

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

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ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KIAMBU CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018

 THE NATIONAL ASSEMBLY PAPERS LAID DATE: 24 JUL 2019	
	DAY.
TABLED BY:	
CLERK AT THE TABLE:	



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

Revised Template 30th June 2018




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KIAMBU
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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Core Values

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

(b) Key Management

The NGCDF **Kiambu** 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	Gumato Sharomo Budha
3.	Sub-County Accountant	Lawrence Warui
4.	Chairman NGCDFC	Stephen Mwaura Ngugi
5.	Member NGCDFC	Josephine Mwangi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1767 - 00900
Kiambu, KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIAMBU CONSTITUENCY

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(f) NGCDF KIAMBU Constituency Contacts

Telephone: (254) 725 753171
E-mail: kiambutowncdf@gmail.com

(g) NGCDF KIAMBU Constituency Bankers

1. Equity Bank Limited
Kiambu Branch
A/C number: 0640261707042

(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

Annual Constituency Allocation

I am pleased to present the unaudited financial statements for Kiambu Constituency for the financial year ended 30th June 2018. During the year, the Constituency was allocated a total of Kshs 98,189,655.00 consisting of Kshs 86,810,344.00 as normal allocation and Kshs 11,379,311.00 as additional allocations.

On receipt of the above allocations, Kiambu Constituency National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency.

Sector Prioritization

During the year, a total of Kshs 42,870,340 was allocated as transfers to other Government Units which consist of transfers to primary schools, secondary schools and tertiary institutions.

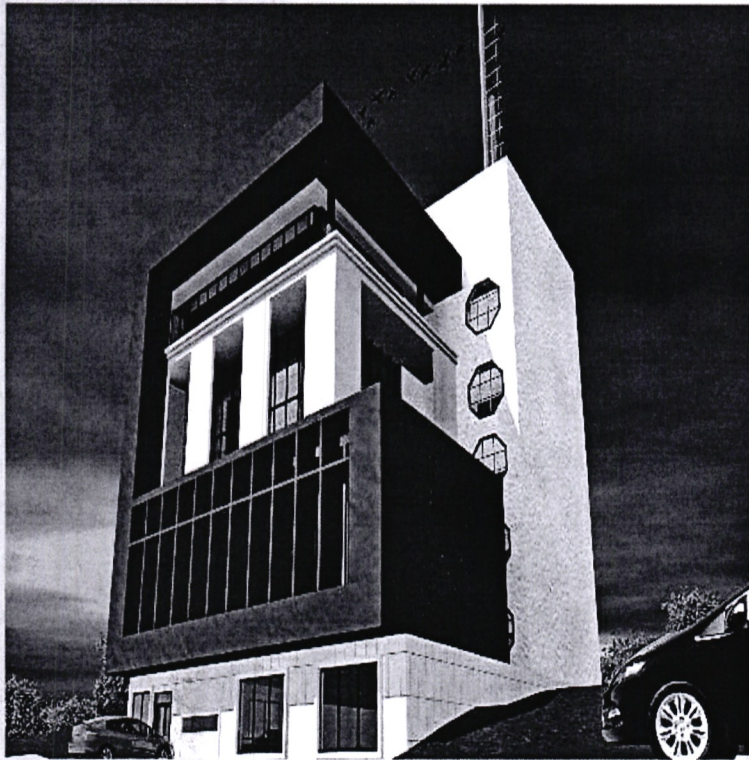
Sectoral Allocation FY2009-2018

Source: KIAMBU NGCDF Records (2018)

The NG-CDF (Amendment) Act 2016 introduced a major shift in the scope of projects eligible to be funded. Under this Act only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports and environment sectors as well as other national government residual functions. During the FY 2017/2018, the Committee undertook to expedite the disbursement of funds to earmarked projects in accordance with the provisions of the NGCDF Act, 2015, as amended in 2016, and the requirements of the Annual Performance Contract. The disbursements saw the implementation of approved project activities across the Constituency. As at the close of the fiscal year 2017/2018 on 30th June 2018, the funds due to projects was Kshs 5,600,000 and the overall funds utilization and absorption rate stood at 99 percent. This is an impressive performance realized by the Committee during the year on funds absorption based on funding received from the NGCDF Board.

Achievements and Major Undertakings

During the year, the Committee disbursed a total of Kshs 24,000,000 as bursary to needy students in secondary, tertiary institutions and this benefitted a total of 3,928 students. Major physical facilities funded are infrastructure such as classrooms, administration blocks, laboratories, dormitories, toilets, lockers and chairs, desks and equipping of laboratories and libraries. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low income families. Another major project which the NG-CDFC intends to undertake is the construction of NG-Kiambu CDF office tower. The first phase of the project will commence in two months' time. Provided below is a picture of the proposed modern kiambu CDF Office Tower;



**COMING
SOON**

**KIambu CDF
TOWER**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Other projects undertaken during the year include the complete Construction of a Mega Project at St Peters Ndumberi High school (administration / classrooms / library block) as shown below;



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The constituency committee has also funded the construction of Kanunga Police Post which is operational as shown herein below;



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Budgetary Appropriations

During the financial year 2017/2018, the overall budget utilization stood at 99 percent based on the funds received. This was achieved due to expeditious disbursement of funds received to earmarked projects by the NGCDF Committee.

Development Planning

The Constituency Development Funds continue to draw interest of beneficiaries and communities alike. This has seen the receipt of many proposals from communities spanning various sectors. To ensure focus and expedite Constituency development, the Committee is reviewing its strategic plan which is a formalized road map that spells out where the Constituency is going over the next five years in project identification, implementation and management taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030 and related County Integrated Development Plans. The NGCDF Committee is convinced that the strategic plan shall help the Constituency in setting priorities, focusing energy and resources, strengthening operations and ensuring that the Committee, its employees and other stakeholders are working towards a common goal and results.

Challenges

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2017/2018. These encompass, inadequate record keeping by project management committees, failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management. To mitigate the above, the committee during the year 2017/2018 scaled up its capacity building programmes for NGCDF Committee, Project Management Committees and staff on various aspects of NGCDF projects management. These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2018/2019.

I wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions to even perform better and attain better assessments in its performance targets for FY 2018/2019.



**STEPHEN M. NGUGI
CHAIRMAN NGCDF COMMITTEE**

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

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STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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


The Accounting Officer in charge of the NGCDF-KIAMBU Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-KIAMBU Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 20XX, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-KIAMBU Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF-KIAMBU 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-KIAMBU Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.



Fund Account Manager
Name: Gumato Sharamu



Sub-County Accountant
Name: LAWRENCE K. WARIU
ICPAK Member Number: 13451

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kiambu Constituency set out on pages 10 to 28, which comprise the statement of financial assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flow and summary statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kiambu Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Net Financial Position

The statement of financial assets as at 30 June 2018 reflects total financial assets of Kshs.9,014,681 and nil liabilities. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the net financial position of Kshs.9,014,681 has instead been presented as net liabilities.

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Budget and Budgetary Control

Examination of the statement of appropriation-recurrent and development combined revealed under-utilization on four main components of the expenditure as analyzed below:

Component	Budgeted Amount - Kshs	Actual Amount- Kshs	Under expenditure-Kshs	% of Under-expenditure
Transfer from NGCDF Board	101,045,094	89,665,784	11,379,310	11%
Use of goods and services	5,934,074	4,017,870	1,916,204	32%
Transfer to other Govt. entities	52,884,134	42,870,340	10,013,794	19%
Other grants and transfers	40,221,799	31,599,000	8,622,799	21%

The above analysis implies that some planned activities and programmes were not undertaken and thus impacting negatively on service delivery to the constituents.

2. Project Management Implementation

The Kiambu NG-CDF had several projects whose funds were disbursed to the Project Management Committee (PMC) in the financial year 2017/2018 but huge balances totalling Kshs.53,169,318 remained un-utilized during the year as listed below:

PMC	Bank	Account Number	Amount Transferred in 2017/2018 - Kshs	Balance as at 30/6/2018- Kshs
A C K Riabai Secondary School	Equity Bank	0640261649215	3,000,000.00	1,595,485.50
Kiambu Cdf Office Construction	Equity Bank	0640264558705	0	19,689,654.00
Kiambu Cdf Sports Activities	Equity Bank	0640262626951	1,700,000.00	1,810,906.00
Tinganga Hgm Primary School	Equity Bank	0640263334109	1,600,000.00	1,610,364.00
Youth Empowerment Centre	Equity Bank	0640264565595	4,000,000.00	12,999,525.00
Ndumberi Primary School	Equity Bank	0640263841367	3,100,000.00	3,453,598.00
Kasarini Secondary School	Equity Bank	0640262104265	5,000,000.00	4,308,410.50
Desks For Primary Schools	Equity Bank	0640277396070	3,701,375.00	3,701,375.00
Kiambu Township Secondary School	Equity	0640279560382	4,000,000.00	4,000,000.00
		Total	26,101,375.00	53,169,318.00

No satisfactory reasons were given for failure to utilize fully the above funds as intended.

3. Proposed Renovations and One Storey Vertical Extensions of Existing Classroom at Ting'ang'a Model Primary School Kiambu

Examination of the CDF committee minutes of meeting held on 14 March 2018 (**Min4/14/03/2018**) revealed that the committee received three bids for the project as shown below:

Bidder's Name	Tender Sum-Kshs
Haida Investment Ltd	5,483,488
Far and Beyond Solutions Ltd	5,346,788
BaseBite Agencies	6,241,640

Examination of the tender documents revealed that Kiambu NG-CDF did not award the contract to the lowest bidder, Far and Beyond Solutions Limited, who quoted Kshs.5,346,788 and instead awarded the tender to Haida Investment Ltd who quoted Kshs.5,483,488 contrary Section 83 (1) of the Public Procurement and Asset Disposal Act, 2015.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund – Kiambu 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

22 May 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIAMBU CONSTITUENCY

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III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	86,810,344.80	76,296,551.00
Proceeds from Sale of Assets	2		
Other Receipts	3	-	<u>7,123,000.00</u>
TOTAL RECEIPTS		86,810,344.80	83,419,551.00
PAYMENTS			
Compensation of employees	4	1,264,504.00	1,196,425.00
Use of goods and services	5	4,234,489.00	7,315,388.35
Transfers to Other Government Units	6	42,870,340.00	50,217,076.00
Other grants and transfers	7	31,599,000.00	60,811,973.00
Acquisition of Assets	8	849,390.00	-
Other Payments	9	-	-
TOTAL PAYMENTS		80,817,723	119,540,862.35
SURPLUS/(DEFICIT)		<u>5,992,621.80</u>	<u>(36,121,311.35)</u>

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



Fund Account Manager
Name:



Sub-County Accountant
Name: LAWRENCE W. WARDI
ICPAK Member Number: 13451



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IV. STATEMENT OF FINANCIAL ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,014,681.35	2,855,440.00
Cash Balances (cash at hand)	10B	=	=
Outstanding Imprests	11	=	=
TOTAL FINANCIAL ASSETS		<u>9,014,681</u>	<u>2,855,440</u>
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	2,855,441	38,976,751
Surplus/Deficit for the year		5,992,621	(36,121,311)
adjustments (BANK CHARGES)	14	<u>166,619</u>	=
NET LIABILITIES		<u>9,014,681</u>	<u>2,855,440</u>

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

Fund Account Manager

Name: *Gumato Sharamu*

Sub-County Accountant

Name: *LAWRENCE K. WADU*
 ICPAK Member Number: *13451*

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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V. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	86,810,345	76,296,551
Other Receipts	3	=	=
Payments for operating expenses			
Compensation of Employees	4	1,264,504	1,196,425
Use of goods and services	5	4,234,489	7,315,388
Transfers to Other Government Units	6	42,870,340	50,217,076
Other grants and transfers	7	31,599,000	60,811,973
Social Security Benefits		-	-
Other Payments	9	-	-
Adjusted for:			
Adjustments during the year (Bank charges)	14	(166,619)	-
Net cash flow from operating activities		79,801,714	119,540,862
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	0
Acquisition of Assets	8	849,390	0
Net cash flows from Investing Activities		849,390	0
NET INCREASE IN CASH AND CASH EQUIVALENT		6,159,241	(36,121,311)
Cash and cash equivalent at BEGINNING of the year	13	2,855,441	38,976,751
Cash and cash equivalent at END of the year	10A	<u>9,014,681</u>	<u>2,855,440</u>

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

Fund Account Manager

Name: Gumato Sharamo

Sub-County Accountant

Name: LAWRENCE H. WARUS
ICPAK Member Number: 13451

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIAMBU CONSTITUENCY

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

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,344.80	14,234,750.00	101,045,094.80	89,665,784.80	11,379,310.00	89
Proceeds from Sale of Assets						
Other Receipts		-	-	-	-	
PAYMENTS						
Compensation of Employees	1,205,088.00	-	1,264,088.00	1,264,504.00	(54,416.00)	105
Use of goods and services	5,557,889.00	542,804.00	5,934,074.00	4,234,489.00	1,699,585.00	69
Transfers to Other Government Units	42,301,375.00	10,582,759.00	52,884,134.00	42,870,340.00	10,013,794.00	81
Other grants and transfers	36,945,992.00	3,275,807.00	40,221,799.00	31,599,000.00	8,622,799.00	79
Acquisition of Assets	800,000		800,000.00	849,390.00	(49,390.00)	
Other Payments						
TOTALS	86,810,344.00	14,401,370.0	101,211,714.00	80,817,723.00	20,393,991.00	

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


Fund Account Manager

Name: *Jimm Gumato Saramo*


Sub-County Accountant

Name: *LARENCE Y. KIRALI*
ICPAK Member Number: *13451*

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIAMBU CONSTITUENCY
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NOTE

The funds absorption rate for 2017/2018 is 89%. This is attributed to additional allocation of 11,379,310 which was still outstanding at the board at the close of financial year.

Compensation to employees utilisation was at 105%. This is due to gratuity payment

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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VII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

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

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO	AIE NO A855854	5,500,000.00	
AIE NO	AIE NO A892829	37,905,172.00	
AIE NO	AIE NO A896883	43,405,172.80	
AIE NO			4,094,827.00
AIE NO			36,853,449.00
AIE NO			35,348,275.00
TOTAL		86,810,345.00	76,296,551.00

2. PROCEEDS FROM SALE OF ASSETS

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

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

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts	-	7,123,000.00
Total	-	7,123,000.00

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,264,504	1,196,425
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
Total	1,264,504	1,196,425

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

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Allowance	2,570,000	3,700,299
Utilities, supplies and services	289,830	384,730
Communication, supplies and services	76,404	837,198
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	131,636	-
Rentals of produced assets	-	-
Training expenses	-	1,407,701
Hospitality supplies and services	-	-
Bank charges	166,619	-
Specialized materials and services	-	-
Office and general supplies and services	700,000	685,460
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Office Rent	300,000	300,000
Total	4,234,489	7,315,388

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. **TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	19,870,340	41,217,076
Transfers to secondary schools (see attached list)	23,000,000	9,000,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	42,870,340	50,217,076

7. **OTHER GRANTS AND OTHER PAYMENTS**

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,288,500	37,792,473
Bursary – tertiary institutions (see attached list)	10,610,500	-
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	-	9,000,000
Sports projects (see attached list)	1,700,000	1,600,000
Others(youth,library,kiosks)	6,000,000	10,000,000
Emergency projects (see attached list)	-	2,419,500
Total	31,599,000	60,811,973

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

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Purchase of Office Furniture and Fittings	-	-
Purchase of computers, printers and other IT equipments	849,390	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of software	-	-
Acquisition of Land	-	-
Total	849,390	-

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
		-
ICT Hub	-	-
TIVET	-	-
	-	-

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	
	Kshs as at (30/6/18)	
<i>Equity Bank, Kiambu branch, 0640261707042</i>	9,014,681	
Total	9,014,681	
10B: CASH IN HAND	2017-2018	
	Kshs(30/6/18)	
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) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total				-

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

12 RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs (1/7/2018)	Kshs
Bank accounts	2,855,441	
Cash in hand	-	
Imprest	-	
Total	2,855,441	

[Provide short appropriate explanations as necessary]

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

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts (Bank Charges)	166,619	
Cash in hand	-	
Imprest	-	
Total	166,619	XX

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	-	-
Supply of services	-	-
	-	XX

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Amounts due to other Government entities (see attached	-	-
Amounts due to other grants and other transfers (see	-	-
attached list)	-	-
Acquisition of assets	-	-
Others (<i>specify</i>)	-	-
	-	-

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

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	57,416,748.00	44,234,568
	57,416,748.00	44,234,568

NATIONAL GOVERNMENT ENTITY - (NGCDF) – KIAMBU CONSTITUENCY)
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	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 - ((NGCDF) – KIAMBU CONSTITUENCY)
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

NATIONAL GOVERNMENT ENTITY - (NGCDF) – KIAMBU CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

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	0			0
Buildings and structures	0			0
Transport equipment	0			0
Office equipment, furniture and fittings	446,261.00			0
ICT Equipment, Software and Other ICT Assets	456,334.00	849,390.00		1,305,724.00
Other Machinery and Equipment	-			0
Heritage and cultural assets	-			0
Intangible assets	-			0
Total	902,595.00	849,390.00		1,305,724.00

NATIONAL GOVERNMENT ENTITY - ((NGCDF) – KIAMBU CONSTITUENCY)
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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/1 7
A C K Riabai Secondary School	Equity Bank	0640261649215	1,595,485.50	
St Peters Ndumberi High School	Equity Bank	0640261645097	673,279.00	
Kiambu Cdf Office Construction	Equity Bank	0640264558705	19,689,654.00	
Kiambu Cdf Sports Activities	Equity Bank	0640262626951	1,810,906.00	
Tinganga Hgm Primary School	Equity Bank	0640263334109	1,113,689.00	
Youth Empowerment Centre	Equity Bank	0640264565595	12,999,525.00	
Benson Njau Primary School	Equity Bank	0640266349626	1,855,570.00	
Ndumberi Primary School	Equity Bank	0640263841367	3,453,598.00	
Riabai Primary School	Equity Bank	0640266233156	1,000,941.00	
Kiu River Primary School	Equity Bank	0640271052869	1,412,151.00	
Kasarini Secondary School	Equity Bank	0640262104265	4,308,410.50	
Modern Kiosks	Equity Bank	0640264954768	864,466.00	
Riara Primary School	Equity Bank	0640268968054	1,723,452.00	
Kiambu Primary School	Equity Bank	0640270186102	1,079,450.00	
Riara High School	Equity Bank	0640261892945	112,311.00	
Kiu River Secondary School	Family Bank	001000028558	412.00	
Kamiti Annmer Primary School	Family Bank	001000022092	22,073.00	
Desks For Primary Schools	Equity Bank	0640277396070	3,701,375.00	
Total			57,416,748	

NATIONAL GOVERNMENT ENTITY - ((NGCDF) – KIAMBU CONSTITUENCY)
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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)
CEN/HUB/KBU.C/KIAMB U CDF/10/7 dated 28.02.2017	Accuracy and completeness of the financial statement - Mix up of names for kiambu town and Nakuru town constituencies	This anomaly has been rectified and the financial statement relate to Kiambu town constituency.		Resolved	
	Summary statement of Appropriation – understatement of transfers to Government Entities final budget -ksh 3,193,340	At the time of preparation of F/Y 2015/2016 the funds for the three projects listed in appendix II had already been transferred to respective accounts hence not needed to be included in the appropriation account.			
	Overstatement of actual receipts in the statement of appropriation - ksh 20,900,138.35	It is important to note that the amount of Ksh. 20,900,138.35 is the opening cash balance for the F/Y 2015/2016 (i.e. closing cash balance of F/Y 2014/2015) (refer to the previous financial statement). Therefore there was no overstatement of funds.			

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	Cash and cash Equivalents	The stale cheques were all relating to bursary and were all reversed.			
	Over expenditure on committee expenditure	The committee has noted the expenditure of committee expenses and will adhere to approved budget provision. It's important to note that the committee did not exceed the administration vote from which committee expenses are paid hence no need to notify the board.			
	Wrong classification of expenditure	The committee has noted the same and going forward will classify all expenditure in the correct category.			
	Failure to implement projects on time	The absorption rate for the constituency was 81.9% during F/Y 2015/16. The projects which were not implemented at the close of financial year were due to delay in receiving funds from the board. The committee has however noted the same and will continually work on improving the absorption rates of the funds to ensure funds benefit those intended.			

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	Unutilized Thindigua dispensary outpatient wing	<ul style="list-style-type: none"> ➤ The CDFC has noted the fact that alternative procurement methods were used. They will correct the same going forward. ➤ The facility had already been handed over to the county government of Kiambu at the time of the audit. ➤ The issue of land is being followed up although the survey and all other documents are already in the hands of the CDFC. 			
	Delayed construction of CDF office	<p>The delay in the construction of the CDF office was caused in part by two factors:</p> <ul style="list-style-type: none"> • Delay in receiving the necessary land documentation from the county commissioner. • Delay in preparation of the architectural drawings and bill of quantities from the ministry of public works. <p>It should be noted that the above issues have been sorted and the implementation of the project is to commence shortly.</p>			

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	Unsupported expenditure – use of goods and services – ksh 105,000	The CDF noted the mistake and it has been corrected. Registration numbers of the vehicles indicated. The same will be always indicated going forward.			
	Unprocedural procurement procedures and over commitment of cdf	<p>Kiamumbi Police Post</p> <ul style="list-style-type: none"> ➤ The project was funded in phases. The 1st phase of Ksh. 2,000,000 was funded from F/Y 2015/16. The 2nd phase was funded in F/Y 2016/17 Ksh 2,500,000. The remaining Ksh 2,000,000 was funded from reallocations of Ksh 2,000,000 from Kiamumbi dispensary. (reallocation letter attached) ➤ The committee has noted the Unprocedural procurement method used and will correct the same going forward. ➤ It is also important to note that the project Is now complete and awaiting 			

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		<p>handing over.</p> <p>Ndumberi Police Post</p> <ul style="list-style-type: none"> ➤ The remaining shortfall was funded from reallocation of Ksh 2,000,000 from the Gichocho water project and Kagongo dispensary (reallocation letter attached). The project is fully funded and currently ongoing. The 1st and 2nd certificates (attached) have already been paid. ➤ The delay in the commencement of the project was caused by the delay in allocation of the parcel of land on which the project was to be constructed. The committee has finally received the go ahead from the management board of St. Peters high school and the Ndumberi parish to construct the project on the 1/8th piece of land. (Letter & survey report attached). 			

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CEN/H UB/KB U.C/KI AMBU CDF/1 0/13 DATED 12 TH JULY 2018	Delayed implementation of projects (construction of cdf office, youth empowerment centre and riara primary school)	<p>a. CONSTRUCTION OF CDF OFFICE - KSH 20,000,000</p> <p>I wish to notify you that the delay in implementation of this project was caused by delay in receiving the necessary land documentation from the County Commissioner and the delay in preparation of the architectural drawings and bill of quantities from the ministry of public works.</p> <p>All this issues has since been sorted out and the implementation of this project will start soon.</p> <p>b. Youth Empowerment Centre</p> <p>This project was considered for funding to a tune of ksh 3,000,000 in the F/Y 2014/15 and ksh 6,000,000 in the F/Y 2015/16. The reason provided for the delay in utilizing the funds was attributed by the delay in</p>			

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		<p>securing a public land on which to construct the empowerment centre.</p> <p>It should be noted that, the issue of the land has since been sorted out and we have acquired a public land to construct the same.</p> <p>The documentation of the project also took quite a long time leading to delay in commencement of works. The project implementation will start immediately the documentation of the project is received from the ministry of public works.</p> <p>c. Riara Primary School</p> <p>The ksh 1,000,000 was not allocated in the F/Y 2015/2016 as stated. This amount was reallocated to the project as per the attached reallocation of funds letter dated May 10, 2016 and Referenced NG-CDF BOARD/KIAMBU/VOL.1/46. The funds were meant to facelift 6 No. classrooms.</p>			

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		<p>Kindly note that the project was implemented immediately it was approved by NG-CDF Board and its 100% complete and operational.</p>			
	<p>Over expenditure on projects – kshs 1,443,325</p>	<p>a. Kiambu Primary School (Rehabilitation and Refurbishment of 40 No. Classrooms)</p> <p>There was no over commitment of funds in this project since the project was allocated funds as follows;</p> <ul style="list-style-type: none"> ➤ September 22, 2016 funds reallocated to this project - ksh 5,500,000 (reallocation letter provided) ➤ 2017/2018 allocated - ksh 1,400,000 (2017/2018 code list provided) <p>b. Benson Njau Primary School (Converting classrooms to dormitories and construction of ablution block)</p>			

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		<p>This project was allocated funds as follows:</p> <ul style="list-style-type: none"> ➤ F/Y 2016/2017 – Ksh 3,100,000 ➤ September 22,2016 funds reallocated to this project - ksh 1,000,000 (reallocation letter provided) <p>The NG- CDF committee awarded this contract to Jovada Construction (K) Ltd valued at ksh 4,199,975. This project was allocated ksh 4,100,000 as above. The excess commitment would be financed from the F/Y 2017/2018 additional project proposals whereby, the project has been allocated ksh 2,000,000 to furnish the dormitory with beds and beddings. (Code list provided for reference)</p> <p>Kangoya Primary School (Facelift of 21 No. classrooms)</p> <p>There was no over commitment of funds to this project since the project was</p>			

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		<p>considered for funding as follows;</p> <ul style="list-style-type: none"> ➤ F/Y 2016/2017 - ksh 4,000,000 <p>The contract was valued at ksh 4,103,350. The excess commitment will be financed from the F/Y 2017/2018 additional project proposals whereby, the project has been allocated Ksh 200,000. (Code list provided for reference)</p>			
	<p>Failure to provide completion certificates for projects</p>	<p>We would like to state that, most of our fully funded and completed projects have the completion certificates in their respective project files. For the few missing, we have requested the contractors to bring them.</p> <p>This was on oversight and going forward we shall correct the same.</p>			
	<p>Delayed completion of secondary schools mega projects namely;</p> <ul style="list-style-type: none"> ➤ A C K Riabai Secondary School 	<p>The committee noted and amended the anomaly. The 3 mega projects are now at the finishing stages.</p>			

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	<ul style="list-style-type: none"> ➤ St Peters Ndumberi Secondary School ➤ Kiu River Secondary School 				
	Under expenditure on sports projects	The CDFC noted the mistake and it has been corrected.			
	<p>Proposed construction of modern kiosks</p> <p>The project involved construction of modern kiosks at Ndumberi Shopping Centre.</p>	<p>The reason provided for delay in implementation of this project is, lack of a public land where the project can be constructed. The land which was previously identified lacked the necessary documentation. The CDFC has embarked on fast tracking the documentation process.</p>			
	<p>Bursary</p> <p>The budget performance for bursary payments could not be confirmed.</p>	The CDFC noted the mistake and it has been corrected			
	Unpresented cheques relating to bursary	The CDFC noted the mistake and has since reversed the stale cheques in the cash book and replaced cheques			

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		issued to the beneficiaries.			
	Ndumberi Police Post The propriety of the expenditure could not be confirmed	The CDFC noted the mistake and the contractor has been requested to bring the completion certificate from the ministry of public works offices. They are also exploring on ways of acquiring an additional land for the project and also ensure that the land where the project stands is registered in the name of Kiambu CDF.			