

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
MBEERE SOUTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**

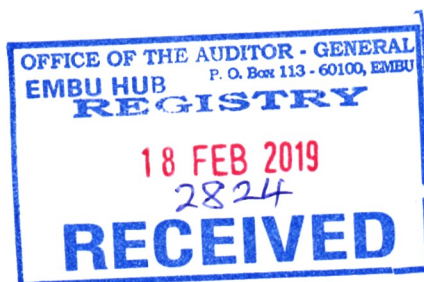


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND MBEERE SOUTH CONSTITUENCY

REVISED
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)





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

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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.

**▲ NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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(b) Key Management

The NGCDF Mbeere South day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(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	Richard M. Maingi
3.	Sub-County Accountant	Agnes M. Gitari
4.	Chairman NG-CDFC	Prof. Godfrey M. Nguru
5.	Secretary NG-CDFC	Henry Murage

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of NG-CDF Mbeere South Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF 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) NG-CDF MBEERE SOUTH Constituency Headquarters

NG-CDFC Complex Building,
P.O Box 17-60113, Kiritiri, Embu.

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(f) NG-CDF MBEERE SOUTH Constituency Contacts

Telephone: (+254) 712738176
E-mail: mbeeresouthngcdf@ngcdf.go.ke
Website: www.mbeeresouthngcdf.go.ke

(g) NG-CDF MBEERE SOUTH Constituency Bankers

Bank: Sidian Bank
Branch: Embu Branch
Account No: 01007030000803
P.O BOX 1167,
Embu, Kenya.

(h) Independent Auditors

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

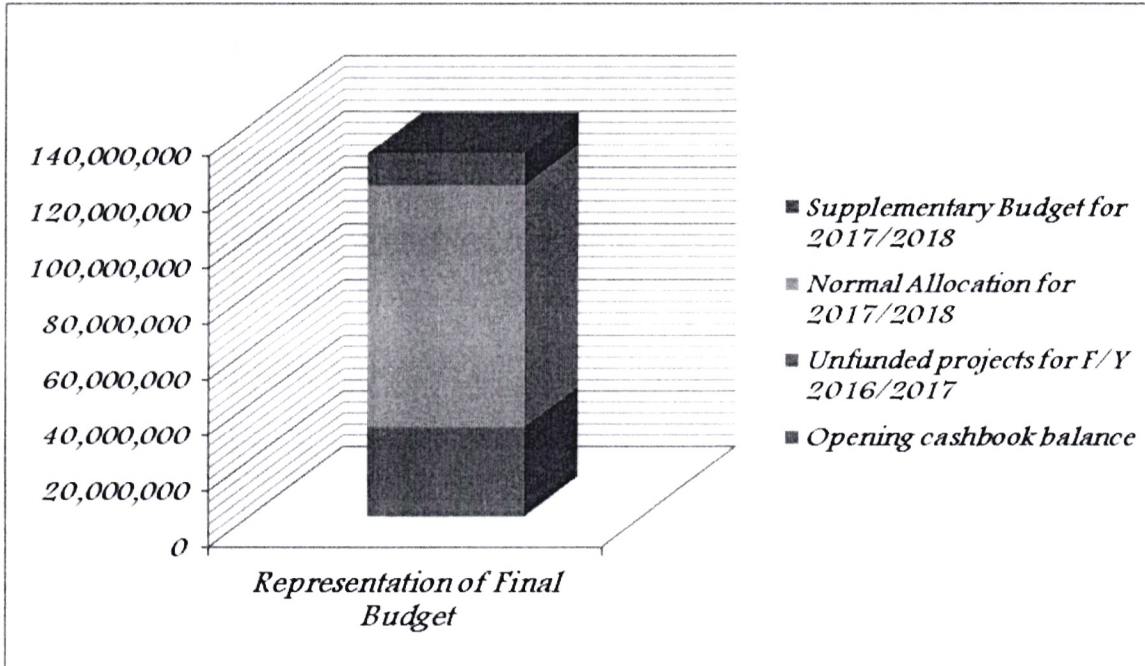
(i) Principal Legal Adviser

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

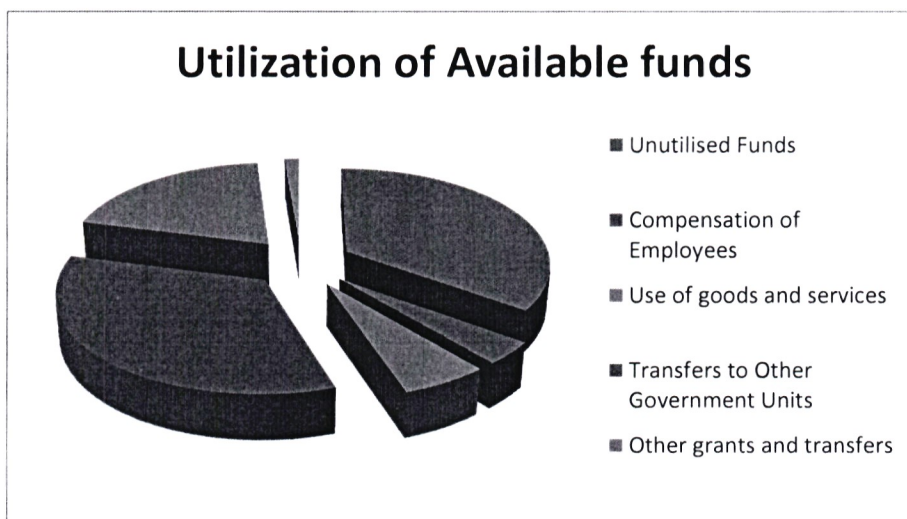
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

We are pleased to present the unaudited financial statements for the financial year ended 30th June, 2018. During the year, the Constituency was allocated a total of Kshs. 98,189,655.16 represented as; Kshs 86,810,344.82 normal allocation and Kshs. 11,379,310.34 as supplementary allocations. The opening cashbook balance was Kshs. 6,200,614. The Board held Kshs. 25,948,275 as unfunded projects during the financial year 2016/2017 to disburse in 2017/2018. In total, the NGCDFC was supposed to have Kshs. 130,338,544 for implementation of various projects during 2017/2018. This is represented as;



Of the Kshs. 130,338,544, the available fund for absorption to projects was Kshs. 75,554,062. The NGCDFC managed to absorb Kshs. 49,047,370 of the available funds, representing an absorption rate of 65%. The absorption rate realised is summarised as per the pie chart below;



• **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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The financial year 2017/2018 witnessed the most prolonged electoral process the country has ever had in its independence history. This significantly affected the overall performance of the NG-CDFC in the following fundamental areas;

- (a) Late operationalization of the NG-CDFC; The NG-CDFC was gazetted late in November, 2017 and held its first sitting in December of the same year. This meant that the NG-CDFC was in office for about 6 months before the end of the financial year.
- (b) Late disbursement of funds and / or Board resolutions. Funds for the 2017/2018 were released in May, 2018, leaving only one month for absorption. Balance of funds for financial year 2016/2017 amounting to Kshs. 25M was released in March, 2018. A request to reallocate these funds was done only for the Board's resolution to disapproving the same delaying till May, 2018, with only one month before the end of the financial year.
- (c) Training for the NG-CDFC also delayed to June, 2018. The incoming NG-CDFC members were all new to the task and required proper orientation and induction to the operation of NG-CDF kitty as well as on the guidelines and Regulations pertaining to the administration of the kitty. This meant slow absorption of the funds due to caution taken out of not being well versed with these operations.

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

- (a) The main achievement the NG-CDFC has managed to attain is the incorporation of line departments in the administration of the kitty. We managed to seek guidance and professional advice of the technical departments in the formulation of Bills of Quantity, architectural designs, work plans, procurement of works, goods and services. The NG-CDFC is ready to take off in the current financial year, having obtained BQ's for all the projects from the works office, tendered the same, opened the tender documents all under the guidance of the procurement office and evaluation done technically by the line department, currently awaiting awarding for serious work to commence.
- (b) The NG-CDFC has managed to undertake to completion the following projects;
 - Fencing of 20 acres of NG-CDFC land at Makawani Primary School at a cost of Kshs. 2.1M locking out illegal encroachment by members of the public.
 - Fencing of two acre of land at Igumori Secondary School properly securing the Girls dormitory, at a cost of Kshs. 600,000.
 - Fencing of two acre of land at St. Augustine Mariari Girls Secondary School and securing the dormitories at a cost of Kshs. 600,000.
- (c) Disbursement in total of first tranche bursary funds Kshs. 4.5M to need students as Secondary Schools Kshs. 2.5M and Tertiary Institutions Kshs. 2M.
- (d) The NGCDFC has set aside Kshs. 2.5M and prioritised the formulation of Strategic Plan 2018-2022 in order to provide a clear road map of the developmental agenda for the next five years. This exercise is in progress currently.

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

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

- (a) Underfunding of projects. The time offered by the Board to draw up budget proposals is insufficient to come up with a comprehensive budget that takes care of the underlying cost elements like BQ's, architectural designs, registration of projects with the county council, NEMA etc. Consequently these costs are not funded. This becomes a challenge during implementation of projects, and sometimes calls for negotiations with the contractors. We have however involved the line departments in formulation of budget proposals to give guidelines on the costs of projects rather than relying on estimates. The Board should give adequate time; say two months, to come up with proper budget proposals.

- (b) 5% administration expenses. These allocations to PMCs' as funds for the administration of the projects are quite insufficient. These funds cannot adequately meet the requirements for PMC's to travel to bank, NG-CDFC offices, pay allowances, stationery, procure BQs, architectural designs and registration of the projects. The NG-CDFC had to scale down on the number of times a PMC should meet during the implementation of a project to a maximum of four. This information was passed to PMC's during training. The Board should look into ways of increasing these allocations in order to adequately meet the requirements of administering of projects monies.
- c) The Project Management Committees generally faced a major challenge in strict adherence to Public procurement procedures. There was minimal participation of Line Departments as well as poor record keeping, or if any, very sketchy. In most cases, the PMCs' were slow in submission of returns to the NG-CDFC office accounting for the activities.
To mitigate the above, the NG-CDFC embarked on PMC trainings, an exercise that has seen PMCs being trained prior to project implementation.

I take this opportunity to sincerely thank the MNA, NG-CDFC members, the staff, PMCs and other stake holders for the cooperation and support accorded so far, bearing in mind that the current NG-CDFC is new and ready for the task and challenges ahead. Going forward, the Committee envisions achieving greater developmental milestone as we embark on meeting our performance targets for FY 2018/2019, 100%.

Signed;


Prof. Godfrey Mungu,
CHAIRMAN NG-CDF COMMITTEE
P. O. Box 17 - 60113
KIRITIRI
CONSTITUENCY DEVELOPMENT FUND

10th September, 2018.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MBEERE SOUTH CONSTITUENCY

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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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


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


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

Approval of the financial statements

The NG-CDF Mbeere South Constituency financial statements were approved and signed by the Accounting Officer on 10th September, 2018.


Fund Account Manager
Richard M. Maingi
14 FEB 2019
P. O. Box 17 - 60113,
KIRITIRI

**FUND ACCOUNT MANAGER
NG-CDF MBEERE SOUTH**


20/02/2019
Sub-County Accountant
Faith N. Magiri
ICPAK Member Number: 17990

**THE NATIONAL SUB-COUNTY
ACCOUNTANT
MBEERE SOUTH**

REPUBLIC OF KENYA

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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 - MBEERE SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund- Mbeere South Constituency set out on pages 8 to 36, which comprise statement of assets as at 30 June 2018 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: Recurrent and Development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of National Government Constituencies Development Fund- Mbeere South Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Bursary Fund

Note 7 to the financial statements reflects Kshs.14,859,318 in respect to other grants and other payments which includes Kshs.2,581,000 and Kshs.2,032,000 in respect to bursary grants transferred to secondary schools and tertiary institutions respectively both totaling to Kshs.4,613,000. However, only transfers totaling to Kshs.1,905,000 have been acknowledged by the respective beneficiary institutions through issuance of receipts while the balance of Kshs.2,708,000 have not been acknowledged or accounted for by the recipient institutions.

Consequently, the propriety, accountability and value for money of the Kshs.2,708,000 expenditure for the year ended 30 June 2018 could not be confirmed.

2.0 Lack of Ownership Documents

The summary of fixed assets register at Annexure 4 to the financial statements reflects assets with a total cost of Kshs.28,612,775 as at 30 June 2018. However, the respective ownership documents were not availed for audit verification.

In the circumstances, it has not been possible to confirm ownership, security and accuracy of the fixed assets balance of Kshs.28,612,775 as at 30 June 2018.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund- Mbeere South Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

1.1 Receipts

The combined summary statement of appropriation reflects approved budgeted receipts of Kshs.130,338,544 and actual receipts of Kshs.75,554,062 resulting to an unrealized receipts from the Board totaling to Kshs.54,784,483 or 42% during the year ended 30 June 2018.

In overall, the Fund failed to actualize its budget by Kshs.54,784,483 or 42% of the total budgeted receipts 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 Mbeere South Constituency.

In the circumstances, the residents of the Constituency did not get expected services equivalent to the Kshs.54,784,483 or 42% being the total budgeted but unrealized exchequer receipts for the year ended 30 June 2018.

1.2 Expenditure

The combined summary statement of appropriation - recurrent and development reflects approved expenditure budget of Kshs.130,338,544 and actual expenditure of Kshs.49,072,786 resulting to under absorption of Kshs.81,265,758 or 62% of the total budgeted expenditure. However, a recasting of the figures in the combined summary statement of appropriation gave an under absorption of Kshs.81,291,173 as detailed below:

Expenditure Analysis

Item	Final Budget (Kshs)	Actual (Kshs)	Under Expenditure (Kshs.)	% Under Expenditure
Compensation of employees	4,956,614	2,862,450	2,094,164	42
Use of goods and services	9,248,494	4,512,630	4,735,864	51
Transfers to other Government entities	54,227,973	25,812,973	28,415,000	52
Other Grants and transfers	41,728,436	14,859,318	26,869,118	64
Acquisition of Assets	15,500,000	1,000,000	14,500,000	93
Other payments	4,677,027	0.00	4,677,027	100
TOTAL	130,338,544	49,047,371	81,291,173	62

The under-expenditure of Kshs.81,265,758 reflected in the summary statement of appropriation is therefore under casted with Kshs.25,415.

In overall therefore, the Fund under spent its budget by Kshs.81,291,173 of the total budget allocation. The funds could have been allocated to other deserving areas that would have improved delivery of goods and services to the residents of Mbeere South 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 Mbeere South.

In the circumstances the residents of Mbeere South Constituency did not get expected services equivalent to the Kshs.81,291,173 under expenditure for the year ended 30 June 2018.

2.0 Project Implementation Status

During the year under review, the Fund allocated Kshs.89,352,587 to ninety-seven (97) projects within the constituency. However, one (1) project costing Kshs.4,500,000 has been completed, thirty-five (35) projects costing Kshs.6,972,230 are ongoing and sixty-one (61) projects amounting to Kshs.77,880,358 have not been started during the year ended 30 June 2018 as analyzed below:

Sector	Project Status	Amount Allocated(Kshs.)	Amount Disbursed(Kshs.)	No. of Projects
Emergency	Completed			0
	Ongoing	1,500,000	1,500,000	30
	Not started	3,637,932		0
	Sub-Total	5,137,932	1,500,000	30
Education	Completed			0

Sector	Project Status	Amount Allocated(Kshs.)	Amount Disbursed(Kshs.)	No. of Projects
	Ongoing	3,302,973	3,302,973	3
	Not started	32,125,000	5,510,000	31
	Sub-Total	35,427,973	8,812,973	34
Security	Completed			0
	Ongoing			0
	Not started	4,820,000	2,495,000	11
	Sub-Total	4,820,000	2,495,000	11
Sports	Completed			0
	Ongoing			0
	Not started	1,644,828	1,644,828	1
	Sub-Total	1,644,828	1,644,828	1
Environment	Completed			0
	Ongoing			0
	Not started	1,644,828		11
	Sub-Total	1,644,828		11
Bursary-Secondary & Tertiary	Completed	4,500,000	4,500,000	1
	Ongoing			0
	Not started	13,500,000		1
	Sub-Total	18,000,000	4,500,000	2
Constituency Innovative Hubs	Completed			0
	Ongoing	1,169,257	1,169,257	1
	Not started	3,507,770		3
	Sub-Total	4,677,027	1,169,257	4
NG-CDFC office	Completed			0
	Ongoing	1,000,000	1,000,000.	1
	Not started	3,000,000		1
	Sub-Total	4,000,000	1,000,000	2
NG-CDFC Vehicle	Completed			0
	Ongoing			0
	Not started	11,500,000		1
	Sub-Total	11,500,000		1
Strategic Plan	Completed			0
	Ongoing			0
	Not started	2,500,000	2,500,000	1
	Sub-Total	2,500,000	2,500,000	1
	Grand total	89,352,587	23,622,058	97

In view of the foregoing, the constituents have not received the expected services equivalent to Kshs.6,972,230 and Kshs.77,880,358 ongoing and not started projects respectively all totalling to Kshs.84,852,588 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 in improving service delivery to the citizen of Mbeere South Constituency.

3.0 Project Inspection Status

Out of the ninety-seven (97) projects costing Kshs.89,352,587 budgeted for implementation during the year under review, a sample of forty-four (44) projects with a total budget of 23,549,289 were verified during this audit assignment. However, out of the forty-four (44) projects, only eighteen (18) projects (41%) costing Kshs.14,263,386 were completed, sixteen (16) projects costing Kshs.3,602,972 are ongoing and ten (10) project costing Kshs.5,682,931 have not started as follow;

Sector	Project Status	Amount Allocated (Kshs)	Amount Disbursed (Kshs.)	No of Project
Education	Completed	10,200,000	10,200,000	16
	Ongoing	2,852,972	2,852,972	1
Emergency				
	Ongoing	750,000	750,000	15
Roads	Completed	4,063,386	4,063,386	2
	Not Started	3,945,000	3,945,000	8
NG-CDF Office	Not Started	1,000,000	1,000,000	1
Environment	Not Started	737,931	737,931	1
Total		23,549,289	23,549,289	44

In the circumstances, based on the audit sample, the fund did not complete about 60% of the budgeted projects for the year ended 30 June 2018 and consequently, the residents of Mbeere South did not get the expected goods and services as planned.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Qualified opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Qualified opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSA 1330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance was 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 Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund's 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 money is applied in an effective way.

Those charged with governance are responsible for overseeing the Fund'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 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 review 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 in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

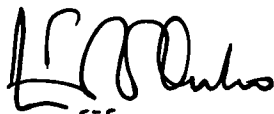
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue offering services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue offering services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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

04 April 2019

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MBEERE SOUTH CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NG-CDF board	1	69,353,447	114,818,312
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		69,353,447	114,818,312
PAYMENTS			
Compensation of employees	4	2,862,450	3,033,050
Use of goods and services	5	4,512,630	7,563,189
Transfers to Other Government Units	6	25,812,972	58,572,089
Other grants and transfers	7	14,859,318	61,355,941
Acquisition of Assets	8	-	130,000
Other Payments	9	1,000,000.00	2,893,952
TOTAL PAYMENTS		49,047,370	133,548,221
SURPLUS/(DEFICIT)		20,306,077	(18,729,910)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Mbeere South Constituency financial statements were approved on 10th September, 2018 and signed by:


**FUND ACCOUNT MANAGER
NG-CDF MBEERE SOUTH**
Fund Account Manager
Richard M. Maingi
14 FEB 2019
P. O. Box 17 - 60113,
KIRITIRI


20/02/2019
Sub-County Accountant
Faith N. Magiri
ICPAK Member Number: 17990

THE NATIONAL SUB-COUNTY ACCOUNTANT
MBEERE SOUTH

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

Reports and Financial Statements


For the year ended June 30, 2018

V. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	26,737,692	6,200,614
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		26,737,692	6,200,614
Current Receivables Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		26,737,692	6,200,614
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12	-	-
NET FINANCIAL ASSETS		26,737,692	6,200,614
REPRESENTED BY			
Fund balance b/fwd 1st July 2017	13	6,200,614	24,778,893
Surplus/Deficit for the year		20,306,077	(18,729,910)
Prior year adjustments	14	231,000	151,632
NET LIABILITIES		26,737,692	6,200,614

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Mbeere South Constituency financial statements were approved on 10th September, 2018 and signed by:


FUND ACCOUNT MANAGER
NG-CDF MBEERE SOUTH
 Fund Account Manager
 Richard M. Maingi **14 FEB 2019**
P. O. Box 17 - 60113,
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 20/02/2019
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**THE NATIONAL SUB-COUNTY
 ACCOUNTANT
 MBEERE SOUTH**

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


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

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 – 2018	2016 - 2017
Transfers from NG-CDF Board	1	69,353,447	114,818,312
Other Receipts	3	-	-
		69,353,447	114,818,312
Payments for operating expenses			
Compensation of Employees	4	2,862,450	3,033,050
Use of goods and services	5	4,512,630	7,563,189
Transfers to Other Government Units	6	25,812,973	58,572,089
Other grants and transfers	7	14,859,318	61,355,941
Other Payments	9	1,000,000	2,893,952
		49,047,370	133,418,221
Adjusted for:			
Adjustments during the year	14	231,000	151,632
Net cash flow from operating activities		20,537,077	(18,448,278)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	130,000
Net cash flows from Investing Activities		-	(130,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		20,537,077	(18,578,278)
Cash and cash equivalent at BEGINNING of the year	13	6,200,614	24,778,893
Cash and cash equivalent at END of the year		26,737,692	6,200,614

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Mbeere South Constituency financial statements were approved on 10th September, 2018 and signed by:


**FUND ACCOUNT MANAGER
 NG-CDF MBEERE SOUTH**
 Fund Account Manager
 Richard M. Maingi
14 FEB 2019
**P. O. Box 17 - 60113,
 KIRITIRI**


 Sub-County Accountant
 Faith N. Magiri
 ICPAK Member Number: 17990

**THE NATIONAL SUB-COUNTY
 ACCOUNTANT
 MBEERE SOUTH**

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

I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	86,810,345	43,528,199	130,338,544	75,554,062	54,784,483	58
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
PAYMENTS						
Compensation of Employees	2,852,000	2,104,614	4,956,614	2,862,450	2,068,748	58
Use of goods and services	7,049,724	2,198,770	9,248,494	4,512,630	4,735,865	49
Transfers to Other Government Units	26,077,973	28,150,000	54,227,973	25,812,973	28,415,000	48
Other grants and transfers	30,653,621	11,074,815	41,728,436	14,859,318	26,869,118	36
Acquisition of Assets	14,500,000	-	14,500,000	-	14,500,000	0
Other Payments	5,677,027	-	5,677,027	1,000,000	4,677,027	18
TOTALS	86,810,345	43,528,199	130,338,544	49,047,370	81,265,758	38

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

From the above data, it's clear that the NG-CDFC was able to absorb Kshs. 49M of the available fund of Kshs. 75.5M representing about 65%. The rate of absorption of the available funds was varied in all the vote heads. Generally there was a low absorption of available fund under all expense categories. This was occasioned by the prolonged electoral process witnessed during the financial year that only allowed the NG-CDFC about 6 months to execute its mandate instead of the full 12 months in any financial year. The constituency experienced change of guard in Member of National Assembly and all other Elective positions. This meant a new NG-CDFC that required orientation and induction procedures in order to be able to operate.

The first major funds the NG-CDFC received was the Kshs. 25M that came in March, 2018. These funds related to projects of the previous financial year and regime. The NGCDFC undertook to reallocate about Kshs. 20M of these funds, a fact that further compounded the delay in absorption of these funds. It should be noted that this was the same period the NG-CDFC Board was occupied with review and dissemination of 290 Budget proposals for all the constituencies nationally, thus requests for reallocations took back stage. The recommendation by the Board was a disapproval of the request to reallocate that came in May, 2018, four months after it had been made. This adversely affected the amount of time the NG-CDFC had to do any meaningful absorption of funds before the financial year ended.

The following is a representation of the performance of specific vote heads in funds absorption;

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

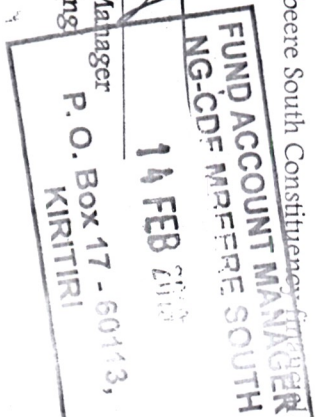
- i. Compensation of Employees realised 58% absorption. The Incoming NG-CDFC laid down five of the former employees in February, 2018 leaving only one employee in service. The NG-CDFC had resigned earlier in November, 2017. Thus this gave a reduction in salary expense for three months to year end.
- ii. Use of goods and services absorbed about 49% of the allocation budget. This was occasioned by reduction in use of the NG-CDFC vehicle that remained grounded for about six months pending repairs. This translated to no insurance and fuel costs and no maintenance expenses for the vehicle. The NG-CDFC had allocated Kshs. 1.5M for acquisition of a new NG-CDFC vehicle that was rejected by the Board pending selection of an appropriate vehicle to purchase.
- iii. Also, training costs went down owing to the short period available between when funds were acquired and year end. Transfers to Other Government Units managed to absorb about 43% of the allocated funds. This was due to two reasons, namely;
 - a. Late receipt of 2017/2018 funds. These were released by the Board during the month of May, 2018, one month to year end.
 - b. Reallocation of unfunded projects funds for financial year 2016/2017 by the NG-CDFC, whose response by the Board took three months, from February, 2018 to May, 2018 owing to the Boards' busy schedule in reviewing and finalizing the budget proposals for 2017/2018 for the 290 constituencies. There was basically just one month left to absorb these funds.
- iv. Other grants and transfers absorbed about 36% of the available allocation, reasons being the same in (iii) above.
- v. Acquisition of Assets managed to realize only a dismal 7% absorption. These funds were meant to acquire a new NG-CDFC vehicle Kshs. 1.5M and extend the office block by a further four rooms Kshs. 4M. The monies for the vehicle are yet to be approved. Of the 4M meant for office extension, the NG-CDFC prioritized Kshs. 1M only to commence the works, with Kshs. 3M pending till receipt of the second 50% tranche of funds for 2017/2018.
- vi. Other Payments were not done. These relate to acquisition of equipment for the four ICT hubs. Only one has been prioritized in the current year pending receipt of the second 50% tranche of funds for 2017/2018.

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

Particulars	Amount Kshs.
1 Opening cashbook balance	6,200,614
2 Unfunded projects for F/Y 2016/2017	25,948,275
3 Supplementary Budget for 2017/2018	11,379,310
Total	43,528,199

The NG-CDFC Mbeere South Constituency Financial Statements were approved on 10th September, 2018 and signed by:

Fund Account Manager
Richard M. Maining



Sub-County Accountant
Faith N. Magiri
ICPAK Member Number: 17990

THE NATIONAL SUB-COUNTY
ACCOUNTANT
MBEERE SOUTH

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MBEERE SOUTH 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 NG-CDF Mbeere South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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.

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

Reports and Financial Statements

For the year ended June 30, 2018

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

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

Reports and Financial Statements

For the year ended June 30, 2018

been recognized on an accrual basis (as accounts payables).

This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and 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 NG-CDF Act, 2015.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

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) –
 MBEERE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
A825937	1		50,947,987
A829929	2		4,094,828
A855212	3		36,853,449
A855531	4		7,922,048
A839737	5		15,000,000
A855935	1	5,500,000	
A892715	2	25,948,275	
	3	37,905,172	
TOTAL		69,353,447	114,818,312

2. PROCEEDS FROM SALE OF ASSETS

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

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,495,889	1,462,547
Basic wages of casual labour	30,000	0
Employer contribution to NSSF	65,153	170,640
Personal allowances paid as part of salary		
House allowance	226,000	336,000
Transport allowance	-	342,000
Leave allowance	4,000	12,000
Gratuity	825,408	347,263
Other personnel payments	216,000	362,600
Total	2,862,450	3,033,050

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	2,248,600	2,301,400
Utilities, supplies and services	68,543	138,966
Communication, supplies and services	19,750	109,670
Domestic travel and subsistence	283,800	113,500
Printing, advertising and information supplies & services	193,090	53,802
Rentals of produced assets	0	0
Training expenses	920,450	2,344,800
Hospitality supplies and services	107,440	218,526
Insurance costs	0	222,933
Specialized materials and services	0	0
Office and general supplies and services	48,550	143,155
Fuel ,oil & lubricants	220,000	524,000
Other operating expenses	199,921	402,400
Routine maintenance – vehicles and other transport equipment	152,486	873,010
Routine maintenance – other assets	50,000	117,027
Total	4,512,630	7,563,189

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government Entities	0	0
Transfers to Primary Schools (see attached list)	20,362,973	32,780,000
Transfers to Secondary Schools (see attached list)	5,450,000	24,132,089
Transfers to Tertiary Institutions (see attached list)	0	220,000
Transfers to Health Institutions (see attached list)	0	1,440,000
TOTAL	25,812,973	58,572,089

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – Secondary Schools (see attached list)	2,581,000	19,712,425
Bursary – Tertiary Institutions (see attached list)	2,032,000	10,226,000
Bursary – Special Schools (see attached list)	0	0
Mock & CAT	0	1,349,890
Water	0	9,284,600
Security projects (see attached list)	3,945,000	7,530,000
Roads	4,063,387	4,215,400
Sports projects	0	1,637,931
Environment projects	737,931	2,122,048
Emergency projects (see attached list)	1,500,000	5,277,647
Total	14,859,318	61,355,941

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MBEERE SOUTH 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	2016-2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	130,000
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	130,000

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Improvement of office/ office grounds	1,000,000	2,893,952
ICT Hub	0	0
Total	1,000,000	2,893,952

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
SIDIAN Bank, Embu Branch A/C no. 01007030000803	26,737,692	6,200,614
Total	26,737,692	6,200,614
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (specify)	0	0
Total	0	0
[Provide cash count certificates for each]		

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12: RETENTION

	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1 N/A	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 (01/07/2017) Kshs	2016-2017 (01/07/2016) Kshs
Bank accounts	6,200,614	24,778,893
Cash in hand		
Imprest	0	0
Total	6,200,614	24,778,893

[Provide short appropriate explanations as necessary]

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	231,000	151,632
Cash in hand	-	-
Imprest	-	-
Total	231,000	151,632

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of Buildings	0	0
Construction of Civil works	0	0
Supply of Goods	0	0
Supply of Services	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior Management	0	0
Middle Management	210,056	0
Unionisable Employees	0	0
Others (specify)	0	0
	210,056	0

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	836,852	1,756,160
Use of goods and services	4,526,119	1,111,880
Amounts due to other Government entities	28,915,000	23,532,576
Amounts due to other grants and other transfers	27,567,175	5,748,274
Acquisition of assets	14,500,000	0
Others	5,177,027	0
	81,522,174	32,148,890

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	7,659,627	4,928,004
	7,659,627	4,928,004

15.5: Trial Balance

TRIAL BALANCE AS AT 30TH JUNE 2018			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	26,737,692	
	Cash Balances	-	-
	Outstanding Imprest	-	-
Payments			
	Compensation of Employees	2,862,450	
	Use of goods and services	4,512,630	
	Transfers to Other Government Units	25,812,973	
	Other grants and transfers	14,859,318	
	Acquisition of Assets	-	
	Other Payments	1,000,000	
Receipts			
	Transfers from the Board		69,353,447
	Proceeds from sale of assets		-
	Others receipts		-
	Prior Year Adjustment		231,000
	Fund Balance b/f		6,200,614
TOTAL		75,785,062	75,785,062

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (contractual)							
10. Janerose Munyi (clerical officer)	G	222,036	31/08/2018	0	210,056	131,783	To pay at the end of August 2018
11.							
12.							
Sub-Total					210,056		
Grand Total					210,056		

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees				
Employees' Salaries	Payment of staff salaries and gratuity	545,108		
NSSF	Payment of NSSF Deductions	209,774		
NHIF	Payment of NHIF Deductions	81,970		
	Sub-Total	836,852		
Use of goods & services				
	Purchase of fuel, repairs and maintenance, printing, stationery, telephone, travel and subsistence, plus acquisition of WIFI 30K, two Personal Computers 140K and Photocopying Machine 50K	448,765		
Goods and Services	Payment of Committee allowances	608,442		
Committee Expenses	Purchase of fuel, repairs and maintenance, printing, stationery, Airtime, travel and subsistence	439,265		
Goods and Services	Payment of other committee expenses	39,554		
Committee Expenses	Undertake Training of the PMCs/NG-CDFCs and NG-CDFC's staff on NG-CDF operations and / or carry out awareness programmes to the constituents on NG-CDF matters.	490,093		
CDFC/PMC Capacity Building	To draw up a five year constituency strategic plan	2,500,000		
Strategic Plan		4,526,119		
Amounts due to other Government entities				
Gatirirari Primary School	Construction of an eight door pit latrine	400,000		
J.N. Mwonge Primary School	Construction of an eight door pit latrine	400,000		
Kaninwanthiga Primary School	Construction of an administration block	750,000		
Kirathe Primary School	Construction of an eight door pit latrine	400,000		
Makawani Primary School	Construction of a classroom	750,000		
Makutano Primary School	Construction of a classroom	750,000		
Munyori Primary School	Construction of an eight door pit latrine	400,000		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-MBEERE SOUTH CONSTITUENCY
Reports and Financial Statements
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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Wango Primary School	Construction of an administration block	750,000		
	To acquire 686 desks @ Kshs. 4,500 for the following Primary Schools; Kiruriri 18, St. Kizito 18, Kariguri 18, Kariari 18, Kamaunju 38, Marimari 18, St. Kilia 18, Kamunyagia 18, Ngeca 18, Mbondoni 38, Gikuru 38, AIC Ndune 18, Rianguu 20, AIC Gachuriri 20, Rianjeru 20, Kiamuringa 20, Ngangari 20, Kamwimbi 15, Igumori 20, Kerwa 20, Rugogwe 20, Rurii 20, Gikiro 20, Kauriro 15, Maviani 20, Gitaraka 20, Makutano 20, Kamweli 20, Makima 20, Irari 20, Kariguri 20, St. Ann Rutumbi 20, St. Mark Kiria 20.	2,127,000		
Primary School Desks	To acquire 84 staff chairs @ Kshs. 4,500 for the following seven Primary Schools AIC Wango, Kiruriri, Nyangwa, Seven Folks, Kikulani, ACK Kilia and Kangeta.	378,000		
Primary School Staff Chairs				
Kangeta Primary School 2016/2017		1,500,000		
Gacabari Secondary School	Construction of a classroom	800,000		
Kamweli Secondary School	Acquisition of Laboratory equipment	500,000		
Kanyonga Secondary School	Construction of a dining hall phase one up to lintel level	2,000,000		
Kavingori Secondary School	Acquisition of Laboratory equipment	560,000		
Kiambere Mixed Secondary School	Acquisition of four 10,000 litres water tanks	400,000		
Maviani Secondary School	Construction of a classroom	750,000		
Mbita Secondary School	Completion of the head teacher's house including roofing, plastering, shutting and painting.	800,000		
Mutus Secondary School	Construction of a classroom	750,000		
Ngenge Secondary School	Construction of a dining hall phase one up to slabbing level	1,300,000		
Ntharawe Secondary School	Construction of an eight door pit latrine	450,000		
Nthingini Secondary School	Construction of a classroom	750,000		
Rugogwe Secondary School	Construction of an eight door pit latrine	400,000		
St. Paul's Karura Secondary School	Acquisition of Laboratory equipment	500,000		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-MBEERE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Gataka Secondary School Borehole	To carry out a feasibility study on the rehabilitation possibility of the school's borehole	200,000		
Kerwa Secondary School 2016/2017		500,000		
Munyori Secondary School 2016/2017		300,000		
ACK Kilia Primary School	Construction of administration block walling up to lintel level.	600,000		
Gataka Primary School	Finishing of classroom for the disabled-plastering and flooring	360,000		
Kanthege Primary School	Renovation of the Administration office-Plastering and flooring	90,000		
Kanthenge Primary School	Construction of one Classroom to completion	750,000		
Kanyariri Primary School	To fence the school 2 acres with chain link. The posts are 7 foot treated cedar poles.	550,000		
Kaurari Primary School	Renovation of 2 Classroom - flooring and plastering	350,000		
Manyati Primary School	Construction of a 8 door pit latrine	400,000		
Mararu Primary School	Completion of the Administration block-walling and roofing	700,000		
Mayori Primary School	Construction of a 8 door Pit Latrine and one door bathroom	500,000		
Nganduri Primary School	Construction of one Classroom to completion	750,000		
Igunori Secondary School	Construction of a Dormitory to slab level (phase one)	1,000,000		
St. Augustine Secondary School Mariari	Acquisition of Laboratory Equipment	400,000		
Mashamba Secondary School	Construction of a 8 door pit latrine	400,000		
Ntharawe Secondary School	Construction of one Classroom to completion	750,000		
St. Claire Girls Secondary School	To fence the school 2 acres with chain link. The posts are 7 foot treated cedar poles.	600,000		
St. Joseph Mixed Secondary School Iriamurai	Construction of a 8 door pit latrine	400,000		
Yonder Karwigi Secondary School	Construction of one Classroom to completion	750,000		
Sub-Total		28,915,000		
Amounts due to other grants and other transfers				

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-MBEEBE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	4,762,759		
Bursary Secondary Schools	Payment of bursary to needy student	8,754,201		
Bursary Tertiary Institutions	Payment of bursary to needy student	6,935,400		
Karaba AP Lines	Construction of eight door pit latrines for AP lines	250,000		
Kithunthiriri Chiefs Office	Construction of a four door pit latrine	200,000		
Kithunthiriri Chiefs Office	Renovation of the chiefs' office including flooring and roofing.	100,000		
Makima ACC's Office	Renovation of the Assistant County Commissioners office including plastering, roofing and painting	600,000		
Nyangwa Assistant Chiefs office	Construction of assistant chiefs office	700,000		
Sports	Support sports tournaments within the constituency and present active and registered teams with sports gear and kits including balls, nets and uniforms	1,644,828		
Environment	Support the establishment of Public Institution based tree nurseries at the following Institutions: Kiriri, Ikomeni, Kitoloni, Karaba and Gatirari Primary Schools plus at Rwikia Technical @ Kshs. 200,000 total Kshs. 1,200,000			
Mocks 2015/2016	Administer a standard mock exam	650,110		
Education forums 2015/2016	Facilitate educational motivational talks	1,300,000		
ACC Office Gachoka	To purchase an office Chair for ACC's office	25,000		
Wango-Riakanau Road	Gravelling of the road	50		
	Sub-Total	27,567,175		
	Sub-Total	61,845,147		
Acquisition of assets				
NG-CDPC Vehicle	For acquisition of a NG-CDPC vehicle, Toyota Land cruiser Prado KDJ150R- GKAEY- TXL automatic with sequential, Heavy duty passenger Vehicle 4X4, Diesel 2982 cc from Japan through Toyota Kenya	11,500,000		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-MBEERE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
NG-CDFC office	For office expansion by four rooms, improve on the drainage around the office block and paving round the office block	3,000,000		
Others (specify)				
Constituency Innovative Hubs	Installation of Equipment in four constituency innovative Hubs at NG-CDFC office Kiritiri, NG-CDFC hall Karaba, TAC Hall Kiambere and Rwika Social Services offices.	4,677,027		
Electrification Kiamucinga Mkt 2015/2016	Acquisition of a transformer	500,000		
Sub-Total		19,677,027		
Grand Total		81,522,174		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-MBEERE SOUTH CONSTITUENCY
Reports and Financial Statements
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	2,000,000	0	0	2,000,000
Buildings and structures	21,763,131	0	0	21,763,131
Transport equipment	3,400,009	0	0	3,400,009
Office equipment, furniture and fittings	839,335	0	0	839,335
ICT Equipment, Software and Other ICT Assets	433,000	0	0	433,000
Other Machinery and Equipment	177,300	0	0	177,300
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	28,612,775	0	0	28,612,775

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-MBEERE SOUTH CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	2,000,000	0	0	2,000,000
Buildings and structures	21,763,131	0	0	21,763,131
Transport equipment	3,400,009	0	0	3,400,009
Office equipment, furniture and fittings	839,335	0	0	839,335
ICT Equipment, Software and Other ICT Assets	433,000	0	0	433,000
Other Machinery and Equipment	177,300	0	0	177,300
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	28,612,775	0	0	28,612,775

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)

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
GACHURIRI-MASHAMBA ROAD PMC	Sidian Bank Embu	A01007150012911	38
MUTUGU PRIMARY SCHOOL PMC	Sidian Bank Embu	A01007150013208	735,903
IGOMORI SECONDARY SCHOOL PMC	Sidian Bank Embu	A01007150013228	162
MACHANGA PRIMARY SCHOOL PMC	Sidian Bank Embu	A01007150013238	1,173,775
GACHURURI AP LINE PMC A/C	Sidian Bank Embu	A01007150013298	427,388
GATUANYAGA PRIMARY SCHOOL PMC	Sidian Bank Embu	A01007150013328	733,888
ST.MARY NYANGWA GIRLS SEC. SCH. PMC	Sidian Bank Embu	A01007150013348	735,914
NG-CDFC OFFICE PMC A/C	Sidian Bank Embu	A01007150013378	974,888
MBEERE SOUTH ENVIRONMENT	Sidian Bank Embu	A01007150013388	737,931
DEPUTY COUNTY COMM OFFICE PMC	Sidian Bank Embu	A01007150013398	969,775
MAKIMA AP LINES PMC A/C	Sidian Bank Embu	A01007150013418	400,000
ST AUGUSTINE SEC SCHOOL PMC	Sidian Bank Embu	A01007150013468	166
RIACINA PRIMARY SCHOOL PMC	Sidian Bank Embu	A01007150013488	382,914
KARURA PRIMARY SCHOOL PMC	Sidian Bank Embu	A01007150013518	386,888
Total			7,659,627

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-MBEERE
SOUTH CONSTITUENCY
Reports and Financial Statements
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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Stale Cheques	The stale cheques amounting to Kshs 76,075 as per June 2017 bank reconciliation have been reversed. See Annex 1 bank reconciliation for August, 2017.	FAM	Resolved	
	i) Wango-Riakanau Road	The NG-CDFC disbursed Kshs. 415,400.00 for the above project as evidenced by the engineer's certificate. The balance of Kshs. 1.9M had not been disbursed. This is to be disbursed in 2017/2018 financial year. See Annex 2 , engineer's certificates.	FAM	Resolved	
	i) Gategi-Mashamba Road	Attached are copies of the PMC file accounting for the funds. Annex 3 .	FAM	Resolved	
	i) Primary Schools Desks	The distribution exercise for these desks has just been concluded. We are awaiting the distribution report plus acknowledgement of receipt of desks by the schools as well as the project file from the PMC. Copies of this will be forwarded to your attention for reference.	PMC	Resolved	
	i) Purchase of Parcels of Land	Attached Annex 4 are copies of the necessary documents from the PMC file.	FAM	Resolved	
	i) Water Projects	Attached find copies of the PMC files for the three water projects.	FAM	Resolved	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-MBEERE
SOUTH CONSTITUENCY
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Annex 5. Currently the water projects are complete and can be verified on the ground. The NG-CDFC will be handing these projects over to the county government for management.			
	Other Pending Payables	The pending payables of Kshs. 6,200,615 represent the cash book bank balance as at 30 th June, 2017. It is the balance in the cash book that had not been disbursed as at the end of the financial year. The figure does not in any way reflect amounts owed to any supplier of goods or services but rather cash book balance that is yet to be disbursed to its respective beneficiaries. See the financial statements;	FAM	Resolved	

