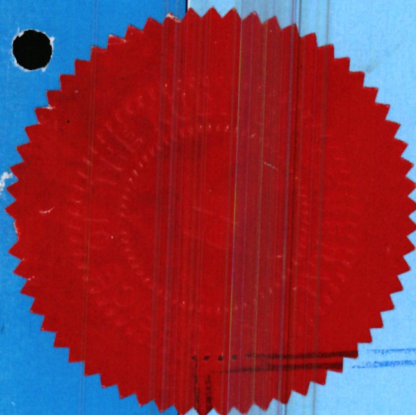


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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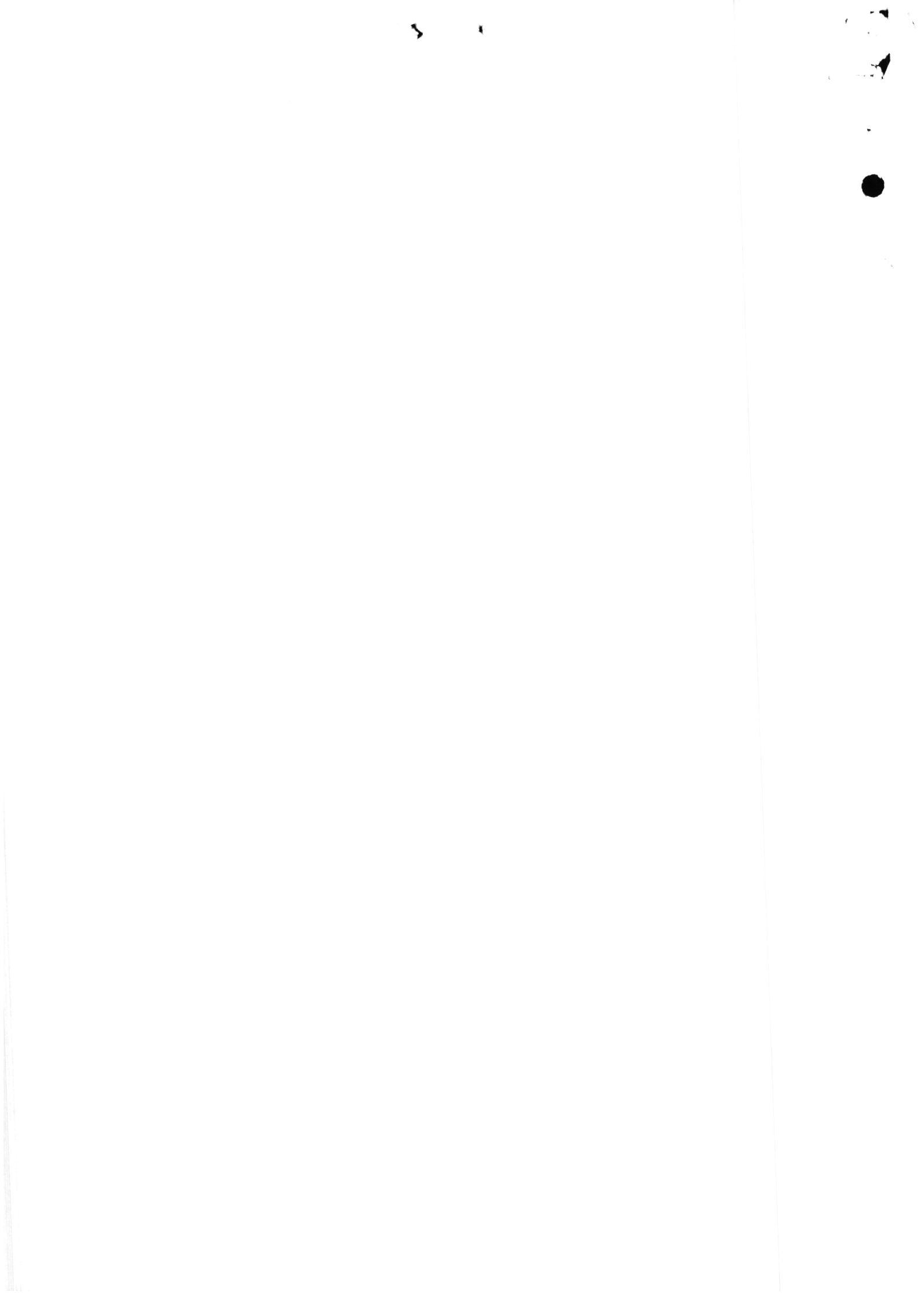
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ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KIENI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018



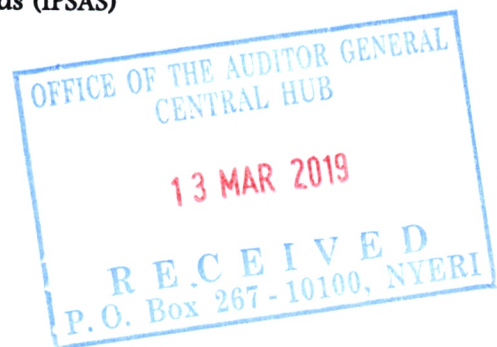


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KIENI
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS (AMMENDED)

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

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



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

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

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

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

(b) Key Management

The NGCDF GILGIL 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	Jessi Mathu
3.	Sub-County Accountant	Erick Kiambi
4.	Chairman NGCDFC	James Maina
5.	Member NGCDFC	Dickson Ndirangu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 127 - 10104,
NGCDF Office Building
Along Nyeri – Nyahururu highway
Mweiga, KENYA

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)
KIENI CONSTITUENCY**

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

(f) NGCDF Kieni Constituency Contacts

Telephone: (254) 725758965
E-mail: cdfkieni@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF Kieni Constituency Bankers

1. Equity Bank
Nyeri 1 Branch
Nyeri Town

(h) Independent Auditors

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

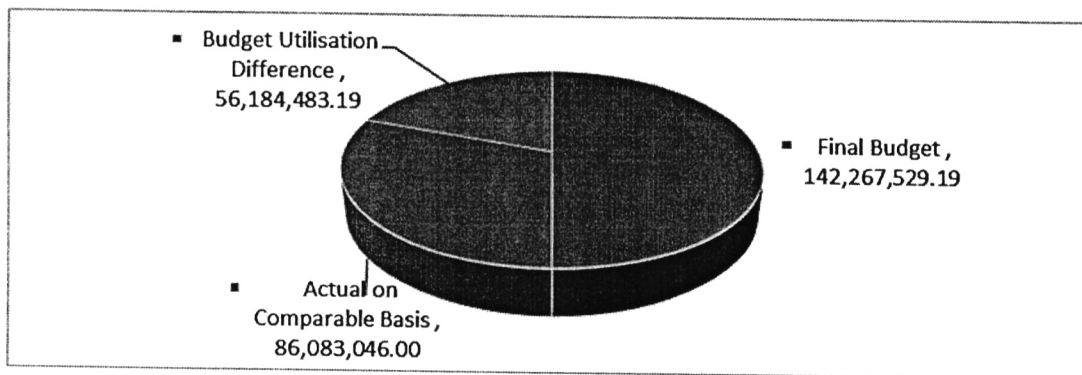
(i) Principal Legal Adviser

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

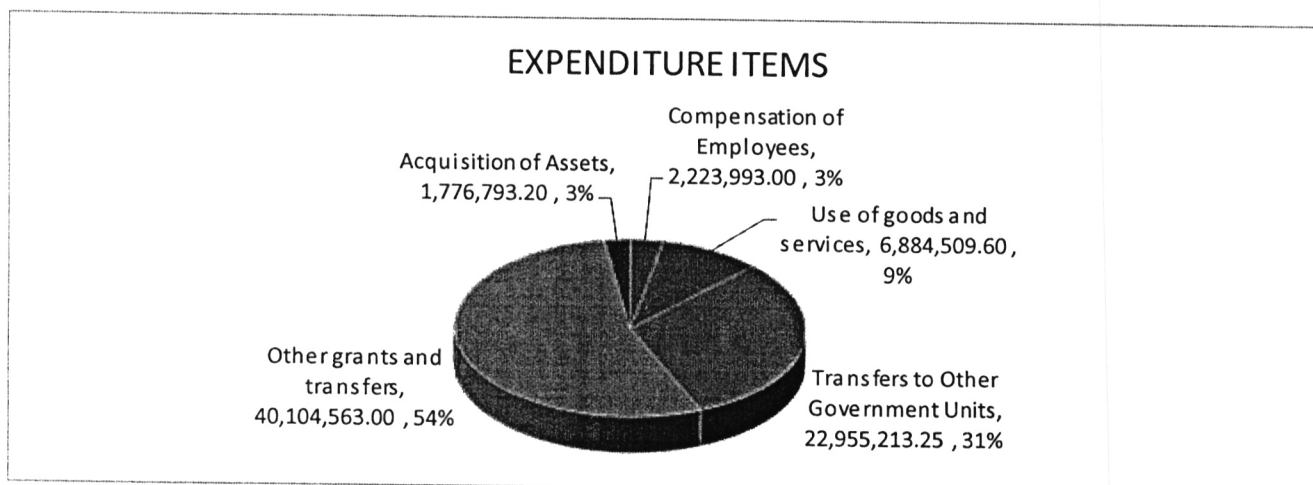
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIENI CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

It is my great pleasure to present the annual report and financial statement prepared in accordance with the cash basis of accounting method under the international public sector accounting standard (IPSAS) for the year ended 30th June 2018. Kieni NGCDF under receipts, had Kshs. 86,083,046 out of the expected budget of Kshs. 142,267,529. This lead to underutilization of Kshs. 56,184,483 (39.5%) of which had not been received from the NGCDF Board.



For the Expenditure, Kieni NGCDF had a budget of Kshs. 142,267,529 of which we were able to have an expenditure totalling Kshs. 73,945,072.05 having a utilization of Kshs. 68,322,457.14. This was as result of not receiving more than half of the expected funds from the NGCDF board. In addition some funds were received towards the close of the financial year. However, out of the funds available, Kshs. 86,083,046, only Kshs. 12,147,973.95 (14%) had not been utilized.



Out of the funds received, other grants and transfers took the lion's share of 54%. This included security projects, environment, sports and bursary. Part of the budgeted amount for the item namely emergency had been requested for reallocation to transfer to other government entities. Allocation to other government units has enabled to support projects in primary schools, secondary schools and tertially schools.

21 projects under the education sector, 7 projects security projects, bodaboda shed, environment, sports and bursary have been implemented

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

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

Pictorial

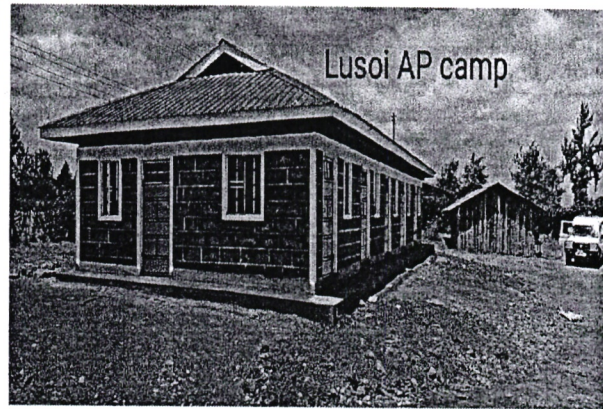


Fig 1: Construction of Tagwa police post Fig 2 : Construction of Lusoi AP camp.



*Fig 3: Construction of classroom at
Githungo Primary school*

Fig 4: Tree planting exercise



Fig 5: Tanyai Marathon sponsored by Kieni NGCDF

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

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

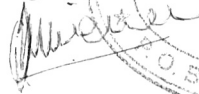
Challenges

In course of the project implementation the NGCDF encountered a number of challenges:

- Delay in implementation of projects due to experienced rainy season making many areas become impassable to deliver materials.
- Vastness of the constituency hence not able to cover many areas with the allocation given.

Despite the challenges, the NGCDF has prepared a work plan and conducting capacity building of the PMC to ensure efficient and effective project management. In addition strategizing on the ways to improve absorption of funds.

Sign



**James Maina Munene
CHAIRMAN NGCDF COMMITTEE**

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

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Kieni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 20XX. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kieni Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Kieni 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-Kieni 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

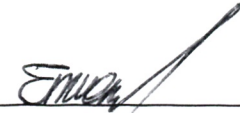
The NGCDF-Kieni Constituency financial statements were approved and signed by the Accounting Officer on 30/08/ 2018.



Fund Account Manager
Name: Jessi Mathu

FUND ACCOUNT MANAGER
NG - CDF KIENI CONSTITUENCY
P. O. Box 127 - 10104, MWEIGA.

Date: 30/08/2018



Sub-County Accountant
Name: Erick Kiambi
ICPAK Member Number: 15276

THE NATIONAL SUB-COUNTY ACCOUNTANT
KIENI EAST
P. O. Box 157 - 10102, KIGANJO
7

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

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

In my opinion, the financial statements present fairly, in all material respects the financial position of National Government Constituencies Development Fund-Kieni 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 National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund- Kieni 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 matter described in the Basis for Conclusion on lawfulness and effectiveness in the use of public resources section of report, I have determined that there are no key audit matters to communicate in my report.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 Conclusion on lawfulness and effectiveness in the use of public resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unutilized Funds

Included in other grants and transfers payments of Kshs.40,104,563 and as further disclosed in note 7 to the financial statements is an amount of Kshs.13,900,000 incurred on security projects, out of which disbursement of Kshs.333,010 and Kshs.1,400,000 were disbursed towards implementation of Kiamathaga AP Camp and Kairi Assistant Chief's Office for the construction of staff houses and purchase of land respectively. However, physical inspection carried out in December 2018 revealed that the projects were not implemented despite the fact that the funds were disbursed to the respective Project Management Committees (PMCs). No satisfactory explanation has been given for failure to utilize the funds as intended.

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 Conclusion on lawfulness and effectiveness in the use of public resources section 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


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

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

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

21 May 2019


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

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

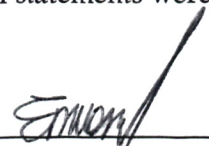
	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	82,953,447	151,380,061
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		82,953,447	151,380,061
PAYMENTS			
Compensation of employees	4	2,223,993	5,118,808
Use of goods and services	5	6,884,510	12,350,738
Transfers to Other Government Units	6	22,955,213	68,067,432
Other grants and transfers	7	40,104,563	72,406,947
Acquisition of Assets	8	1,776,793	2,003,900
Other Payments	9	-	-
TOTAL PAYMENTS		73,945,072	159,947,825
SURPLUS/DEFICIT		9,008,375	(8,567,764)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kieni Constituency financial statements were approved on 30/08/2018 2018 and signed by:


Fund Account Manager
Name: Jessi Mathu

FUND ACCOUNT MANAGER
NG - CDF KIENI CONSTITUENCY
P. O. Box 127 - 10104, MWEIGA.

Date: 30/08/2018


Sub-County Accountant
Name: Erick Kiambi
ICPAK Member Number: 15276

SUB-COUNTY ACCOUNTANT
KIENI EAST
P. O. Box 127 - 10104, MWEIGA

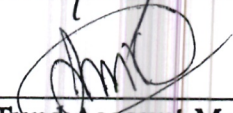
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIENI CONSTITUENCY**

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

V. STATEMENT OF FINANCIAL ASSETS

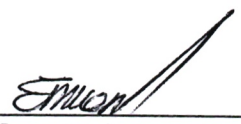
	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	12,147,974	3,129,599
Cash Balances (cash at hand)	10B	-	-
Total cash and cash equivalent		12,147,974	3,129,599
current receivables-Outstanding Imprests	11	-	-
Total Financial Assets		12,147,974	3,129,599
FINANCIAL LIABILITIES			
current payables-Retention	12	-	-
NET FINANCIAL ASSETS			
		12,147,974	3,129,599
Represented by			
Fund balance b/fwd 1st July...	13	3,129,599	10,796,780
Surplus/Deficit for the year		9,008,375	(8,567,764)
Prior year adjustments	14	10,000	900,583
Net Financial position		12,147,974	3,129,599

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kieni Constituency financial statements were approved on 30/08 2018 and signed by:


Fund Account Manager
Name: Jessi Mathu

FUND ACCOUNT MANAGER
NG - CDF KIENI CONSTITUENCY
P. O. Box 127 - 10104, MWEIGA.

DATE: 30/08/18


Sub-County Accountant
Name: Erick Kiambi
ICPAK Member Number: 15276

THE NATIONAL SUB-COUNTY ACCOUNTANT
KIENI EAST
P. O. Box 157 - 10102, KIGANJO

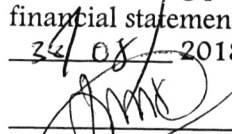
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIENI CONSTITUENCY**

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

VI. STATEMENT OF CASHFLOW

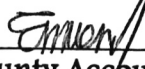
Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	82,953,447	151,380,060
Other Receipts	3	-	-
		82,953,447	151,380,060
Payments for operating expenses			
Compensation of Employees	4	2,223,993	5,118,808
Use of goods and services	5	6,884,510	12,350,738
Transfers to Other Government Units	6	22,955,213	68,067,432
Other grants and transfers	7	40,104,563	72,406,947
Other Payments	9	-	-
		72,168,279	157,943,925
Adjusted for:			
Adjustments during the year	14	10,000	900,583
Net cash flow from operating activities			
		10,795,168	(5,862,003)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	(1,776,793)	(2,003,900)
Net cash flows from Investing Activities		(1,776,793)	(2,003,900)
NET INCREASE IN CASH AND CASH EQUIVALENT		9,018,375	(7,865,903)
Cash and cash equivalent at BEGINNING of the year	13	3,129,599	10,995,502
Cash and cash equivalent at END of the year		12,147,974	3,129,599

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kieni Constituency financial statements were approved on 30/08/2018 and signed by:


Fund Account Manager
Name: Jessi Mathu

FUND ACCOUNT MANAGER
NG - CDF KIENI CONSTITUENCY
P. O. Box 127 - 10104, MWEIGA.

D. 2/02/19


Sub-County Accountant
Name: Erick Kiambi
ICPAK Member Number: 15276

THE NATIONAL SUB-COUNTY ACCOUNTANT
KIENI EAST
P. O. Box 127 - 10102, KIGALI

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	55,457,184	142,267,529	82,953,447	56,184,483	61%
Bank Balance B/F				3,129,599		
Other Receipts						
TOTAL RECEIPTS	86,810,345	55,457,184	142,267,529	86,083,046	56,184,483	61%
PAYMENTS						
Compensation of Employees	2,478,571	1,656,137	4,134,708	2,223,993	1,910,715	54%
Use of goods and services	5,334,360	4,927,012	10,261,372	6,884,510	3,376,863	67%
Transfers to Other Government Units	23,879,007	19,862,414	43,741,421	22,955,213	20,786,208	52%
Other grants and transfers	46,941,379	25,654,828	72,596,207	40,104,563	32,491,644	55%
Acquisition of Assets	-	3,356,793	3,356,793	1,776,793	1,580,000	53%
Other Payments	8,177,027	-	8,177,027	-	8,177,027	0%
TOTAL	86,810,345	55,457,184	142,267,529	73,945,072	68,322,457	52%

Below 90% of utilization) and any overutilization (above 100%)

- i. For transfer from the NGCDF board is 61% which is due additional allocation of Kshs. 11,379,310.34 submitted may, 2018 and having not received part of the allocation of for the year of Kshs. 44,805,177.
- ii. Compensations of employees is at 54% since budget amount included an addition funds relating from the previous year balances of Kshs. 1,656,137 and has remaining balance owing from the board and in the cashbook as is continuous process.
- iii. Use of goods and services is at 67% budget included balances of funds from the previous year of Kshs. 4,907,012 and has remaining balance owing from the board and in the cashbook as is continuous process
- iv. Transfer to other government units is at 52% since it had a balance which had not yet received from the board of Kshs 20,786,208. In addition reallocation of funds were sought of Kshs. 4,094,828 from other grants and transfer to tertially institution
- v. Other grants and transfers is at 55% since it had a balance which had not yet received from the board of Kshs 32,491,644.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

- vi. *Acquisition of assets is at 53% since part of the purchase of assets were in procurement process*
- vii. *Other payment is at 0% as it related to preparation of strategic plan and ICT constituency hub and the disbursement is yet to be received from the NGCDF board*


The NGCDF-Kieni Constituency financial statements were approved on 30/08 2018 and signed by:



Fund Account Manager
Name: Jessi Mathu

FUND ACCOUNT MANAGER
NG - CDF KIENI CONSTITUENCY
P. O. Box 127 - 10104, MWELICA.

Date... 20/08/19



Sub-County Accountant
Name: Erick Kiambi
ICPAK Member Number: 15276

THE NATIONAL SUB-COUNTY ACCOUNTANT
KIENI EAST
P. O. Box 167 - 10102, KIGANJO

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kieni 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) – KIENI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the end 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) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI 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
Normal Allocation			
AIE NO. A855858		5,500,000	
AIE NO. A892557		39,548,275	
AIE NO. A896753		37,905,172	
AIE NO. A825833			55,000,000
AIE NO. A829600			4,094,828
AIE NO. A839548			55,431,784
AIE NO. A855598			36,853,449
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
TOTAL		82,953,447	151,380,061
2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Receipts from the Sale of Buildings		-	-
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	-
Receipts from the Sale of Office and General Equipment		-	-
TOTAL		-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 OTHER RECEIPTS				
	Description		2017 - 2018	2016 - 2017
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of Tender Documents		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	TOTAL		-	-
4 COMPENSATION OF EMPLOYEES				
	Description		2017 - 2018	2016 - 2017
			Kshs	Kshs
2110201	Basic wages of contractual employees		1,618,641	2,662,897
2110202	Basic wages of casual labour			-
	Personal allowances paid as part of salary			
2110301	House allowance			
2110314	Transport allowance			
2110320	Leave allowance			
2110326	Other personnel payments			
2120101	Employer contribution to NSSF		85,152	106,419
2710120	Gratuity-contractual employees		520,200	2,349,492
	TOTAL		2,223,993	5,118,808

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2200000 5 USE OF GOODS AND SERVICES			
	Description	2017 - 2018	2016 - 2017
		Kshs	Kshs
2210100	Utilities, supplies and services	10,960	72,333
2210101	Electricity	58,246	-
2210102	Water & sewerage charges	1,279	-
2210104	Office rent	145,200	145,200
2210200	Communication, supplies and services	66,000	416,875
2210300	Domestic travel and subsistence	449,550	2,100,400
2210500	Printing, advertising and information supplies & services	-	2,216,200
2210600	Rentals of produced assets	-	-
2210700	Training expenses	2,297,000	912,800
2210800	Hospitality supplies and services	61,760	-
2210802	Other committee expenses	1,228,000	1,187,571
2210809	Committee allowance	1,232,000	3,155,000
2210900	Insurance costs	-	215,465
2211000	Specialised materials and services	-	-
2211100	Office and general supplies and services	908,239	910,324
2211200	Fuel , oil & lubricants	200,000	768,000
2211300	Other operating expenses	-	157,090
2211301	Bank service commission and charges	160,776	-
2211313	Security operations	-	-
2220100	Routine maintenance - vehicles and other transport equipment	46,000	93,480
2220200	Routine maintenance- other assets	19,500	
	TOTAL	6,884,510	12,350,738

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2017 - 2018	2016 - 2017
			Kshs	Kshs
2630204	Transfers to Primary schools		12,100,000	24,181,432
2630205	Transfers to Secondary schools		1,431,379	30,186,000
2630206	Transfers to Tertiary institutions		9,423,834	10,450,000
2630207	Transfers to Health institutions		-	3,250,000
	TOTAL		22,955,213	68,067,432
2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
	Description		2017 - 2018	2016 - 2017
			Kshs	Kshs
2640101	Bursary -Secondary		15,968,429	18,821,956
2640102	Bursary -Tertiary		6,426,672	12,610,772
2640104	Bursary-Special schools		173,600	46,435
2640105	Mocks & CAT		-	-
2640504	Water		-	6,174,208
2640505	Food security		-	-
2640506	Electricity		-	-
2640507	Security		13,900,000	22,748,376
2640508	Roads and Bridges		-	-
2640509	Sports		1,637,931	3,846,566
2640510	Environment		1,637,931	-
2640511	Other capital grants and transfers		360,000	4,758,634
2640512	Cultural Projects		-	-
2640513	Agriculture		-	-
2640200	Emergency Projects		-	3,400,000
	TOTAL		40,104,563	72,406,947

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3100000	8 ACQUISITION OF ASSETS		2017 - 2018	2016 - 2017
			Kshs	Kshs
	<u>Non Financial Assets</u>			
3110102	Purchase of Buildings		-	-
3110202	Construction of Buildings		1,776,793	2,003,900
3110302	Refurbishment of Buildings		-	-
3110701	Purchase of Vehicles		-	-
3110704	Purchase of Bicycles & Motorcycles		-	-
3110801	Overhaul of Vehicles		-	-
3111001	Purchase of office furniture and fittings		-	-
3111002	Purchase of computers ,printers and other IT equipments		-	-
3111005	Purchase of photocopier		-	-
3111009	Purchase of other office equipments		-	-
3111112	Purchase of soft ware		-	-
3130101	Acquisition of Land		-	-
	TOTAL		1,776,793	2,003,900
	9 Other Payments			
	specify		-	-
	specify		-	-
	specify		-	-
	TOTAL		-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI 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 :		10,000.00	900,583.00
Cash in hand		-	-
TOTAL		10,000.00	900,583.00
Cancelled cheque not replaced (ACK Ethi poly no 5104 FO 89			
15. OTHER IMPORTANT DISCLOSURE			
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
			2016 - 2017
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
TOTAL		-	-
15.2: PENDING STAFF PAYABLES (See Annex 2)			
		2016 - 2017	2015 - 2016
		Kshs	Kshs
Senior management			
Middle management		-	-
Unionisable employees		-	-
Others (specify)		-	-
15.3: UNUTILIZED FUNDS (See Annex 3)			
		2017 - 2018	2016 - 2017
		Kshs	Kshs
Compensation of employees		1,910,715	1,656,137
Use of goods and services		1,744,833	2,796,874
Committee expenses and capacity building		1,632,029	1,086,000
Amounts due to other government entities (see attached list)		25,381,034	14,031,380
Amount due to other grants and transfers (see attached list)		27,896,817	21,130,690
Acquisition of assets		1,580,000	3,376,793
Others		8,177,027	-
Total		68,322,457	44,077,874

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI
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)	25,899,360	373,477

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding balance 2017	Outstanding Balance 2018	Comments
		a	b	c			
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
Loise Mukuhi Thangari		49,119	30/06/2018	-	71,882	49,119	To be paid at the end of the contract
Jedida Wangui Meru		49,119	30/06/2018	-	71,882	49,119	To be paid at the end of the contract

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

Joseph Gikonyo Wanjau		56,864	30/06/2018	-	83,213	56,864	To be paid at the end of the contract
Samson Karanja Mambo		26,412	30/06/2018	-	34,451	26,412	To be paid at the end of the contract
Patrick Mwaniki Ndung'u		26,412	30/06/2018	-	34,451	26,412	To be paid at the end of the contract
Peter Mwangi Theuri		26,412	30/06/2018	-	34,451	26,412	To be paid at the end of the contract
Stephen Ndegwa Maina		30,581	30/06/2018	-	-	30,581	To be paid at the end of the contract
Nathan Wang'ombe		20,698	30/06/2018	-	-	20,698	To be paid at the end of the contract
Grace Nyawira		-	N/A	-	30,147	-	
Gladys Njoki		-	N/A	-	30,147	-	
Abel Githaiga		-	N/A	-	106,094	-	
James Gichuru		-	N/A	-	54,264	-	
David Kanyago		-	N/A	-	54,264	-	
Sub-Total		285,618	30/06/2018		605,246	285,618	
Grand Total		285,618			605,246	285,618	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

15.3: UNUTILIZED FUNDS (See Annex 3)		
	2017 - 2018	2016 - 2017
	Kshs	Kshs
Compensation of employees	1,910,715	1,656,137
Use of goods and services	1,744,833	2,796,874
Committee expenses and capacity building	1,632,029	1,086,000
Amounts due to other government entities (see attached list)	25,381,034	14,031,380
Amount due to other grants and transfers (see attached list)	27,896,817	21,130,690
Acquisition of assets	1,580,000	3,376,793
Others	8,177,027	-
Total	68,322,457	44,077,874

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost B/F Kshs. 2016/2017	Addition during the year Kshs.	Disposals during the year Kshs.	Historical Cost B/F Kshs. 2017/2018
Land	-	-	-	-
Buildings and structures	19,006,090	1,776,793	-	20,782,883
Transport equipment	9,763,625	-	-	9,763,625
Office equipment, furniture and fittings	1,250,518	-	-	1,250,518
ICT Equipment, Software and Other ICT Assets	903,336	-	-	903,336
Other Machinery and Equipment	18,005,520	-	-	18,005,520
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	48,929,089	1,776,793	-	50,705,882

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

S/NO	ACCOUNT NAME	BANK	ACCOUNT NO.	BALANCE AS AT 30/6/2017	BALANCE AS AT 30/6/2018
1	Karichuta Primary School	EQUITY	0110264394548	1,965.00	351,965.00
2	Watuka Primary School	EQUITY	0110269984318	232.00	850,232.00
3	Naromoru Primary School	EQUITY	0110273175575	850.00	200,850.00
4	Ikumari Primary School	EQUITY	0110272841801	150.00	200,150.00
5	Kiria Primary School	EQUITY	0110268859483	33,010.00	883,010.00
6	Tanyai Primary School	EQUITY	0110268859604	18,010.00	868,010.00
7	Lamuria Primary School	EQUITY	0110266223538	5,240.00	305,240.00
8	Irigithathi Secondary School	EQUITY	0110269956811	104,695.00	336,074.63
9	Kiamathaga AP camp	EQUITY	0110272560181	208,410.00	608,410.00
10	Mlima Kenya Secondary School	EQUITY	0110266222642	915.00	1,200,915.00
11	Igathu Primary School	EQUITY	1150276286551	-	850,000.00
12	Rurichu Primary School	EQUITY	1150276286762	-	850,000.00
13	Mwihoko Primary School	EQUITY	1150276286807	-	850,000.00
14	Kambi Primary School	EQUITY	1150276286933	-	200,000.00
15	Kimunyuru Primary School	EQUITY	1150276286728	-	850,000.00
16	Kamatongu Primary School	EQUITY	1150276287063	-	600,000.00
17	Mureru Primary School	EQUITY	1150276286489	-	850,000.00
18	Mbirithi Primary School	EQUITY	1150276286999	-	850,000.00
19	Embaringo Primary School	EQUITY	1150276287030	-	700,000.00
20	Honi Primary School	EQUITY	1150276286426	-	700,000.00
21	Githura Primary School	EQUITY	1150276286684	-	500,000.00

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22	Mahiga Primary school	EQUITY	1150276286022	-	700,000.00
23	Gakawa AP Post	EQUITY	1150276286874	-	300,000.00
24	Warazo Jet Assistant Chiefs Office	EQUITY	1150276287408	-	2,800,000.00
25	Kairi Assistant Chiefs office	EQUITY	1150276287370	-	1,400,000.00
26	Karundas Chiefs Office	EQUITY	1150276287316	-	2,300,000.00
27	Lusoi Ap Camp	EQUITY	1150276287229	-	2,200,000.00
28	Samaki police Post	EQUITY	1150276287090	-	2,500,000.00
29	KMTC Kieni Campus	EQUITY	1150276271630	-	94,504.25
	Total			373,477	25,899,360

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1. Bank Balance - Stale Cheques The statement of assets reflects bank balance of Kshs. 3,129,598 as at 30th June 2017. However, a review of the bank reconciliation statement reflects payments of Kshs. 12,536,821 in cash book not recorded in bank statements which include stale cheques totaling Kshs. 1,564,317. No reason has been provided for failing to investigate the cheques or having them credited back in the cashbook</p>	<p><i>The stale cheques have been cancelled and replaced in the subsequent year 2017/2018 financial year</i></p>	Sub county Accountant/ FAM	Resolved	5 days
	<p>2. Prior Year adjustment The statement of financial assets at 30th June, 2017 reflects prior year adjustment of Kshs. 701,861 which comprised of credit adjustment of Kshs. 198,723 and debit adjustment of Kshs. 900, 583 in respect reversal of cancelled cheques in to cashbook. However, detailed listing of the cheques and dates of the reversals was not provided for audit review. In circumstances the accuracy of the prior year adjustment of Kshs. 701,861 as at 30th June 2017 could not be confirmed</p>	<p><i>The detailed list of the cancelled cheques being debit in the cashbook in respect to the reversals and detailed list of the under cast payment being credit in the cashbook has been provided</i></p>	FAM	resolved	5 days

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Others Matters</p> <p>1. Expenditure on development projects</p> <p>The Kieni NGCDF had a budget of Kshs. 183,014,282 for development vote during the year under review. However, audit verification of the project implementation report as at 30th June 2017 and physical inspection of the project revealed that the office spent Kshs. 143,466,229 during the year resulting to under expenditure of Kshs. 42,549,053 or 30% of the approved budget. The management had budgeted to implement a total of 139 projects during the year of which 116 were completed and 44 had not started. However, included in the list of 21 project are additional projects that were implemented at cost of Kshs. 16,661,432 but had not been budgeted for. Management did not provide explanations for these additional projects</p>	<p><i>The additional 21 projects relating to education were projects from request for reallocation for 2015/2016 financial year submitted and a copy of the request is forwarded for verification</i></p>	FAM	resolved	5 days
	<p>2. Un procedural cash purchases</p> <p>The statement of receipts and payment for the year ended 30th June 2017 reflects use of goods and services balance of Kshs. 11,363,788 which</p>	<p><i>The cash purchases under use of goods and services related to various items required during monitoring and</i></p>	FAM	Resolved	5 days

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	includes cash payments for goods and services amounting to 489,900. However examination of records revealed that the value of goods and services exceeded Kshs. 5,000 threshold for low value procurement. This was against recommended cash purchases threshold of Kshs. 5,000 contrary to public procurement and disposal act, 2015. The Management was therefore in breach of law.	<i>project visits. However, the NGCDFC has noted the item and has adopted to use the procurement plan in the current financial year. The copy of the advert and procurement plan are provided for your verification</i>			
	<p>3. Un procedural expenditure on repairs</p> <p>Included in the use of goods and services balance of Kshs. 11,363,788 in an expenditure of Kshs. 1,966,200 in respect of motor grader CAT 140H. Audit verification revealed that there is no report from the mechanical department before and after the repairs were done. In circumstances, the regularity of the expenditure of Kshs. 1,966,200 for the year ended 30th June, 2017 could not be confirmed as correct charge to public funds.</p>	<i>The NGCDF had requested for the inspection report before repair from the ministry of transport and infrastructure and also re- inspection report from the ministry of transport, infrastructure, housing and urban development, state department of infrastructure and the reports have been provided for verification</i>	FAM	resolved	5 days

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>4. Irregular procurement of strategic plan</p> <p>Included in other grants and other payment balance of Kshs. 73,393,897, Kshs. 1,800,000 payment to a consultancy firm for the preparation of strategic plan. Records shows that the consultancy was procured through request for quotations yet the value of services exceeded Kshs. 500,000 threshold prescribed under class c of the procurement where the CDF entities falls. Therefore the award was made contrary to section 105 of the public procurement and asset disposal Act, 2015 and legal notice no. 106 of 2013. Further, contract agreement for the consultancy was not provided for audit review. Consequently, it has not been possible to confirm whether the CDF obtained value for money on the expenditure.</p>	<p>- The NGCDF considered the procurement of the consultancy firm for the preparation of strategic plan as a service work that is readily available in the market, hence used the request for quotation method as per section 105 of the public procurement and asset disposal Act, 2015 and legal notice no. 106 of 2013</p> <p>- The contract agreement for the consultancy between the firm and the NGCDF has been provided for verification</p>	FAM	Resolved	5 days
	<p>5. Procurement of boda boda training</p> <p>Included in the other grants and other payments of Kshs. 73,393,897 is bursary secondary schools of Kshs. 31,479,163 as disclosed in note 7 to the financial statements which out of Kshs. 6,930,000</p>	<p>The Boda boda training program was considered by the NGCDF as bursary award to students in tertiary institution, hence didn't see the need to advertise the open national tender. However the annual</p>	FAM	Resolved	5 days

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was paid to safelink driving school for training of boda boda operators .Similar and as indicated above the procurement of the service was through request for quotation method instead of open national tendering process yet the value of the service exceeded Kshs. 2,000,000 threshold prescribed under class C of the procurement where the CDF entity falls. The procurement was therefore done in contravention of section 105 of the public procurement and asset disposal Act 2015. Further the CDF office did not prepare annual procurement plan in accordance with the same act. In the circumstances, it has not been possible to confirm whether the CDF obtained value for money on the expenditure of Kshs. 6,930,000 incurred on the training</p>	<p><i>procurement plan for the subsequent year has been prepared and has been provided for verification</i></p>			

