

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PARLIAMENTARY DEPARTMENT	
DATE: 21 OCT 2021	DAY: Thursday
TABLED BY: L.M.P.	
CLERK-AT-THE-TABLE OF Maira Warjiku	

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – KIRINYAGA CENTRAL
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2019**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KIRINYAGA
CENTRAL CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

b. Key Management

The NGCDF KIRINYAGA CENTRAL Constituency 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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Kenneth Kariuki
2.	Sub-County Accountant	Washington D.K. Magiri
3.	Chairman NGCDFC	Paul Munene Mugo
4.	Member NGCDFC	Charles Munene Muriithi

d. Fiduciary Oversight Arrangements

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

YOUTH EMPOWERMENT BUILDING
BEHIND KAITHERI POLYTECHNIC
P.O. Box 753-10300
KERUGOYA, KENYA.

NGCDF KIRINYAGA CENTRAL Constituency Contacts

E-mail: cdfkirinyagacentral@gmail.com
Website: www.kirinyagacentralcdf.org

f. NGCDF KIRINYAGA CENTRAL Constituency Bankers

1. Co-operative bank Kerugoya Branch
P.O. Box 635-10300
Kerugoya.

g. Independent Auditors

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

h. Principal Legal Adviser

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

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

I the chairman of Kirinyaga central National Government Constituency Development Fund would like to forward the financial statements for this constituency to your office as contained in this report. It is my confirmation that this statement gives the Kirinyaga Central NG-CDF financial Status as at 30/06/2019

INTRODUCTION

Kirinyaga Central Constituency is one of the four constituencies of Kirinyaga County in the republic of Kenya. The other Constituencies are: Mwea, Gichugu and Ndia. The Constituency has a population of over 200,000 people, the main economic activity being farming, in all its form, e.g. Subsistence farming, dairy farming, Horticulture, Tea, Coffee and Rice farming in swampy areas of Kanyekiini Ward.

Due to the high population, the Constituency has a number of challenges which the National Government Constituency Development fund committee has to deal with.

BUDGET PERFORMANCE

During the collection of the project proposal meetings from the members of the public a lot of needs were presented to the committee. Unfortunately, only a few needs could be included in this budget proposals to the NG-CDF board due to the funds allocated for the Kirinyaga Central NG-CDF. Some of the Major needs presented to the committee were: Renovation of classrooms for Primary and secondary schools, construction of new classrooms due to the increased number of students, Construction of secondary schools' science laboratories and many others, to mention just a few. Given that the needs are too high compared to the allocated funds, the government needs to increase the funding allocation for the constituencies. The budget utilization has been doing fairly well since we have achieved a budget utilization of 78.1% of the total allocation, although with some challenges which includes delayed release of constituency budget ceilings, delayed disbursement of funds to the constituency, slow rate of re-allocation and re-submission approvals

MAJOR ACHIEVEMENTS

In the year under review, Kirinyaga Central NG-CDFC has awarded bursaries worth over Kshs. 38,666,379. This has gone a long way in ensuring that both secondary and college students have stayed in class, without being sent home to collect school fees. In addition to the bursaries the NG-CDFC has also constructed several secondary schools' science laboratories; Renovation of classrooms and school offices; Environmental improvement has also received attention through the planting of trees by the youth and the women groups in various primary schools.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)



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Youth talents and Publicity awareness has also received a boost through distributions of branded sports kits to various sports teams, which included women volleyball teams.

Some of the development projects done to completion in both education and security within the financial year are as indicated below.

NO.	Project name	Image of the project	Financial Year	Impact of the project
		d) Water Projects		
1	Kirimunge Secondary School Water Project		FY 2018/19	Steady Supply of water to both Kirimunge Secondary School students' and primary school pupils.
2	Kirinyaga Central NG-CDF Office Block		F/Y 2017/18 & 2018/2019	Readily accessible NGCDF offices by the Kirinyaga Central constituents.

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NO.	Project name	Image of the project	Financial Year	Impact of the project
d) Education Projects				
3	Kiabarikiri Primary School- Renovation of school classrooms and offices		FY 2018/19	Improved classrooms and offices in the school, hence conducive environment for learning to the pupils.
4	Kiamutuiru Secondary School science laboratory.		FY 2017/18 & 2018/2019	Improved performance in the science subjects in the school.
5	Karia Chief's Office		FY 2017/18	Reduced distance for the community to get services offered by the chief. Also improved security in the area.
6	Kirinyaga Central NG-CDF Sports support		2018/2019	Developing and Nurturing the youth sport talents .

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EMERGING ISSUES

The amount allocating as NG- CDFC funding is like a drop in the Ocean since the needs are quite overwhelming. It is my view that funding needs be increased in order to cater for the increased community needs. The number of meetings by the NG-CDFC needs be increased from 24 meetings per year to 36 so that the committee will have more time to deliberate on the community needs. Also the facilitation for the committee needs be increased through increased sitting allowances to improve the motivation of the members.

Proper policies also needs be developed, in such a way that they define various responsibilities to be undertaken by different stake holders who may include government departs, community, etc.

IMPLEMENTATION CHALLENGES

We have more needs and less funding. This means that the percentage given to the National Government Constituencies Development fund(NG-CDF) for all the constituencies need be increased from the current 2.5% to about 5% of the country collected net revenue. Noting that the only visible development in the country is through the NG-CDF, this request needs some attention. We are experiencing poor performance by the technical departments resulting to delays in project documentation hence project implementation. We are also experiencing political interferences, where the County government is not approving construction sites or its officers not giving the necessary support to the NG-CDFC.

CONCLUSION

The NG- CDF is a noble idea and needs be supported by all. This fund also needs to be controlled from the National Government for the country's developmental goals to be achieved.



Paul Munene Mugo

NG-CDF Chairman -Kirinyaga Central Constituency.

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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 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-KIRINYAGA CENTRAL 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, 2019. 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-KIRINYAGA CENTRAL 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, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KIRINYAGA CENTRAL 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-KIRINYAGA CENTRAL 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-KIRINYAGA CENTRAL Constituency financial statements were approved and signed by the Accounting Officer on 18/9/ 2019.



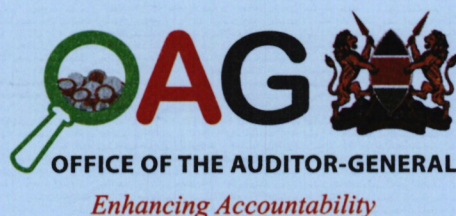
Fund Account Manager
Name: KENNETH KARIUKI



Sub-County Accountant
Name: WASHINGTON D.K MAGIRI
ICPAK Member Number: 20471

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 - KIRINYAGA CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kirinyaga Central Constituency set out on pages 10 to 39, which comprise the statement of assets and liabilities as at 30 June, 2019, and the 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 effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kirinyaga Central Constituency as at 30 June, 2019, 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 and the Public Finance Management Act, 2012.

Basis for Opinion

1.0 Inaccuracies in the Cash and Cash Equivalents Balance

The statement of assets and liabilities and Note 10A to the financial statements, reflect cash and cash equivalents of Kshs.35,635,919. However, the bank reconciliation statement for the month of June, 2019 reflected a balance as per bank statement of Kshs.37,730,277 which differed with the balance of Kshs.37,769,157 reflected in the certificate of bank balance by Kshs.38,880. Further, the bank reconciliation statement reflected Kshs.11,000 and Kshs.28,600 being receipts in bank statement not recorded in the cash book and payments in bank statement not recorded in the cash book, respectively. No explanation was provided why the receipts and the payments had not been recorded in the cashbook.

In addition, the statement reflected Kshs.2,111,958 with respect to unrepresented cheques out of which cheques totalling Kshs.2,036,173 were stale and had not been reversed in the cashbook as at 30 June, 2019.

In the circumstances, the accuracy of the Kshs.35,635,919 in respect to cash and cash equivalents balance as at 30 June, 2019, could not be confirmed.

2.0 Prior Year Adjustments

The statement of assets and liabilities reflects prior year adjustments of Kshs.636,164 which as disclosed at Note 14 to the financial statements, comprised Kshs.635,944 and Kshs.220 in respect to reversed cheques and understated cash book respectively. However, Paragraph 47(a) of IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors provides that an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery, by restating the comparative amounts for prior period presented in which the error occurred.

In the circumstances, the accuracy of the Kshs.636,164 in respect to prior year adjustments 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 - Kirinyaga Central 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 judgement, 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 Kshs.173,825,252 and Kshs.136,325,497 being budgeted payments and actual payments respectively, resulting to under-expenditure of Kshs.37,499,755 or 22% of budgeted expenditure.

The under-spending indicates that some of the planned activities and projects were not implemented thus compromising service delivery to the residents of Kirinyaga Central Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for 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

Delayed Implementation of Projects

The status report on projects' implementation as at 30 June, 2019 provided for audit, indicated that fifty-six (56) projects with a combined budget Kshs.150,525,611 were budgeted to be implemented during the financial year 2018/2019. However, eight (8) projects with a combined budget of Kshs.81,072,065 were still ongoing while seven (7) projects budgeted to cost Kshs.7,598,916 had not been started at the end of the financial year.

In view of the foregoing, the Fund Management should review project management and supervision measures in place to ensure timely implementation of projects for efficient service delivery to the residents of Kirinyaga Central Constituency.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, 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 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, and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the National Government Constituencies Development Fund – Kirinyaga Central Constituency's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the 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 Fund's 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 Fund's 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 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 in accordance with the provisions of

Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIRINYAGA CENTRAL CONSTITUENCY**

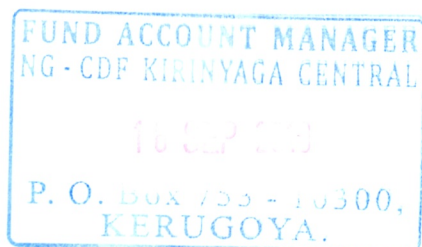
**Reports and Financial Statements
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	161,325,359	84,353,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		161,325,359	84,353,447
PAYMENTS			
Compensation of employees	4	1,653,841	1,605,550
Use of goods and services	5	7,952,913	3,467,279
Transfers to Other Government Units	6	55,158,344	30,050,000
Other grants and transfers	7	46,528,163	37,481,297
Acquisition of Assets	8	17,387,209	7,017,391
Other Payments	9	7,645,027	-
TOTAL PAYMENTS		136,325,497	79,621,517
SURPLUS/DEFICIT		24,999,862	4,731,930

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIRINYAGA CENTRAL Constituency financial statements were approved on 18/9/ 2019 and signed by:

Fund Account Manager
Name: KENNETH KARIUKI



Sub-County Accountant
Name: WASHINGTON D.K. MAGIRI
ICPAK Member Number: 20471

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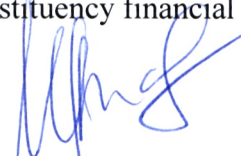
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	35,635,919	9,999,893
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		35,635,919	9,999,893
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		35,635,919	9,999,893
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		<u>35,635,919</u>	<u>9,999,893</u>
REPRESENTED BY			
Fund balance b/fwd. 1st July...	13	9,999,893	5,267,963
Surplus/Deficit for the year		24,999,862	4,731,930
Prior year adjustments	14	636,164	-
NET FINANCIAL POSITION		<u>35,635,919</u>	<u>9,999,893</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIRINYAGA CENTRAL Constituency financial statements were approved on 18/9/ 2019 and signed by:


Fund Account Manager
Name: KENNETH KARIUKI




Sub-County Accountant
Name: WASHINGTON D.K. MAGIRI
ICPAK Member Number: 20471


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIRINYAGA CENTRAL CONSTITUENCY**

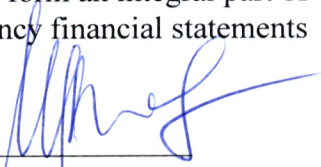
**Reports and Financial Statements
For the year ended June 30, 2019**

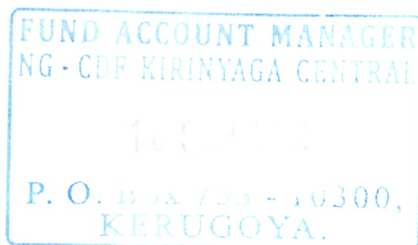
VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019 Kshs	2017 - 2018 Kshs
Receipts			
Transfers from CDF Board	1	161,325,359	84,353,447
Other Receipts	3	-	
Total Receipts		161,325,359	84,353,447
Payments			
Compensation of Employees	4	1,653,841	1,605,550
Use of goods and services	5	7,952,913	3,467,279
Transfers to Other Government Units	6	55,158,344	30,050,000
Other grants and transfers	7	46,528,163	37,481,297
Other Payments	9	7,645,027	-
Total Payments		118,938,288	72,604,126
Total Receipts Less Total Payments		42,387,071	11,749,321
Adjusted for:			
Outstanding Imprest	11	-	
Retention	12A	-	
Gratuity Payable	12B		
Prior Year adjustment	14	636,164	
Net Adjustments		636,164	-
Net cash flow from operating activities		43,023,235	11,749,321
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(17,387,209)	(7,017,391)
Net cash flows from Investing Activities		(17,387,209)	(7,017,391)
NET INCREASE IN CASH AND CASH EQUIVALENT		25,636,026	4,731,930
Cash and cash equivalent at BEGINNING of the year	13	9,999,893	5,267,963
Cash and cash equivalent at END of the year		35,635,919	9,999,893

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIRINYAGA CENTRAL Constituency financial statements were approved on 18/9/2019 2019 and signed by:


Fund Account Manager
Name: KENNETH KARIUKI


Sub-County Accountant
Name: WASHINGTON D.K MAGIRI
ICPAK Member Number: 20471



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	64,784,376	173,825,252	171,325,252	2,500,000	98.6%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-	-	-	
TOTAL RECEIPTS	109,040,876	64,784,376	173,825,252	171,325,252	2,500,000	98.6%
PAYMENTS			-		-	
Compensation of Employees	1,711,258	1,624,770	3,336,028	1,653,841	1,682,187	49.6%
Use of goods and services	5,339,211	6,947,375	12,286,586	7,952,913	4,333,673	64.7%
Transfers to Other Government Units	39,870,413	15,287,931	55,158,344	55,158,344	-	100.0%
Other grants and transfers	48,502,993	26,012,898	74,515,891	46,528,163	27,987,728	62.4%
Acquisition of Assets	13,617,000	7,234,375	20,851,375	17,387,209	3,464,166	83.4%
Other Payments	0.00	7,677,027	7,677,027	7,645,027	32,000	99.6%
TOTAL	109,040,876	64,784,376	173,825,252	136,325,497	37,499,755	78.4%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
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(a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]

- Kshs 109,040,876 is the amount of the proposal for the financial year 2018/2019.
- Adjustments includes: Cashbook opening balance Kshs 9,999,893 and 2017/2018 budget roll-over of Kshs 54,784,483.

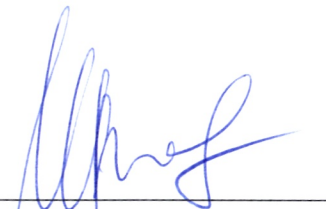
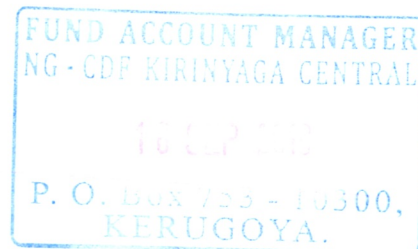
(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- Delayed disbursements of fund balance from NG-CDF board is the cause of under-utilization of employee compensation fund.*
- Delayed disbursements of fund balance from NG-CDF board is the cause of under-utilization of use of goods and services fund*
- Delayed disbursements of fund balance from NG-CDF board is the cause of under-utilization of other grants and transfers fund*
- Delayed disbursements of fund balance from NG-CDF board is the cause of under-utilization of acquisition of Assets fund*

The NGCDF-KIRINYAGA CENTRAL Constituency financial statements were approved on 18/9/ 2019 and signed by:



Fund Account Manager
Name: KENNETH KARIUKI



Sub-County Accountant
Name: WASHINGTON D.K. MAGIRI
ICPAK Member Number: 20471

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration					
Employees' Salaries	1,711,258.00	1,624,770.00	3,336,028.00	1,653,841.00	1,682,187.00
Goods and Services	283,000.00	0.00	283,000.00	0.00	283,000.00
Committee Expenses	2,388,742.00	3,658,016.00	6,046,758.00	3,599,913.00	2,446,845.00
Sub-Total	4,383,000.00	5,282,786.00	9,665,786.00	5,253,754.00	4,412,032.00
2.0 Monitoring and Evaluation					
Goods and Services	150,000.00		150,000.00		
Committee Expenses	1,100,000.00	3,289,359.00	4,389,359.00	4,353,000.00	1,603,828.00
Capacity Building of NG-CDFs/PMCs	1,417,469.00		1,417,469.00		
Sub-Total	2,667,469.00	3,289,359.00	5,956,828.00	4,353,000.00	1,603,828.00
3.0 Emergency					
Emergency	5,738,993.00		5,738,993.00	0.00	5,738,993.00
Mutira Girls Secondary School		1,000,000.00	1,000,000.00	1,000,000.00	0.00
Sub-Total	5,738,993.00	1,000,000.00	6,738,993.00	1,000,000.00	5,738,993.00
4.0 Bursary and Social Security Programme					
Bursary Secondary Schools	26,715,000.00	12,666,379.00	39,381,379.00	28,849,483.00	10,531,896.00
Bursary Tertiary Schools	11,449,000.00	6,892,000.00	18,341,000.00	9,708,896.00	8,632,104.00
Bursary Special Schools	0.00	108,000.00	108,000.00	108,000.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Social Security Programmes -NHIF	0.00	0.00	0.00	0.00	0.00
Reversed Cheques	1.00	859,816.00	859,817.00	0.00	859,817.00
Sub-Total	38,164,001.00	20,526,195.00	58,690,196.00	38,666,379.00	20,023,817.00
5.0 Sports	2,000,000.00	1,962,577.00	3,962,577.00	1,957,586.00	2,004,991.00
Sub-Total	2,000,000.00	1,962,577.00	3,962,577.00	1,957,586.00	2,004,991.00
6.0 Environment					0.00
Kiarugu Primary School Pupils Toilet	1,500,000.00	0.00	1,500,000.00	1,500,000.00	0.00
Gakoigo Primary School	0.00	113,793.00	113,793.00	113,793.00	0.00
KagumoCCM Primary School	0.00	113,793.00	113,793.00	113,793.00	0.00
Kaitheri Primary School	0.00	120,000.00	120,000.00	120,000.00	0.00
Mutira Primary School	0.00	120,000.00	120,000.00	120,000.00	0.00
Sub-Total	1,500,000.00	467,586.00	1,967,586.00	1,967,586.00	0.00
7.0 Primary School Projects					0.00
Kirimunge Primary School	546,165.00	700,000.00	1,246,165.00	1,246,165.00	0.00
Mukinduri Primary School	1,018,574.00	400,000.00	1,418,574.00	1,418,574.00	0.00
Karaini Primary School	3,000,000.00	0.00	3,000,000.00	3,000,000.00	0.00
Kiamaina Primary Sch	1,300,000.00	0.00	1,300,000.00	1,300,000.00	0.00
Kangaita Primary School	895,065.00	550,000.00	1,445,065.00	1,445,065.00	0.00
Gatwe Primary School	638,015.00	0.00	638,015.00	638,015.00	0.00
KagumoCCM Primary School	952,950.00	600,000.00	1,552,950.00	1,552,950.00	0.00
Kiandieri Primary School	941,165.00	630,000.00	1,571,165.00	1,571,165.00	0.00
Gakoigo Primary School	1,924,830.00	0.00	1,924,830.00	1,924,830.00	0.00
Njega Primary School	3,000,000.00	0.00	3,000,000.00	3,000,000.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Mutitu Primary School	1,010,279.00	0.00	1,010,279.00	1,010,279.00	0.00
Kianjege East Primary School	3,000,000.00	0.00	3,000,000.00	3,000,000.00	0.00
Kirigo Primary school	3,000,000.00	0.00	3,000,000.00	3,000,000.00	0.00
Kiabarikiri Primary school	2,200,000.00	0.00	2,200,000.00	2,200,000.00	0.00
Kamuiru Primary School	1,500,000.00	0.00	1,500,000.00	1,500,000.00	0.00
Thaita Primary School	2,000,000.00	0.00	2,000,000.00	2,000,000.00	0.00
Kiaga Primary School	3,000,000.00	0.00	3,000,000.00	3,000,000.00	0.00
Ngaru Primary School	0.00	3,700,000.00	3,700,000.00	3,700,000.00	0.00
Gatuto Primary School	0.00	3,300,000.00	3,300,000.00	3,300,000.00	0.00
Gitwe primary school	0.00	500,000.00	500,000.00	500,000.00	0.00
Mutitu Primary School	0.00	2,300,000.00	2,300,000.00	2,300,000.00	0.00
Sub-Total	29,927,043.00	12,680,000.00	42,607,043.00	42,607,043.00	0.00
8.0 Secondary School Projects					0.00
Mutitu Secondary School	1,360,000.00	0.00	1,360,000.00	1,360,000.00	0.00
Kiamutaira Secondary School	608,980.00	1,500,000.00	2,108,980.00	2,108,980.00	0.00
Kirimunge Secondary School	5,174,390.00	0.00	5,174,390.00	5,174,390.00	0.00
Gathuthuma Secondary School	2,800,000.00	0.00	2,800,000.00	2,800,000.00	0.00
Gatuto Secondary School	0.00	1,107,931.00	1,107,931.00	1,107,931.00	0.00
Sub-Total	9,943,370.00	2,607,931.00	12,551,301.00	12,551,301.00	0.00
10.0 Security Projects					0.00
Kerugoya Chief Office	1,100,000.00	0.00	1,100,000.00	1,100,000.00	0.00
Ndimi A.P. Camp	0.00	200,000.00	200,000.00	200,000.00	0.00
Ngomongo A.P. Houses	0.00	103,590.00	103,590.00	96,712.00	6,878.00
Kerugoya Police Lines	0.00	50,910.00	50,910.00	40,900.00	10,010.00
Kagumo A.P. Camp	0.00	198,340.00	198,340.00		198,340.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Ndimi / Kibingo A.P. houses	0.00	1,500,000.00	1,500,000.00	1,499,000.00	1,000.00
Karia Chief's office	0.00	1,200.00	1,200.00	0.00	1,200.00
Kariko Assistant Chief Office	0.00	2,500.00	2,500.00	0.00	2,500.00
Sub-Total	1,100,000.00	2,056,540.00	3,156,540.00	2,936,612.00	219,928.00
11.0 Acquisitions of Assets					
NG-CDF Office Partitioning	0.00	700,000.00	700,000.00	649,075.00	50,925.00
NG- CDF office	13,500,000.00	5,732,609.00	19,232,609.00	16,621,134.00	2,611,475.00
ng- CDF office-fence	0.00	801,766.00	801,766.00	0.00	801,766.00
Purchase of office furniture and fittings- Metal cabinet	29,000.00	0.00	29,000.00	29,000.00	0.00
Purchase of computers ,printers and other IT equipments-Laptop	88,000.00	0.00	88,000.00	88,000.00	0.00
Sub-Total	13,617,000.00	7,234,375.00	20,851,375.00	17,387,209.00	3,464,166.00
12.0 Others					0.00
Strategic Plan	0.00	3,000,000.00	3,000,000.00	2,968,000.00	32,000.00
Constituency ICT Hubs	0.00	4,677,027.00	4,677,027.00	4,677,027.00	0.00
Sub-Total	0.00	7,677,027.00	7,677,027.00	7,645,027.00	32,000.00
GRAND TOTAL	109,040,876.00	64,784,376.00	173,825,252.00	136,325,497.00	37,499,755.00

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based.)

IX. 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-KIRINYAGA CENTRAL 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 30th June 2019, 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) –
KIRINYAGA CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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 Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) 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 2018 for the period 1st July 2018 to 30th June 2019 as required by Law

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 2019.

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) –
KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM NG-CDF BOARD

	Description		2018-2019	2017 - 2018
			Kshs	Kshs
1330407	Normal Allocation			
		AIE NO. B005241	54,784,483	
		AIE NO. B030146	10,000,000	
		AIE NO. B030450	12,000,000	
		AIE NO. B006396	8,000,000	
		AIE NO. A699137	11,000,000	
		AIE NO. B042916	13,000,000	
		AIE NO. B047561	52,540,876	
		AIE NO. A 855873		5,500,000.00
		AIE NO. A 892698		40,948,275.00
		AIE NO. A892955		37,905,172.00
1330408	Conditional grants			-
				-
1330409	Receipt from other Constituency			-
	TOTAL		161,325,359	84,353,447

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	xxx	xxx
Receipts from sale of office and general equipment	xxx	xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	xxx
Total	xxx	xxx

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

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	xxx	xxx
Rents	xxx	xxx
Receipts from Sale of tender documents	xxx	xxx
Other Receipts Not Classified Elsewhere	xxx	xxx
Total	xxx	xxx

4. COMPENSATION OF EMPLOYEES

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,108,488	1,025,494.00
2110202	Basic wages of casual labour	60,000	9,000.00
	Personal allowances paid as part of salary		-
2110301	House allowance	252,000	-
2110314	Transport allowance		-
2110320	Leave allowance	33,000	-
2110326	Other personnel payments		-
2120101	Employer contribution to NSSF	62,712	5,616.00
2710120	Gratuity-Paid	137,641	565,440.00
	Gratuity-Accrued		
	TOTAL	1,653,841	1,605,550

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

5. USE OF GOODS AND SERVICES

	Description		2018-2019	2017 - 2018
			Kshs	Kshs
2210100	Utilities, supplies and services		696,612	190,562.00
2210101	Electricity			
2210102	Water & sewerage charges		14,485	
2210104	Office rent		100,000	126,000.00
2210200	Communication, supplies and services			18,950.00
2210300	Domestic travel and subsistence			
2210500	Printing, advertising and information supplies & services			29,500.00
2210600	Rentals of produced assets			
2210700	Training expenses		844,000	25,000.00
2210800	Hospitality supplies and services			
2210802	Other committee expenses		1,951,500	
2210809	Committee allowance		3,539,000	2,573,000.00
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services		494,500	63,142.00
2211200	Fuel , oil & lubricants			216,995.00
2211300	Other operating expenses -Post office Charges		9,450	
2211301	Bank service commission and charges		56,366	202,630.00
2211313	Security operations		247,000	
2220100	Routine maintenance - vehicles and other transport equipment			
2220200	Routine maintenance- other assets			21,500.00
	TOTAL		7,952,913	3,467,279

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**KIRINYAGA CENTRAL CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019***NOTES TO THE FINANCIAL STATEMENTS (Continued)***6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

	Description		2018-2019	2017 - 2018
			Kshs	Kshs
2630204	Transfers to Primary schools(see attached list)		42,607,043	18,950,000.00
2630205	Transfers to Secondary schools(see attached list)		12,551,301	10,400,000.00
	Health			700,000
	TOTAL		55,158,344	30,050,000

7. OTHER GRANTS AND OTHER PAYMENTS

	Description		2018-2019	2017 - 2018
			Kshs	Kshs
2640101	Bursary -Secondary		28,849,483	16,291,040.00
2640102	Bursary -Tertiary		9,708,896	5,208,960.00
2640104	Bursary-Special schools		108,000	
2640105	Mocks & CAT			
2640507	Security		2,936,612	12,746,288.00
2640509	Sports		1,957,586	1,395,009.00
2640510	Environment		1,967,586	840,000.00
2640200	Emergency Projects		1,000,000	1,000,000.00
	TOTAL		46,528,163	37,481,297

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

8. ACQUISITION OF ASSETS

	<u>Non-Financial Assets</u>		2018-2019	2017 - 2018
			Kshs	Kshs
3110102	Purchase of Buildings			
3110202	Construction of Buildings		16,621,133.80	7,017,391.00
3110302	Refurbishment of Buildings		649,075.00	
3110701	Purchase of Vehicles			
3110704	Purchase of Bicycles & Motorcycles			
3110801	Overhaul of Vehicles			
3111001	Purchase of office furniture and fittings- Metal cabinet		29,000	
3111002	Purchase of computers ,printers and other IT equipment-Laptop		88,000	
3111005	Purchase of photocopier			
3111009	Purchase of other office equipment			
3111112	Purchase of soft ware		-	-
3130101	Acquisition of Land		-	-
	TOTAL		17,387,209	7,017,391

9. OTHER PAYMENTS

	9 Other Payments		2018-2019	2017 - 2018
			Kshs	Kshs
	ICT HUB		4,677,027	-
	STRATEGIC PLAN		2,968,000	-
	TOTAL		7,645,027	-

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

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

	2018 - 2019 Kshs	2017-2018 Kshs
Supplier 1	xx	xx
Supplier 2	xx	xx
Supplier 3	xx	xx
Total	XX	XX

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019 Kshs	2017-2018 Kshs
Name 1	xx	xx
Name 2	xx	xx
Name 3	xx	xx
Add as appropriate		
Total	XX	XX

[Provide short appropriate explanations as necessary]

13 BALANCES BROUGHT FORWARD				
			2018-2019	2017 - 2018
			(1/7/2018)	(1/7/2017)
			Kshs	Kshs

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KIRINYAGA CENTRAL CONSTITUENCY

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	Bank accounts		9,999,893.00	5,267,963.00
	Cash in hand		-	-
	Imprest		-	-
	TOTAL		9,999,893.00	5,267,963.00
		<i>[Provide short appropriate explanations as necessary]</i>		
	14			
	PRIOR YEAR ADJUSTMENTS			
			2018-2019	2017 - 2018
			Kshs	Kshs
	Bank accounts - Reversed Bursary Cheques		555,200	-
	- Reversed V.A.T Cheques		80,744	
	-Cashbook Undercast		220	
	Cash in hand			-
	Imprest			-
	TOTAL		636,164	
	15			
	OTHER IMPORTANT DISCLOSURES			
	15.1: PENDING ACCOUNTS PAYABLE			
			2018-2019	2017 - 2018
			Kshs	Kshs
	Construction of buildings		-	-
	Construction of civil works		-	-
	Supply of goods		-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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	Supply of services		-	-
	TOTAL		-	-
15.2: PENDING STAFF PAYABLES				
			2018-2019	2017 - 2018
			Kshs	Kshs
	NGCDFC Staff		-	-
	Others (specify)		-	-
15.3: UNUTILIZED FUND (See Annex 1)				
			2018-2019	2017 - 2018
			Kshs	Kshs
	Compensation of employees		1,682,187	1,624,770
	Use of goods and services		4,333,673	6,947,375
	Amounts due to other Government entities		-	10,050,000
	Amounts due to other grants and other transfers		27,987,729	33,502,595
	Acquisition of assets		3,464,166	4,982,609
	Others (<i>specify</i>)		32,000	7,677,027
	TOTAL		37,499,755	64,784,376

15.4: PMC ACCOUNT BALANCES (See Annex 3)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	33,767,834.00	31,152,259.00
TOTALS	33,767,834.00	31,152,259.00

NATIONAL GOVERNMENT ENTITY - (KIRINNYAGA CENTRAL CONSTITUENCY)

Reports and Financial Statements for the year ended June 30, 2019 (Kshs'000)

ANNEX 1 - ANALYSIS OF UN-UTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Meant for payment of NG-CDF staff salaries and gratuity.	1,682,187.00	1 624 770.00	Balance in both financial years was caused by delay of funds disbursement by NG-CDF Board.
Use of goods & services	For paying committee expenses and allowances ,office utilities and other office expenses	4,333,673.00	6 947 375.00	Balance in both financial years was caused by delay of funds disbursement by NG-CDF Board.
Amounts due to other Government entities	Transfer to primary, secondary and tertiary institutions	0	10 050 000.00	Balance in financial year 2017/18 was caused by delay of funds disbursement by NG-CDF Board.
Sub-Total		6,015,860.00	18,622,145.00	
Amounts due to other grants and other transfers	Payment of bursaries, sports, environment and emergency cases.	27,987,729.00	33,502,595.00	Balance in both financial years was caused by delay of funds disbursement by NG-CDF Board.
Sub-Total		27,987,729.00	33,502,595.00	

NATIONAL GOVERNMENT ENTITY - (KIRINYAGA CENTRAL CONSTITUENNCY)

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Acquisition of assets	For construction of buildings	3,464,166.00	4 982 609.00	Balance in both financial years was caused by delay of funds disbursement by NG-CDF Board.
Others Strategic plan		32,000.00	7 677 027.00	Balance in financial year 2017/18 was caused by delay of funds disbursement by NG-CDF Board.
Sub Total		3,496,166.00	12,659,636.00	
Grand Total		37,499,755.00	64,784,376.00	

NATIONAL GOVERNMENT ENTITY - (KIRINYAGA CENTRAL CONSTITUENNCY)

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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	0.00	0.00	0	0.00
Buildings and structures	7,017,391.00	17,270,209.00	0.00	24,287,600.00
Transport equipment	0.00	0.00	0.00	0.00
Office equipment, furniture and fittings	646,540.00	29,000.00	0.00	675,540.00
ICT Equipment, Software and Other ICT Assets	1,153,301.00	88,000.00	0.00	1,241,301.00
Other Machinery and Equipment	135,880.00	0.00	0.00	135,880.00
Heritage and cultural assets	0.00	0.00	0.00	0.00
Intangible assets	0.00	0.00	0.00	0.00
Total	8,953,112.00	17,387,209.00	0	26,340,321.00

NATIONAL GOVERNMENT ENTITY - (KIRINYAGA CENTRAL CONSTITUENNCY)

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For the year ended June 30, 2019 (Kshs'000)

ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Gakoigo Primary School	Equity Bank	100262481718	421,900.80	2,104,020.00
Kirimunge Mixed Secondary School	Cooperative Bank	1139273758402	401,051.00	4,001,050.00
Kiamutuiira Secondary School	Equity Bank	100262592544	215,901.00	600,360.00
Gatuto Secondary School	Equity Bank	100292771881	264,787.00	0.00
Kiaga Primary School	Cooperative Bank	1139034842802	3,008,100.00	0.00
Kirimunge Primary School	Cooperative Bank	1139034847002	399,548.50	3,323,212.50
Kiamuruga Primary School	Equity Bank	100262470791	310,928.00	2,287,105.00
Ngaru Primary School	Cooperative Bank	1139567549600	444,001.00	0.00
Mukinduri Primary School	Cooperative Bank	1139034848601	449,502.50	2,326,333.50
Gatwe Primary School	Cooperative Bank	1139034846400	293,540.00	2,275,445.00
Mutitu Primary	Cooperative Bank	1139034843501	351,898.50	14,372.50
Kiandieri Primary School	Equity Bank	100297778709	227,009.00	2,324,175.00
Kagumo CCM Primary School	Cooperative Bank	1139034609101	509,930.50	2,503,742.50
Kangaita Primary School	KCB	1155029054	400,056.00	2,571,100.00
Njega Primary School	Equity Bank	100262469182	3,001,225.00	0.00
Gatuto Primary School	Cooperative Bank	1139034840903	354,881.50	0.00
Kirigo Primary School	Equity Bank	100267066810	3,004,260.00	0.00
Kiabarikiri Primary School	Cooperative Bank	1139034843401	2,204,343.50	0.00
Kianjege East Primary School	Cooperative Bank	1139034840103	3,007,083.50	0.00
Kiarugu Primary School	Equity Bank	100297732409	1,507,520.00	0.00
Karaini Primary School	Equity Bank	100299381136	3,005,440.00	0.00
Kamuiru Primary School	Cooperative Bank	1117034002502	1,502,041.00	0.00

NATIONAL GOVERNMENT ENTITY - (KIRINYAGA CENTRAL CONSTITUENNCY)

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Thaita Primary School	Cooperative Bank	1139034841502	2,002,957.50	0.00
Kiamaina Primary School	Equity Bank	100262468204	1,300,205.00	0.00
Mutitu Secondary School	Cooperative Bank	1139035077502	1,807,362	2,486,490.00
Gathuthuma Secondary School	Cooperative Bank	1139273900602	2,803,807.00	0.00
Gitwe Primary School	Cooperative Bank	1139034841903	461,743.00	3,321,053.00
Kaitheri Primary School	Equity Bank	100262468439	6,250.00	5,370.00
Mutira Primary School	Equity Bank	100262480475	8,010.00	6,430.00
Kiranja Secondary Sch.	KCB	1104034182	92,550.77	1,002,000.00
TOTAL			33,767,834	31,152,259.00

NATIONAL GOVERNMENT ENTITY - (KIRINYAGA CENTRAL CONSTITUENNCY)

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For the year ended June 30, 2019 (Kshs'000)

ANNEX 4: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	The statement of financial assets as at 30 July 2018 reflects net financial asset balance of Kshs 9,999,893. However contrary to the guidelines issued by the Public Sector Accounting Standards Board, the statement of financial assets shows net liabilities instead of the net financial position of Kshs 9,999,893	It is true the statement of financial assets was showing a net liabilities of Kshs 9,999,893 as a result of typing error but it has since been corrected	F.A.M.	Resolved	Resolved

NATIONAL GOVERNMENT ENTITY - (KIRINYAGA CENTRAL CONSTITUENNCY)

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

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)															
2	<p>Budget Absorption- A review of summery statement of appropriation –recurrent and development combined revealed 62% and 55% overall budget realization/ Utilization on receipts and expenditure respectively during the year ended 30 June 2018 as follows:</p> <table border="1" data-bbox="201 598 985 941"> <thead> <tr> <th>Item</th> <th>2017/2018 Budgeted Amount Kshs</th> <th>2017/2018 Actual Amount Kshs</th> <th>Difference Kshs</th> <th>Percentage of budget realization/ Utilization</th> </tr> </thead> <tbody> <tr> <td>Receipts</td> <td>144,405,893</td> <td>89,621,410</td> <td>54,784,483</td> <td>62%</td> </tr> <tr> <td>Expenditure</td> <td>144,405,893</td> <td>79,621,517</td> <td>64,784,376</td> <td>55%</td> </tr> </tbody> </table> <p>The above analysis indicate that the Kirinyaga Central NG-CDF underspent the budgeted funds by Kshs 64,784,376 or 45% of the approved budget of Kshs 144,405,893. Although the CDF management attributed the under expenditure to delayed disbursement of funds by the NG-CDF board, the low absorption impacted negatively on service delivery to the constituents.</p>	Item	2017/2018 Budgeted Amount Kshs	2017/2018 Actual Amount Kshs	Difference Kshs	Percentage of budget realization/ Utilization	Receipts	144,405,893	89,621,410	54,784,483	62%	Expenditure	144,405,893	79,621,517	64,784,376	55%	<p>Low absorption of funds occurred as a result of delayed disbursement of funds totaling to Kshs 54,784,376 by the NG-CDF board but they have since released the funds and the projects implemented</p>	<p>NG-CDF BOARD</p>	<p>Resolved</p>	<p>Resolve. Funds released to Kirinyaga Central NG-CDF account by August 2018</p>
Item	2017/2018 Budgeted Amount Kshs	2017/2018 Actual Amount Kshs	Difference Kshs	Percentage of budget realization/ Utilization																
Receipts	144,405,893	89,621,410	54,784,483	62%																
Expenditure	144,405,893	79,621,517	64,784,376	55%																