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REPORT


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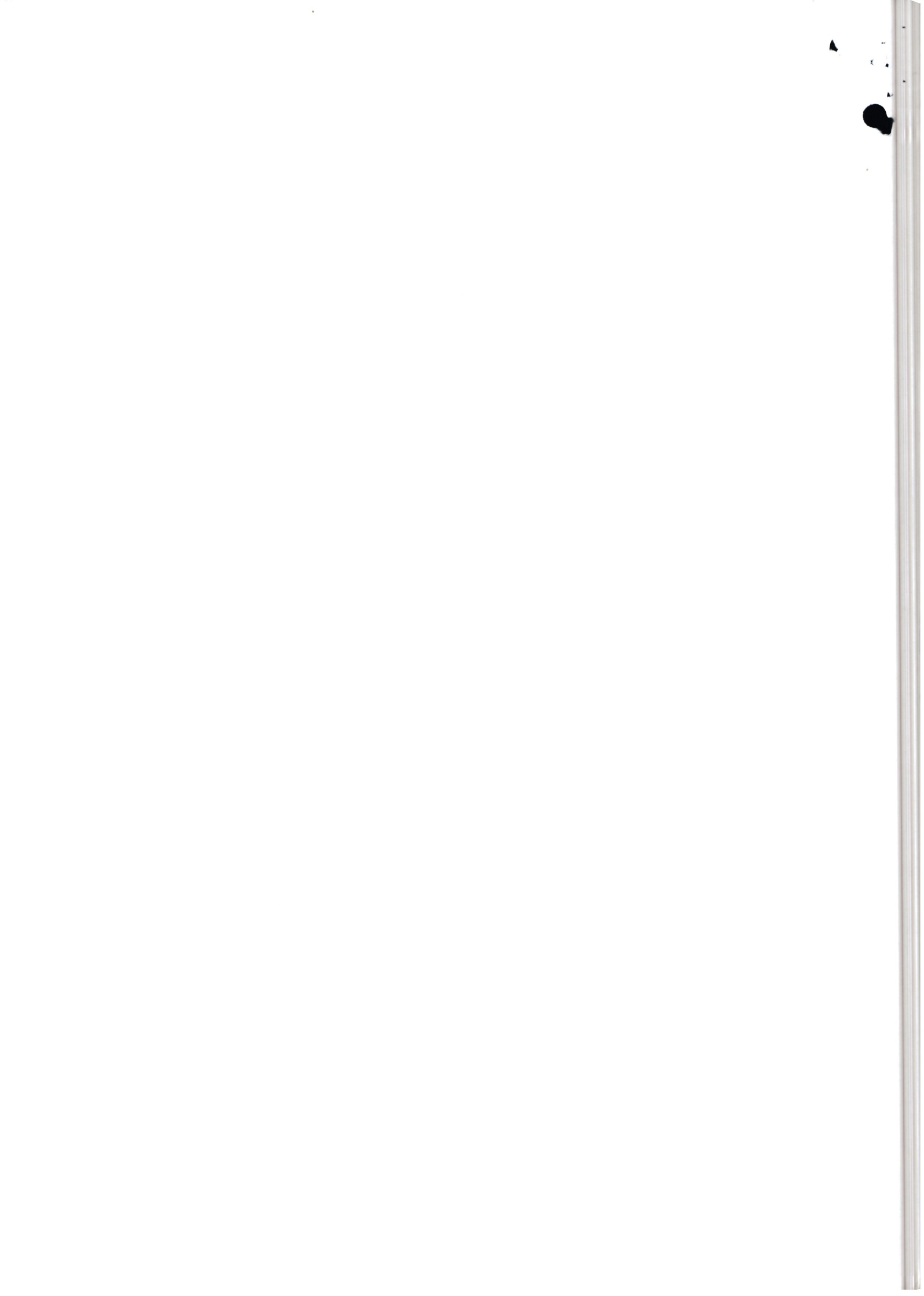
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KIAMBAA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**

 THE NATIONAL ASSEMBLY PAPERS LAID	
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**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')**




**NATIONAL GOVERNMENT- CONSTITUENCY DEVELOPMENT FUND-
KIAMBAA 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 P
Accounting Standards (IPSAS)

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
16 MAY 2019
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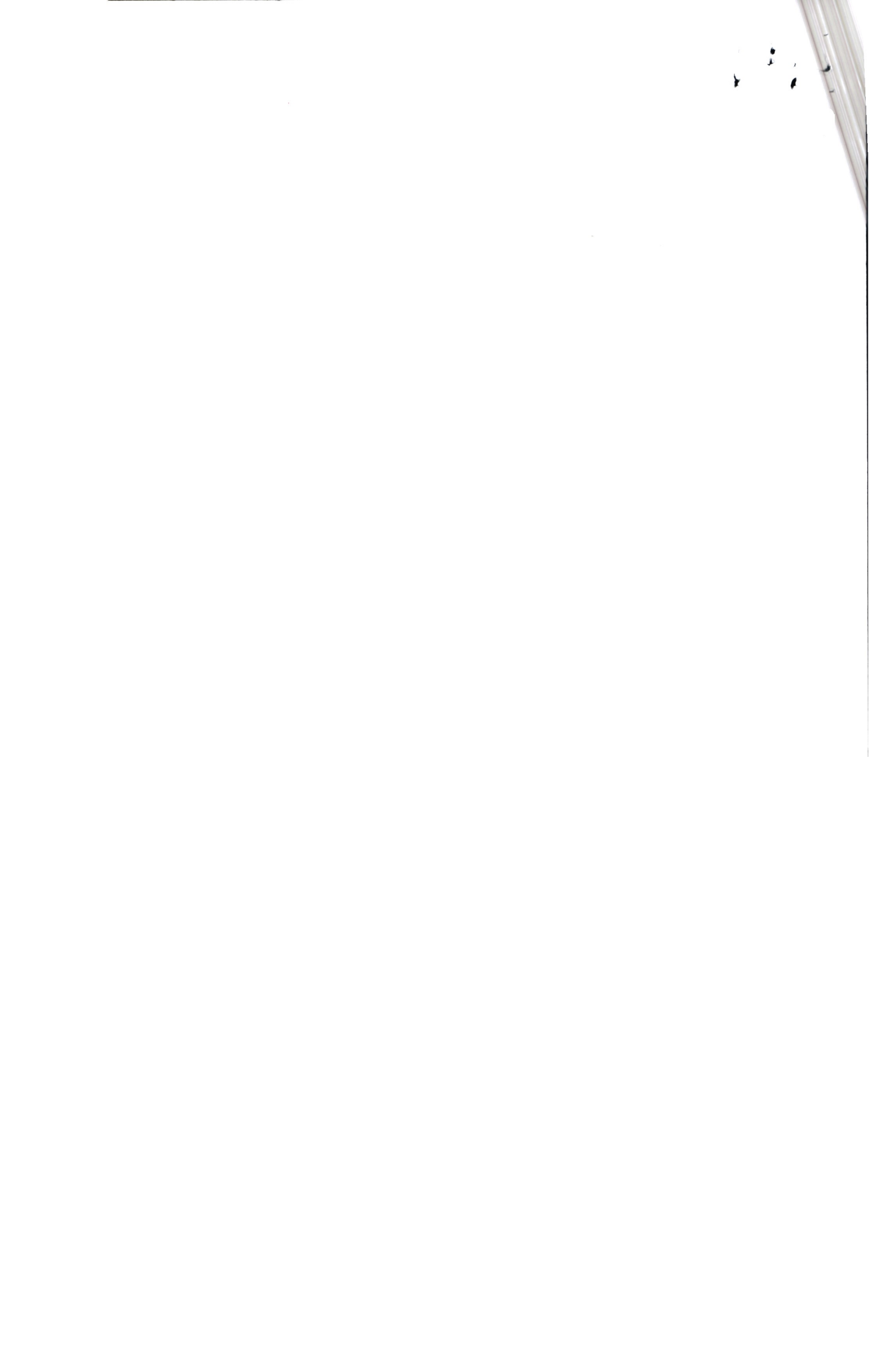
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2019	
DAY: Wednesday	
TABLED BY:	Hon. Aden Duale, M (LOM)
CLERK AT THE TABLE:	Halima Ahmed

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**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')**

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**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
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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 *KIAMBAA Constituency's* day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Elvirah Kebaya
3.	Accountant	Paul Kamau Ngigi
4.	Chairman NG-CDFC	Geoffrey Mukora
5.	Secretary NG-CDFC	Roselyne Kinuthia

(d) Fiduciary Oversight Arrangements

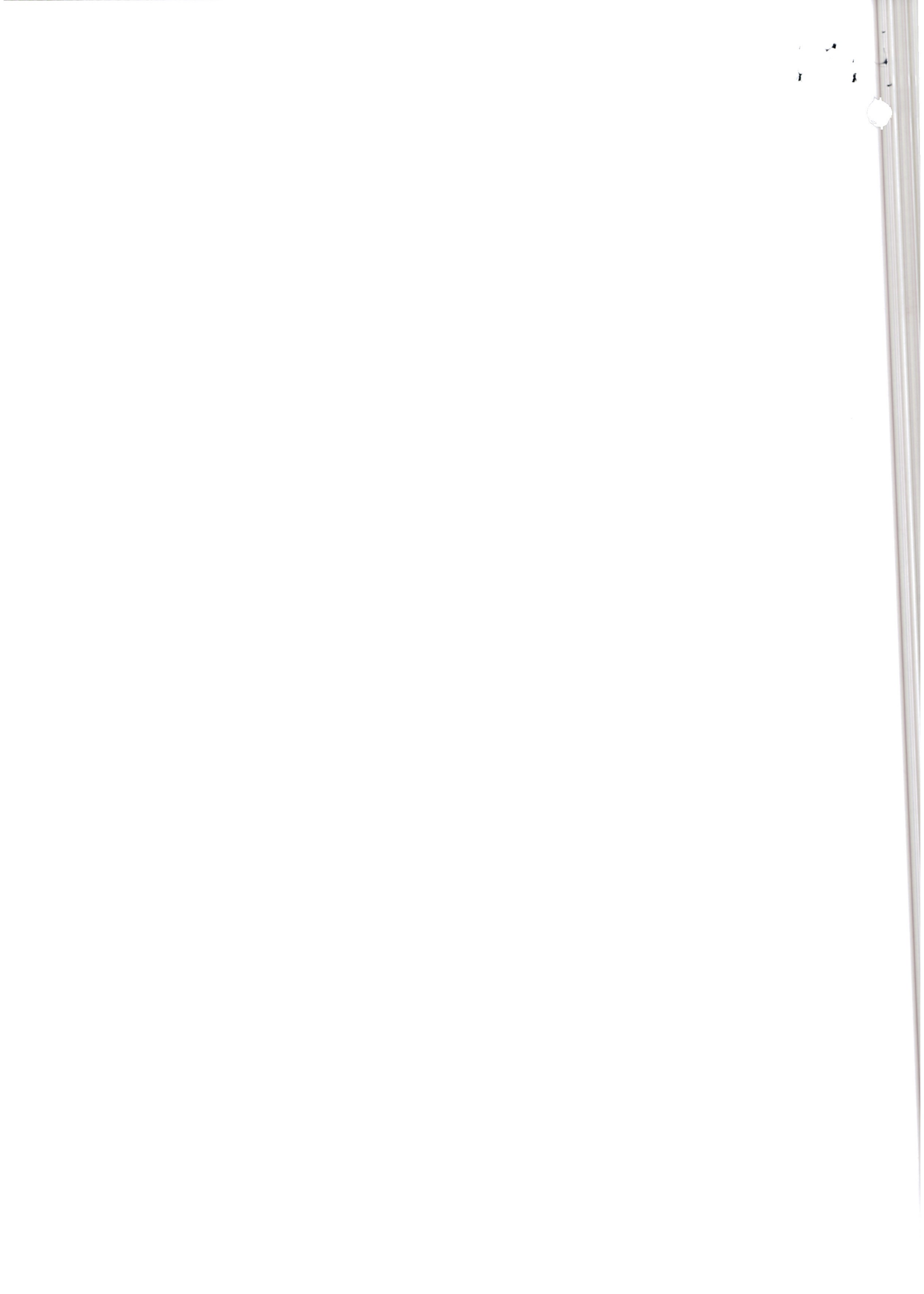
The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of KIAMBAA Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the Constituency Development Fund Committee (NG-CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) KIAMBAA NG-CDF Headquarters

P.O. Box 86-002191
Next to Kiambaa Sub-County Headquarters
Karuri, KENYA

(f) KIAMBAA NG-CDF Contacts

Telephone: (254)
E-mail: NG-CDF kiambaacdf@gmail.com



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')**

Website: www.ngcdf.go.ke

(g) KIAMBAA NG-CDF Bankers

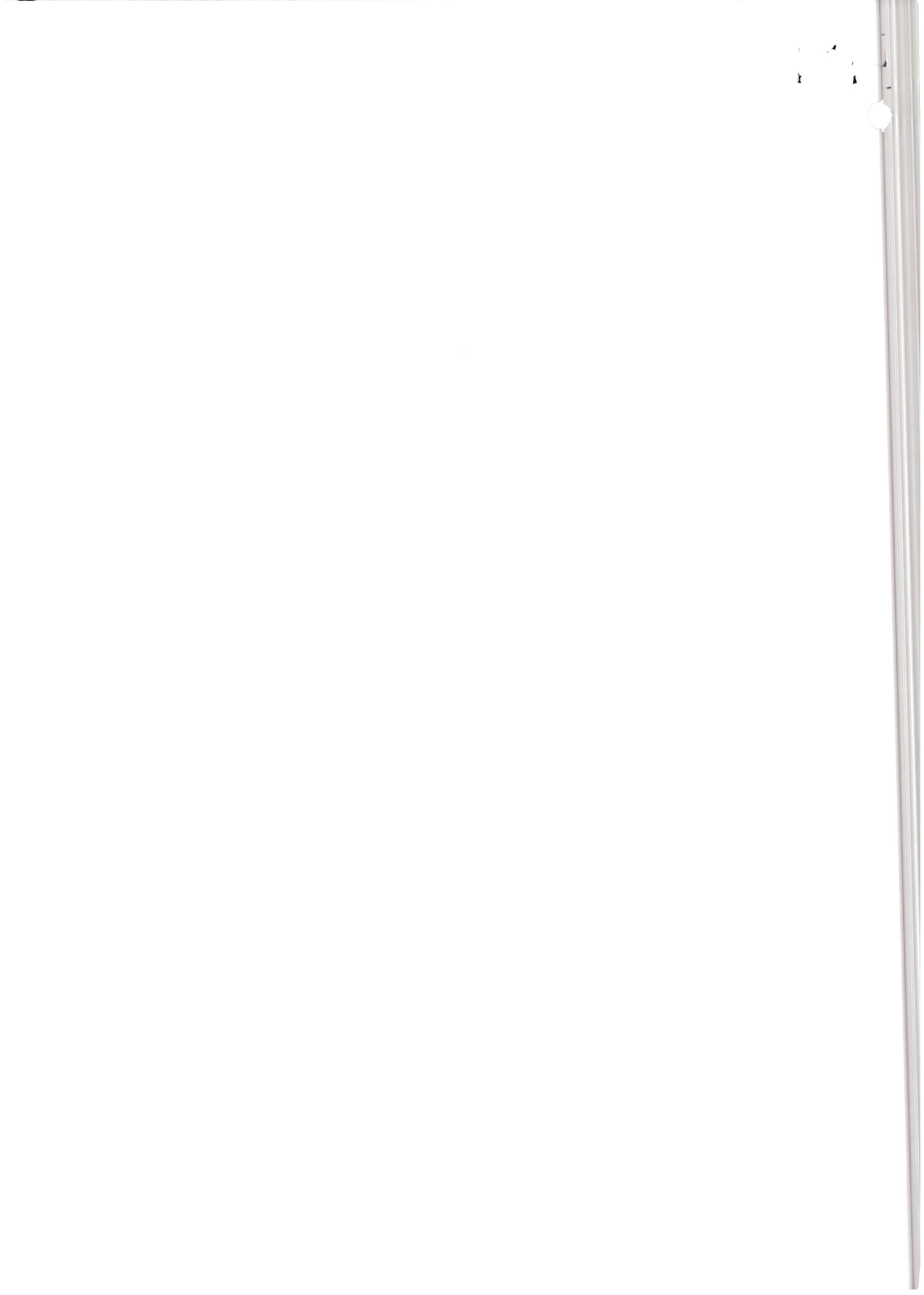
1. Co-operative Bank
Ruaka Branch
P. O. Box 2070-00621, Village Market
Nairobi, Kenya

(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 - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

**I. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

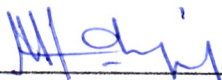
Guided by the vision of KIAMBAA Constituency, which is to be a leading Constituency in the effective and efficient management of the devolved funds.

- The KIAMBAA NG-CDF has continued to be implemented in a well-organized and coordinated manner the various projects which follows clearly set performance indicators and time frame, under each of the national functions priorities namely: education infrastructure and bursary, security, environment through equity and sustainable development in poverty eradication at community level.
- The budget Performance against actual amounts was good except for a few issues, the prolonged political unrest affected the performance to some extent since implementation of projects had to be stopped for a while.
- The Key achievements have been access to quality and equal opportunity in education by giving bursaries to the less fortunate students both in secondary and tertiary level, the NG-CDFC was able to award bursaries students both in secondary and tertiary level. We have also supported the youth by taking part in the sports activities within the constituency.
- Infrastructure in the public primary and secondary schools dormitory, classrooms, administration block, toilets is underway, hence creating a conducive working environment for both students and teachers which boosts morale and general education standards of the schools, security projects of various police stations have also been constructed, renovated and this has given our security team a conducive working environment and also improved security. The NG-CDFB CSR project at Kihara Police Post is almost complete and it's greatly appreciated.

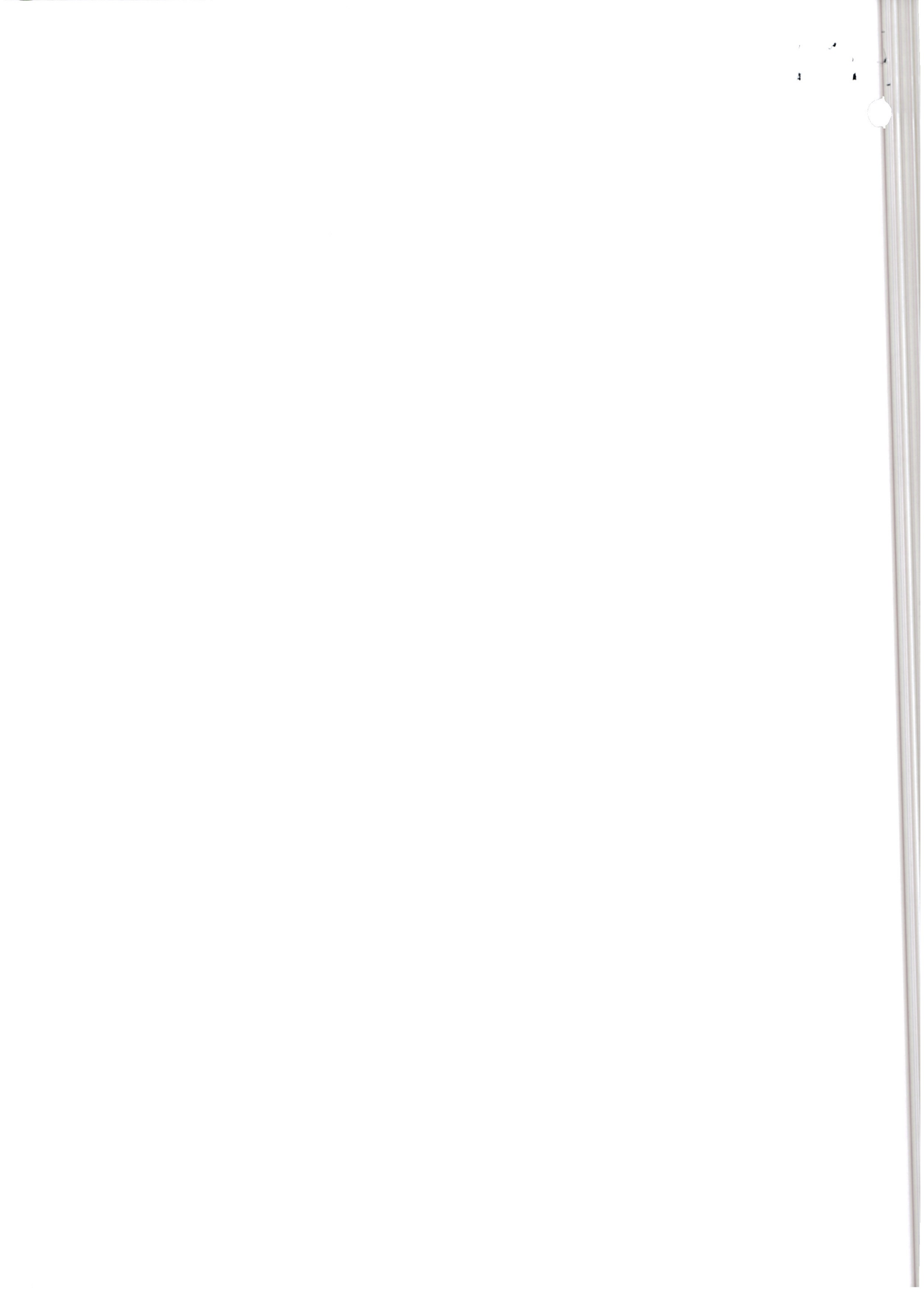
Emerging issues, implementation challenges and recommendations

- Some of the emerging issues related to implementation of projects is failure by institutions to present bursary acknowledgement letters as well as presenting the cheques at the bank for clearance leading to huge balances of unrepresented cheques on the bank reconciliation statements and eventually stale cheques, late disbursement of funds.

Sign: _____



CHAIRMAN NG-CDFC



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

II. STATEMENT OF NG-CDF 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 agency shall prepare financial statements in respect of that agency. 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 KIAMBAA National Government Constituency Development Fund is responsible for the preparation and presentation of the KIAMBAA NG-CDF financial statements, which give a true and fair view of the state of affairs of the KIAMBAA NG-CDF 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 NG-CDF; (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 *NG-CDF*; (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 KIAMBAA NG-CDF accepts responsibility for the *NG-CDF'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 *NG-CDF's* financial statements give a true and fair view of the state of *NG-CDF's* transactions during the financial year ended June 30, 2018, and of the *NG-CDF's* financial position as at that date. The Accounting Officer in charge of the KIAMBAA NG-CDF further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *NG-CDF's* financial statements as well as the adequacy of the systems of internal financial control.

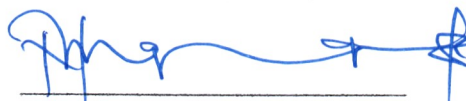
The Accounting Officer in charge of the KIAMBAA NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *NG-CDF'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

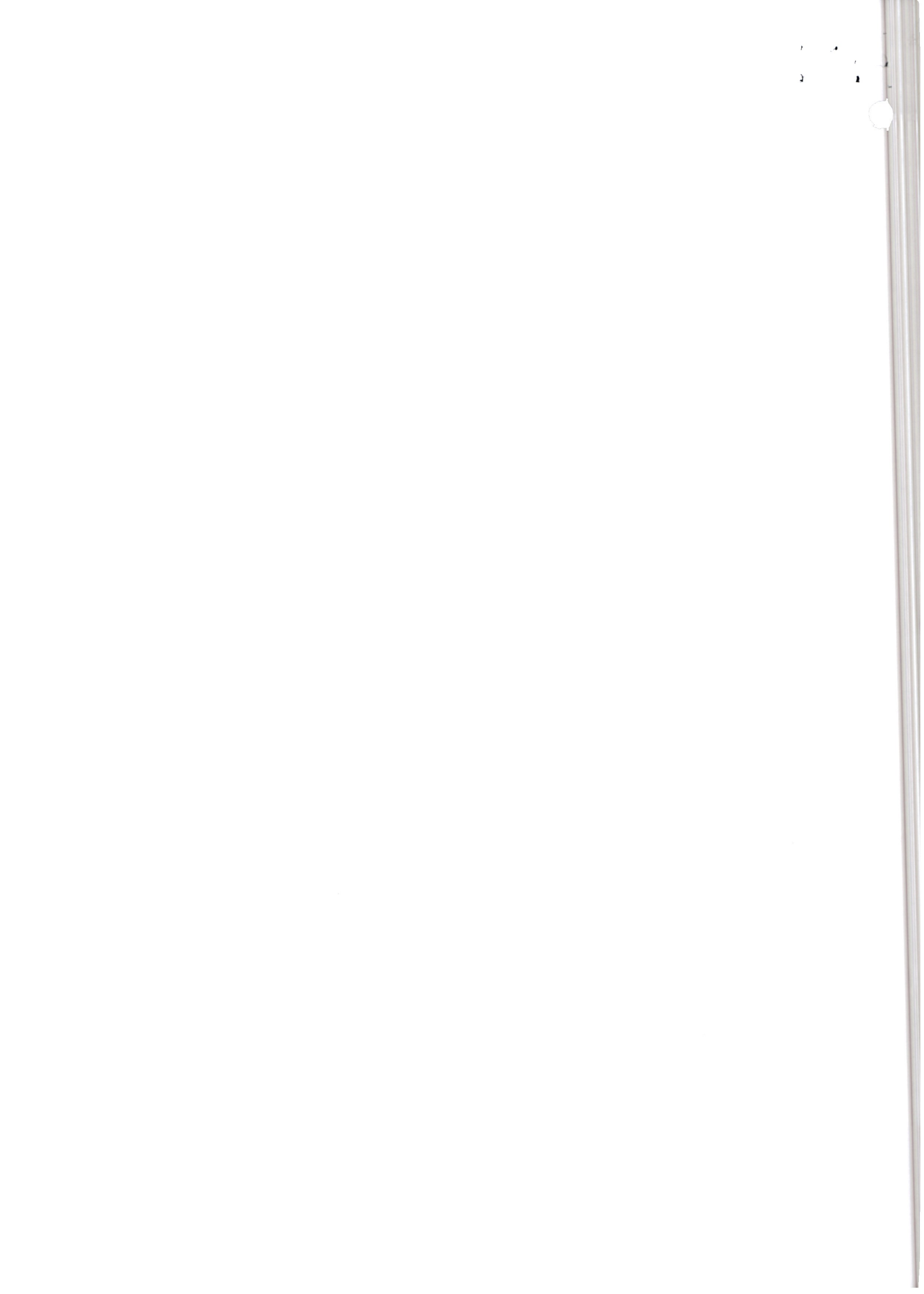
The *KIAMBAA NG-CDF's* financial statements were approved and signed by the Accounting Officer on 15th May 2019.



Fund Account Manager
Name: Caroline Kiama



Sub-County Accountant
Paul K. Ngigi



REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIAMBAA 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- Kiambaa Constituency set out on pages 8 to 26, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flow and summary statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Net Financial Position

The statement of financial assets as at 30 June 2018 reflects net financial assets of Kshs.37,164,906 and nil liabilities. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the net financial position of Kshs.37,164,906 has instead been presented as net liabilities.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Kiambaa Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in

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

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. Except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Budget Performance

Kiambaa NG-CDF had budgeted to spend Kshs.99,577,609 but the actual expenditure was Kshs.51,033,392 or 51%, resulting in under expenditure of Kshs.48,544,217 or 49% of the total budget which has not been explained satisfactorily.

The development budget was Kshs.88,985,517, against actual expenditure of Kshs.46,574,300 or 52%, resulting in under expenditure of Kshs.42,411,217 or 48% of the total budget which equally has not been satisfactorily explained.

The under expenditure on the budgeted items implies that some of the planned activities and programmes were not executed and hence, resulting in inefficient and ineffective service delivery to the constituents.

2. Construction of Toilets Block, Fittings and Painting at Gatatha Primary School

A contract for construction of toilets block, fittings and painting at Gatatha Primary School was awarded to a contractor at Kshs.2,610,750 but contract documents do not indicate contract period.

Examination of payment records show that the contractor has been paid Kshs.1,793,979 as at 30 June 2018 while the bank statement of the Project Management Committee (PMC) has revealed unexplained payments amounting to Kshs.1,611,436 as follows:

No.	Date	Cheque No	Payee	Amount-Kshs
1	9/3/2017	16	Jombto Enterprises	100,000
2	21/4/2017	19	Jombta Enterprises	688,578
3	5/5/2017	20	Sombet Enterprises	688,578
4	24/5/2017	21	Mochacha Electricals	134,280
			Total	1,611,436

Examination of records further show that the bank charged Kshs 2,500 due to cheque number 19 for Kshs 688,578 which bounced and was later replaced with cheque number 20 for similar amount.

An audit inspection undertaken on 7 May 2019 revealed anomalies as follows:

- (i) Tiles work, urinal pit, verandas, painting works and fittings are not complete.
- (ii) The quality of washing taps, doors and the plastering works is wanting.
- (iii) No documentary evidence that the works were designed, supervised and certified by technically qualified professionals.
- (iv) No site instructions, progress of work reports and site meeting minutes, respectively.

In view of the circumstances, it is not possible to confirm that the expenditure so far incurred on the toilets is valid and effective.

3. Construction of a Resource Hall and Four Self-Contained Residential Houses for Police at Kiambaa Chief's Office

Examination of records show that an amount of Kshs 10,000,000 was transferred in 2017/2018 financial year for construction of a resource hall and four self-contained residential houses for police at Kiambaa Chief's Office. However, the management has not provided contract documents and progress reports to enable an evaluation of the works undertaken so far on the project.

Further, examination of bank statement of the Project Management Committee (PMC) has revealed unexplained payments totalling Kshs 1,900,000 as follows:

No.	Date	Cheque No	Payee	Amount-Kshs
1	21/2/2017	1	Alex Kioko	800,000
2	28/2/2017	5	Rofrac Investments	670,000
3	3/3/2017	6	Stephen Kimani Njenga	200,000
4	15/3/2017	7	Stephen Kimani Njenga	230,000

An audit inspection undertaken on 8 May 2019 revealed anomalies as follows:

- (i) The contractor was not on site.
- (ii) The plastic ceilings material used have started to wear out even before the houses are occupied.
- (iii) No evidence that the project was designed and construction works supervised by technically qualified professionals.
- (iv) Design drawings, site instructions, progress reports and site meeting minutes were not made available for audit review.
- (v) The resource centre does not exist.

In view of the circumstances, it is not possible to confirm that the expenditure so far incurred on the project is valid and effective.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund - Kiambaa Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

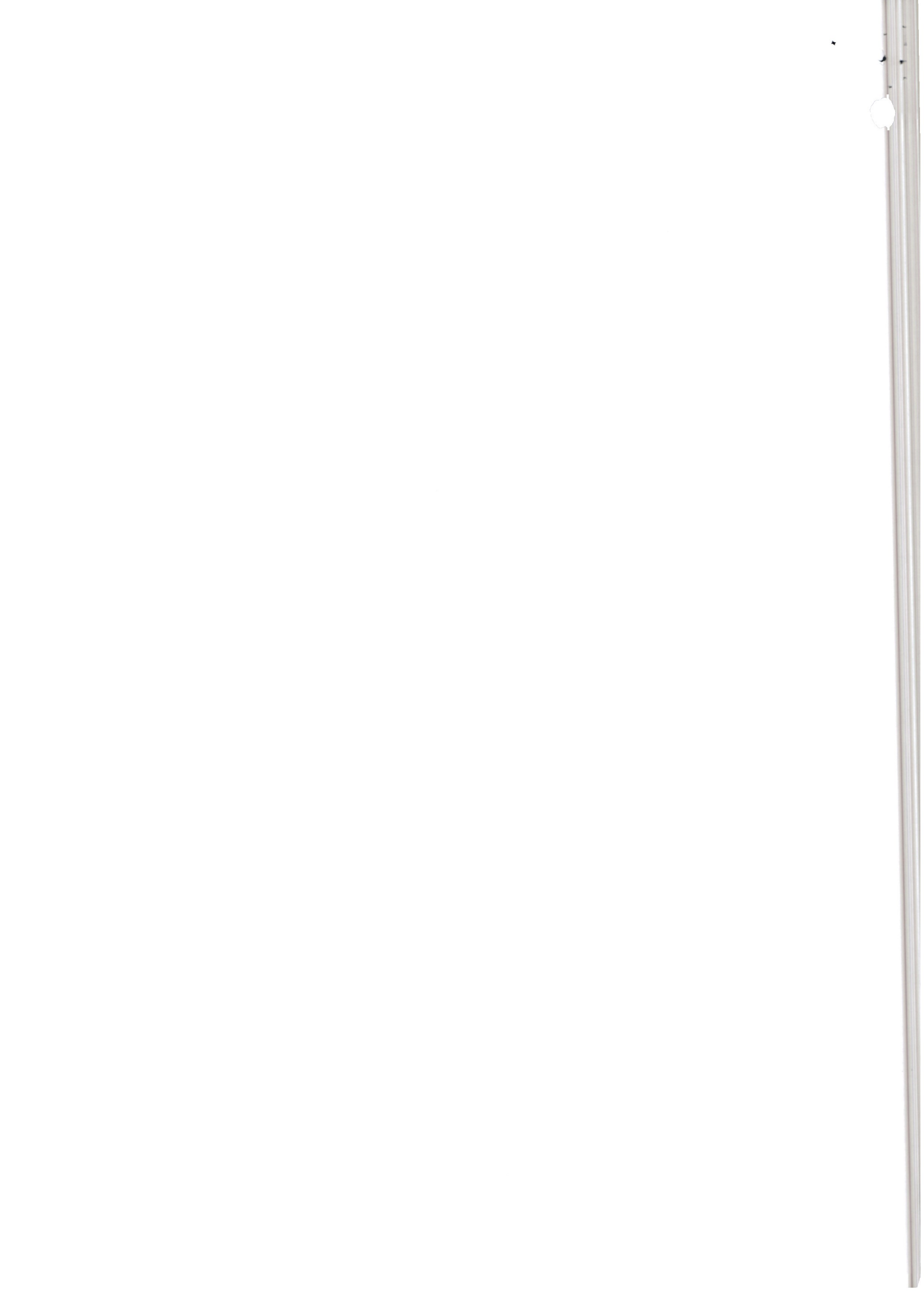
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

22 May 2019



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

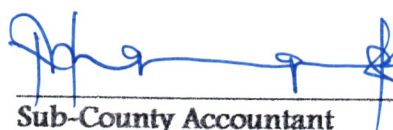
III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board-AIEs' Received	1	86,810,345	81,896,552
Proceeds from Sale of Assets	2		-
Other Receipts	3		-
TOTAL RECEIPTS		86,810,345	81,896,552
PAYMENTS			
Compensation of employees	4	1,875,908	2,599,828
Use of goods and services	5	2,583,184	7,325,500
Transfers to Other Government Units	6	18,300,000	52,500,000
Other grants and transfers	7	28,274,300	41,275,302
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		51,033,392	103,700,630
SURPLUS/DEFICIT		35,776,953	(21,804,078)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIAMBAA NG-CDF financial statements were approved on 15th May 2019 and signed by:



Fund Account Manager
Name: Caroline Kiama



Sub-County Accountant
Paul K. Ngigi



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

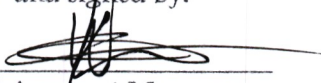
Reports and Financial Statements

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

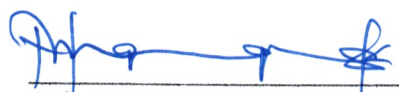
IV. STATEMENT OF ASSETS

	Note	2017-2018 Kshs	2016-2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	37,164,906	1,387,953
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		37,164,906	1,387,953
Current receivables - Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		37,164,906	1,387,953
FINANCIAL LIABILITIES			
Accounts Payable - Retentions	12	-	-
NET FINANCIAL ASSETS		37,164,906	1,387,953
REPRESENTED BY			
Fund balance b/fwd 1st July...2017	13	1,387,953	23,192,031
Surplus/Defict for the year		35,776,953	(21,804,078)
Prior year adjustments	13	-	-
NET LIABILITIES		37,164,906	1,387,953

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIAMBAA NG-CDF financial statements were approved on 15th May 2019 and signed by:



Fund Account Manager
Name: Caroline Kiama



Sub-County Accountant
Paul K. Ngigi




**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**


**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')**

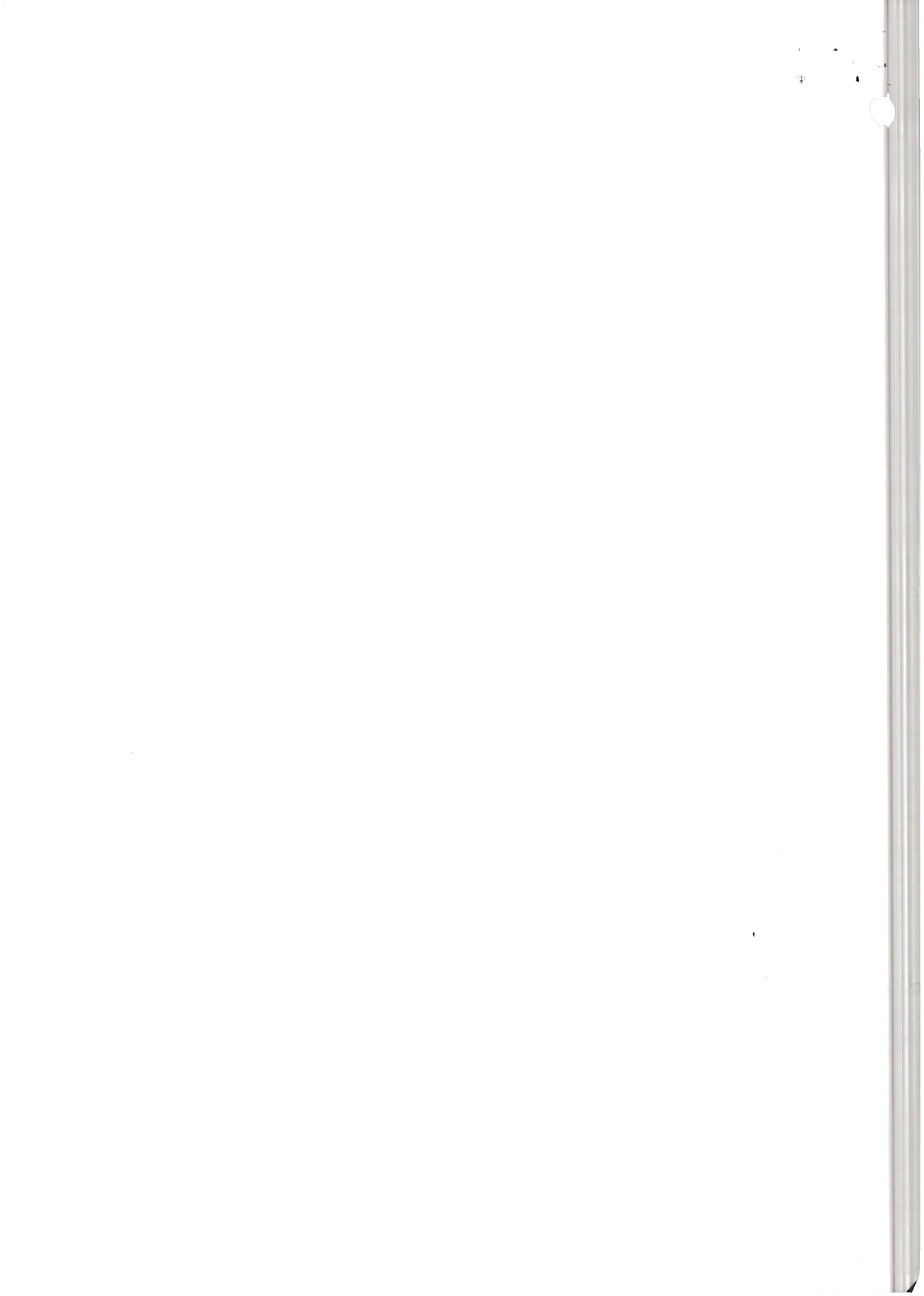
I. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NG-CDF Board	1	86,810,345	81,896,552
Other Receipts	3	-	-
		86,810,345	81,896,552
Payments for operating expenses			
Compensation of Employees	4	1,875,908	2,599,828
Use of goods and services	5	2,583,184	7,325,500
Transfers to Other Government Units	6	18,300,000	52,500,000
Other grants and transfers	7	28,274,392	41,275,302
Other Payments	9	-	-
		51,033,392	103,700,630
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		35,776,953	(21,804,078)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		35,776,953	(21,804,078)
Cash and cash equivalent at BEGINNING of the year	13	1,387,953	23,192,031
Cash and cash equivalent at END of the year		37,164,906	1,387,953

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIAMBAA NG-CDF financial statements were approved on 15th May 2019 and signed by:


Fund Account Manager
Name: Caroline Kiama


Sub-County Accountant
Paul K. Ngigi



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

**II. 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	86,810,345	12,767,263	99,577,608	88,198,298	11,379,311	89
Proceeds from Sale of Assets	0	0	0	0	0	0
Other Receipts	0	0	0	0	0	0
	86,810,345	0	99,577,608	88,198,298	11,379,311	89
PAYMENTS						
Compensation of Employees	2,000,000	334,291	2,334,291	1,875,908	458,383	80
Use of goods and services	6,980,000	1,277,800	8,257,800	2,583,184	5,674,616	31
Transfers to Other Government Units	30,794,352	5,000,000	35,794,352	18,300,000	17,494,352	51
Other grants and transfers	47,035,993	5,421,572	52,457,565	28,274,300	24,183,265	54
Acquisition of Assets	0	0	0	0	0	
Other Payments	0	0	0	0	0	
An allocation awaiting approval/unallocated	0	733,600	733,600	0	733,600	0
TOTALS	86,810,345	12,767,263	99,577,609	51,033,392	48,544,217	51


In B, Give Explanation on all the items below 90% Utilization

Receipts – The total receipts from the NG-CDF Board is 89% which is due an additional funding which was planned in May 2018 for proposal submission of Kshs. 11,379,310.34
 Compensation of Employees 80% is due to the additional funding
 Use of Goods & Services 31% (Administration and M&E) is due to the additional funding and funds received in June 2018 from the NGCDFB, strategic plan (Kshs. 1,500,000) is underway too.
 Transfer to other Government Units 51% is due to the additional funding and funds received in June 2018 from the NGCDFB, The prequalification and tendering process underway.
 Other grants & Payments 54% is due to the additional funding and funds received in June 2018 from the NGCDFB
 An allocation awaiting approval/unallocated is to be resubmitted

The KIAMBAA NG-CDF financial statements were approved on 15th May 2019 and signed by:



Fund Account Manager
Name: Caroline Kiama



Sub-County Accountant
Paul K. Ngigi



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

III. 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-Kiambaa 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

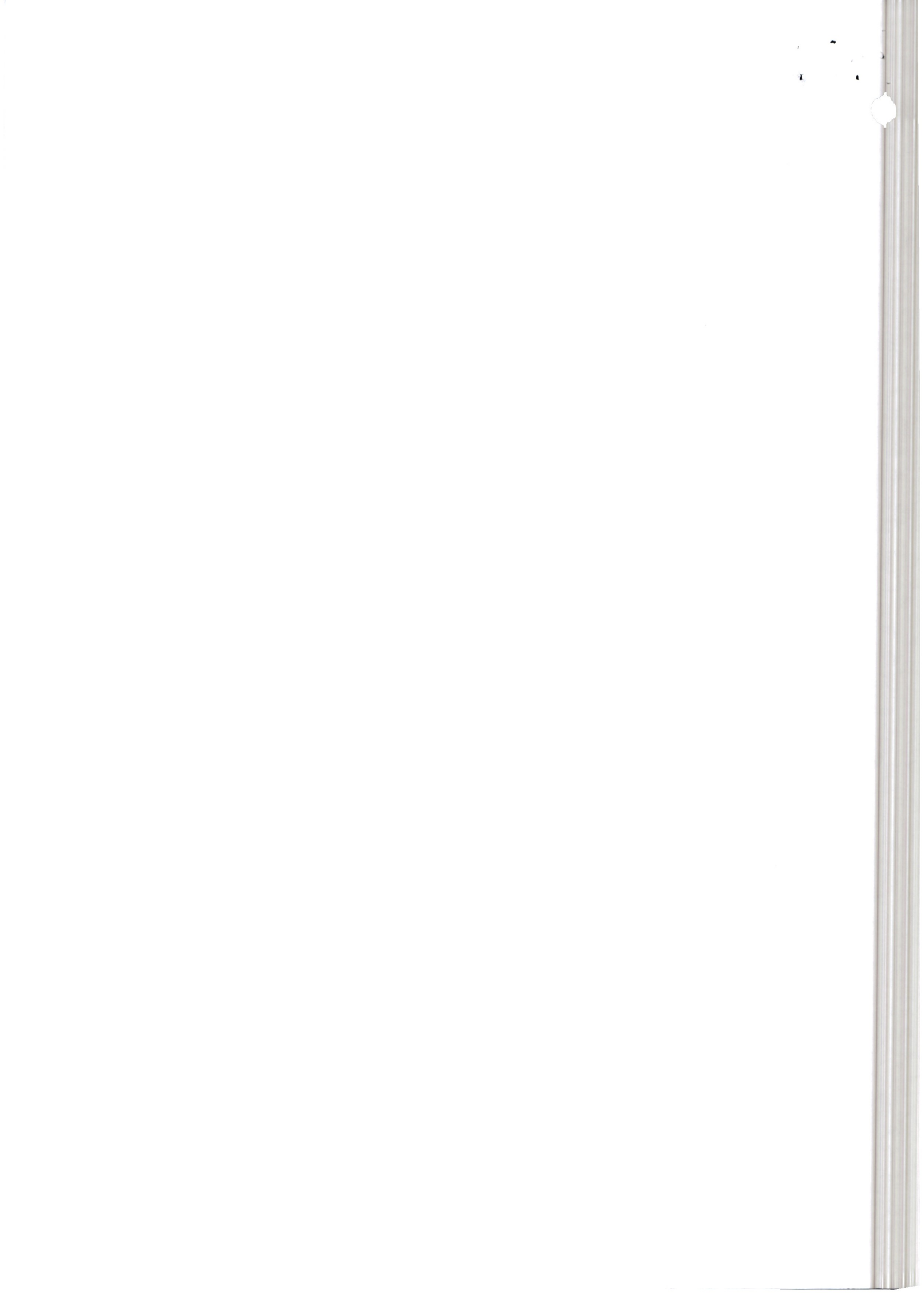
The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

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 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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



SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

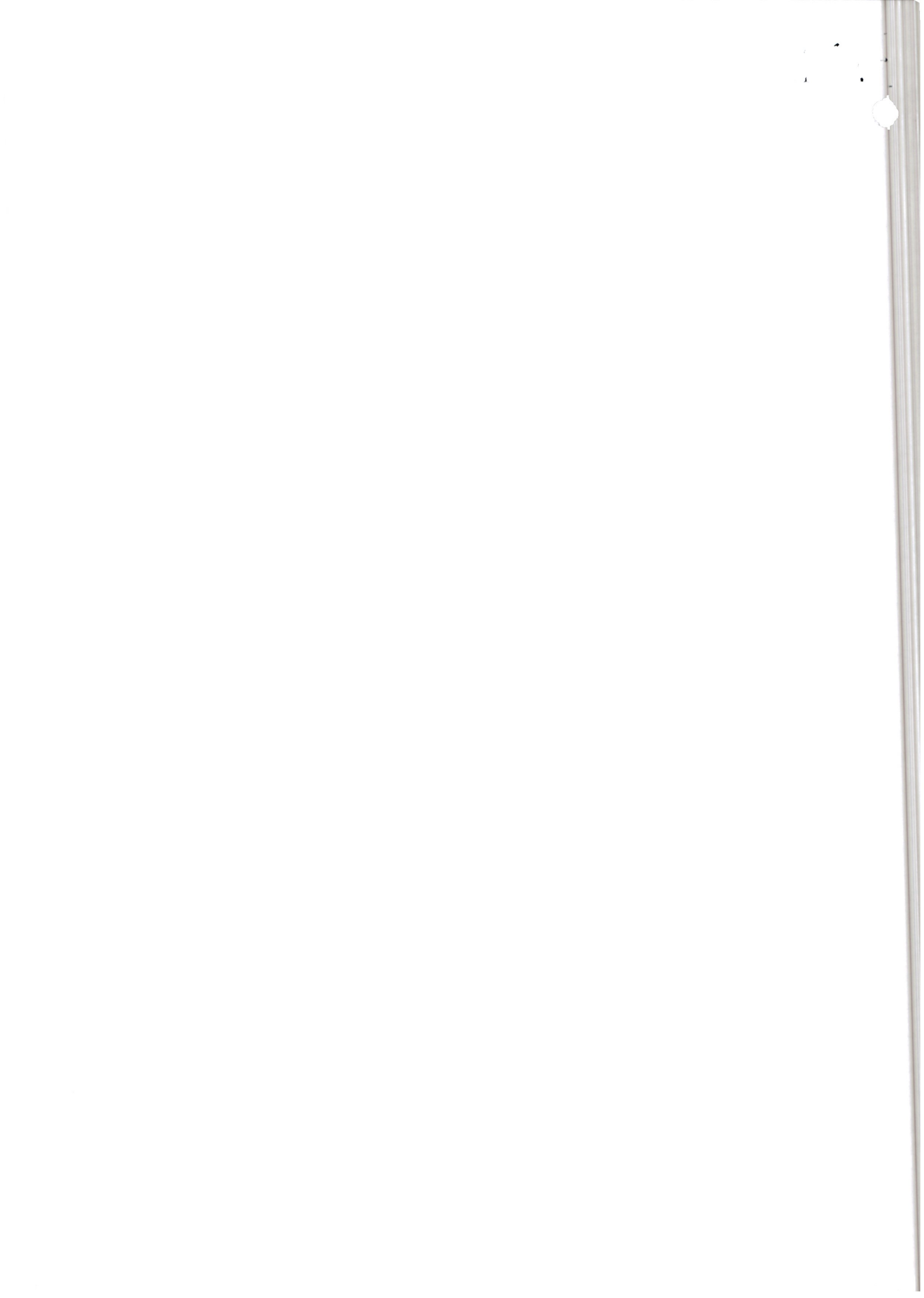
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations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

9. Pending Bills

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

10. Unutilized Funds

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



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')**

IV. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

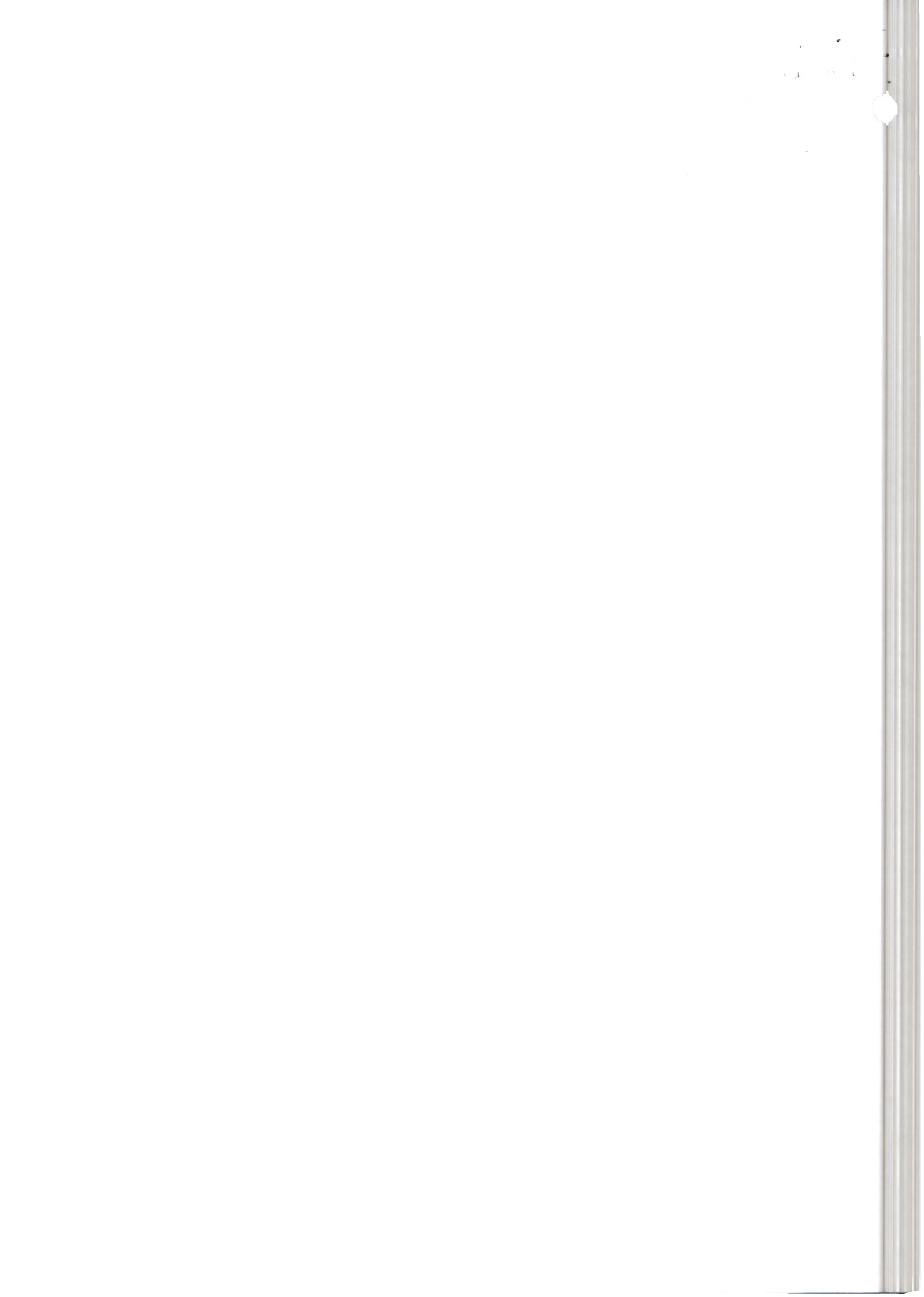
Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
NG-CDF Board		
AIE No. A855853	5,500,000	
AIE No. A892767	37,905,172	
AIE No. A896830	21,000,000	
AIE No. A896906	22,405,173	
AIE No. A829595		4,094,828
AIE No. A839599		36,853,449
AIE No. A855220		35,348,275
AIE No. A855610		5,600,000
TOTAL	86,810,345	81,896,552

2. PROCEEDS FROM SALE OF ASSETS

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

3. OTHER RECEIPTS

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



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

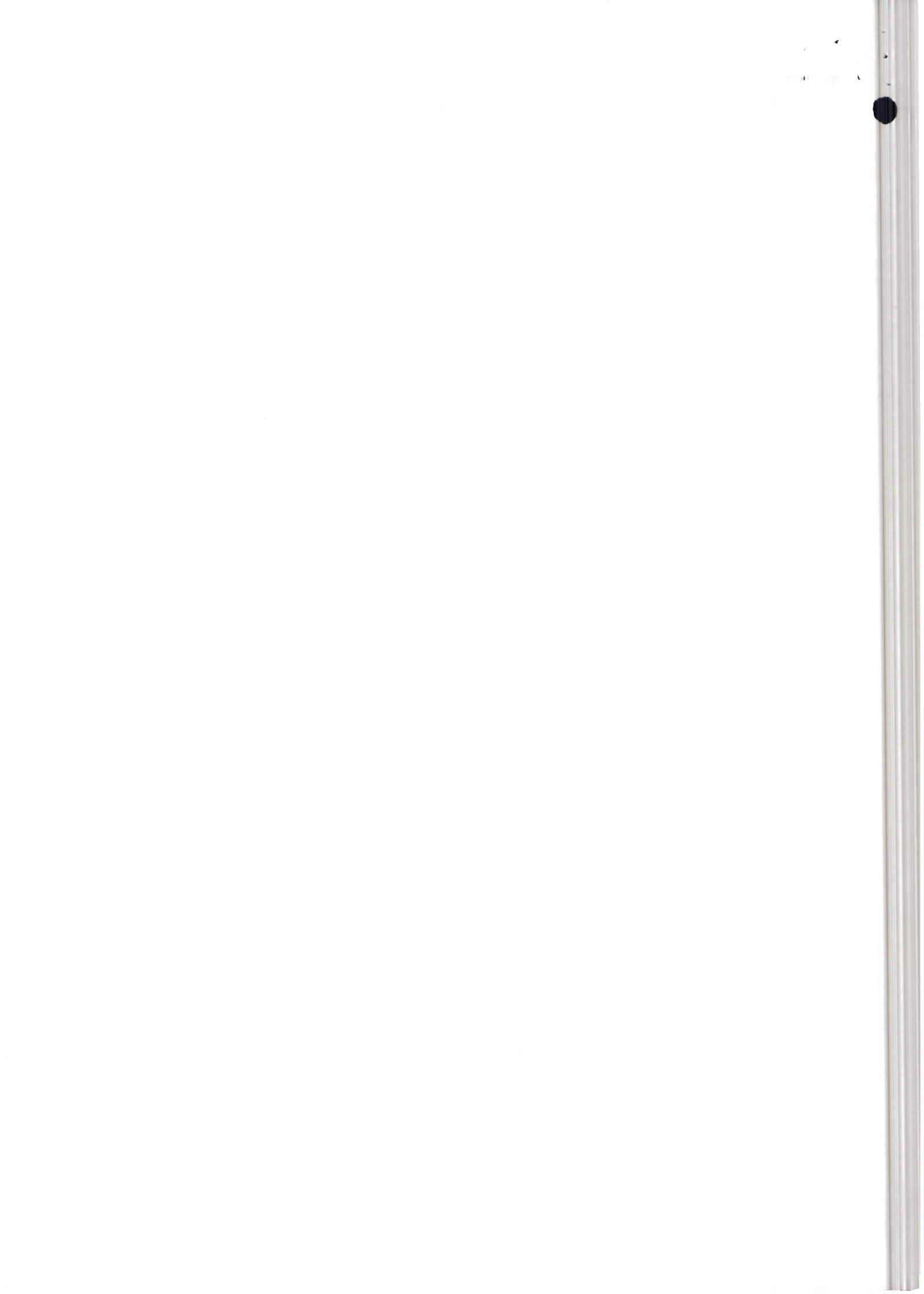
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

	2017- 2018	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees	1,875,908	2,599,828
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
Total	1,875,908	2,599,828

5. USE OF GOODS AND SERVICES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Committee Expenses	1,881,500	5,578,700
Office Rent	-	-
Utilities, supplies and services	59,023	290,690
Communication, supplies and services	10,000	-
Domestic travel and subsistence	35,000	139,493
Printing, advertising and information supplies & services	147,000	108,617
Rentals of produced assets	-	-
Training expenses	-	1,000,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	357,881	208,000
Other operating expenses Bank Charges	57,780	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	35,000	-
Total	2,583,184	7,325,500



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')**

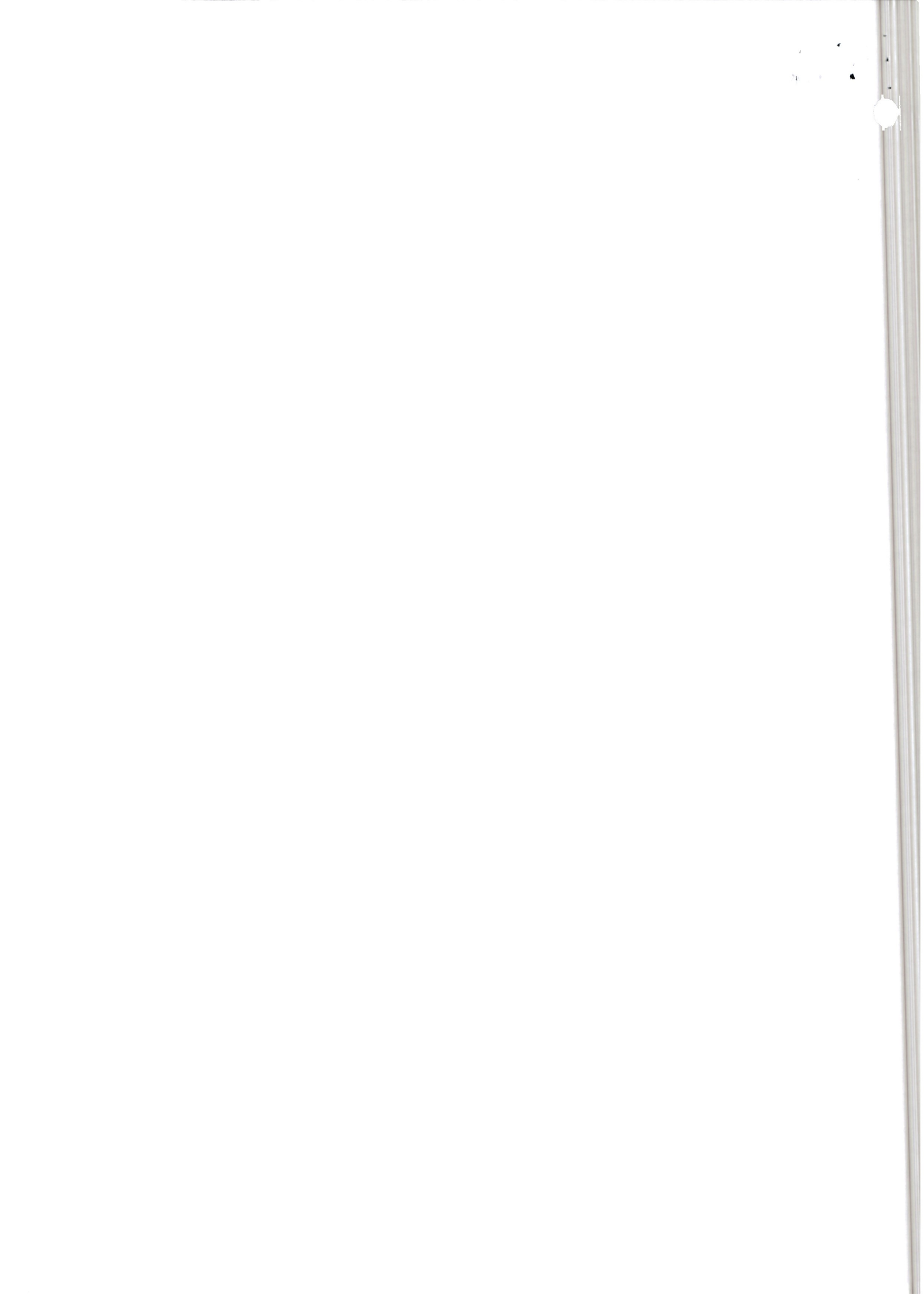
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	12,100,000	43,800,000
Transfers to secondary schools (see attached list)	6,200,000	7,600,000
Transfers to tertiary institutions (see attached list)	-	1,100,000
Transfers to health institutions (see attached list)	-	-
TOTAL	18,300,000	52,500,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,250,000	10,720,981
Bursary – tertiary institutions (see attached list)	7,524,300	5,241,368
Bursary – special schools (see attached list)	-	7,862,053
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	-
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	11,000,000	8,800,000
Roads projects (see attached list)	-	-
Sports projects (see attached list)	-	2,625,450
Environment projects (see attached list)	-	2,025,450
Emergency projects (see attached list)	1,500,000	4,000,000
Development-Factories/Stadiums	-	-
Total	28,274,300	41,275,302



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles 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 Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
specify	-	-
	-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017 - 2018	2016 - 2017
	Kshs. 30.06.2018	Kshs. 30.06.2017
<i>Co-operative Bank, Ruaka Branch, Account No.01141475527500</i>	37,164,906	1,387,953
Total	37,164,906	1,387,953



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2017 – 2018 Kshs	2016 - 2017 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

[Provide cash count certificates for each]

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>

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

12. RETENTION

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

[Provide short appropriate explanations as necessary]

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**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2017 - 2018 Kshs	2016 - 2017 Kshs
Balance B/F	1,387,953.00	23,192,031
Surplus/Deficit	35,776,953.00	(21,804,078)
Imprest	-	-
Total	37,164,906.00	1,387,953.

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016 - 2017 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

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	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management (Gratuity)	212,970	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	212,970	-



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
	2017/2018	2016/17
Compensation to Employees	334,291	-
Use of Good & Services (see attached list)	5,798,709	-
Transfer to other Government Units (see attached list)	17,494,352	-
Amounts due to other grants and other transfers (see attached list)	24,183,264	-
An allocation awaiting approval or unallocated	733,600	-
	48,544,216	-

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	11,310,705.02	-
	11,310,705.02	-

15.5: Amount Due from NG-CDF Board

	Kshs	Kshs
	F/Y 2017/18	F/Y 2016/17
F/Y 2017/18	11,379 310.34	-
	11,379,310.34	-



NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA

CONSTITUENCY

Reports and Financial Statements

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
4.						
Sub-Total						
Construction of civil works						
5.						
6.						
7.						
Sub-Total						
Supply of goods						
8.						
9.						
10.						
Sub-Total						
Supply of services						
11.						
12.						
13.						
Sub-Total						
Grand Total						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2017
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4. Sera Waithera (Gratuity – 21 Months)		149,730				
5. George Gitau (Gratuity – 2 Months)		15,500				
6. Stephen Mathu Gratuity – 4Months)		31,000				
7. Fidelis Kangethe (Gratuity – 2 Months)		16,740				
Sub-Total		212,970				
Unionisable Employees						
8.						

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
CONSTITUENCY**

Reports and Financial Statements

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

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2017
9.						
10.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 3 – UNUTILISED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation to Employees				
		334,291.11		
Sub-Total		334,291.11		
Use of Good & Services				
Admin -Use of Goods & Services		556,629.62		
Admin -Committee Expenses		820,700.00		
M&E -Use of Goods & Services		500,000.00		
M&E-Committee Expenses		500,000.00		
M&E-Capacity Building		1,921,379.32		
Strategic Plan		1,500,000.00		
Sub-Total		5,798,708.94		
Amounts due to other Government entities				
Muchatha Secondary School		2,500,000.00		
Karuri primary school		5,794,352.00		
Thimbigua primary school		1,000,000.00		
Kibathi primary school		3,000,000.00		
Muthurwa primary school		2,700,000.00		
Gachie Primary School		2,500,000.00		
Sub-Total		17,494,352.00		
Amounts due to other grants and other transfers				
Bursary		10,028,306.89		
KMTC Karuri		1,500,000.00		
Ruaka(Gacharage) Ap post		100,000.00		
Kiambaa football tournament		1,720,000.00		
KiambaaEnvironment Programme		1,720,000.00		
Constituency Innovation hub at MuchathaResource Centre		1,169,256.75		
Constituency Innovation Hub at MuchathaResource Centre WangunyuPriSch Hall		1,169,256.75		
Constituency Innovation Hub at Kihara DO Office		1,169,256.75		
Constituency Innovation Hub at Karuri AP line		1,169,256.75		
Emergency (5% of the Fund)		3,637,930.10		

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**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Social Services Programmes 2016/17		800,000.00		
Sub-Total		24,183,263.99		
Sub-Total				
Unallocated Funds		733,600.00		
Sub-Total		733,600.00		
Grand Total		48,544,216.04		



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
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For the year ended June 30, 2018 (Kshs')**

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2017/18	Additions during the year (Kshs.)	Disposals during the year (Kshs.)	Historical Cost (Kshs) 2016/17
Land	-	-	-	-
Buildings and structures	26,476,000	-	-	26,476,000
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,912,000	-	-	1,912,000
ICT Equipment, Software and Other ICT Assets	738,000	-	-	738,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	29,126,000	-	-	29,126,000

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Karura Primary School	Co operative	01141475861800	6,799.50	
Gatatha Primary School	Co operative	01141475852500	1,396.27	
Gatono Primary School	Co operative	01141700585900	333,757	
Thimbigua Primary School	Co operative	01141700517300	54,458	
Kibathi Primary School	Co operative	01141475681000	796.25	
Kibubuti Primary School	Co operative	01141475645800	137,613	
Gacharage primary School	Co operative	01141475629900	8,089	
Cianda High School	Co operative	01141475640200	952,184	
Kiambaa Mixed Secondary School	Co operative	01141475674500	941,255	
St. Andrews Ndenderu Secondary School	Co operative	01141475608200	2,860,819	
KMTC Karuri	Co operative	01141475643200	48,981	
Kirienye Police Post	Co operative	01141700538600	5,485	
Karuri Police station	Co operative	01141475392600	348,516	
Kiambaa Chief Office	Co operative	01141700687700	5,604,031	
Kiambaa Sub-county Registrar of persons and AP Office	Co operative	01141700572900	6,525	
			11,310,705.02	

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Referen ce No. on the externa l audit Report	Issue / Observation s from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timefra me: (Put a date when you expect the issue to be resolved)
KIAMBAA/CDF/FS/2015/2016/(13)					
1.	Cash and Cash Equivalents	The statement of financial assets as at 30 June 2016 reflects Cash and Cash equivalents balance of Kshs. 15,841,422. However the Cash book reflected a balance of Kshs. 18,500,341 as at the same date resulting in unexplained and unreconciled variance of Kshs. 2,658,919. In the circumstances, it has not been possible to confirm the accuracy and completeness of Cash and Cash equivalents balance of Kshs. 15,841,422 as at 30 June 2016.	Fund Account Manager	Yet to be Resolved	
2.	Procurement	Construction of Kiambaa CDF Office Examination of records maintained at Kiambaa CDF Office revealed that Kshs. 9,800,000 was allocated for the construction of CDF Offices at Karuri-Banana made up of Kshs. 5,000,000 and Kshs. 4,800,000 approved in the financial years 2014/2015 and 2015/2016 budgets respectively. Records further indicate that a local contractor was awarded the contract for the construction of the offices at a contract sum of Kshs. 8,835,570. Although the CDF management awarded the contract to the lowest responsive bidder among three other bids which were sourced through request for quotation contrary to national open tendering as required by Public Procurement and Disposal Regulations 2006, Section 26 (3) (b). The contract prices of Kshs. 8,835,570 exceed the maximum threshold limit of Kshs. 4,000,000 for use of request for quotations. No explanation was given for the irregularities. Further, the contract sum included provisional sums totaling Kshs. 1,600,000 for various items and works which were not competitively procured. As a result, of these irregularities, the propriety of the expenditure incurred on the project during the year ended 30 June 2016, could not be confirmed.	Fund Account Manager	Yet to be Resolved	
		Use of Inappropriate Procurement Method The statement of receipts and payments reflects transfers to other Government Units expenditure of Kshs. 60,700,040 which includes Kshs. 12,000,000 for Murraming of roads in various schools under three zones namely, Ndenderu and Kihara Zones each at Kshs. 4,000,000. However, a review of records for the projects showed that the CDF used request for quotations method and awarded contract sums of Kshs.	Fund Account Manager	Yet to be Resolved	

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NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA

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

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)																																																		
		5,065,600 for Karuri, Kshs. 4,303,200 for Ndenderu and Kshs. 7,163,200 for Kihara Zone. The estimated value of works to be done on each of the three projects was above the set threshold of Kshs. 4,000,000 hence the works were to be advertised in the national process as required by the Public Procurement and Disposal Act, 2005. Further, engineer's estimates, inspection reports from the Ministry of works, expenditure returns, payment certificates and other relevant records for these projects were not presented for audit review. Consequently, the propriety of the expenditure of Kshs. 12,000,000 incurred during the year ended 30 June 2016, could not be confirmed.																																																					
3	Other Matters	<p>I. Overall Budget Execution</p> <p>During the financial year under review, Kiambaa NG-CDF received a total of Kshs. 101,274,040 from the National Government Constituencies Development Fund Board against budgeted amount of Kshs. 124,739,029 or 81% of the budget. Further, the total expenditure for the year total Kshs. 108,897,607 representing absorption rate of 87% as analyzed below:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Budget- Kshs</th> <th>Actual - Kshs</th> <th>Budget Utilization Difference - Kshs</th> <th>Actual as % of Budget</th> </tr> </thead> <tbody> <tr> <td>Receipts</td> <td>124,739,029</td> <td>101,274,040</td> <td>23,464,989</td> <td>81</td> </tr> <tr> <td>Expenditure</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Compensation of employees</td> <td>1,400,000</td> <td>1,300,000</td> <td>100,000</td> <td>93</td> </tr> <tr> <td>Use of goods and services</td> <td>7,223,389</td> <td>4,254,357</td> <td>2,969,032</td> <td>59</td> </tr> <tr> <td>Transfers to other Government Units</td> <td>64,343,281</td> <td>60,700,040</td> <td>3,643,241</td> <td>94</td> </tr> <tr> <td>Other grants and transfers</td> <td>39,608,359</td> <td>31,643,210</td> <td>7,965,149</td> <td>80</td> </tr> <tr> <td>Acquisition of assets</td> <td>10,864,000</td> <td>9,700,000</td> <td>1,164,000</td> <td>89</td> </tr> <tr> <td></td> <td>1,300,000</td> <td>1,300,000</td> <td>-</td> <td>100</td> </tr> <tr> <td>Total</td> <td>124,739,029</td> <td>108,897,607</td> <td>15,841,422</td> <td>87</td> </tr> </tbody> </table> <p>The CDF management attributed the low utilization of the budget to delay in disbursement of funds by the CDF Board.</p>	Item	Budget- Kshs	Actual - Kshs	Budget Utilization Difference - Kshs	Actual as % of Budget	Receipts	124,739,029	101,274,040	23,464,989	81	Expenditure					Compensation of employees	1,400,000	1,300,000	100,000	93	Use of goods and services	7,223,389	4,254,357	2,969,032	59	Transfers to other Government Units	64,343,281	60,700,040	3,643,241	94	Other grants and transfers	39,608,359	31,643,210	7,965,149	80	Acquisition of assets	10,864,000	9,700,000	1,164,000	89		1,300,000	1,300,000	-	100	Total	124,739,029	108,897,607	15,841,422	87	Fund Account Manager	Yet to be Resolved	
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**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – KIAMBAA
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For the year ended June 30, 2018 (Kshs')**

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)																																																															
4	Project Implementation	<p>During the period under review, the Kiambaa CDF spent Kshs. 87,931,640 on implementation of twenty six (26) projects against approved project allocation of Kshs. 91,039,789 earmarked for thirty five (35) projects including nine projects rolled over from 2014/2015 financial year. Analysis of project implementation is given below:</p> <table border="1" data-bbox="341 752 1043 1370"> <thead> <tr> <th>Sector</th> <th>No. of budgeted project</th> <th>Budget Kshs</th> <th>Actual Disbursed Kshs</th> <th>No. of projects completed</th> <th>No. of projects not implemented</th> <th>% level of implementation</th> </tr> </thead> <tbody> <tr> <td>Transfers to primary and secondary schools</td> <td>25</td> <td>64,343,289</td> <td>60,700,040</td> <td>21</td> <td>4</td> <td>84%</td> </tr> <tr> <td>Construction of CDF Office</td> <td>1</td> <td>10,864,000</td> <td>9,700,000</td> <td>1</td> <td>0</td> <td>100%</td> </tr> <tr> <td>Sports</td> <td>2</td> <td>2,025,450</td> <td>0</td> <td>0</td> <td>2</td> <td>0%</td> </tr> <tr> <td>Environment</td> <td>1</td> <td>2,025,450</td> <td>1,913,210</td> <td>0</td> <td>1</td> <td>0%</td> </tr> <tr> <td>Roads</td> <td>1</td> <td>4,300,000</td> <td>4,300,000</td> <td>1</td> <td>0</td> <td>100%</td> </tr> <tr> <td>Security</td> <td>4</td> <td>3,900,000</td> <td>2,700,000</td> <td>2</td> <td>2</td> <td>50%</td> </tr> <tr> <td>Kiambaa playing field</td> <td>1</td> <td>1,300,000</td> <td>1,300,000</td> <td>1</td> <td>0</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>35</td> <td>91,039,789</td> <td>87,931,640</td> <td>26</td> <td>9</td> <td>74%</td> </tr> </tbody> </table> <p>Failure to implement projects on tie denies the community the benefits and expected services to the residents of Kiambaa.</p>	Sector	No. of budgeted project	Budget Kshs	Actual Disbursed Kshs	No. of projects completed	No. of projects not implemented	% level of implementation	Transfers to primary and secondary schools	25	64,343,289	60,700,040	21	4	84%	Construction of CDF Office	1	10,864,000	9,700,000	1	0	100%	Sports	2	2,025,450	0	0	2	0%	Environment	1	2,025,450	1,913,210	0	1	0%	Roads	1	4,300,000	4,300,000	1	0	100%	Security	4	3,900,000	2,700,000	2	2	50%	Kiambaa playing field	1	1,300,000	1,300,000	1	0	100%	Total	35	91,039,789	87,931,640	26	9	74%	Fund Account Manager	Yet to be Resolved	
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