
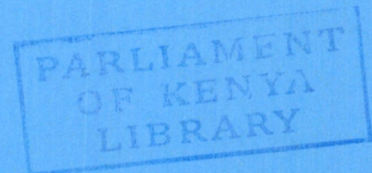


**REPORT**

 THE NATIONAL ASSEMBLY PARLIAMENT OF KENYA	
DATE: 08 FEB 2022	OF Tuesday
TABLED BY:	Lom
CLERK-AT THE-TABLE:	Benson



**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
KATHIANI CONSTITUENCY**

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

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**MACHAKOS HUB.**

23 SEP 2021

**RECEIVED**



*Revised Template 30<sup>th</sup> June 2018*

---

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KATHIANI  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

---

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

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

---

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN .....	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES .....	8
IV. STATEMENT OF RECEIPTS AND PAYMENTS .....	9
V. STATEMENT OF ASSETS AND LIABILITIES .....	10
VI. STATEMENT OF CASHFLOW .....	11
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	12
VIII. SIGNIFICANT ACCOUNTING POLICIES .....	14
IX. NOTES TO THE FINANCIAL STATEMENTS.....	15

**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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)  
KATHIANI 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 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Raphael Makau
3.	Sub-County Accountant	Nancy Mogoi
4.	Chairman NGCDFC	Philip Ndolo
5.	Member NGCDFC	Agnes Muasya

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 144-90105  
DC`S Building  
Kathiani  
Kathiani, Kenya

**(f) NGCDF KATHIANI Constituency Contacts**

Telephone: (254)  
E-mail: [ngcdfkathiani@ngcdf.go.ke](mailto:ngcdfkathiani@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) NGCDF Kathiani Constituency Bankers**

1. Coop Bank  
Athiriver  
P.O. Box 321  
Athiriver, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

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

**II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The budget performance was below 90% when the actual expenditure and disbursements were compared. At 97% funding the Constituency had utilized 56% of the funds meaning the amount received within that period was not disbursed. This was due to the fact that substantial amounts were received just when the financial year was to be closed.

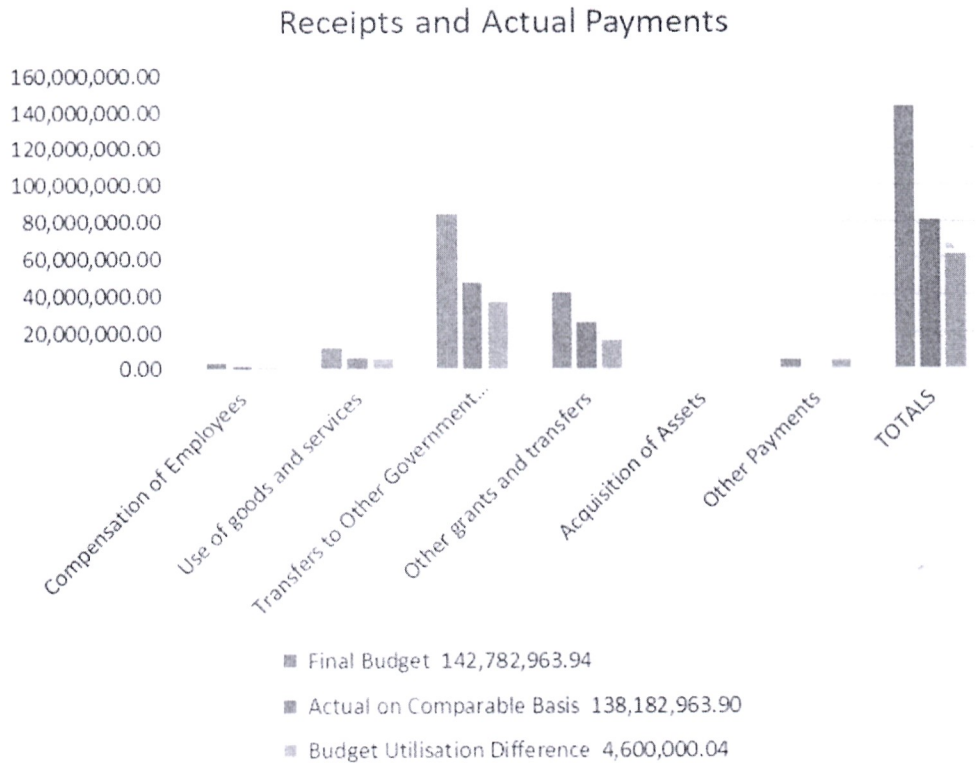


Fig. 1 Graph of receipts and expenditures in 2017/2018

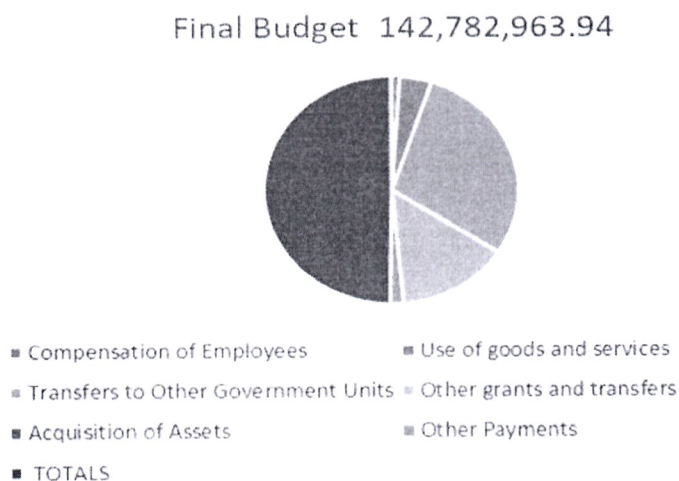


Fig. 2 Piechart showing allocations per vote/sector

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

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

NG-CDF is a fund which can be classified as community friendly. Apart from funding what is required by the community members, its implementation is done by the same community thus achieving several objectives. First, it is wealth creation as a vast number of items and resources used are from the community. It also encourages ownership of the projects by the community hence their sustainability.

There is also transfer of skills (capacity building) to the community as managing projects creates experience. Finally, the biggest achievements are on the projects themselves. In Kathiani so many primary and secondary schools have benefited thus improving their infrastructure. These have gone a long way in improving the lives of the beneficiaries.

Some of the keys projects are highlighted below:

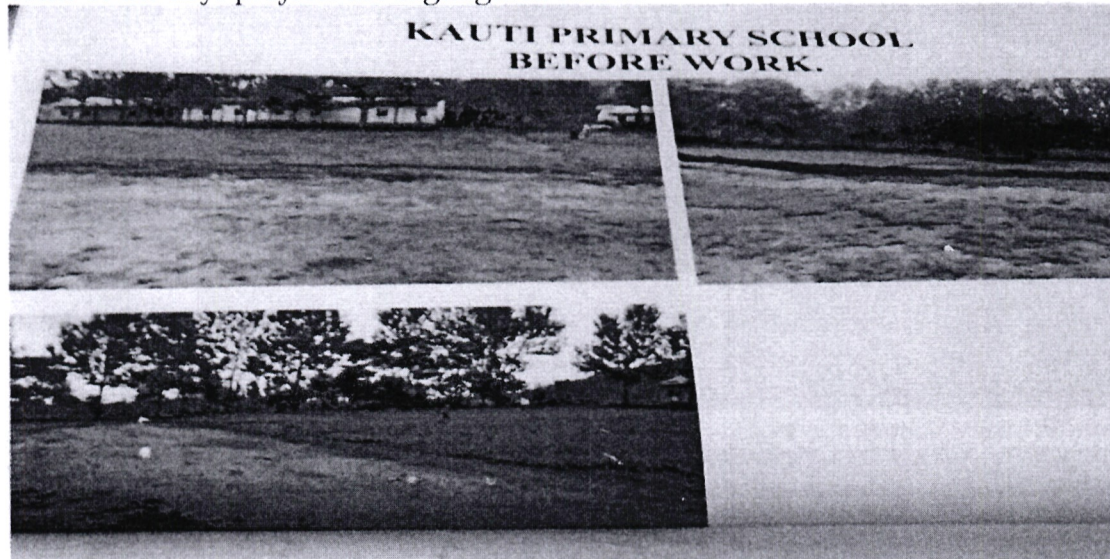


Fig 3. Kauti Primary School Playground before implementation

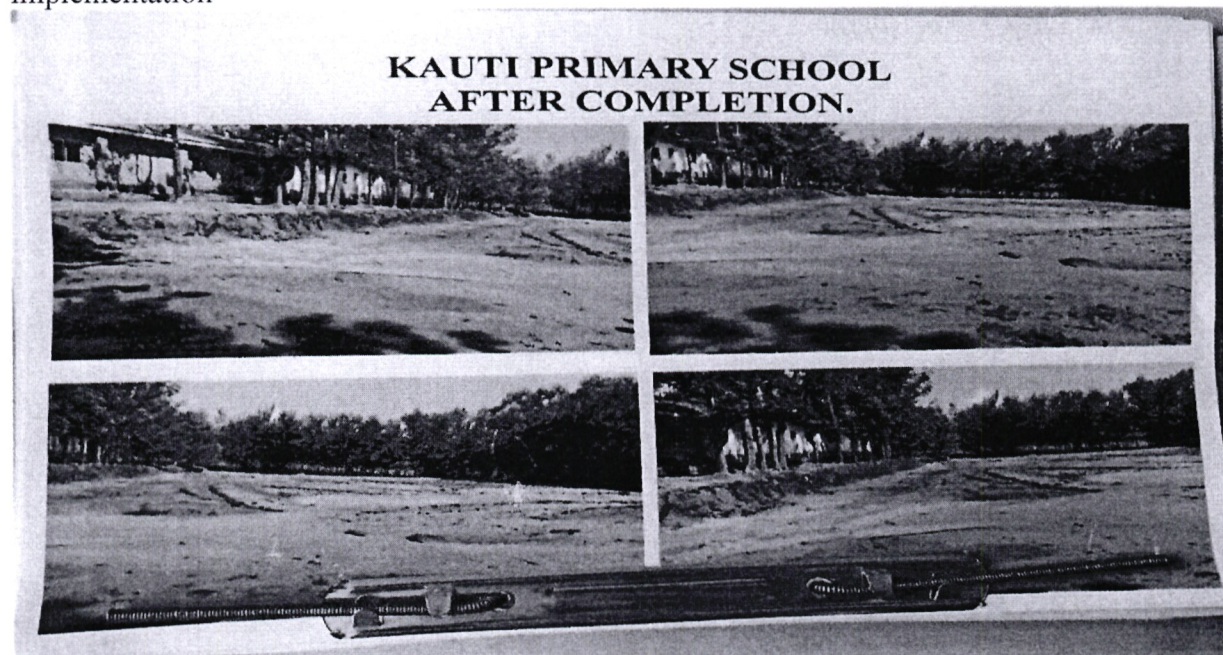


Fig. 4 Ground levelling at Kauti Primary School at Kshs. 1,637,000.00

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

---



Fig. 5 Mutumbini Primary School classrooms after renovations at Kshs.500,000.00



Fig. 6 Kikawani Primary School after renovations at Kshs. 500,000.00

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

**KATHIANI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

---

However, there is an emerging challenge with the management of the fund. The 5% provision that goes to PMCs is increasingly failing in its original intent. Whereas it was meant to facilitate the operations of the PMCs, it is becoming the real attraction rather thus PMCs may lose focus to the successful implementation of the project itself. However, this is being addressed through PMC being reduced in numbers as well as managing the number of meeting they do.

*Sign* 

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KATHIANI 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.

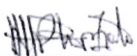
The Accounting Officer in charge of the NGCDF-Kathiani Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-KATHIANI 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-KATHIANI 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-KATHIANI 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**

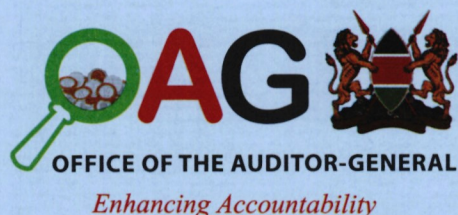
The NGCDF-KATHIANI Constituency financial statements were approved and signed by the Accounting Officer on 19/3/2019 2019.

  
\_\_\_\_\_  
Fund Account Manager  
Name: Raphael Njiru

  
\_\_\_\_\_  
Sub-County Accountant  
Name: Evelyn O. Omingata  
ICPAK Member Number:  
6987

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KATHIANI 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 - Kathiani Constituency set out on pages 9 to 32, which comprise of the statement of assets and liabilities as at 30 June, 2018, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

#### **Basis for Qualified Opinion**

##### **Inaccuracies in the Statement of Assets and Liabilities**

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects bank balances totalling to Kshs.57,801,136. Review of the bank reconciliation statement for the month of June, 2018 showed payments recorded in the cashbook but not reflected in the bank statement amounting to Kshs.2,682,293 including stale cheques amounting to Kshs.856,363 which has accumulated since 2014. However, the cheques have not been written back in the cashbook.

Further, the statement reflects at the bottom net liabilities instead of net financial position totalling to Kshs.57,801,136. The error was not corrected.

Consequently, the accuracy, completeness and validity of balances totalling to Kshs.57,801,136 reflected in the statement of assets and liabilities as at 30 June, 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kathiani Constituency Management in accordance with ISSAI 130 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.

### **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. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.142,782,964 and Kshs.138,182,964 respectively, resulting to an under-funding amounting to Kshs.4,600,000 or 3% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.142,782,964 and Kshs.80,381,828 respectively, resulting to an under expenditure amounting to Kshs.62,401,136 or 44% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

## **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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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**

### **Delay in Project Implementation**

Review of records established that forty-three (43) projects funded between the financial years 2013/14 and 2016/17 whose allocation totalled to Kshs.39,909,931 had stalled even though the entire allocation was disbursed to the Project Management Committees, eight (8) projects at a budget cost of Kshs.11,052,759 between the financial years 2013/2014 and 2015/2016 though completed had not been put to use, while eleven (11) projects funded during the 2017/18 financial year, whose allocation totalled to Kshs.15,283,732 were incomplete as at the time of physical verifications in the month of January, 2019. Out of the allocation, a total of Kshs.14,333,732 was disbursed to the Project Management Committees.

In the circumstances, I am unable to confirm whether the public will obtain value for money for the stalled, delayed and unused projects.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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 Fund 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 overall 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 overall 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund 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.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

22 December, 2021

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

**KATHIANI CONSTITUENCY**

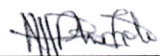
**Reports and Financial Statements**


**For the year ended June 30, 2018**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	134,537,930.00	92,917,643.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	=
<b>TOTAL RECEIPTS</b>		134,537,930.00	92,917,643.00
<b>PAYMENTS</b>			
Compensation of employees	4	1,972,545.00	1,309,100.00
Use of goods and services	5	6,132,820.00	6,063,818.00
Transfers to Other Government Units	6	46,877,663.00	46,954,723.00
Other grants and transfers	7	25,398,800.00	43,382,820.00
Acquisition of Assets	8	-	-
Other Payments	9	=	1,500,000.00
<b>TOTAL PAYMENTS</b>		80,381,828.00	99,210,461.00
<b>SURPLUS/(DEFICIT)</b>		<u>54,156,102.00</u>	<u>(6,292,818.00)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kathiani Constituency financial statements were approved on 12/3/2019 and signed by:

  
 Fund Account Manager  
 Name: Raphael Makau


  
 Sub-County Accountant  
 Name: Evelyn O. Omung'ala  
 ICPAK Member Number:  
6987


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

**V. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	57,801,136.00	3,645,034.00
Cash Balances (cash at hand)	10B	=	=
<b>Total Cash and Cash equivalent</b>		<b>57,801,136.00</b>	<b>3,645,034.00</b>
Current receivables-Outstanding Imprests	11	=	=
<b>TOTAL FINANCIAL ASSETS</b>		<b>57,801,136.00</b>	<b>3,645,034.00</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts payable-Retention	12		
<b>NET FINANCIAL ASSETS</b>		<b>57,801,136.00</b>	<b>3,645,034.00</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	3,645,034.00	9,937,852.00
Surplus/Defict for the year		54,156,102.00	(6,292,818.00)
Prior year adjustments	14	=	=
<b>NET FINANCIAL POSTITION</b>		<b>57,801,136.00</b>	<b>3,645,034.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kathiani Constituency financial statements were approved on 12/3/2019 and signed by:

  
**Fund Account Manager**  
**Name: Raphael Makau**

  
**Sub-County Accountant**  
**Name: Evelyn O. Omungali**  
**ICPAK Member Number: 6987**

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

**KATHIANI CONSTITUENCY**

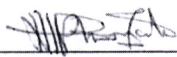
**Reports and Financial Statements**


**For the year ended June 30, 2018**

**VI. STATEMENT OF CASHFLOW**

Receipts for operating income		2017- 2018	2016 - 2017
Transfers from NGCDF Board	1	134,537,930.00	92,917,643.00
Other Receipts	3	=	=
		134,537,930.00	92,917,643.00
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,972,545.00	1,309,100.00
Use of goods and services	5	6,132,820.00	6,063,818.00
Transfers to Other Government Units	6	46,877,663.00	46,954,723.00
Other grants and transfers	7	25,398,800.00	43,382,820.00
Other Payments	9		1,500,000.00
		<b>80,381,828.00</b>	<b>99,210,461.00</b>
Adjusted for:			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>54,156,102.00</b>	<b>(6,292,818.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>54,156,102.00</b>	<b>(6,292,818.00)</b>
Cash and cash equivalent at BEGINNING of the year	13	3,645,034.00	9,937,852.00
Cash and cash equivalent at END of the year		<b>57,801,136.00</b>	<b>3,645,034.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kathiani Constituency financial statements were approved on 23 2019 and signed by:

  
 Fund Account Manager  
 Name: Raphael Makau

  
 Sub-County Accountant  
 Name: Evelyn O. Omung'ala  
 ICPAK Member Number: 6987

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

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 %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	86,810,345.00	55,972,619.00	142,782,964.00	138,182,964.00	4,600,000.00	97
Proceeds from Sale of Assets						-
Other Receipts						-
<b>TOTAL RECEIPTS</b>	<b>86,810,345.00</b>	<b>55,972,619.00</b>	<b>142,782,964.00</b>	<b>138,182,964.00</b>	<b>4,600,000.00</b>	<b>97</b>
<b>EXPENDITURES</b>						
Compensation of Employees	2,060,000.00	1,060,000.00	3,120,000.00	1,972,545.00	1,147,455.00	63
Acquisition of goods and services	8,748,620.00	5,798,722.00	11,547,343.00	6,132,820.00	5,414,522.00	53
Transfers to Other Government	44,896,759.00	38,881,931.00	83,778,690.00	46,877,663.00	36,901,028.00	56
Other grants and transfers	26,427,938.00	10,231,966.00	36,659,904.00	25,398,800.00	11,261,104.00	61
Acquisition of Assets	-	-	-	-	-	-
Other Payments	4,677,028.00		4,677,028.00	-	4,677,028.00	0
<b>TOTAL EXPENDITURES</b>	<b>86,810,345.00</b>	<b>55,972,619.00</b>	<b>142,782,964.00</b>	<b>80,381,828.00</b>	<b>62,401,136.00</b>	<b>56</b>


i. The underutilization in all votes was due to the fact that the balances for the year were received in June when the financial year was ending.


ii. The of Kshs 55,972,619 is composed of opening balance of Kshs. 3,645,034, Kshs. 40,948,275.13 amount due from the Board in 2016/2017 and kshs. 11,379,310.34 additional funding that was given to all the constituencies in 2017/2018.

NAIWA JIVE MEMORANDUM ON COMMITTEE'S REVIEW OF FINANCIAL STATEMENTS - KATHIANI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018

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

The NGCDF-Kathiani Constituency financial statements were approved on 12/31 2019 and signed by:

  
Fund Account Manager  
Name: Reshad Muxau

  
Sub-County Accountant  
Name: Eve. Lyne O. Omung'ala  
ICPAK Member Number: 6987

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

---

**VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

**2. Reporting Entity**

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**Tax Receipts**

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

**Transfers from the Exchequer**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

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

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

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

During the year ended 30<sup>th</sup> 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) –  
KATHIANI 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 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.

**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 1<sup>st</sup> July 2017 to 30<sup>th</sup> 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 30<sup>th</sup> 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) –  
KATHIANI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

---

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2017-2018	2016-2017
	Kshs	Kshs
NGCDF Board		
AIE NO A855848	5,500,000.00	51,969,366.00
AIE NO A892581	36,348,275.00	4,094,828.00
AIE NO 892889	37,905,172.00	36,853,449.00
AIE NO 896882	43,405,173.00	
AIE NO 896979	11,379,310.00	
<b>TOTAL</b>	<b>134,537,930.00</b>	<b>92,917,643.00</b>

**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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	1,944,105.00	1,059,129.00
Basic wages of casual labour	-	204,371.00
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	28,440.00	45,600.00
<b>Total</b>	<b>1,972,545.00</b>	<b>1,309,100.00</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

5. USE OF GOODS AND SERVICES

	2017-2018 Kshs	2016-2017 Kshs
Committee Expenses	2,893,000	4,130,302
Utilities, supplies and services	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,721,420.00	1,577,400.00
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,518,400.00	314,203.00
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	41,913.00
Routine maintenance – other assets	-	-
<b>Total</b>	<b>6,132,820.00</b>	<b>6,063,818.00</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	26,564,663.00	40,537,000.00
Transfers to secondary schools (see attached list)	18,813,000.00	5,417,723.00
Transfers to tertiary institutions (see attached list)	1,500,000.00	-
Transfers to health institutions (see attached list)	-	1,000,000.00
<b>TOTAL</b>	<b>46,877,663.00</b>	<b>46,954,723.00</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools (see attached list)	13,897,800.00	23,096,434.00
Bursary – tertiary institutions (see attached list)	65,000.00	2,700,000.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	4,600,000.00
Security projects (see attached list)	5,535,000.00	7,254,558.00
Sports projects (see attached list)	1,736,000.00	1,637,000.00
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	4,165,000.00	4,094,828.00
<b>Total</b>	<b>25,398,800.00</b>	<b>43,382,820.00</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	2017-2018 Kshs	2016-2017 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9. OTHER PAYMENTS**

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

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

**KATHIANI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Coop Bank, Athiriver Branch. Account No. 01141563295800</i>	57,801,136.00	3,645,034.00
	-	-
	-	-
<b>Total</b>	<b>57,801,136.00</b>	<b>3,645,034.00</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	-	-
<i>[Provide cash count certificates for each]</i>		

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

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

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

**12 RETENTION**

	<b>2017 - 2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	3,645,034.00	9,937,852.00
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>3,645,034.00</b>	<b>9,937,852.00</b>

*[Provide short appropriate explanations as necessary]*

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14. PRIOR YEAR ADJUSTMENTS**

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**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	-	-
	<b>-</b>	<b>-</b>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

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

**15.3: UNUTILIZED FUNDS (See Annex 3)**

	Kshs	Kshs
Compensation of employees	1,135,000.00	1,060,000.00
Use of goods and services	8,723,618.00	2,030,344.00
Amounts due to other Government entities (see attached list)	30,437,000.00	30,094,931.00
Amounts due to other grants and other transfers (see attached list)	17,428,491.00	7,763,000.00
Acquisition of assets	-	-
Others ( <i>specify</i> )	4,677,027.00	-
	<b>62,401,136.00</b>	<b>40,948,275.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 KATHIANI 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)	Xxx	xxx
	Xxx	xxx

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

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KATHIANI CONSTITUENCY

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Middle Management</b>							
4.							
5.							
6.							
	Sub-Total						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	Sub-Total						
<b>Others (specify)</b>							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						



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

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures				
Transport equipment	4,000,000.00	-	-	4,000,000.00
Office equipment, furniture and fittings	548,924.00	-	-	548,924.00
ICT Equipment, Software and Other ICT Assets	700,300.00	-	-	700,300.00
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>5,249,224.00</b>	<b>-</b>	<b>-</b>	<b>5,249,224.00</b>

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

---

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Miumbuni Secondary School	Coop	01139549562200	3,000,000	120,000
Lita AP Post	Coop Bank, Machakos	01141748266900	95,000	116,000
Mutitu AP Post	Coop Bank, Machakos	01141748264300	1,400,000	82,000
<b>Total</b>				

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

**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)	Time frame (Put a date when you expect the issue to be resolved)
3	Acquisition of Assets not reflected in Asset register	Asset register amended	FAM	resolved	August 2018
4	Other payments-funding of dispensary within the financial year which is ineligible	The funding had been approved by Board as the project could not have been stopped midstream	FAM	resolved	August 2018
6	Net Financial position-Net position declared as deficit	This has since been corrected in the template	FAM	resolved	August 2018