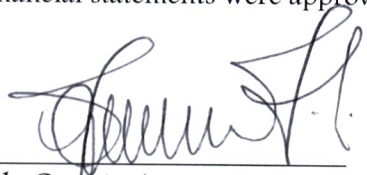
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	84,353,447	40,948,277
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		84,353,447	40,948,277
PAYMENTS			
Compensation of employees	4	1,846,697	2,236,142
Use of goods and services	5	3,879,729	6,666,120
Transfers to Other Government Units	6	23,250,00	7,050,000
Other grants and transfers	7	51,692,163	44,360,726
Acquisition of Assets	8		627,866
Other Payments	9		
TOTAL PAYMENTS		80,668,590	60,940,854
SURPLUS/ (DEFICIT)		<u>3,684,858</u>	<u>(19,992,577)</u>

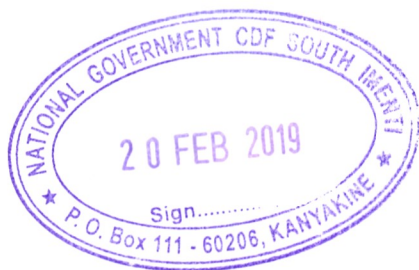
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-South Imenti Constituency financial statements were approved on 20/02 2019 and signed by:



Fund Account Manager
Name: Leah Wairimu



Sub-County Accountant
Name: Boniface M Mugambi
ICPAK Member Number: 17392
**THE NATIONAL SUB-COUNTY
ACCOUNTANT
IMENTI SOUTH**

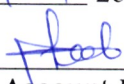


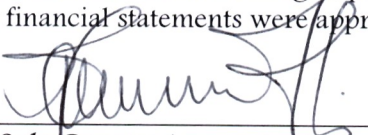
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SOUTH IMENTI CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

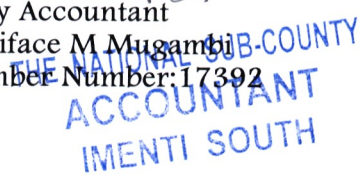
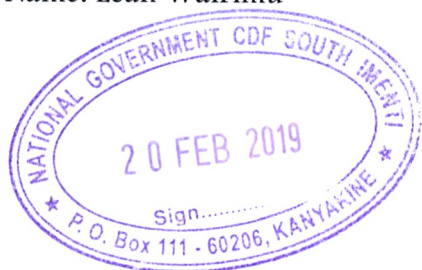
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018	2017 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,012,612	146,266
Cash Balances (cash at hand)	10B	-	-
TOTAL CASH AND CASH EQUIVALENTS		4,012,612	146,266
Current Receivable			
Outstanding Imprest	11	-	-
TOTAL FINANCIAL ASSETS		4,012,612	146,266
FINANCIAL LIABILITIES			
Retention	12		
NET FINANCIAL ASSETS REPRESENTED BY		4,012,612	146,266
Fund balance b/fwd 1st July...	13	146,266	20,138,843
Surplus/Deficit for the year		3,684,858	(19,992,577)
Prior year adjustments	14	181,489	-
NET FINANCIAL POSITION		4,012,612	146,266

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-South Imenti Constituency financial statements were approved on 20/02/2019 and signed by:


Fund Account Manager
Name: Leah Wairimu


Sub-County Accountant
Name: Boniface M. Mugambi
ICPAK Member Number: 17392




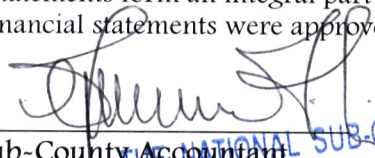
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SOUTH IMENTI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

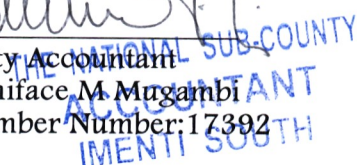
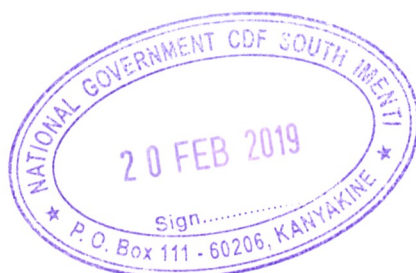
VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	84,353,447	40,948,277
Other Receipts	3	-	-
		84,353,447	40,948,277
Payments for operating expenses			
Compensation of Employees	4	1,846,697	2,236,142
Use of goods and services	5	3,879,729	6,666,120
Transfers to Other Government Units	6	23,250,000	7,050,000
Other grants and transfers	7	51,692,163	44,360,726
Other Payments	9	-	-
		80,668,590	60,312,988
Adjusted for:			
Adjustments during the year	14	181,489	-
Net cash flow from operating activities		3,866,346	(19,364,711)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8		627,866
Net cash flows from Investing Activities			(627,866)
NET INCREASE IN CASH AND CASH EQUIVALENT		3,866,346	(19,992,577)
Cash and cash equivalent at BEGINNING of the year	13	146,266	20,138,843
Cash and cash equivalent at END of the year		4,012,612	146,266

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-South Imenti Constituency financial statements were approved on 20/02/2019 and signed by:


Fund Account Manager
Name: Leah Wairimu


Sub-County Accountant
Name: Boniface M. Mugambi
ICPAK Member Number: 17392



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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	52,473,851	139,284,196	84,499,713	54,784,483	60.7%
Proceeds from Sale of Assets						
Other Receipts		-				
TOTAL RECEIPTS	86,810,345	52,473,851	139,284,196	84,499,713	54,784,483	60.7%
PAYMENTS						
Compensation of Employees	2,761,200	996,800	3,758,000	1,846,697	1,911,303	49.1%
Use of goods and services	4,801,731	2,354,638	7,156,369	3,879,729	3,276,640	54.2%
Transfers to Other Government Units	36,000,000	24,150,000	60,150,000	23,250,000	36,900,000	38.7%
Other grants and transfers	42,997,414	24,972,413	67,969,827	51,692,163	16,277,664	76.1%
Acquisition of Assets	250,000		250,000	-	250,000	0.0%
Other Payments						
TOTAL	86,810,345	52,473,851	139,284,196	80,668,590	58,615,607	57.9%


Note

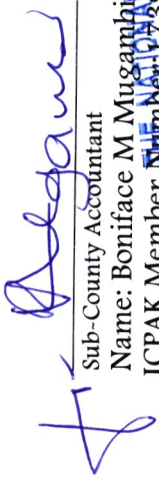
- (i) Kshs 54,784,483 is the amount receivable from NG CDF Board as at 30th June 2018
(ii) The % of Utilization are below 90% hence budget under utilization since the NG CDF Board did not release funds on time, the NG CDFC also prioritize bursary awarding which was slowly absorbed hence no funding

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

(iii) Kshs 52,473,851 in adjustment column represents opening cash book balance as at 1st July 2017 of Kshs 146,266, Funds received in the financial year relating to last financial year 2016/2017 of Kshs.40,948,275.10 and supplementary budget of Kshs 11,379,310

The NGCDF-South Imenti Constituency financial statements were approved on 20/02/ 2019 and signed by:


Fund Account Manager
Name: Leah Wairimu


Sub-County Accountant
Name: Boniface M. Mugaambi
ICPAK Member Number: 17392



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

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-South 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.

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

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) –
SOUTH 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 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) –
SOUTH 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.

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO A830000	1		4,094,828
AIE NO A855089	2		36,853,449
AIE NO A 892508	1	5,500,000	
AIE NO A892569	2	37,948,275	
AIE NOA 892902	3	37,905,172	
AIE NO A892933	4	3,000,000	
TOTAL		84,353,447	40,948,277

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		

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

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		

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	961,812	1,135,068
Basic wages of casual labor	43,215	
Personal allowances paid as part of salary		
House allowance	167,450	188,900
Transport allowance	200,000	221,000
Leave allowance		
Gratuity	462,820	679,773
Employers Contribution to NSSF	11,400	11,400
Total	1,846,697	2,236,142

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
SOUTH IMENTI 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
Utilities, supplies and services	44,067	54,768
Communication, supplies and services	26,580	180,130
Domestic travel and subsistence	132,900	350,100
Printing, advertising and information supplies & services	23,500	179,276
Training expenses	838,300	469,750
Hospitality supplies and services	129,930	98,670
Other committee expenses	179,000	494,500
Committee allowance	1,816,000	3,823,500
Office and general supplies and services	280,441	176,670
Fuel , oil & lubricants	192,500	593,450
Bank service commission and charges	40,545	
Routine maintenance - vehicles and other transport equipment	167,966	245,306
Routine maintenance- other assets	8,000	
TOTAL	3,879,729	6,666,120

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016- 2017
Transfers to National Government entities	Kshs	Kshs
Transfers to Primary schools	19,250,000	7,050,000
Transfers to Secondary schools	1,000,000	
Transfers to Tertiary institutions	3,000,000	
TOTAL	23,250,000	7,050,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017-2018	2016- 2017
	Kshs	Kshs
Bursary -Secondary	9,358,601	6,547,303
Bursary -Tertiary	9,488,045	13,614,891
Mocks & CAT	1,474,138	1,000,000
Security	15,000,000	8,500,000
Sports	1,736,207	1,637,931
Environment	3,374,138	2,112,399
Markets and community centers	8,281,034	5,098,114
Emergency Projects	2,980,000	5,850,088
TOTAL	51,692,163	44,360,726

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
SOUTH IMENTI 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
Refurbishment of Buildings		269,866
Purchase of photocopier		170,000
Purchase of other office equipments		188,000
TOTAL		627,866

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub		

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Cooperative Bank of Kenya, Nkubu Branch A/C no.01120020073300</i>	4,012,612	146,266
Total	4,012,612	146,266
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total		
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
SOUTH IMENTI 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>Total</i>				

Total

12 RETENTION

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

Total

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts		
Cash in hand	146,266	20,138,843
Imprest		
Total	146,266	20,138,843

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
SOUTH IMENTI 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	-	-
Cash in hand		-
Others	181,489	
TOTAL	181,489	

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings		
Construction of civil works		
Supply of goods	181,489	
Supply of services		
	181,489	

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Staff Gratuity	176,395	1,189,589
	176,395	1,189,589

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017- 2018 Kshs	2016 - 2017 Kshs
Compensation of employees	1,897,702	
Use of goods and services	5,168,596	
Amounts due to other Government entities (see attached list)	18,500,000	
Amounts due to other grants and other transfers (see attached list)	30,642,283	
Acquisition of assets	250,000	
Others (ICT HUBS)	2,338,514	
	58,797,095	

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	18,237,134	7,356,670
	18,237,134	7,356,670

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7. Commissioner of Domestic Taxes	181,489					Reversed stale cheques that were not remitted to the commissioner relating to financial year 2016/2017 which were not replaced
8.						
9.						
Sub-Total	181,489					
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total	181,489					

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Employee Name	2017- 2018 GRATUITY @31%	2016 - 2017
Enedy Mukami	28,303	205,377
Josef Majau	26,956	
Idah Gaceri	32,767	237,753
Stephen Mwenda	41,736	303,329
Jackhim Gitonga	28,303	205,377
Jeremy Kinyua	18,330	
Eric Gitonga		237,753
	176,395	1,189,589

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

ANNEX 3 – UNUTILIZED FUNDS

ANNEX 3 - UNUTILISED FUNDS	2017- 2018	2016 - 2017
	Kshs	Kshs
ICT HUB Mikumbune Library	661,486	
M& E Capacity Building	290,200	
Compensation of Employees	600,302	
Committee Expenses	45,000	
Use of goods and Services	350,624	
Transfer to Security - Yururu Ass Chiefs Office	500,000	
Acquisition of assets	250,000	
Bursary	1,315,000	
Sub Total Cash book balance as at 30th June 2018	4,012,612	
Receivable From The Board		
Employee salaries	1,297,400	
Goods and services	153,000	
Committee expenses	418,000	
	1,868,400	
Monitoring and Evaluation/Capacity Building		
Goods and services	357,463	
Committee expenses	554,310	
	911,773	
Bursary/ CATs		
Bursary Secondary Schools	4,202,586	
Bursary Tertiary Schools	2,500,000	
	6,702,586	
Primary Education Projects		
Gaatia Primary School	500,000	

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

Gangara Primary School	400,000
Kanhungu Primary School	1,000,000
Kanyakine Boys Boarding Primary School	500,000
Kathangari Primary School	600,000
Kathigiri Boarding Primary School	500,000
Kaura Primary School	500,000
Kiandungu Boarding Primary School	500,000
Kianyaga Primary School	400,000
Lower Chure Primary School	500,000
Mbaine Primary School	600,000
Mbeti Primary School	600,000
Mikumbune Primary School	500,000
Mworoga Primary School	300,000
Ndamene Primary School	1,000,000
New Blaze Nkurumo Primary School	600,000
Ngongo Primary School	1,000,000
Njerune Primary School	600,000
Nkuriga Primary School	400,000
Wesley Boarding Primary School	500,000
Yururu Girls Boarding Primary School	500,000
Yururu Primary School	400,000
	12,400,000
Secondary School Projects	
Igandene Day Secondary School	600,000
Kathigu Day Secondary School	500,000
Kithunguri Day Secondary School	500,000
Miruriiri Boys Secondary School	500,000

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

Miruriiri Girls Secondary School	500,000
Mweru Day Secondary School	500,000
Mikumbune Secondary School	800,000
Ndagene High School	500,000
Nkumari Day Secondary School	700,000
Nyagene Girls Secondary School	500,000
Nyombayathi Day Secondary School	500,000
Emergency	6,100,000
Emergency	568,966
Emergency	1,568,966
Security	2,137,931
Baitigitu AP Line	600,000
Igoji West D.o s Office	400,000
Igoji Police Station	600,000
Kariene Chiefs Office	300,000
Kiangua Police Post	500,000
Kinoro Police Post	800,000
Kirendene Chiefs Office	500,000
Kothine Chiefs Camp	500,000
Marimba Police Post	500,000
Muguru Assistance chiefs office	300,000
Ukuu Chief's office	400,000
Social facilities	5,400,000
Mikumbune Community Library	3,276,421

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

Njogune Community Hall	500,000
Kinoro Resource Centre	5,405,172
Upper Kithangari Resource Centre	5,405,172
	14,586,766
ICT Innovation Hubs	
Mikumbune Library ICT Innovation Hub	507,770
Igoji West D.O's Office ICT Innovation Hub	1,169,257
	1,677,027
Strategic Plan	
Constituency Strategic Plan	3,000,000
	54,784,483
UNUTILISED FUNDS	58,797,095

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

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	1,868,651	3,577,702		5,446,353
Transport equipment	11,371,750			11,371,750
Office equipment, furniture and fittings	281794			281794
ICT Equipment, Software and Other ICT Assets	335,474			335,474
Other Machinery and Equipment	289,650			289,650
Heritage and cultural assets				
Intangible assets				
Total	14,147,319	3,577,702		17,725,021

NOTE: The Kshs 3,577,702 in additions during the year column is not a current cost, this is a historical cost that was incurred to construct the CDF office which was omitted in the financial statements. The building was funded as follows:

Financial Year	Amount (Kshs)
2003/2004	520,000
2004/2005	1,943,457
2005/2006	1,114,245
Total	3,577,702

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

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

PMC	Bank	Account number	Bank Balance
			2017/18
Igoji Departmental offices	Cooperative Bank of Kenya	01134205826500	10,135,055
Mamuru Primary School	Cooperative Bank of Kenya	01141206593900	1,229
Kiroone Primary School	Cooperative Bank of Kenya	0114120693900	87
Baitigitu Primary School	Cooperative Bank of Kenya	01141020643000	399,325
Kigane Primary School	Cooperative Bank of Kenya	01141206679900	253
Gaturi Primary School	Cooperative Bank of Kenya	01141206457100	234
Kanyakine College	Cooperative Bank of Kenya	01139205481200	1,106,965
Ucima Primary School	Cooperative Bank of Kenya	01141206681600	408,818
Kiandungu Boarding Primary School	Cooperative Bank of Kenya	01141206654301	143
Chure Social Hall	Cooperative Bank of Kenya	01141206476900	477,331
Kairaa Primary School	Cooperative Bank of Kenya	01141207404100	349,325
Kiangua Primary School	Cooperative Bank of Kenya	01141206829200	1,973
Kaura Primary School	Cooperative Bank of Kenya	01141206450100	25,929
Kagumone Primary School	Cooperative Bank of Kenya	01141206821200	12,933
Marimba Primary School	Cooperative Bank of Kenya	01141206793200	58,834
Karegi Primary School	Cooperative Bank of Kenya	01141206678700	663
Kariene Assistance chiefs office	Cooperative Bank of Kenya	01141206952300	128,543
Nkuriga Primary School	Cooperative Bank of Kenya	01141206686600	9,993
Nkumbo Resource Centre	Cooperative Bank of Kenya	01134572711200	3,717,597
Wesley Boarding Primary School	Equity Bank	0370292946528	490,163
Kiringa Primary School	Equity Bank	0370264224456	349,945
Machikine Assistance Chief office	Equity Bank	0370266525827	150
Giumpu Primary School	Equity Bank	0370264180003	557
Iriene AP Line	Equity Bank	0370293075812	139,063
Mbeti Primary School	Equity Bank	0370299790032	1,302
Gatakene Primary School	Equity Bank	0370264271568	420,730
			18,237,134

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

ANNEX 6–LIST OF PROJECTS AS AT 30TH JUNE 2018

	Project Name	Project Activity	Project Number	Amount allocated
1	Gakiiri Primary School	Construction of a classroom from foundation to roofing	4-012-059-2630204-104-2016/17-002	500,000
2	Gatakene Primary School	Construction of a sanitation block- 11 units: foundation, walling, roofing and finishes.	4-012-059-2630204-104-2016/17-003	500,000
3	Gaukune Primary School	Renovation of 2 classes, roofing, change of window casement, pointing, flooring and wall plastering.	4-012-059-2630204-104-2016/17-005	350,000
4	Gicici Primary School	Completion of 3 classes: fixing of the fittings, walls plastering, flooring and verandah for three classes.	4-012-059-2630204-104-2016/17-006	350,000
5	Gitijiwe Primary School	Construction of a sanitation block- 3 units; foundation and casting of floor slab, walling to roofing.	4-012-059-2630204-104-2016/17-007	300,000
6	Giumpu Primary School	Heavy grading and leveling of the playground	4-012-059-2630204-104-2016/17-008	2,200,000
7	Kagaru Primary School	Construction of a classroom from foundation to roofing	4-012-059-2630204-104-2016/17-009	600,000
8	Kagumone Primary School	Renovation of 2 classes: roofing, change of window casement, pointing, flooring and wall plastering.	4-012-059-2630204-104-2016/17-010	350,000
9	Kairaa Primary School	Renovation of 2 classes: roofing, change of window casement, pointing, flooring and wall plastering.	4-012-059-2630204-104-2016/17-011	350,000
10	Kairiene Primary School	Renovation of 2 classes: walls plastering, change of windows & doors verandah and painting.	4-012-059-2630204-104-2016/17-012	350,000
11	Kamuringi Primary School	Renovations of 2 classes: fixing of the steel doors, steel casement windows, fascia board and painting.	4-012-059-2630204-104-2016/17-013	350,000

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

Reports and Financial Statements

For the year ended June 30, 2018

12	Kanthathatu Primary School	Construction of sanitation block – 10 units: walling, roofing, fixing of the fittings and finishes	4-012-059-2630204-104-2016/17-014	300,000
13	Karegi Primary School	Construction of a classroom from foundation to roofing	4-012-059-2630204-104-2016/17-015	500,000
14	Kathera Primary School	Construction of a kitchen from foundation to roofing	4-012-059-2630204-104-2016/17-016	400,000
15	Kaura Primary School	Upgrading of 3 timber classrooms to stone walling	4-012-059-2630204-104-2016/17-017	350,000
16	Kiandungu Primary School	Renovations of 2 classes; fixing of the steel doors, steel casement windows, fascia board and painting.	4-012-059-2630204-104-2016/17-018	400,000
17	Kigane Primary School	Construction of a sanitation block- 5 units: Laying foundation, walling and roofing	4-012-059-2630204-104-2016/17-021	400,000
18	Kiringa Primary School	Renovations of 2 classes; fixing of the steel doors, steel casement windows, fascia board and painting.	4-012-059-2630204-104-2016/17-023	350,000
19	Kithangari Primary School	Renovations of 2 classes; fixing of the steel doors, steel casement windows, fascia board and painting.	4-012-059-2630204-104-2016/17-025	350,000
20	Kithatu Primary School	Renovations of 2 classes; fixing of the steel doors, steel casement windows, fascia board and painting.	4-012-059-2630204-104-2016/17-026	350,000
21	Mamuru Primary School	Renovattion of 2 classes; Construction of the verandah, flooring wall plastering and fixing of fittings.	4-012-059-2630204-104-2016/17-027	350,000
22	Marimba Primary School	Construction of a sanitation block – 5 units: Laying foundation, walling and roofing	4-012-059-2630204-104-2016/17-028	400,000
23	Mbeti Primary School	Construction of a classroom from foundation to roofing.	4-012-059-2630204-104-2016/17-029	500,000

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

24	Miitune Primary School	Renovation of 2 classes; Construction of the verandah, flooring wall plastering and fixing of fittings.	4-012-059-2630204-104-2016/17-030	350,000
25	Mugae Primary School	Renovation of 3 classes; Construction of the verandah, flooring wall plastering and fixing of fittings.	4-012-059-2630204-104-2016/17-031	400,000
26	Muriru Primary School	Construction of a classroom from foundation to roofing.	4-012-059-2630204-104-2016/17-032	500,000
27	Mutiokiana Primary School	Field leveling Kshs 400,000.00 and Kshs. 100,000.00 roofing of the verandah around the classrooms.	4-012-059-2630204-104-2016/17-033	500,000
28	New Blaze Nkurumo Primary School	Construction of a classroom from foundation to roofing.	4-012-059-2630204-104-2016/17-034	500,000
29	Njogune Boarding Primary School	Construction of the second wing of the dormitory; superstructure walling, roofing and fixing of the fittings.	4-012-059-2630204-104-2016/17-035	500,000
30	Nkubu Primary School	Construction of 2 computer laboratories; wall plastering, flooring, ceiling and external finishes.	4-012-059-2630204-104-2016/17-036	300,000
31	Nkuriga Primary School	Construction of an administration block ; foundation & flooring.	4-012-059-2630204-104-2016/17-037	400,000
32	Ntemwene Primary School	Renovation of 2 classes; Construction of the verandah, flooring wall plastering and fixing of fittings.	4-012-059-2630204-104-2016/17-038	300,000
33	Ntharene Primary School	Renovations of 3 classes; flooring, fixing of the fittings, wall plastering and painting.	4-012-059-2630204-104-2016/17-039	400,000
34	Nthunguri Primary School	Renovations of 2 classes; flooring, fixing of the fittings, wall plastering and painting.	4-012-059-2630204-104-2016/17-040	350,000

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

35	Nyaagi Primary School	Construction of a dormitory : fitting of windows and doors in first floor ,ceiling.	4-012-059-2630204-104-2016/17-041	500,000
36	St. Lucys for visually impaired Primary School	Connection of water from the source to the school	4-012-059-2630204-104-2016/17-042	300,000
37	St. Mark Primary School	Construction of a classroom from foundation to roofing.	4-012-059-2630204-104-2016/17-043	500,000
38	Ucima Primary School	Construction of a classroom from foundation to roofing.	4-012-059-2630204-104-2016/17-044	400,000
39	Ukuu Primary School	Renovation of a kitchen; wall plastering, flooring construction of a chimney and fixing of the fittings.	4-012-059-2630204-104-2016/17-045	300,000
40	Wesley Boarding Primary School	Construction of an administration block :walling, plastering, painting and fittings of 2 nd floor	4-012-059-2630204-104-2016/17-046	500,000
41	Yururu Girls Boarding Primary School	Construction of an a dining hall walling and plastering of ground floor	4-012-059-2630204-104-2016/17-047	500,000
42	Kigarine Primary School	Construction of a sanitation block- 3 units(male, female units and urinal): foundation, walling and roofing	4-012-059-2630204-104-2016/17-022	300,000
43	Kagaru Primary School	Procurement of 0.5 acres of land parcel no. Abogeta/L-Kithangari 1597	4-012-059-2630204-104-2017/18-003	600,000
44	Kianjogu Day Secondary School	Construction of a classroom from foundation to roofing	4-012-059-2630205-104-2017/18-003	600,000
45	Mukaragatine Day Secondary School	Construction of 2 classrooms: Phase II -fixing of the fittings, walls plastering, painting, flooring and roofing.	4-012-059-2630205-104-2017/18-007	400,000
46	Kanyakine College	Painting of 1 lecture hall, 2 washrooms,Plastering, flooring and painting of 1 classroom and fitting of the window panes to the classroom and lecture hall	4-012-059-2630206-104-2016/17-001	1,000,000

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

47	Kiroone Youth Polytechnic	Construction of a new classroom	4-012-059-2630206-104-2014/15-004	500,000
48	Machegene Youth Polytechnic	Construction of a new classroom	4-012-059-2630206-104-2014/15-003	500,000
49	Murungurune Youth Polytechnic	Construction of a new classroom	4-012-059-2630206-104-2014/15-001	500,000
50	Muguru Youth Polytechnic	Construction of a new classroom	4-012-059-2630206-104-2014/15-005	500,000
51	Bursary Tertiary	Payment of bursary to needy student	4-012-059-2640102-103-2017/18-003	9,488,045
52	Bursary Secondary	Payment of bursary to needy student	4-012-059-2640102-103-2017/18-001	9,358,601
53	South Imenti Exams Project	Support Continuous Assessment Tests to class 8 pupils of both private and public schools in the constituency	4-012-059-2640104-112-2016/17-002	1,474,138
54	Mikumbune Library	Walling, roofing of first floor and finishing of ground floor:- plastering,	4-012-059-2640511-108-2016/17-003	1,500,000
55	Chure Social Hall	Kshs .1,181,034.13 fixing of the fittings , walls plastering, flooring and construction of a pit-latrine –Kshs 300,000.00 male , female and urinal units.	4-012-059-2640511-108-2016/17-001	1,481,034
56	Chure Social Hall	Construction of a social hall:painting and electrical works	4-012-059-2640511-108-2017/18-001	300,000
57	NKUMBO RESOURCE CENTRE			500,000
58	NKUMBO RESOURCE CENTRE	Construction of a resource centre final phase:- walling of ground and first floors, painting, plumbing works, door and windows fitting,wiring and Septic tank	4-012-059-2640511-108-2017/18-004	4,500,000
59	GATAIKUBU CULVERTS	Installation of culverts	4-012-059-2640200-101-2017/18-001	1,180,000
60	KAGUMONE PRIMARY SCHOOL	Levelling the ground with gulleys	4-012-059-2640200-101-2017/18-001	350,000

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

61	ITHITWE CULVERT	Installation of culverts	4-012-059-2640200-101-2017/18-001	500,000
62	GANKARI CULVERT	Installation of culverts	4-012-059-2640200-101-2017/18-001	450,000
63	ST JUDE PRIMARY SCHOOL	Construction of pit latrines	4-012-059-2640200-101-2017/18-001	300,000
64	KIANGUA SECONDARY SCHOOL	Repairs of a burnt dormitory	4-012-059-2640200-101-2017/18-001	200,000
65	Abogeta West Division office	Procurement of furniture, curtain boxes and curtains	4-012-059-2640507-113-2016/17-001	200,000
66	Baitigitu AP Line	Construction of AP residential houses-5 units; walling and plastering	4-012-059-2640507-113-2016/17-002	400,000
67	Baranga AP Line	Construction of AP residential houses – 4 units; wall plastering, ceiling, flooring and painting.	4-012-059-2640507-113-2016/17-003	300,000
68	Igoji Police Station	Construction of AP residential houses- 4 units; foundation ,walling, plastering and roofing	4-012-059-2640507-113-2016/17-006	400,000
69	Iriene AP Line	Construction of 5 Offices; Kshs 100,000.00 painting, electricity, finishing of the armoury and Kshs 200,000.00 construction of a pit latrine – Male, Female units.	4-012-059-2640507-113-2016/17-007	300,000
70	Kariene Assistance Chiefs office	Construction of the assistant chiefs 2 offices; walling, roofing and fixing of the fittings.	4-012-059-2640507-113-2016/17-008	300,000
71	Kiroone Chiefs Camp	Construction of AP residential houses- 4 units; laying foundation ,walling, plastering and roofing	4-012-059-2640507-113-2016/17-009	400,000
72	Machikine Assistance Chiefs Office	Construction of the 2 offices: Kshs 100,000.00 painting, scrubbing of the stones and Kshs 200,000.00 construction of a pit-latrine– Male, Female units.	4-012-059-2640507-113-2016/17-010	300,000

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

73	Maraa Police Post	Kshs 50,000.00 Electrification of 3 offices and Kshs 250,000.00 construction of toilets– Male, Female units and urinal.	4-012-059-2640507-113- 2016/17-011	300,000
74	Mitunguu Police Station	Renovation of I cell, 2 offices and an armoury: plastering , painting, pointing and roofing	4-012-059-2640507-113- 2016/17-012	600,000
75	Muguru Assistance Chiefs Office	Construction of assistant chiefs office; finishing of the walling and roofing of 3 offices.	4-012-059-2640507-113- 2016/17-013	300,000
76	Mutunguru AP Line	Construction of 6 AP houses; finishing of the walling, roofing and fixing of the fittings.	4-012-059-2640507-113- 2016/17-014	400,000
77	Ukuu chiefs office	Construction of a Chiefs Office: Casting slab on foundation of 2 offices and a boardroom and walling	4-012-059-2640507-113- 2016/17-015	300,000
78	Igoji Departmental offices	Construction of departmental offices: Final Phase:-Wall plastering, flooring, electrical works, plumbing works , painting, fittings of ground floor, first and second floors, septic tank and landscaping	4-012-059-2640507-113- 2017/18-003	10,500,000
79	South Imenti Sports	Carry out Annual Constituency Sports tournament in all wards Abogeta East, Abogeta West, Igoji East, Igoji West, Nkuene and Mitunguu Wards, buy uniform and sports equipments to all teams in the constituency, the winning teams to be awarded with trophies.	4-012-059-2640509-112- 2017/18-001	1,736,206

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

80	South Imenti Environmental CBO	Planting indigenious trees in public institutions:Nkuene Ward – Ntemwene & BurieKing’ori Pry Sch, Ukuu Chiefs Camp.Mitunguu Ward –Mitunguu & Mbeti Pry Sch, Muguru chiefs offices. Abogeta East :Kothine & Kiringa Chiefs camp, Kianyaga & Mutiokiamia Pry Sch,Kireru , Njerune Pry Sch,Kiroone Chiefs Camp, Kianjogu Pry & SecondaryKairiene Pry	4-012-059-2640510-110-2016/17-001	1,637,931
81	Muungu Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/18-001	82,676
82	Ndamene Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-002	82,676
83	Lower Chure Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-003	82,676
84	Iriene Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-004	82,676
85	Baitigitu Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-005	82,676
86	Gaturi Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-006	82,676
87	Igoji Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-007	82,676
88	Kinoro Day Secondary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-008	82,676
89	St.Elizabeth Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-009	82,676
90	Geeto Day Secondary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-010	82,676
91	Geeto Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-011	82,676
92	Kionyo Day Secondary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-012	82,676
93	Kionyo Primary School,	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-013	82,676

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

94	Kaurone Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-014	82,676
95	Mitunguu Day School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-015	82,676
96	Ukuu Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-016	82,676
97	Giumpu Primary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-017	82,676
98	Kairaa Day Secondary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-018	82,676
99	Miruriiri Boys Secondary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-019	82,676
100	Nyombayathi Day Secondary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-020	82,676
101	Kothine Day Secondary School	Planting indigenous and exotic trees	4-012-059-2640510-110-2017/2018-021	82,686

74,942,163

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

15.5 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Unaccounted for bursaries A total of Kshs 13,614,491 was disbursed as bursaries to various tertiary institutions only Kshs 12,061,578 (89%) were acknowledged leaving Kshs 1,552,913 (11%) unacknowledged	The Fund Account Manager has been writing constant reminders to the institutions that did not acknowledge without much success, only few have been received	Fund Account Manager	Not resolved	30.6.19
2.1	Construction of Igoji Departmental Offices The above project started in financial year 2010/2011, the year under review it had an allocation of Ksh 5,000,000.00 making an cumulative allocation of six years Kshs 81,528,045.00 as at 30 th June 2017, Physical verification revealed that the building had not been completed and it was dilapidated, there were pending activities and provision of ramp was not there	The National Government Constituency Development Committee has committee to the NG CDF Board to complete the project by June 2020, in Year 2017/2018 the project received Kshs 10,500,000.00, Proposed allocation for the next two financial years are expected to be Kshs 4,000,000.00 and Kshs 3,500,000.00 respectively	NG CDFC	Not resolved	30.6.20
2.2	Construction of the Deputy County Commissioner Residence The project was started in Financial Year 2010/2011 , in the year under review Kshs 2,000,000.00 was disbursed to complete internal finishes , fencing and landscaping, The	The NG CDFC proposed to the NG CDF Board during a meeting held on 27 th November 2018 to fund the project to completion at Kshs 1,000,000.00 so as to put the residential	NG CDFC	Not resolved	30.6.19

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

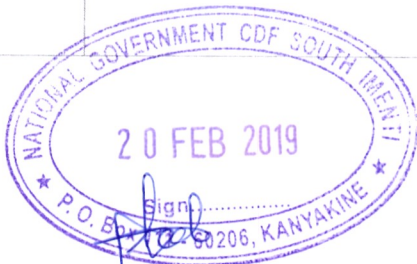
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	project cumulatively had received Kshs 9,500,000.00 however as at 30 th June 2017 the PMC account had a balance of Kshs 852,411.00 and following activities were incomplete window panes, floor tiles, water connection and wiring done was vandalised	house in a habitable status			
2.3	Establishment of Igoji ICT Centre NG CDFC disbursed Kshs 2,338,513 for establishing ICT centres , physical verification revealed that there was nothing in operation as the mounted dish was stored inside one of the rooms	Telkom Kenya mounted back the dish but due to lack of electricity connection still not in operation	NG CDFC	Not resolved	30.6.20
3.0	Purchase of Sports equipment and apparel Kshs 1,637,931.00 was disbursed to sports PMC , on scrutiny of supporting documents the quotations for procuring the items did not contain the deadline dates	We have been consistently training all the project management committees receiving the funds and involving the sub county procurement office in tender meetings	Fund Account Manager	Resolved	
	Other Matters				
1.0	Budget Control and Performance Kshs 102,035,394.00 was the budgeted receipts for the year out of which only Kshs 40,948,277.00 was received resulting to revenue shortfall of Kshs 61,087,117. There was a deficit of Kshs 19,992,577 which has not	Slow absorption of funds were as a result of bursary awarded which were being presented by various institution after a long duration hence slow absorption funds being realized. The committee has	NGCDFC	Partially resolved	

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

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)
	been explained	redesigned a way of hand delivering most of the cheques and further they intend to engage Postal Corporation of Kenya to deliver the cheques and collect the acknowledgement receipts and also holding meetings with parents of beneficiaries who collects the cheques on behalf of beneficiaries and sensitize them on repercussions of having unrepresented cheques , the committee further has adopted a strategy of calling the secondary schools principals who collects and issues the receipts from the NGCDF office The deficit of Kshs 19,992,577 was as a result of opening cash book balance of Kshs 20,138,843 as at 30 th June 2016			
2.0	Project Management and implementation Out of 77 projects worth Kshs 74,525,861.72, 62 of Kshs 33,749,999.72 projects were not implemented	Kshs 35,614,374.00 disbursed comprised of Kshs 14,500,000.00 bursary which contributed to slow funds absorption. NGCDF Board operation procedures requires a	NG CDFC	Resolved	

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

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)
		constituency to have a balance of less than Kshs 10,000,000.00 to qualify for funds requisition.			



Fund Account Manager
Name: Leah Wairimu

Sub-County Accountant
Name: Boniface M. Mugambi
ICPAK Member Number: 17392
**THE NATIONAL SUB-COUNTY
ACCOUNTANT
IMENTI SOUTH**

