

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE:

18 JULY 2019

DAY.

Thursday

REPORT

TABLED  
BY:

Majority Whip  
Esther de Cheret

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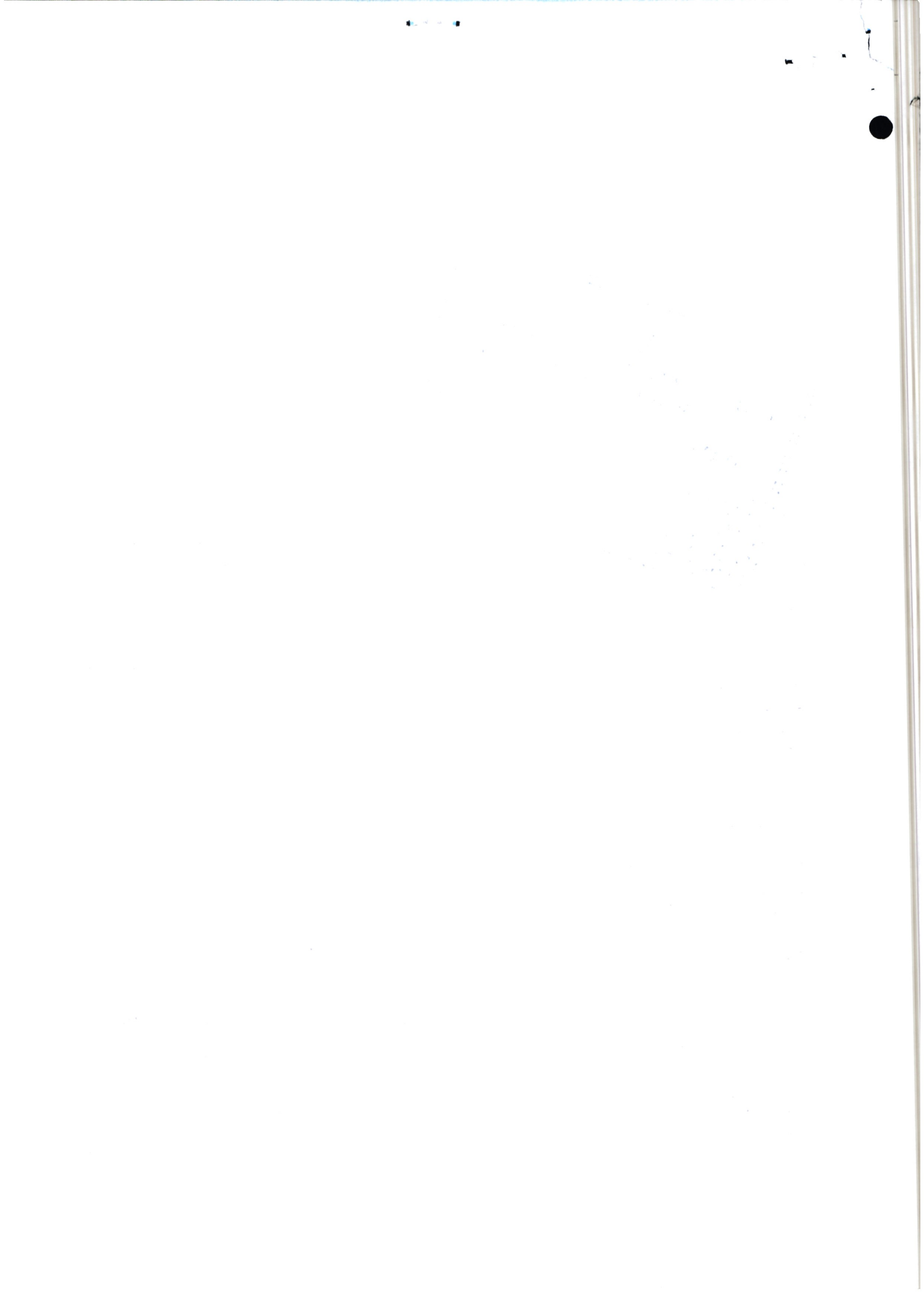
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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
NDIA CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2018





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**National Government Constituency Development Fund- Ndia Constituency**

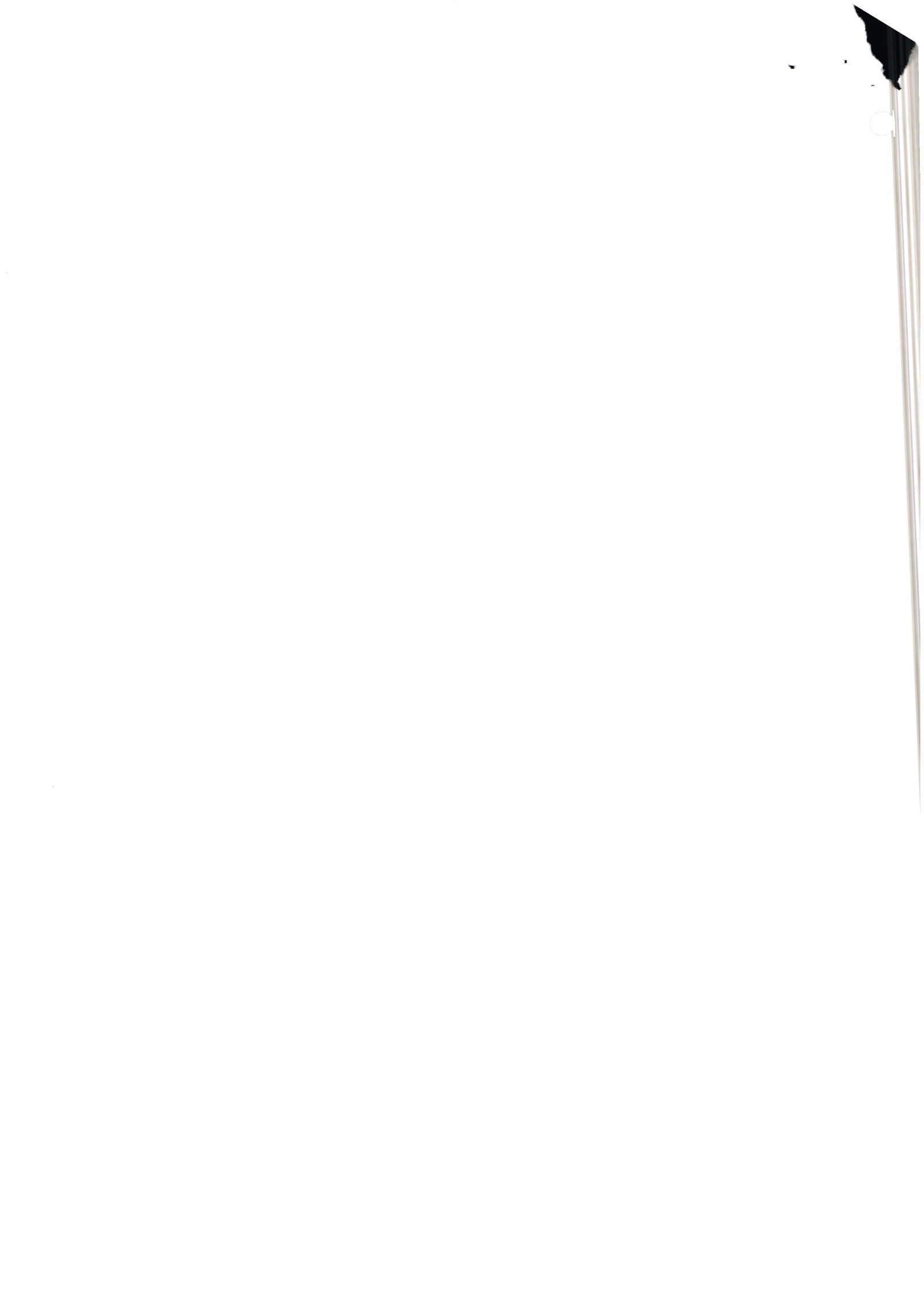
**REPORTS AND FINANCIAL STATEMENTS**

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

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

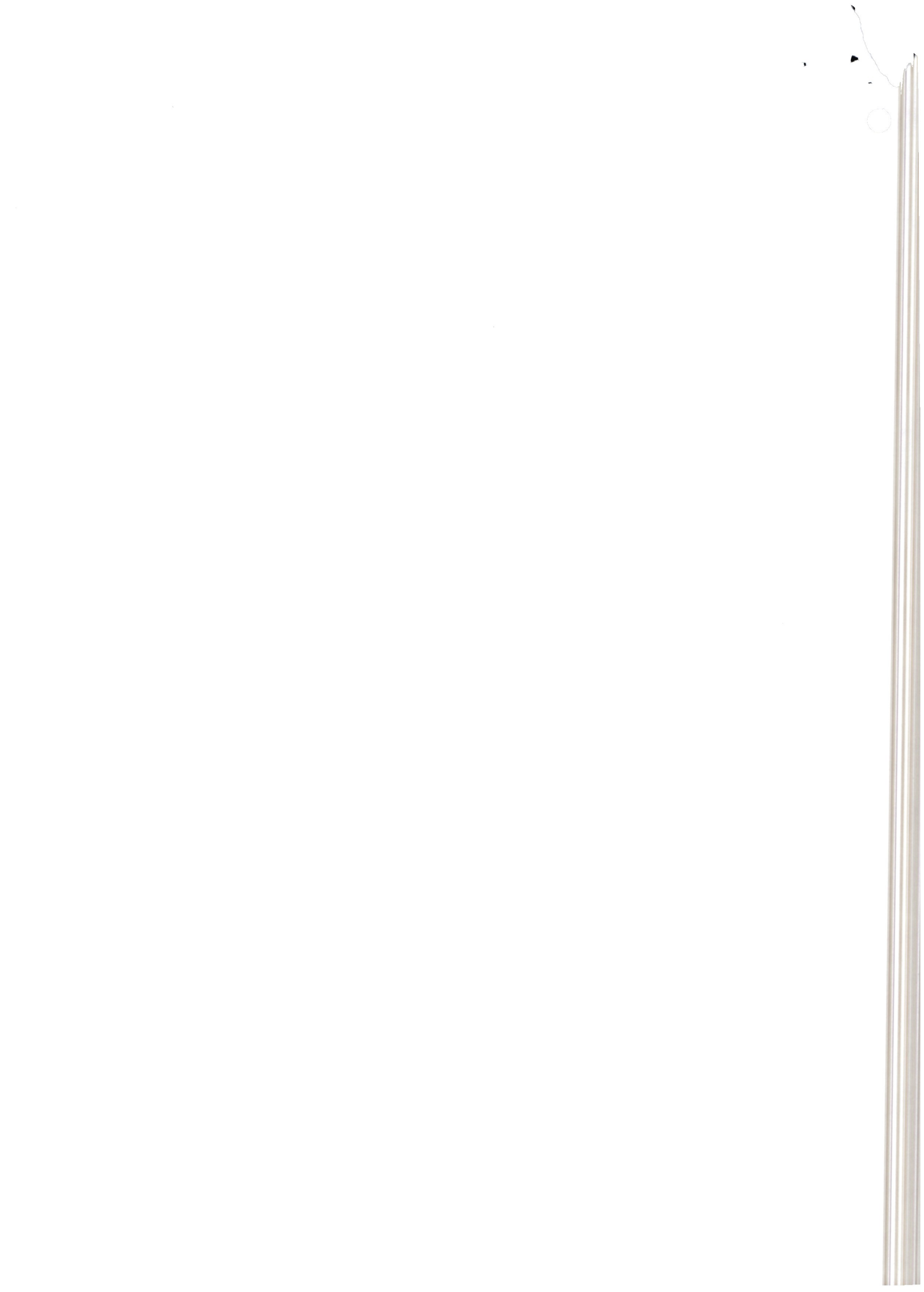
13 SEP 2019



**National Government Constituency Development Fund- Ndia Constituency  
Reports and Financial Statements  
For the year ended June 30, 2018**

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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 formerly Constituency Development fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

#### Mandate

The mandate of the fund as derived from sec(3) of NG- CDF Act ,2015 is to:

- Recognize the constituency as a platform for identification, performance and implementation of National government functions;
- Facilitate the performance and implementation of National government functions in all parts of the republic pursuant to Article 6(3) of the constitution;
- 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;
- Promote the National values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of marginalized pursuant to Article 10 (2) (b) of the constitution;
- Provide for the suitable development of all parts of the republic pursuant to Article 10 (2) (d) of the constitution;
- Provide a legislative and policy framework pursuant to Article 21 (2) of the constitution for the progressive realization of the economic and social right guaranteed under Article 43 of the constitution;
- 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;
- Provide for a public finance system that promotes an equitable society and in particular expenditure that promote equitable development of the country by making special provision for marginalized groups and areas pursuant to Article 201 (b) (iii) of the constitution;
- Authorise withdrawal of money from the consolidated fund as provided under Article 206 (2) (c) of the constitution
- Provide mechanism 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
- 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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**(b) Key Management**

The Ndia Constituency's NG CDF 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 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Timothy Njichi</b>
3.	Sub -County Accountant	<b>Cecilia Wambui</b>
4.		

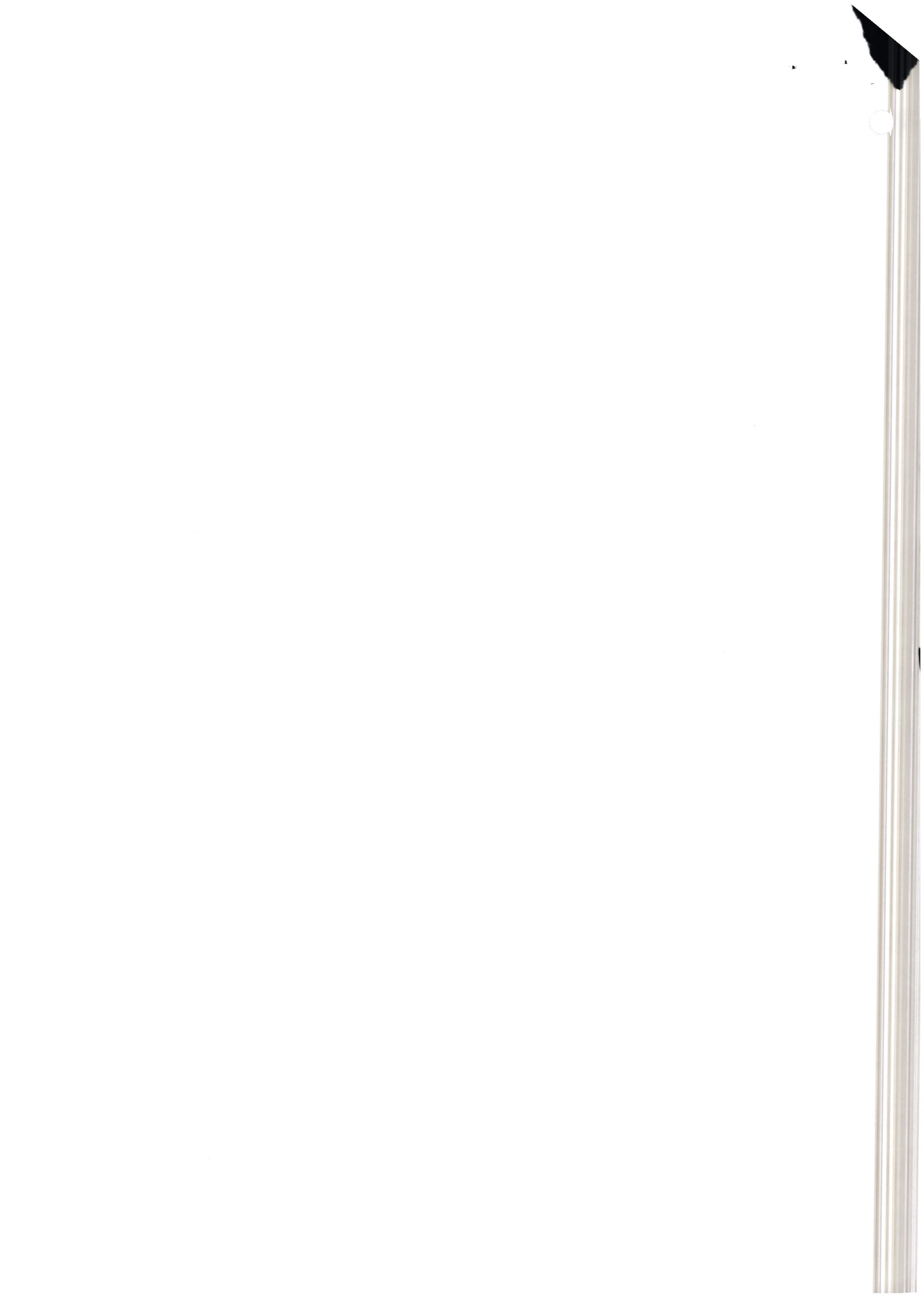
**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG CDF Board provide overall fiduciary oversight on the activities of NDIA Constituency. The reports and recommendation of ARMC when adopted by the NG CDF Board are forwarded to the National Government 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) NDIA NG CDF Headquarters**

P.O. Box 70  
Ndia constituency office Building  
Along Baricho / Kerugoya/Road/Highway  
Baricho, KENYA

18 SEP 2018



**(f) NDIA NG CDF Contacts**

Telephone: (254) 726759676  
E-mail: pnjiru@ngcdf.go.ke

**(g) NDIANG CDF Bankers**

1. Equity Bank Ltd  
kagio  
P.O. Box 134 -10306  
Kagio, Kenya

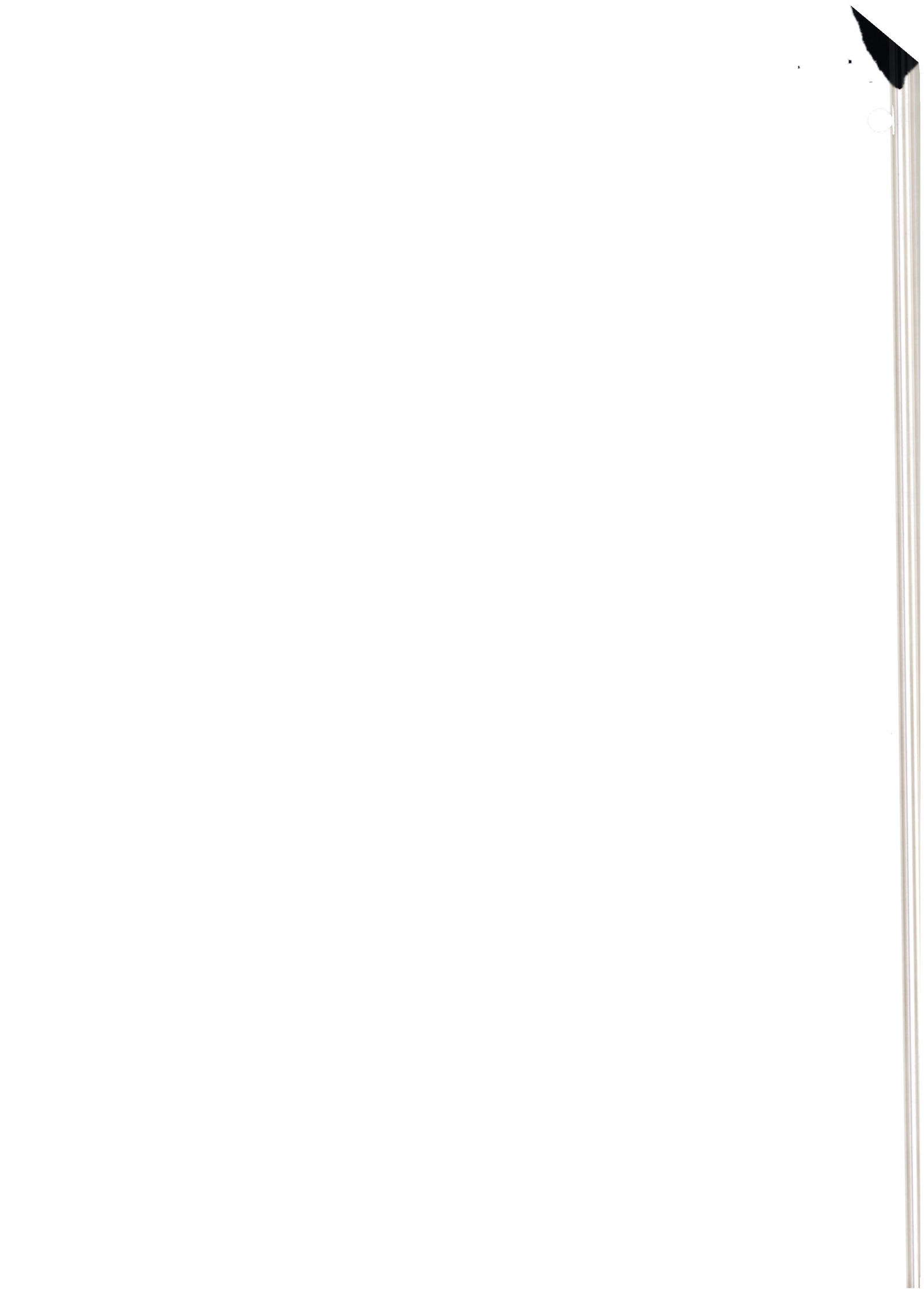
**(h) Independent Auditors**

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

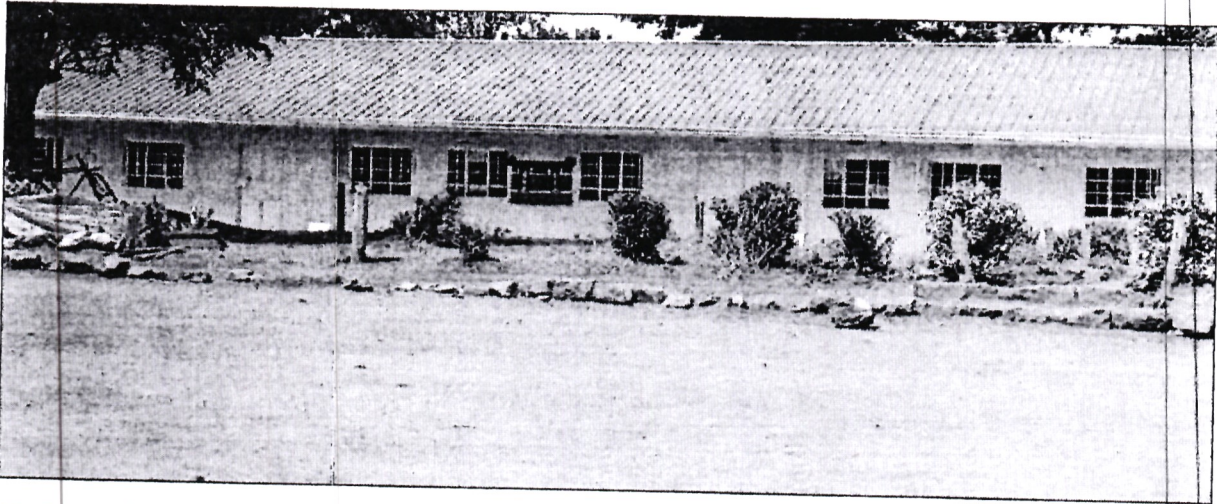
13 SEP 2010



II. FORWARD BY THE CHAIRPERSON National Government Constituency development  
Fund Committee (NG CDFC)

Detail key achievements for the NG CDF

- Uplifted the unfortunate in society through the bursary funding.
- Improved security through provision of offices and houses to AP posts, police post & chiefs camps.
- Development of day and boarding secondary schools and improving learning institutions.
- Eradicating poverty at grass root level.



Karima primary school renovation of classrooms



Muragara primary school renovation of classrooms



List emerging issues related to the NG CDF

- ✓ The court battle through the constitution to abolish the NG CDF fund.
- ✓ County Government want NG CDF fund to be under their control.

13 SEP 2010

Sign *Awaji*

CHAIRPERSON, NDIA NG CDFC



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

The Accounting Officer in charge of the Ndia NG CDF confirms that the Ndia 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 Ndia NG CDF 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 Ndia NG CDF financial statements were approved and signed by the Accounting Officer on .....2018.

13 SEP 2018

  
Fund Account Manager  
TIMOTHY NJICHI

  
SUB-COUNTY ACCOUNTANT  
CECILIA WAMBUI



# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ndia Constituency set out on pages 7 to 26, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows, 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 - Ndia Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Other Grants and Transfers

###### 1.1 Roads Projects

Disclosed in Note 7 to the financial statements are other grants and transfers of Kshs.48,919,492 which includes an expenditure of Kshs.400,000 in respect of roads in Kibirigwi Nguguini area. However, the notice of tender advertisement, tender opening, evaluation and award minutes for the contract were not presented for audit verification. Consequently, the validity of the expenditure of Kshs.400,000 could not be confirmed.

###### 1.2 Sports Projects

Disclosed also in Note 7 to the financial statements under other grants and transfers is an expenditure of Kshs.1,637,931 in respect of sports projects. However, the expenses were not supported by payment vouchers, invoices or other relevant documentation as

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Ndia Constituency for the Year Ended 30 June 2018*

required. Consequently, the validity and propriety of the sports expenditure of Kshs.1,637,931 could not be confirmed.

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

### **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 section, I have determined that there are no key audit matters to communicate in my report.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

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

## **Basis for Conclusion**

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

## **Responsibilities of Management and Those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

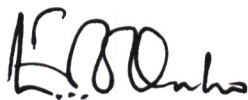
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

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

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

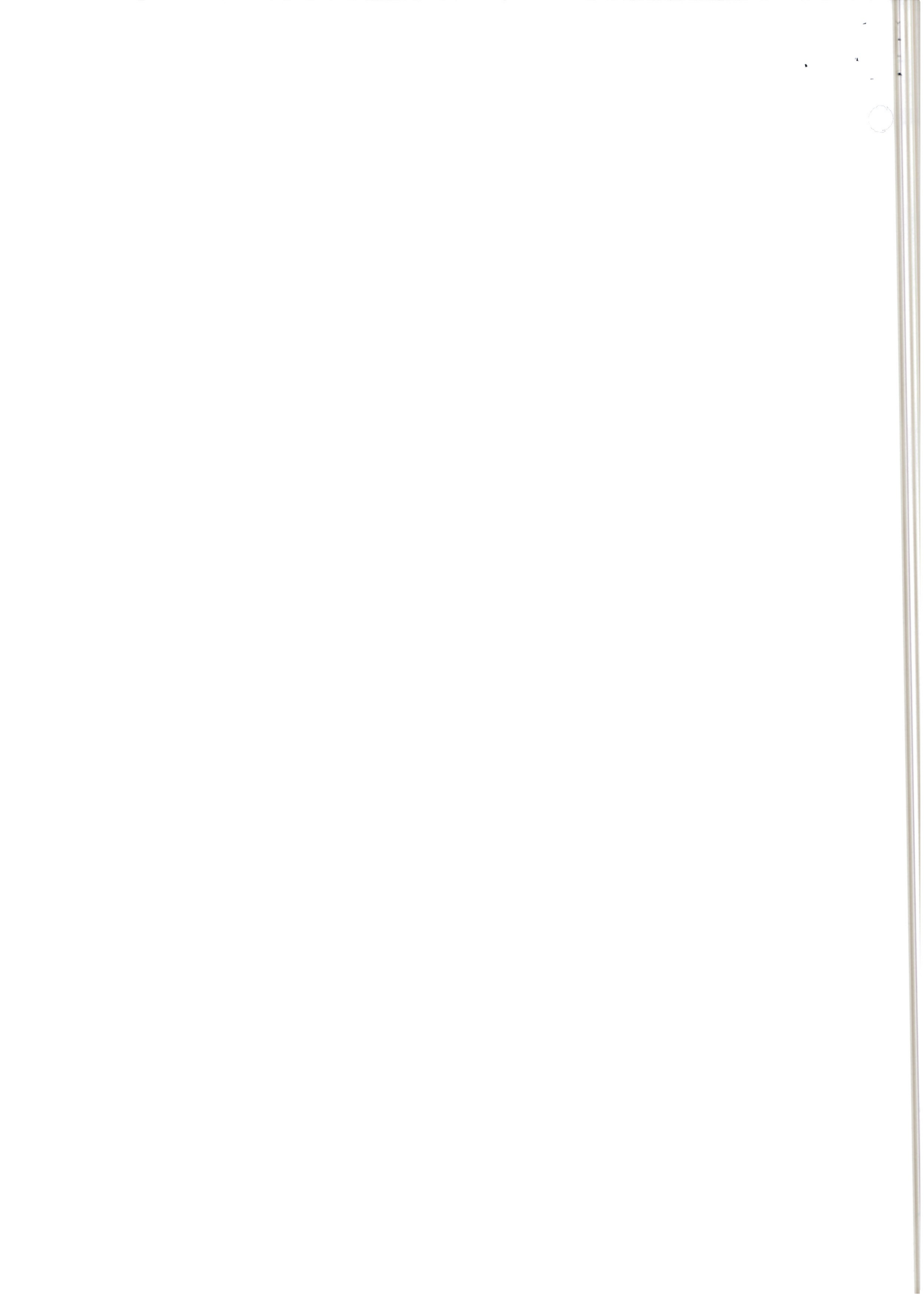
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

**Nairobi**

**12 July 2019**



**National Government Constituency Development fund- Ndia Constituency  
Reports and Financial Statements  
For the year ended June 30, 2018**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	90,504,310.3	65,645,838
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	145,000	48,000
		-	-
<b>TOTAL RECEIPTS</b>		<b>90,649,310.3</b>	<b>65,693,838</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,409,226.0	2,146,638
Use of goods and services	5	5,078,546.2	11,462,703
Transfers to Other Government Units	6	50,644,574.0	5,600,000
Other grants and transfers	7	48,919,492	42,083,759
Acquisition of Assets	8	0	1,913,786
Other Payments	9	540.0	32,323
<b>TOTAL PAYMENTS</b>		<b>106,052,378.20</b>	<b>63,239,210</b>
<b>SURPLUS/DEFICIT</b>		<b>(15,403,067.90)</b>	<b>2,454,628</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The deficit of ksh 15,403,067.90 reflected in statement of receipt and payment was as a result of opening balance of ksh 52,056,010 as at 1<sup>st</sup> July 2017. The NG CDF Ndia Constituency financial statements were approved on \_\_\_\_\_ 2018 and signed by:



Fund Account Manager  
TIMOTHY NJICHI

13 SEP 2018



SUB-COUNTY ACCOUNTANT  
CECILIA WAMBUI



STATEMENT OF ASSETS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	36,652,941.6	52,056,010
Total cash and cash equivalent	10B		
Account receivables- Outstanding Imprests	11		
<b>TOTAL FINANCIAL ASSETS</b>		<b>36,652,941.6</b>	<b>52,056,010</b>
<b>FINANCIAL LIABILITIES</b>			
Account Payables –Deposit & Retention	12		
<b>NET FINANCIAL ASSETS</b>		<b>36,652,941.6</b>	<b>52,056,010</b>
<b>REPRESENTED BY:</b>			
Fund balance b/fwd 1st July...	13	52,056,010	49,601,381
Surplus/Defict for the year		(15,403,067.90)	2,454,628
Prior year adjustments	14		1
<b>NET POSITION</b>		<b>36,652,941.6</b>	<b>52,056,010</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG CDF NDIA financial statements were approved on \_\_\_\_\_ 2018 and signed by:



Fund Account Manager  
TIMOTHY NJICHI

13 SEP 2018



SUB-COUNTY ACCOUNTANT  
CECILIA WAMBUI




VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017- 2018	2016 - 2017
Transfers from CDF Board	1	90,504,310	65,645,838
Other Receipts	3	145,000	48,000
		90,649,310	65,693,838
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,409,226	2,146,638
Use of goods and services	5	5,078,546	11,462,703
Transfers to Other Government Units	6	50,644,574	5,600,000
Other grants and transfers	7	48,919,492	42,083,759
Other Payments	9	540	32,323
		106,052,378	61,325,423
<b>Adjusted for:</b>			
Adjustments during the year	14	-	1
<b>Net cash flow from operating activities</b>		15,403,068	4,368,415
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	1,913,786
<b>Net cash flows from Investing Activities</b>		-	(1,913,786)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		15,403,068	2,454,629
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	52,056,010	49,601,381
<b>Cash and cash equivalent at END of the year</b>		36,652,942	52,056,010

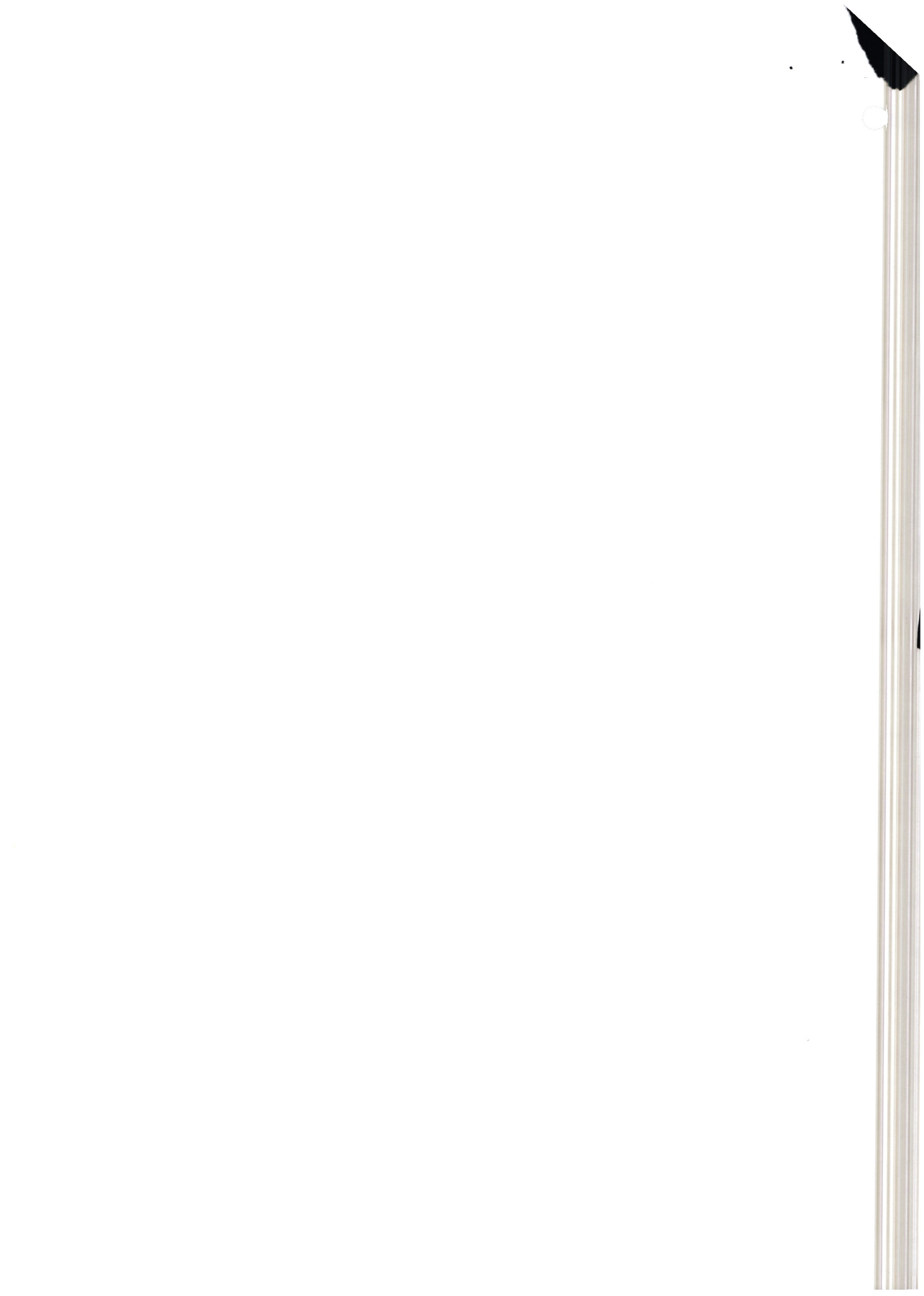
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ndia NG CDF financial statements were approved on 13 SEP 2018 and signed by:



Fund Account Manager  
TIMOTHY NJICHI




SUB-COUNTY ACCOUNTANT  
CECILIA WAMBUI




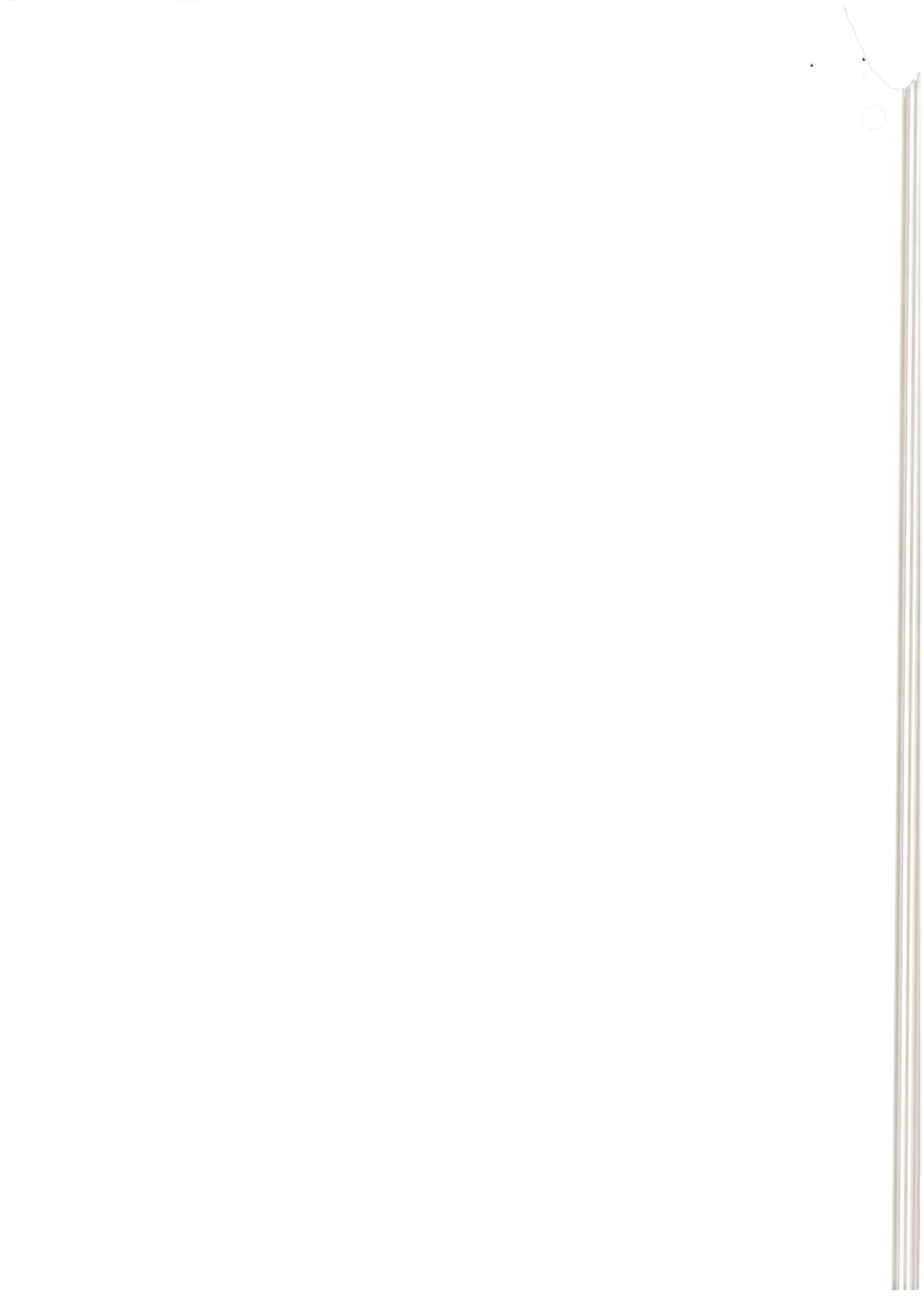
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	supplementary budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
RECEIPTS	a	b	c	d=a+b+c	e	f=d-e	g=e/d %
Transfers from CDF Board	86,810,345	11,379,310	52,056,010	150,245,665	90,504,310	59,741,354	60.2%
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>86,810,345</b>	<b>11,379,310</b>	<b>52,056,010</b>	<b>150,245,665</b>	<b>145,000</b>	<b>(145,000)</b>	<b>60.3%</b>
<b>PAYMENTS</b>	<b>1,830,680</b>	<b>200,000</b>	<b>758,414</b>	<b>2,789,094</b>	<b>90,649,310</b>	<b>59,596,354</b>	<b>60.3%</b>
Compensation of Employees	1,830,680	200,000	758,414	2,789,094	1,409,226	1,379,868	50.5%
Use of goods and services	5,982,250.69	824,137.00	3,167,925	9,974,313	5,078,546	4,895,767	50.9%
Transfers to Other Government Units	44,477,028	8,725,900	27,331,457	80,534,385	50,644,574	29,889,811	62.9%
Other grants and transfers	33,979,386	950,000	20,798,214	55,718,600	48,919,492	6,799,108	87.8%
Acquisition of Assets	550,000	679,273	-	1,229,273	-	1,229,273	0.0%
Other Payments	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>86,810,345</b>	<b>11,379,310</b>	<b>52,056,010</b>	<b>150,245,665</b>	<b>106,052,378</b>	<b>44,193,286</b>	<b>70.6%</b>

(a) For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]  
 (b) Under utilization of funds was as a result of delay in AIE issue from the NG CDF BOARD  
 The Ndia NG CDF Financial statements were approved on 2018 and signed by:

  
 Fund Account Manager  
 TIMOTHY NIICHI

13 SEP 2018  
  
 SUB-COUNTY ACCOUNTANT  
 CECILIA WAMBUI



## **VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NG CDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NG CDF.

### **2. Recognition of revenue and expenses**

The NG Ndia CDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NG CDF. In addition, the NG CDF recognises all expenses when the event occurs and the related cash has actually been paid out by the Ndia NG CDF.

### **3. In-kind contributions**

In-kind contributions are donations that are made to the NG CDF 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 NG CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

### **4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.



**National Government Constituency Development Fund – Ndia Constituency  
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*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**5. 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 Ndia NG CDF 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.

**6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Ndia NG CDF budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Ndia NG CDF's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

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

**8. 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 June 30, 2018.



**National Government Constituency Development Fund – Ndia Constituency  
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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Normal Allocation	A839748	26,853,488	4,094,827.60
	A855970	5,500,000	8,066,244.00
	A896858	17,202,586	43,484,766.00
	A896930	40,948,276.10	10,000,000.00
Conditional grants			-
	AIE NO...	-	
Receipt from other Constituency	AIE NO...	-	
<b>TOTAL</b>		<b>90,504,350.30</b>	<b>65,645,837.60</b>

**2. PROCEEDS FROM SALE OF ASSETS**

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
Receipts from the Sale of Buildings		-	
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	
Receipts from the Sale of office and general equipment		-	
	<b>Total</b>	<b>-</b>	<b>-</b>



**National Government Constituency Development Fund – Ndia Constituency  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	<b>2017- 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	145,000.00	48,0000
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>145,000.00</b>	<b>48,000</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	947946.00	960041.00
Basic wages of casual labour	0.00	0.00
<b>Personal allowances paid as part of salary</b>	<b>0.00</b>	
House allowance	193000.00	183,000.00
Transport allowance	224000.00	180,000.00
Leave allowance	0.00	52,928.00
Gratuity	0	731,789.30
Employer contribution to nssf	44,280	38880
<b>Total</b>	<b>1,409,226.00</b>	<b>2,146,638.30</b>



**National Government Constituency Development Fund – Ndia Constituency  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	1,059,500	2,172,500.00
Utilities, supplies and services	216,843	0
Communication, supplies and services	216,000	254,600.00
Domestic travel and subsistence	221,500	462,000.00
Printing, advertising and information supplies & services	179,250	0
Rentals of produced assets	-	152,200.00
Training expenses	1,845,000	6,107,400.00
Hospitality supplies and services	43,050	507,520.00
Insurance costs	-	0
Specialized materials and services	-	249,000
Office and general supplies and services	180,625	907,483.30
Other operating expenses	-	650,000.00
Routine maintenance – vehicles and other transport equipment fuel,oil & other lubricant	943,378	0
Routine maintenance – other assets	173,400	0
<b>Total</b>	<u>5,078,546</u>	<u><b>11,462,703.30</b></u>
<b>TOTAL</b>	<u>5,078,546</u>	<u><b>11,462,703.30</b></u>



**National Government Constituency Development Fund – Ndia Constituency  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to National Government entities	1,831,034	-
Transfers to primary schools (see attached list)	26,217,000	3,500,000
Transfers to secondary schools (see attached list)	22,596,540	2,100,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
<b>TOTAL</b>	<b>50,644,574</b>	<b>5,600,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23074561.00	6408000.00
Bursary – tertiary institutions (see attached list)	15492000.00	7792000.00
Bursary – special schools (see attached list)	231000.00	109000.00
Mock & CAT (see attached list)	0.00	
Water projects (see attached list)	0.00	672911.00
Agriculture projects (see attached list)	0.00	0.00
Electricity projects (see attached list)	0.00	7500000.00
Security projects (see attached list)	7173000.00	1749000.00
Roads projects (see attached list)	400000.00	6653457.50
Sports projects (see attached list)	1637931.00	1999695.00
Environment projects (see attached list)	0.00	1999695.00
Emergency projects (see attached list)	911,000	7200000.00
<b>Total</b>	<b>48919492.00</b>	<b>42083758.50</b>



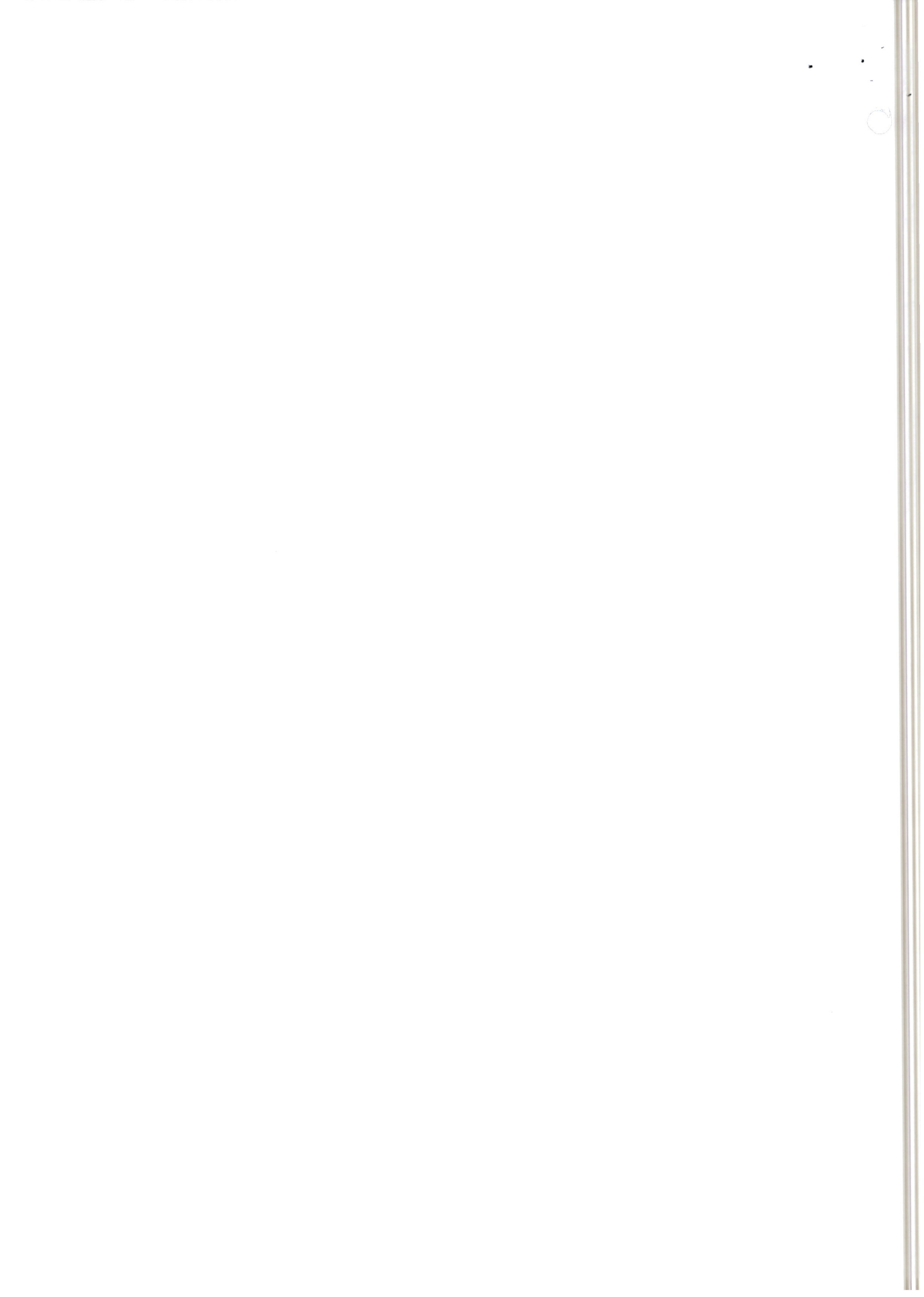
**National Government Constituency Development Fund – Ndia Constituency  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

**Non Financial Assets**

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	1,913,786.40 000
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	-	<b>1,913,786.40000</b>



**National Government Constituency Development Fund – Ndia Constituency  
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For the year ended June 30, 2018**

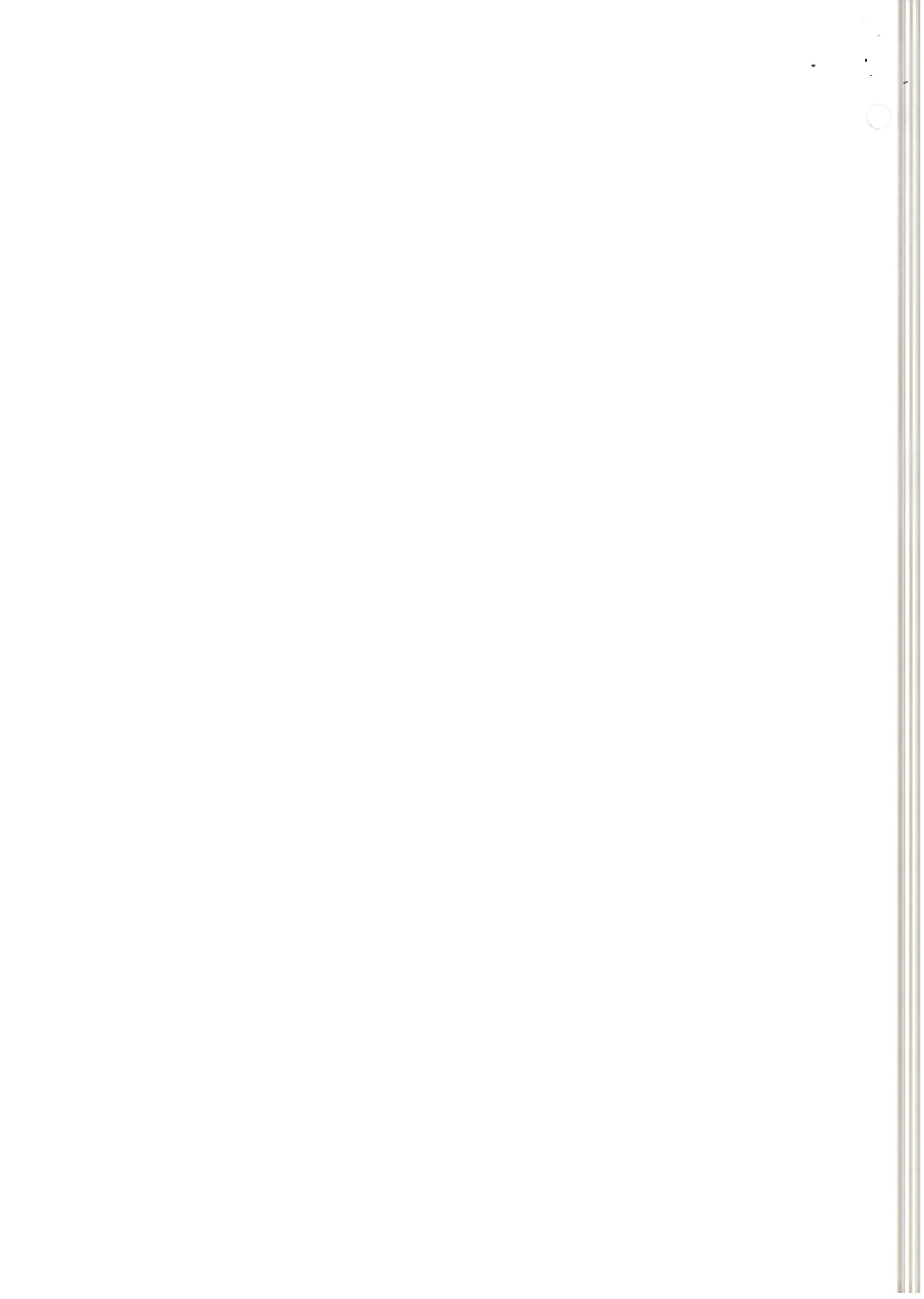
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**9. OTHER PAYMENTS**

	2017-2018	2016-2017
kra	-	20,323
specify	-	12,000
specifypenalty nssf	540	-
<b>TOTAL</b>	<b>540</b>	<b>32,323</b>

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

<b>Name of Bank, Account No. &amp; currency</b>	<b>2017 - 2018</b>	<b>2016- 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>EQUITY BANK KAGIO BRANCH ACCOUNT NO 0420294874971</i>	36,652,951.60	52,056,009.50
<i>Name of Bank, Account No.</i>	0	0
<i>Name of Bank, Account No.</i>	0	0
<b>Total</b>	<b>36,652,951.60</b>	<b>52,056,009.50</b>



National Government Constituency Development Fund – Ndia Constituency  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**B: CASH IN HAND**

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>specify</i> )	0	0
<b>Total</b>	0	0

*[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>
<i>Name of Officer or Institution</i>	dd/mm/yy	NIL	NIL	NIL
<i>Name of Officer or Institution</i>	dd/mm/yy	NIL	NIL	NIL
<i>Name of Officer or Institution</i>	dd/mm/yy	NIL	NIL	NIL
<i>Name of Officer or Institution</i>	dd/mm/yy	NIL	NIL	NIL
<i>Name of Officer or Institution</i>	dd/mm/yy	NIL	NIL	NIL
<i>Name of Officer or Institution</i>	dd/mm/yy	NIL	NIL	NIL
<b>Total</b>		NIL	NIL	NIL

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



National Government Constituency Development Fund – Ndia Constituency  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RETENTION

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*[Provide short appropriate explanations as necessary]*

13. BALANCES BROUGHT FORWARD

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bank accounts	52,056,009.5	49,601,380.65
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>52,056,009.5</b>	<b>49,601,380.65</b>

*[Provide short appropriate explanations as necessary]*

14. PRIOR YEAR ADJUSTMENTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bank accounts	0	0.75
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>0</b>	<b>0.75</b>



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**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2017 - 2018 Kshs	2016- 2017 Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	<b>0</b>	<b>0</b>

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

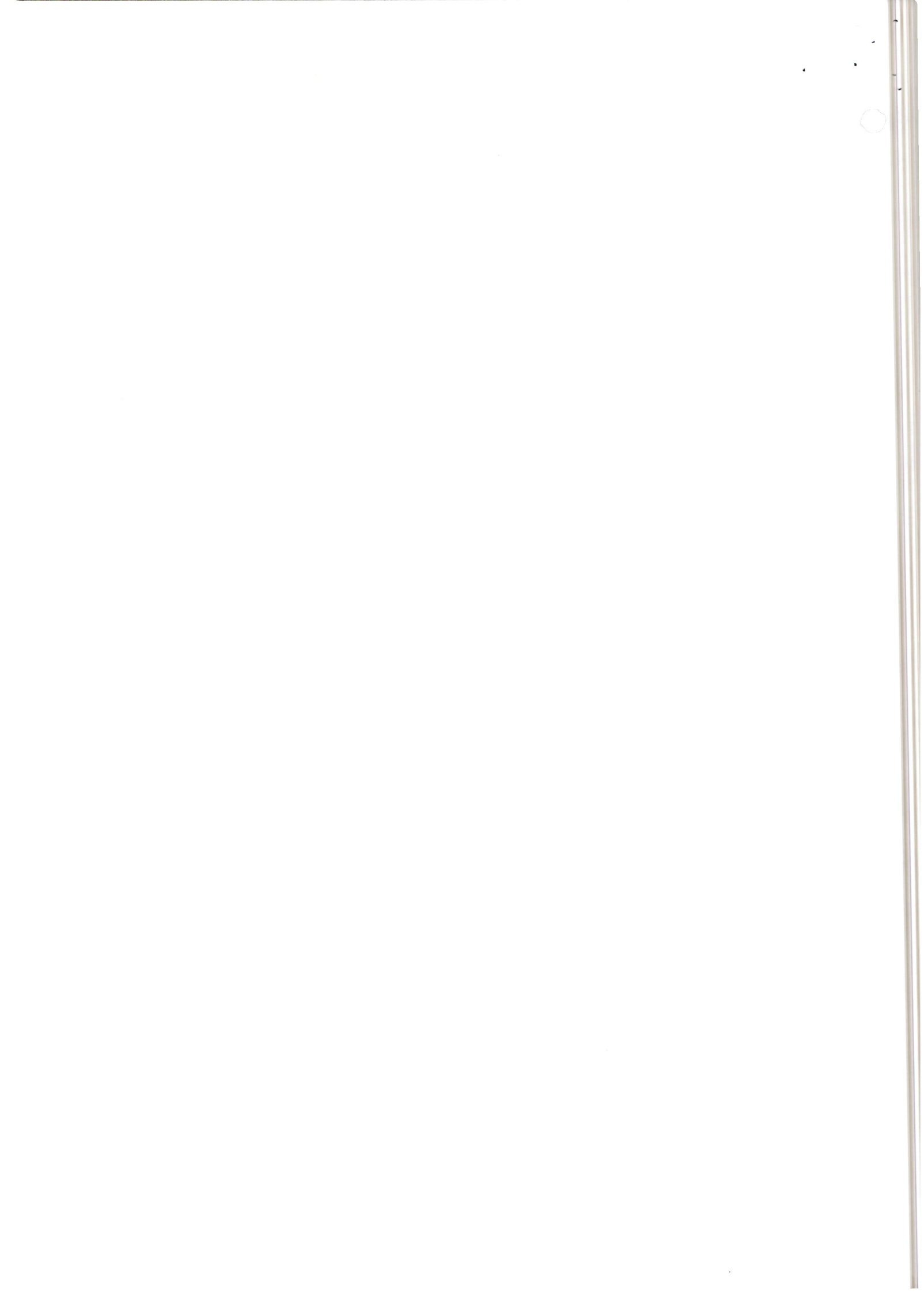
	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others ( <i>specify</i> )	0	0
	<b>0</b>	<b>0</b>

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

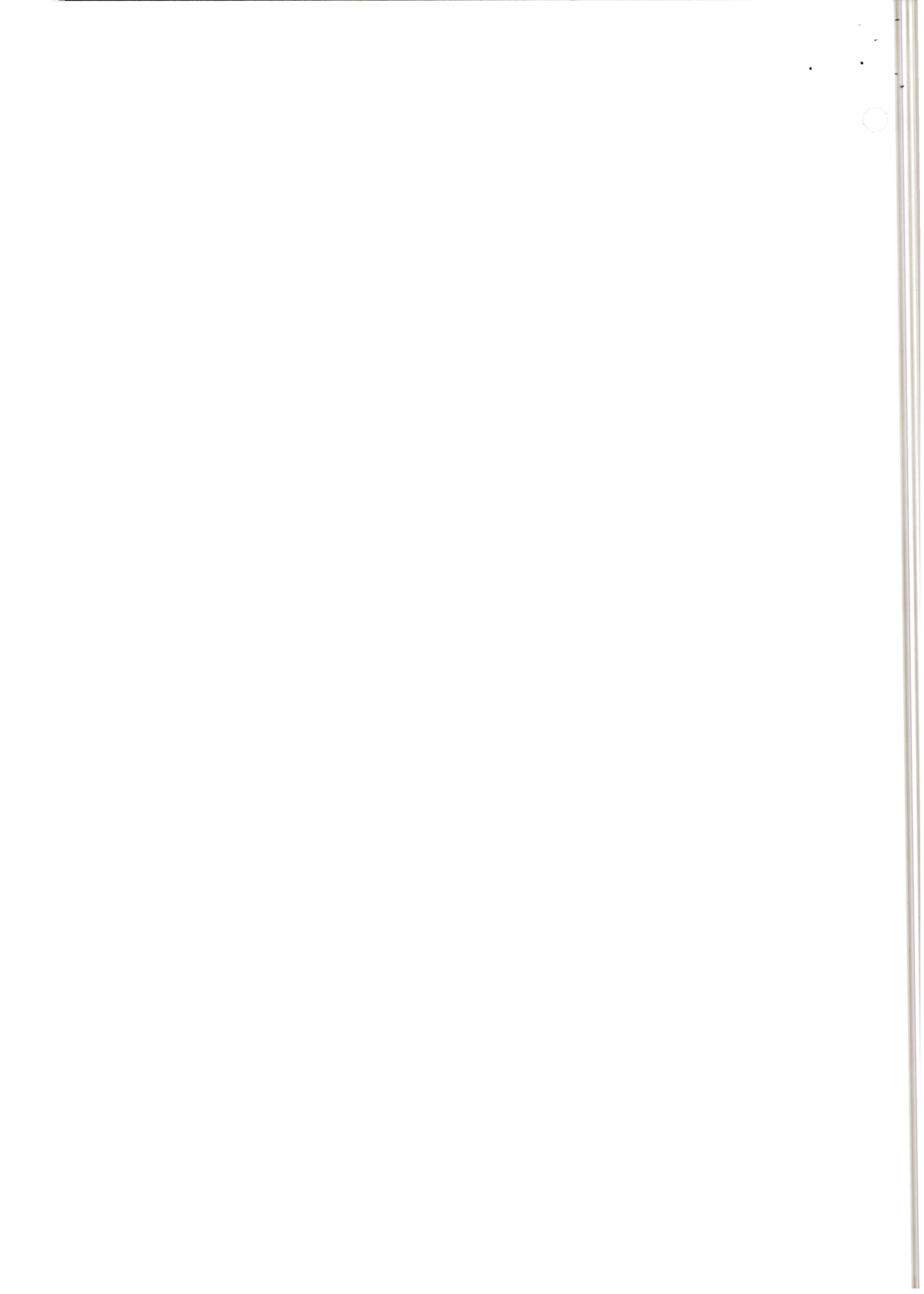
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	0	0
Amounts due to other grants and other transfers (see attached list)	0	0
Others ( <i>specify</i> )	0	0
	<b>0</b>	<b>0</b>

**15.4: PMC account balances (See Annex 5)**

	Kshs	Kshs
PMC account Balances (see attached list)	15,855.0	497.5
	<b>15,855.0</b>	<b>497.5</b>

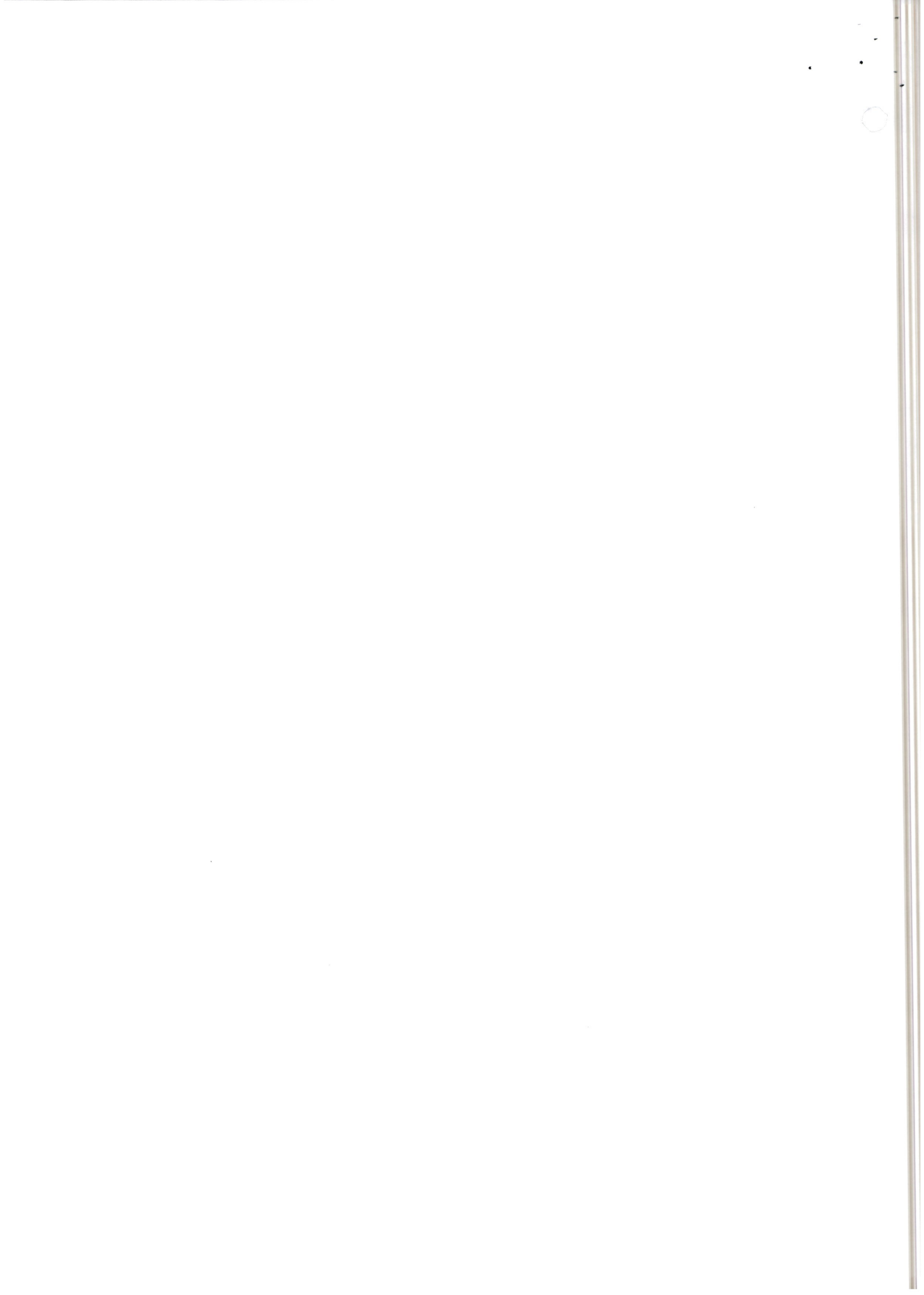


Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2016	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.	NIL	NIL	NIL	NIL	NIL	
2.	NIL	NIL	NIL	NIL	NIL	
3.	NIL	NIL	NIL	NIL	NIL	
<b>Sub-Total</b>	NIL	NIL	NIL	NIL	NIL	
<b>Construction of civil works</b>						
4.	NIL	NIL	NIL	NIL	NIL	
5.	NIL	NIL	NIL	NIL	NIL	
6.	NIL	NIL	NIL	NIL	NIL	
<b>Sub-Total</b>	NIL	NIL	NIL	NIL	NIL	
<b>Supply of goods</b>						
7. 0						
8. 0	NIL	NIL	NIL	NIL	NIL	
9.	NIL	NIL	NIL	NIL	NIL	
<b>Sub-Total</b>	NIL	NIL	NIL	NIL	NIL	
<b>Supply of services</b>						
10.	NIL	NIL	NIL	NIL	NIL	
11.	NIL	NIL	NIL	NIL	NIL	
12.	NIL	NIL	NIL	NIL	NIL	
<b>Sub-Total</b>	NIL	NIL	NIL	NIL	NIL	
<b>Grand Total</b>	NIL			NIL	NIL	



## ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

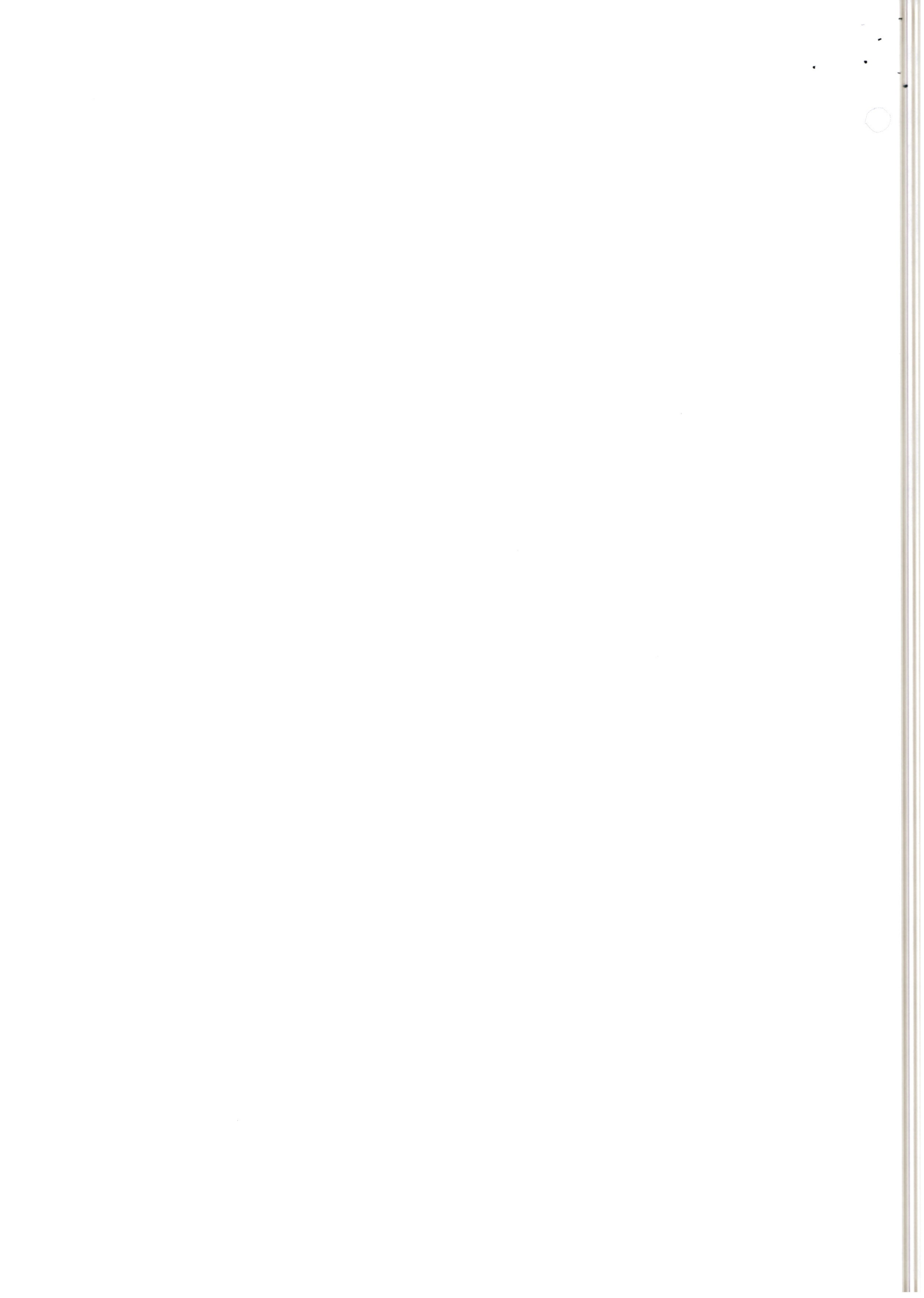
Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.	NIL	NIL	NIL	NIL	NIL	NIL	
2.	NIL	NIL	NIL	NIL	NIL	NIL	
3.	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Middle Management</b>							
4.	NIL	NIL	NIL	NIL	NIL	NIL	
5.	NIL	NIL	NIL	NIL	NIL	NIL	
6.	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Unionisable Employees</b>							
7.	NIL	NIL	NIL	NIL	NIL	NIL	
8.	NIL	NIL	NIL	NIL	NIL	NIL	
9.	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Others (specify)</b>							
10.	NIL	NIL	NIL	NIL	NIL	NIL	
11.	NIL	NIL	NIL	NIL	NIL	NIL	
12.	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Sub-Total</b>	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Grand Total</b>	NIL	NIL	NIL	NIL	NIL	NIL	



NATIONAL GOVERNMENT ENTITY - (Ndia Constituency)  
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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1.	NIL	NIL	NIL	NIL	NIL	NIL	
2.	NIL	NIL	NIL	NIL	NIL	NIL	
3.	NIL	NIL	NIL	NIL	NIL	NIL	
	Sub-Total	NIL	NIL	NIL	NIL	NIL	
<b>Amounts due to other grants and other transfers</b>							
4.	NIL	NIL	NIL	NIL	NIL	NIL	
5.	NIL	NIL	NIL	NIL	NIL	NIL	
6.	NIL	NIL	NIL	NIL	NIL	NIL	
	Sub-Total	NIL	NIL	NIL	NIL	NIL	
	Sub-Total						
<b>Others (specify)</b>							
7.	NIL	NIL	NIL	NIL	NIL	NIL	
8.	NIL	NIL	NIL	NIL	NIL	NIL	
9.	NIL	NIL	NIL	NIL	NIL	NIL	
	Sub-Total						
	Grand Total	NIL	NIL	NIL	NIL	NIL	



GOVERNMENT OF NDIYA - (Ndia Constituency)  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs) 2017/18	Historical Cost (Kshs) 2016/17
Land	0	0
Buildings and structures	4,294,872	4,294,872
Transport equipment	4,328,326	4,328,326
Office equipment, furniture and fittings	1,881,088	1,881,088
ICT Equipment, Software and Other ICT Assets	334,444	334,444
Other Machinery and Equipment	60,792	60,792
Heritage and cultural assets		
Intangible assets	69,239	69,239
<b>Total</b>	<b>10,968,761.00</b>	<b>10,968,761.00</b>



**NATIONAL GOVERNMENT ENTITY - (Ndia Constituency)**  
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**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
KIANGOMA PRIMARY SCHOOL	EQUITY	0420166782031	1,762.5	7
KIBURU GIRLS SEC SCHOOL	EQUITY	0420266784068	1,230	nil
				NIL
<b>Total</b>			<b>15,855</b>	



**NATIONAL GOVERNMENT ENTITY - (Ndia Constituency)**

**Reports and Financial Statements**

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	Incomplete projects may result in wastage of public funds	<i>On regard to Nguguini assistant Chief Office, It came to our notice that the project is incomplete but we will ensure that we allocate more fund to this project in the financial year 2018/19 for it to be completed and put into use.</i>	Timothy Njichi F.A.M	Not Resolved	SOON EST
4.2	The financial statements for the year ended 30 June 2017 presented for audit was incomplete and did not have the following contrary to the prescribed reporting template recommended by the Public Service Accounting Standards Board: I. Summary statement of appropriation: recurrent and development combined	We noted the omission of the Summary statement of appropriation: recurrent and development combined and it has been availed for audit verification .(appendix 1)	Timothy Njichi F.A.M	Not Resolved	SOON EST
4.3	unpresented cheques totaling to kshs 972,133.45 had been paid in cashbook and not recorded in the	The auditors findings have been noted and the cheques have since been reversed. See the attached copy of cash	Timothy Njichi F.A.M		



**NATIONAL GOVERNMENT ENTITY - (Ndia Constituency)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (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)
	bank statement. Out of this amount, Kshs.605, 537 dating between 11 December 2012 and 29 September 2016 had not been presented to the bank and were therefore stale cheques.	book where all stale cheques were reversed. And this will always be done in future			
4.4 I	<p>GACHARU SECONDARY SCHOOL The 900,000 was disbursed to the Project management committee(PMC) for implementation of the project.Ndia NG CDF is in the process of following up on the missing documents with the PMC.The documents will be provided to you as soon as the PMC submits the expenditure returns. Also,the PMC will label the project as is required.</p> <p>Further, the office is in discussion with the school management on the issue of utilizing the classroom. Physical verification on the project revealed that the project was complete but currently not in use. We also noted that there was no label to show that the classroom was done by CDF.</p>	<p>The 900,000 was disbursed to the Project management committee(PMC) for implementation of the project.Ndia NG CDF is in the process of following up on the missing documents with the PMC.The documents will be provided to you as soon as the PMC submits the expenditure returns. Also,the PMC will label the project as is required.</p> <p>Further, the office is in discussion with the school management on the issue of utilizing the classroom.</p>	Timothy Njichi F.A.M	Not Resolved	SOON EST
I	KIINE MIXED DAY SEC SCHOOL Advertisements, quotations, tender opening	The 300,000 was disbursed to the Project management committee(PMC) for	Timothy Njichi F.A.M	Not Resolved	SOON EST



NATIONAL GOVERNMENT ENTITY - (Ndia Constituency)  
 Reports and Financial Statements  
 For the year ended June 30, 2018 (Kshs'000)

Reference No. in the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>minutes, evaluation and award minutes for the above project were not availed for audit verification. Bill of Quantities provided for audit verification was blank Physical verification on the project revealed that the gas and water systems were installed in the laboratory. However, they were not in use.</p>	<p>implementation of the project. Ndia NG CDF is in the process of following up on the missing documents with the PMC. The documents will be provided to you as soon as the PMC submits the expenditure returns. Also, the PMC will label the project as is required. Further, the office is in discussion with the school management on the issue of utilizing the laboratory.</p>			
	<p>The CDF committee disbursed bursary funds as follows during the year under review  <b>Secondary schools- Kshs6, 408,000</b>  <b>Tertiary Institution-Kshs 7,792,000</b>  <b>Special Schools-Kshs109, 000</b>  <b>GRANDTOTAL KSH 14,309,000</b>            The allocation for the year amounted to Kshs24, 996,191.50. However, scrutiny of the monthly and annual expenditure returns as at 30<sup>th</sup> June 2017 revealed that out of the amount disbursed, an amount of kshs 3,600,000 was paid to Shatel Driving .</p>	<p>The bursary kitty is meant to benefit the needy students in secondary schools, universities and colleges, as well as tertiary institutions .Driving schools lie under the tertiary category in this case and is meant to train the youths in the constituency who have no adequate /driving skills. The youths are considered among other students as they are still dependent on their parents/guardians and were identified through public barazas during public participation forums. Attached herein are</p>	<p>Timothy Njichi F.A.M</p>	<p>Not Resolved</p>	<p>SOON EST</p>

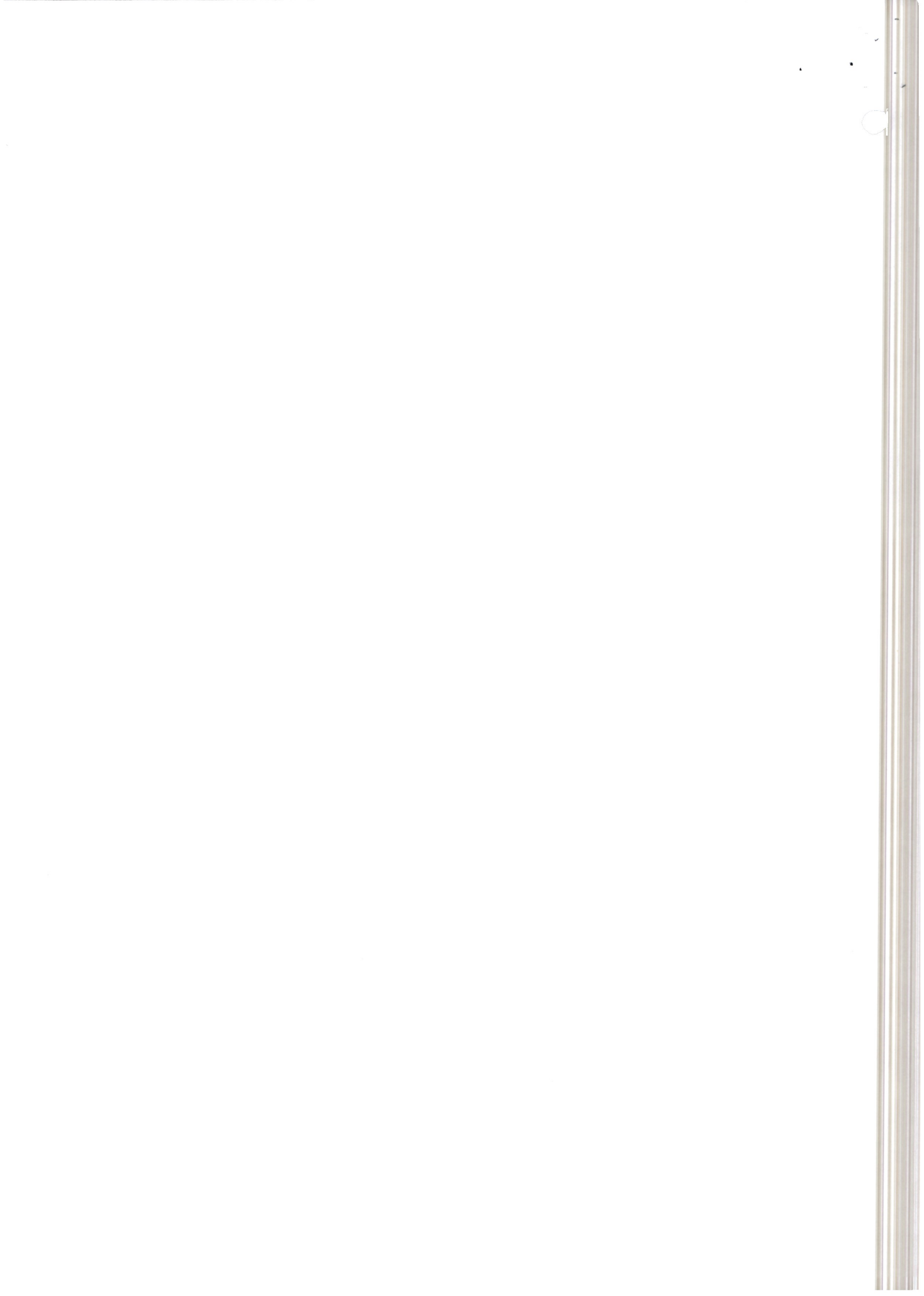


**NATIONAL GOVERNMENT ENTITY - (Ndia Constituency)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (Kshs'000)**

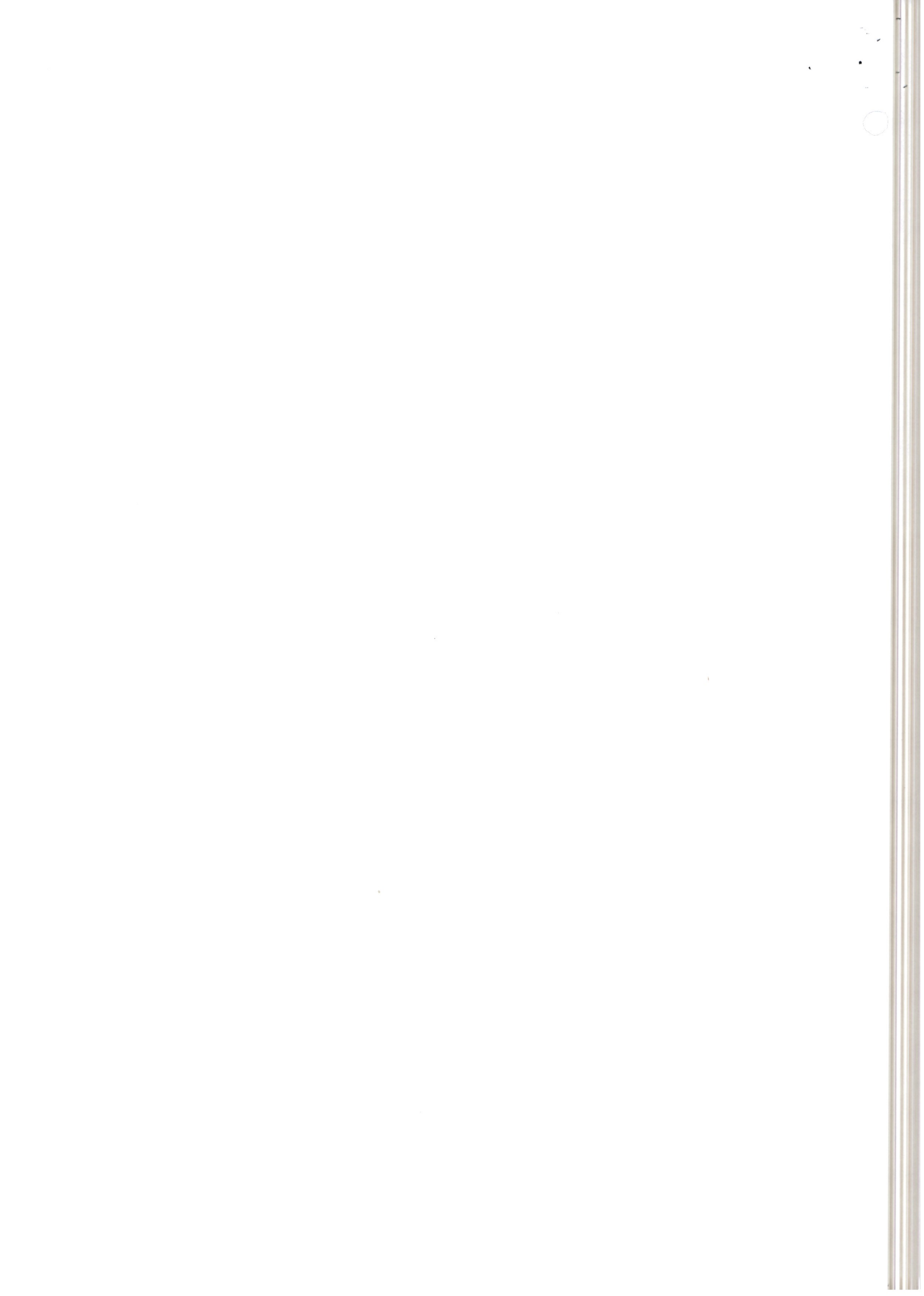
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>quotations of three driving schools including shatel driving school which was the lowest bidder and was awarded the contract. Also, samples of driving licences have been provided for audit verification. (appendix 3)</i></p>			



**NATIONAL GOVERNMENT ENTITY - (Ndia Constituency)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (Kshs'000)**



		I. NOTES TO THE FINANCIAL STATEMENTS			
		2017 - 2018		2016 - 2017	
		Kshs		Kshs	
	<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>				
	<b>Description</b>				
1330407	Normal Allocation	A839748	26,853,488		4,094,827.60
		A855970	5,500,000		8,066,244.00
		A896858	17,202,586		43,484,766.00
1330408	Conditional grants	A896930	40,948,276.10		10,000,000.00
		AIE NO...	-		-
1330409	Receipt from other Constituency	AIE NO...	-		-
	<b>TOTAL</b>		<b>90504350.30</b>		<b>65,645,837.60</b>
	<b>2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>				
	<b>Description</b>				
			<b>2017 - 2018</b>		<b>2016 - 2017</b>
			<b>Kshs</b>		<b>Kshs</b>
3510202	Receipts from the Sale of Buildings		-		-
3510601	Receipts from the Sale of Vehicles and Transport Equipment		-		-
3510801	Receipts from the Sale Plant Machinery and Equipment		-		-
3510803	Receipts from the Sale of office and general equipment		-		-
	<b>Total</b>		<b>-</b>		<b>-</b>



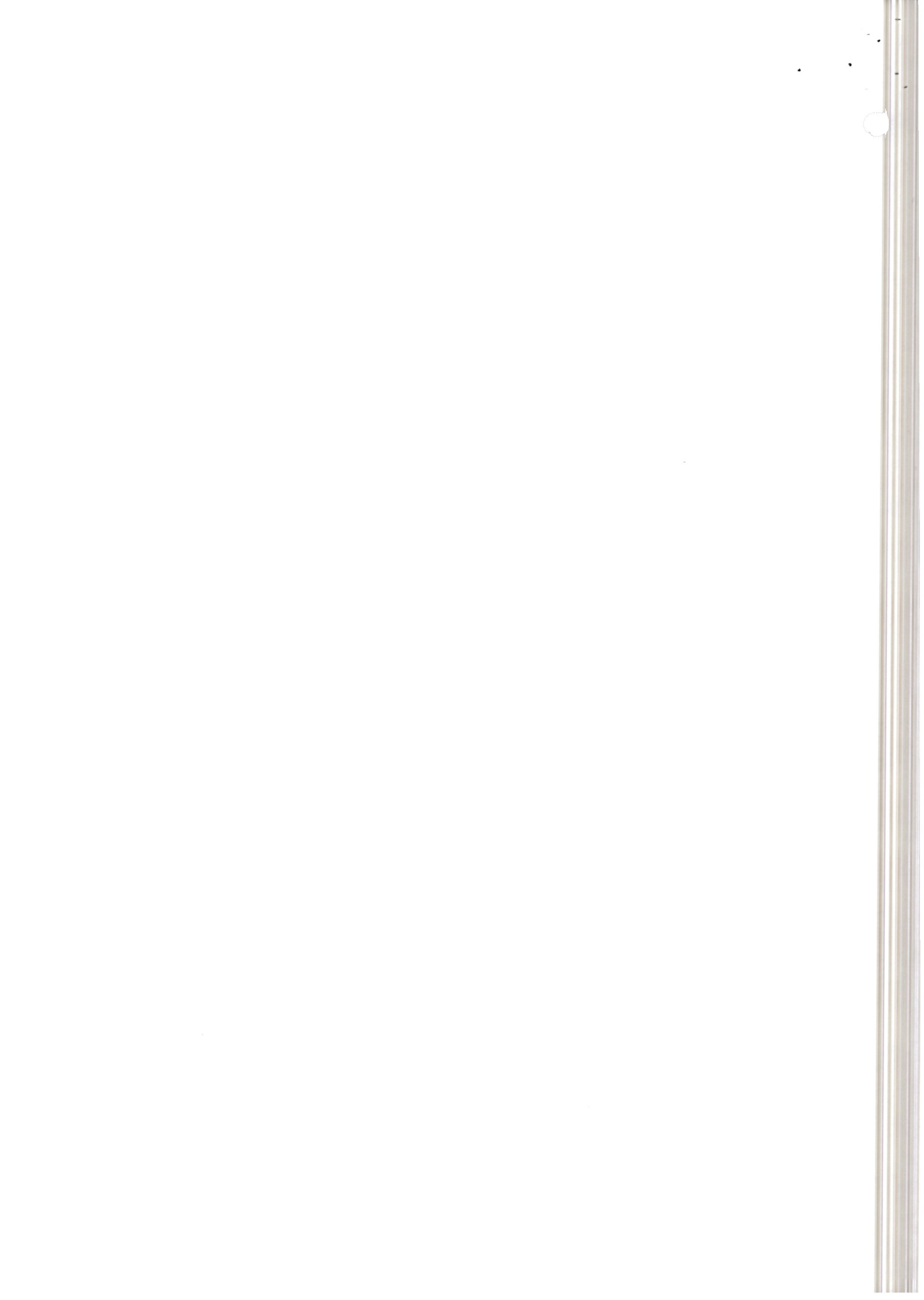
1400000	3 OTHER RECEIPTS	2017 - 2018	2016 - 2017			
	Description	Kshs	Kshs			
1410107	sale of tender	145,000	48,000			
1410405	Rents	-	-			
1420601	Interest Received	-	-			
1450207	Other Receipts Not Classified Elsewhere (specify)	-	-			
	<b>Total</b>	145,000	48,000			
2110000	4 COMPENSATION OF EMPLOYEES					
	Description	2017 - 2018	2016 - 2017			
		Kshs	Kshs			
2110201	Basic wages of contractual employees	947946.00	960,041.00			
2110202	Basic wages of casual labour	0.00	-			
	<b>Personal allowances paid as part of salary</b>	0.00	-			
2110301	House allowance	193000.00	183,000.00			
2110314	Transport allowance	224000.00	180,000.00			
2110320	Leave allowance	0.00	52,928.00			
2110326	Other personnel payments	-	-			
2120101	Employer contribution to NSSF	44,280	38,880.00			
2710120	gratuity	0.00	731,789.00			
	<b>Total</b>	1409226.00	2,146,638.00			



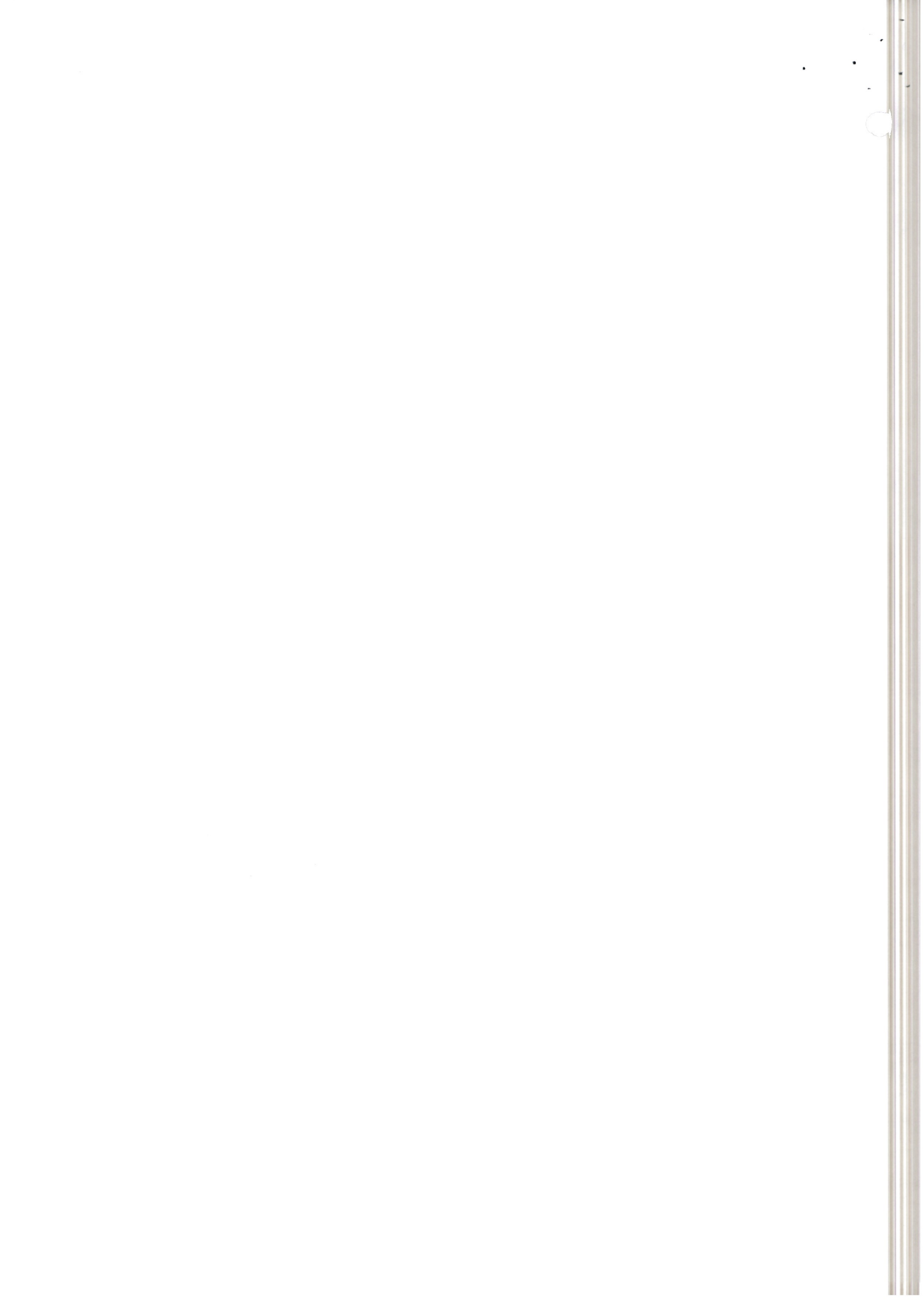








3100000	8 ACQUISITION OF ASSETS		2017 - 2018	2016 - 2017
	Non Financial Assets	Kshs		
3110102	Purchase of Buildings	-	-	-
3110202	Construction of Buildings	-	-	-
3110302	Refurbishment of Buildings	-	-	-
3110701	Purchase of Vehicles	-	1,913,786	-
3110704	Purchase of Bicycles & Motorcycles	-	-	-
3110801	Overhaul of Vehicles	-	-	-
3111001	Purchase of office furniture and fittings	-	-	-
3111002	Purchase of computers ,printers and other IT equipments	-	-	-
3111005	Purchase of photocopier	-	-	-
3111009	Purchase of other office equipments	-	-	-
311112	Purchase of soft ware	-	-	-
3130101	Acquisition of Land	-	-	-
	<b>Total</b>	-	<b>1,913,786.40</b>	-
	<b>9 Other Payments</b>			
	kra	-	20,323	-
	specify	-	12,000	-
	specify penalty nssf	540	-	-
	<b>TOTAL</b>	<b>540</b>	<b>32,323</b>	-













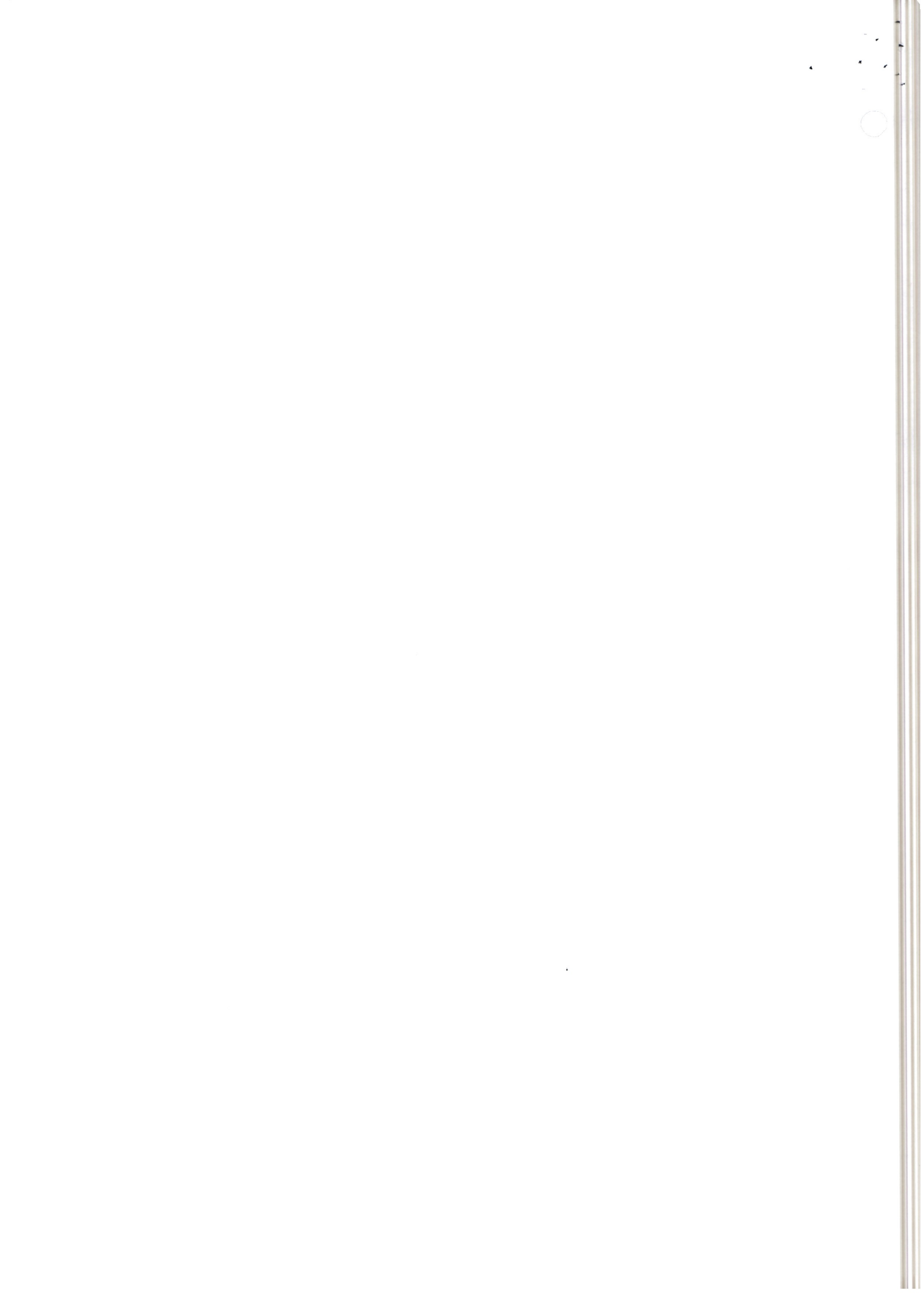


ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance		Comments
				2,018	2,017	
<b>Construction of buildings</b>						
1.	a	b	c	2,018	2,017	
2.						
3.						
<b>Sub-Total</b>				d=a-c		
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						







**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance		Comments
					2,018	2,017	
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1. primary and secondary school							
2.							
3.							
<b>Sub-Total</b>							
<b>Amounts due to other grants and other transfers</b>							
4. committee expenses							
5. goods and services							
6.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Grand Total</b>							







I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2015 - 2016 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received			
Proceeds from Sale of Assets	1	90,504,310	96,226,931
Other Receipts	2	-	-
	3	145,000	682,660
<b>TOTAL RECEIPTS</b>			
		90,649,310	96,909,590
<b>PAYMENTS</b>			
Compensation of employees			
Use of goods and services	4	1,409,226	2,146,638
Transfers to Other Government Units	5	5,078,546	11,462,703
Other grants and transfers	6	50,644,574	5,600,000
Acquisition of Assets	7	48,919,492	42,083,759
Other Payments	8	-	1,913,786
	9	540	32,323
<b>TOTAL PAYMENTS</b>			
		106,052,378	63,239,209
<b>SURPLUS/DEFICIT</b>			
		(15,403,068)	33,670,381



II. STATEMENT OF FINANCIAL ASSETS			
	Note	2017 - 2018 Kshs	206 - 207 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per the cash book)	10A	36,652,941.60	52,056,010
Total cash and cash equivalent	10B		
Account receivables Outstanding Imprest	11		
<b>TOTAL FINANCIAL ASSETS</b>		36,652,941.60	52,056,010
<b>FINANCIAL LIABILITIES</b>			
Account Payables - Deposit & Retention	12		
<b>NET FINANCIAL ASSETS</b>		<b>36,652,941.60</b>	<b>52,056,010.00</b>
REPRESENTED BY:			
Fund balance b/fwd 1st July...	13	52,056,010	49,601,381
Surplus/Deficit for the year		<b>-15,403,067.90</b>	2,454,628
Prior year adjustments	14	-	1
<b>NET POSITION</b>		36,652,941.60	52,056,010













