REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*





# REPORT

# OF

# THE AUDITOR-GENERAL

# ON

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIENI CONSTITUENCY

# FOR THE YEAR ENDED 30 JUNE, 2019

*Revised Template 30th June 2019*

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KIENI CONSTITUENCY

## REPORTS AND FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

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# I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

## (a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

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

a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**(b) Key Management**

The NGCDF Kieni Constituency day-to-day management is under the following key organs:

i. National Government Constituencies Development Fund Board (NGCDFB)
ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|---|---|---|
| 1. | A.I.E holder | **Jessi Mathu** |
| 2. | Sub-County Accountant | **Erick Kiambi** |
| 3. | Chairman NGCDFC | **James Maina** |
| 4. | Member NGCDFC | **Dickson Ndirangu** |

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF Kieni Constituency Headquarters**

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

**(f) NGCDF Kieni Constituency Contacts**

Telephone: (254) 75758965
E-mail: cdfkieni@ngcdf.go.ke
Website: www.ngcdf.go.ke

**(g) NGCDF Kieni Constituency Bankers**

1. Equity Bnk
   Nyeri Branch
   Nyeri Town
   Account No. 01102972444437

**(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**

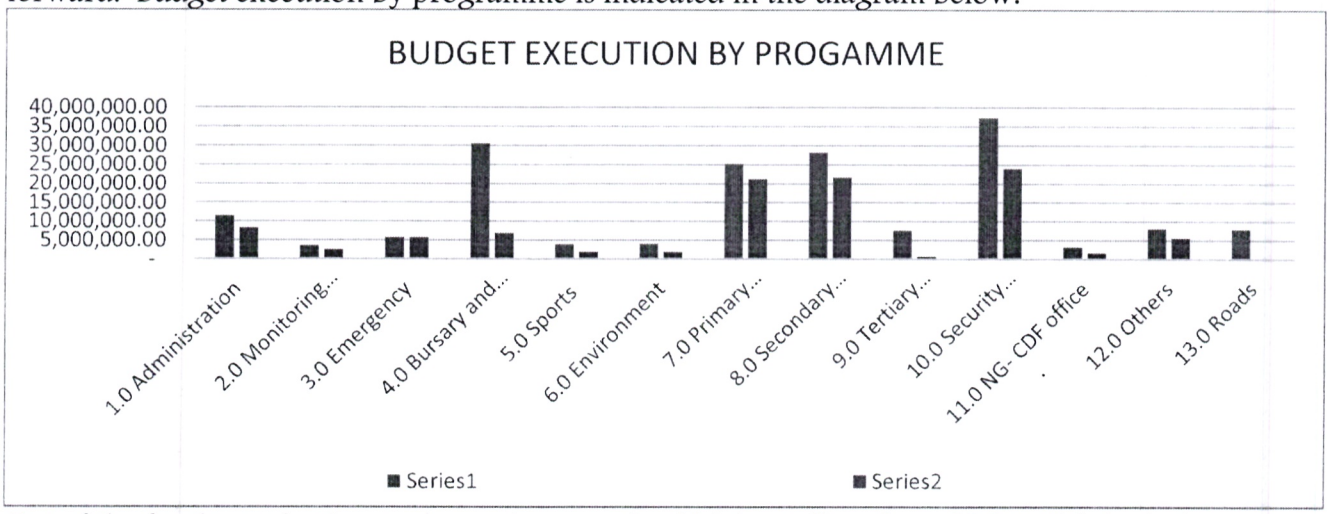
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

## II. FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

It is my great pleasure to present the annual report and financial statement prepared in accordance with the cash basis of accounting method under the international public sector accounting standard (IPSAS) for the year ended 30th June 2019.

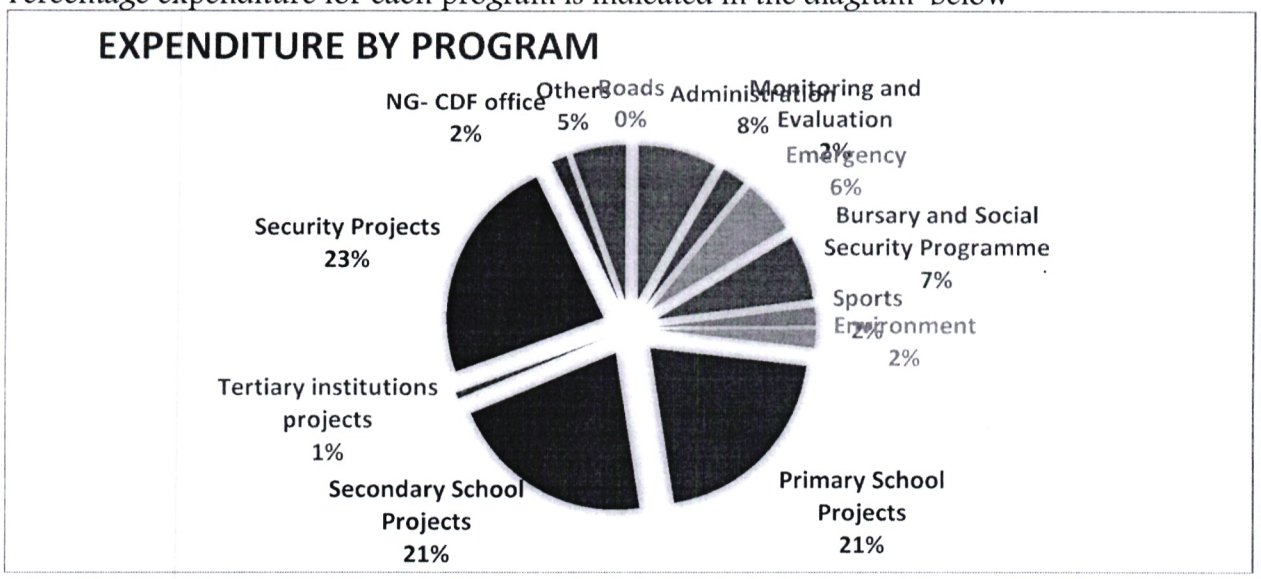
Kieni NG-CDF under receipts, had Kshs.122,337,457 out of the expected budget of Kshs. 177,378,333 leading to a deficit of Kshs. 55,040,875 being mount owing from the NGCDF Board. This is 66.7% out of the expected budget. This was an improvement from the last financial year performance which was 61 %.

For the Expenditure, Kieni NGCDF had a budget of Kshs. 177,378,333 of which we were able to have an expenditure totalling Kshs. 102,509,761 leading to underutilization of Kshs. 74,868,572. This relates to the amount not yet received from the NGCDF Board and bank balance carried forward. Budget execution by programme is indicated in the diagram below.

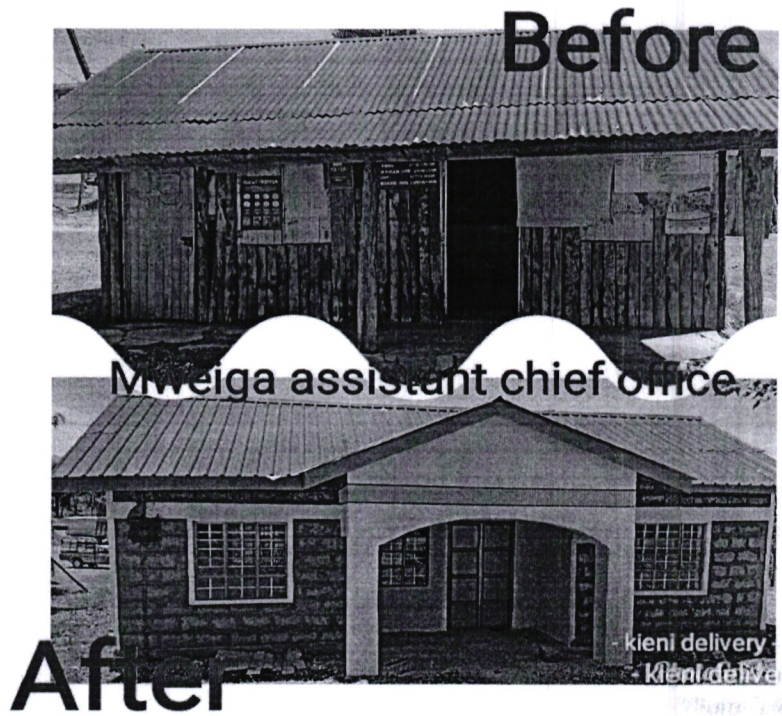


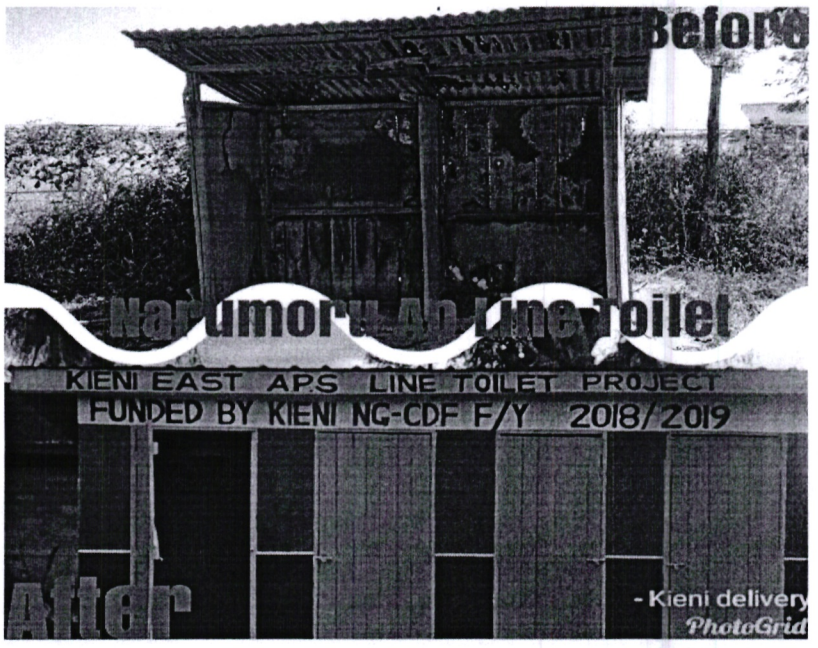
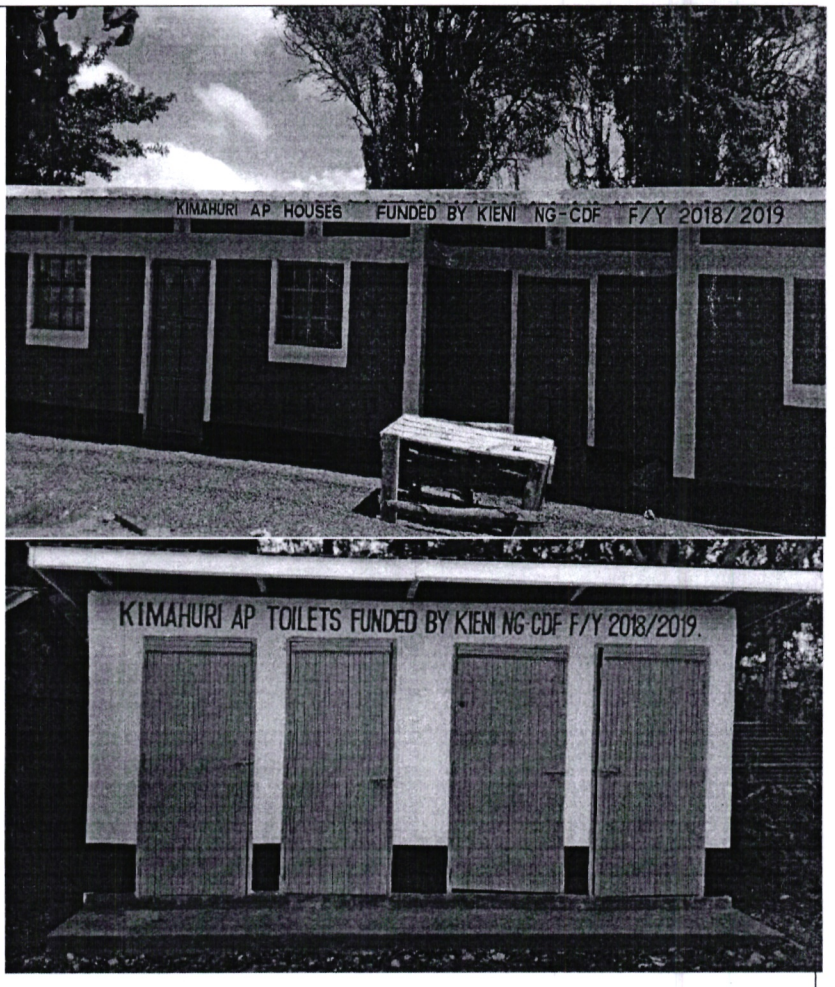

Out of the funds received, security projects received highest allocation of 23%. This includes construction of administration offices, housing and other infrastructure in the security sector. Secondary schools and primary school received each 21%, this included construction of classes, offices and other infrastructure in the schools.

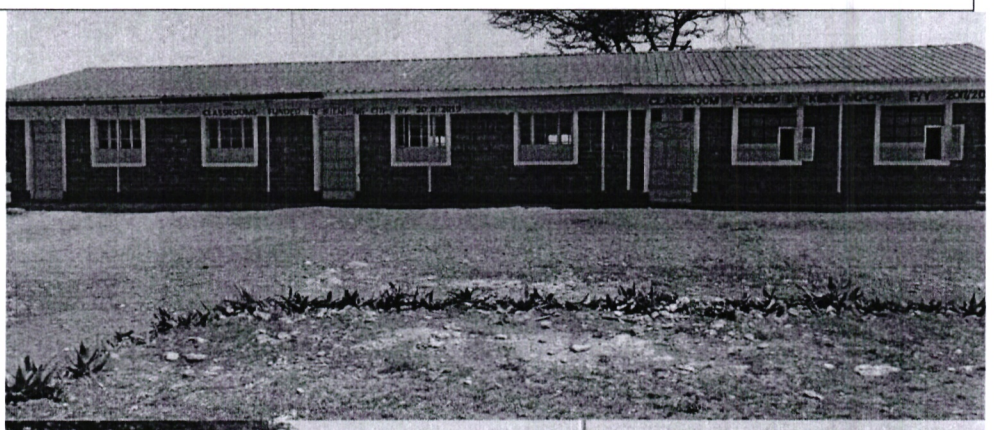
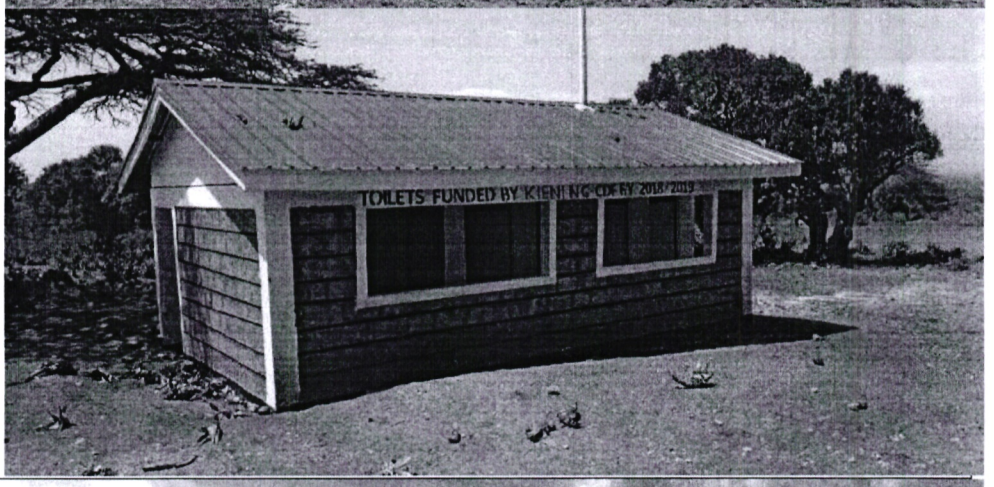
Percentage expenditure for each program is indicated in the diagram below

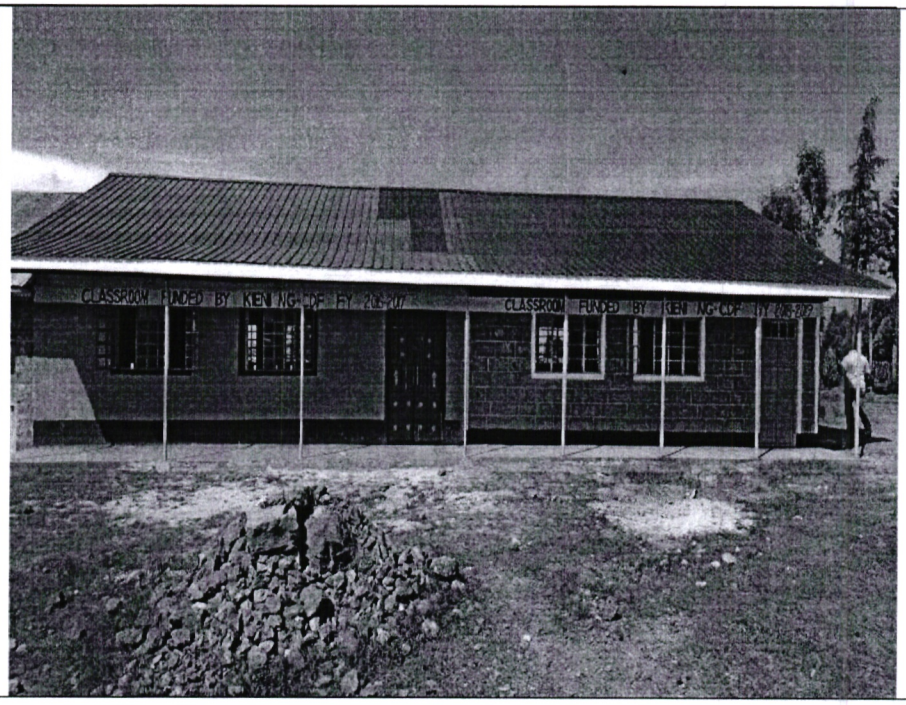


For the projects that had received their disbursement, 27 projects in primary schools, 12 projects in secondary schools and 19 projects in security sector had been completed. Some of the completed and in use projects pictorial are as follows:

| NO. | Project name | Image of the project |
|---|---|---|
| | **Security projects** | |
| 1 | Mweiga Assistant chiefs office comprising of two offices, a store and a boardroom - in Mweiga Ward –<br>The project provides for an office for the Mweiga Town Assistant chief to serve the community, The office provides the officer with conducive and more secure area where she can serve the community and a boardroom where meetings can be comfortably |  |
| 2 | Mwiyogo police post – comprising of 4 staff units in Mwiyogo/ Endarasha Ward<br>This project provides condusive housing for the police officers who were previously living in deprolable houses. This will assit to motivate the officers in their service delivery to the residents of mwiyogo and its environs which had rampant cases of insecurity |  |

| | | |
|---|---|---|
| 3 | Kieni East AP line – in Narumoru Kiamathaga Ward<br>The project provided the security officers in Kieni East sub county offices in Narumoru with more hygienic toilets as they serve the community and also used by the public who are served by the said officers. |  |
| 4 | Kimahuri AP post - comprising of four staff houses in Kabaru Ward<br>The project serves as an office and accommodates four officers who had been living in deplorable houses. This provides the officers with a conducive environment as they serve the residences of Kabaru Location and has greatly improved the security of the area. |  |

| | **Education Projects** | |
|---|---|---|
| 1. | Rurichu Primary school – comprising of three classes and 10 doors toilet block in Mugunda Ward<br>The project has provided the pupils of the school with conducive environment for learning and hygienic toilets to use. This motivates the pupils as the attend their classes |  <br>  |
| 2. | Nyange Secondary school - The Comprises of construction of laboratory in Thegu river Ward<br>The project provides a laboratory facility for the students of Nyange Secondary school where they can comfortably be able to carry out their science practical's. This will greatly improve the performance of the science subject in the schools. |  |

| | | |
|---|---|---|
| 3. | Kimunyuru secondary school comprised of construction of two classroom in Gatarakwa Ward<br>The project provides conducive learning environment for students in the school, where students were in very congested classes in the few classes available and now have an alternative class for the students undertaking optional subjects |  |

**Challenges**

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

- Delay in implementation of projects due to experienced rainy season making many areas become impassable to deliver materials.
- Delay in receipt from the NGCDF Board leading to underutilization o budget
- Vastness of the constituency hence not able to cover many areas with the allocation given.

However, the NGCDFC is in process of finalizing their strategic plan for proper planning and ensure efficient and effective project management

Sign

NATIONAL GOVERNMENT CDF
KIENI CONSTITUENCY
21 JAN 2020
P.O. Box 104, MWEIGA

James Maina
**CHAIRMAN NGCDF COMMITTEE**

## III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Kieni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kieni Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kieni Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-Kieni Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

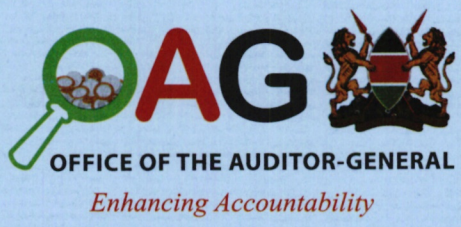
The NGCDF-Kieni Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.

| | |
|---|---|
| **Fund Account Manager** | **Sub-County Accountant** |
| **Name: Jessi Mathu** | **Name: Erick Kiambi** |
| | **ICPAK Member Number: 15726** |

NATIONAL GOVERNMENT CDF
KIENI CONSTITUENCY
21 JAN 2020
P.O. Box 137 - 10104, MWEIGA

# REPUBLIC OF KENYA

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




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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIENI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kieni Constituency set out on pages 10 to 38, which comprise the statement of financial assets as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows 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 the National Government Constituencies Development Fund - Kieni Constituency as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

### Basis for Qualified Opinion

#### 1. Variances in Net Financial Assets and Net Liabilities

The statement of financial assets reflects net financial assets balance of Kshs.19,869,476 as at 30 June, 2019. The statement, however, reflects net liabilities balance of Kshs.19,583,858 resulting to a variance of Kshs.285,618. Further, the statement's heading erroneously reflects statement of financial assets instead of statement of assets and liabilities. No explanation was provided for this variances and anomalies.

Consequently, the accuracy and completeness of the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

## 2. Unexplained Prior Year Adjustments

As disclosed under Note 14 to the financial statements, the statement of financial assets as at 30 June, 2019 reflects Kshs.121,986 in respect of prior year adjustment relating to Bank account during the year under review. However, prior year adjustment may arise either as a correction of an error in the financial statements reported for a prior period or change in accounting policy/ estimate from the previous year in accordance with the International Public Sector Accounting Standards (IPSAS) 3.

In the circumstances, this treatment does not conform to the International Public Sector Accounting Standards (IPSAS 3) and hence the accuracy of the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kieni Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### Other Matter

### Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.177,378,333 and Kshs.122,337,457 respectively resulting to an under-funding of Kshs.55,040,876 or 31% of the budget. Similarly, the Fund spent Kshs.102,589,968 against an approved budget of Kshs.177,378,332 resulting to an under-expenditure of Kshs.74,788,365 or 42% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Kieni Constituency.

## 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 Conclusion of Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing 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. Construction of a Dormitory at Naromoru Boys' Secondary School

As disclosed under Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other government entities of Kshs.43,631,034 out of which Kshs.21,700,000 relates to transfers to secondary schools. Included in the expenditure is an amount of Kshs.2,500,000 disbursed to Naromoru Boys' Secondary School for construction of a dormitory and ablution block – foundation, walling and roofing only.

Physical verification exercise conducted on 17 December, 2019 revealed that the Management varied the scope of works, as provided in the bill of quantities, and constructed a 100 student capacity dormitory without an ablution block.

Although the Fund Management explained that the above was done in order to accommodate the 100% transition from primary school to secondary school as directed by the National Government, no evidence was provided to show that approval of the Constituency Development Fund Board was obtained.

Further, physical inspection of the project revealed visible cracks on the walls due to poor workmanship by the contractor.

As a result, the regularity and value of money of the expenditure of Kshs.2,500,000 incurred on the project during the year ended 30 June, 2019 could not be confirmed.

### 2. Unauthorized Bursary Rates

As disclosed under Note 7 to the financial statements, the statement of receipts and payments includes Kshs.40,606,716 under other grants and transfers are payments out of which Kshs.2,131,000, Kshs.4,781,200 and Kshs.8,000 relates to bursary-secondary schools, bursary-tertiary institutions and bursary- special schools, respectively.

According to sub-location committee minutes presented for audit, the beneficiaries were to receive bursaries ranging between Kshs.2,000 and Kshs.5,000. However, scrutiny of the list of bursary beneficiaries revealed that some students were awarded bursary of higher amounts ranging between Kshs.10,000 and Kshs.65,000, without explanation or any justification.

Consequently, it was not possible to confirm whether the bursaries were awarded equitably and within the existing guidelines.

### 3. Unutilized Embaringo Administration Police Post

As disclosed also under Note 7 to the financial statements, the statement of receipts and payments reflects other grants and other payments of Kshs.40,606,716 which includes an expenditure of Kshs.24,037,930 in respect of security projects, out of which of Kshs.2,600,000 was for construction of Embaringo Administration Police Post.

The project, which was initiated in 2017/2018 financial year with a funding of Kshs.2,000,000, entailed construction of four housing units for Administration Police with the scope of works being foundation, walling and roofing.

Physical verification carried out on the project revealed that the construction was completed but the housing units had not been handed over to the police officers for occupation. No explanation was provided for the delayed handing over of the project.

Consequently, it was not possible to confirm that the project addressed the intended and identified needs.

**4. Similar Contracts for Construction of Warazo Jet Assistant Chief's Office**

As disclosed under Note 7 to the financial statements, the statement of receipts and payments reflects Kshs.40,606,716 under other grants and transfers. The amount includes Kshs.24,037,930 for security related projects out of which an amount of Kshs.1,000,000 in was in respect of an additional payment to an earlier payment of Kshs.2,800,000 made in 2017/2018 for construction of Warazo Jet Assistant Chief's Office.

The project commenced in 2017/2018 financial year with an initial funding of Kshs.2,800,000 while the additional Kshs.1,000,000 disbursed during the current year under review was for completion of office and toilet. A review of procurement records showed that the tender was awarded on 20 March, 2019 to a local contractor at a contract sum of Kshs.1,998,920.

However, a review of records relating to implementation of the project revealed that a similar tender had already been awarded to another contractor on 19 June, 2018 at a contract sum of Kshs.3,112,331 for construction of exhaustible toilet and the Assistant Chief's Office. No explanation was provided for awarding a similar contract to two contractors

In the circumstances, it was not possible to confirm existence and execution of the two difference works.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

**Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

**Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes

and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

**Responsibilities of Management and those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

**Nancy Gathungu**
**AUDITOR-GENERAL**

**Nairobi**

**06 October, 2021**

## IV. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2018 - 2019 | 2017 - 2018 |
|---|---|---|---|
| | | Kshs | Kshs |
| **RECEIPTS** | | | |
| Transfers from CDF board | 1 | 110,184,483 | 82,953,447 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | 5,000 | - |
| | | | |
| **TOTAL RECEIPTS** | | **110,189,483** | **82,953,447** |
| | | | |
| **PAYMENTS** | | | |
| | | | |
| Compensation of employees | 4 | 3,025,693 | 2,223,993 |
| Use of goods and services | 5 | 9,257,572 | 6,884,510 |
| Transfers to Other Government Units | 6 | 43,631,034 | 22,955,213 |
| Other grants and transfers | 7 | 40,606,716 | 40,104,563 |
| Acquisition of Assets | 8 | 1,677,543 | 1,776,793 |
| Other Payments | 9 | 4,677,027 | - |
| | | | |
| **TOTAL PAYMENTS** | | **102,875,585** | **73,945,072** |
| | | | |
| **SURPLUS/DEFICIT** | | **7,313,898** | **9,008,375** |

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

**Fund Account Manager**
**Name: Jessi Mathu**

**Sub-County Accountant**
**Name: Erick Kiambi**
**ICPAK Member Number: 15726**

NATIONAL GOVERNMENT CDF
KIENI CONSTITUENCY
21 JAN 2020
P.O. Box 127 - 10104, MWEIGA

## V. STATEMENT OF FINANCIAL ASSETS

| | Note | 2018 - 2019 Kshs | 2017 - 2018 Kshs |
|---|---|---|---|
| **FINANCIAL ASSETS** | | | |
| **Cash and Cash Equivalents** | | | |
| Bank Balances ( as per the cash book) | 10A | 20,415,596 | 12,147,974 |
| Cash Balances (cash at hand) | 10B | - | - |
| **Total Cash and Cash Equivalents** | | **20,415,596** | **12,147,974** |
| **Current Receivables** | | | |
| Outstanding Imprests | 11 | - | - |
| **TOTAL FINANCIAL ASSETS** | | 20,415,596 | 12,147,974 |
| **FINANCIAL LIABILITES** | | | |
| **Accounts Payable** | | | |
| Retention | 12A | - | |
| Gratuity | 12B | 831,738 | |
| Total Financial Liabilities | | 831,738 | |
| **NET FINANCIAL ASSETS** | | **19,583,858** | **12,147,974** |
| **REPRESENTED BY** | | | |
| Fund balance b/fwd 1st July... | 13 | 12,147,974 | 3,129,599 |
| Surplus/Defict for the year | | 7,313,898 | 9,008,375 |
| Prior year adjustments | 14 | 121,986 | 10,000 |
| **NET LIABILITIES** | | **19,583,858** | **12,147,974** |

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

**Fund Account Manager**
**Name: Jessi Mathu**

**Sub-County Accountant**
**Name: Erick Kiambi**
**ICPAK Member Number: 15726**

NATIONAL GOVERNMENT CDF
KIENI CONSTITUENCY
21 JAN 2020
P. O. Box 127 - 10104, MWEIGA

## VI. STATEMENT OF CASHFLOW

| CASH FLOWS FROM OPERATING ACTIVITIES | | 2018 - 2019 | 2017 - 2018 |
|---|---|---|---|
| **Receipts** | | | |
| Transfers from CDF Board | 1 | 110,184,483 | 82,953,447 |
| Other Receipts | 3 | 5,000 | |
| **Total Receipts** | | **110,189,483** | **82,953,447** |
| **Payments** | | | |
| Compensation of Employees | 4 | 3,025,693 | 2,223,993 |
| Use of goods and services | 5 | 9,257,572 | 6,884,510 |
| Transfers to Other Government Units | 6 | 43,631,034 | 22,955,213 |
| Other grants and transfers | 7 | 40,606,716 | 40,104,563 |
| Other Payments | 9 | 4,677,027 | - |
| **Total Payments** | | **101,198,042** | **72,168,279** |
| **Total Receipts Less Total Payments** | | **8,991,441** | **10,785,168** |
| **Adjusted for: Non-cash items** | | | |
| Outstanding Imprest | 11 | - | |
| Retention | 12A | - | |
| Gratuity Payable | 12B | 831,738 | |
| Prior Year adjustment | 14 | 121,986 | 10,000 |
| **Net Adjustments** | | **953,724** | **10,000** |
| **Net cash flow from operating activities** | | **9,945,165** | **10,795,168** |
| **CASHFLOW FROM INVESTING ACTIVITIES** | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 8 | (1,677,543) | (1,776,793) |
| **Net cash flows from Investing Activities** | | **(1,677,543)** | **(1,776,793)** |
| **NET INCREASE IN CASH AND CASH EQUIVALENT** | | **8,267,622** | **9,018,375** |
| **Cash and cash equivalent at BEGINNING of the year** | **13** | **12,147,974** | **3,129,599** |
| **Cash and cash equivalent at END of the year** | | **20,415,596** | **12,147,974** |

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

**Fund Account Manager**
**Name: Jessi Mathu**

**Sub-County Accountant**
**Name: Erick Kiambi**
**ICPAK Member Number: 15726**

NATIONAL GOVERNMENT CDF
KIENI CONSTITUENCY
21 JAN 2020
P.O. Box 127 - 10104, MWEIGA

## VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|---|---|---|---|---|---|---|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| **RECEIPTS** | | | | | | |
| Transfers from CDF Board | 109,040,876 | 56,184,483 | 165,225,359 | 110,184,483 | 55,040,876 | 66.7% |
| Bank balance b/f | | 12,147,974 | 12,147,974 | 12,147,974 | 0 | 100.0% |
| Proceeds from Sale of Assets | - | - | - | - | - | - |
| Other Receipts | | 5,000 | 5,000 | 5,000 | 0 | 100.0% |
| **TOTAL RECEIPTS** | **109,040,876** | **68,337,457** | **177,378,333** | **122,337,457** | **55,040,876** | **69.0%** |
| **PAYMENTS** | | | 0 | | | |
| Compensation of Employees | 2,730,000.00 | 1,910,715.30 | 4,640,715.30 | 3,025,692.57 | 1,615,022.73 | 65.2% |
| Use of goods and services | 7,083,678.00 | 6,876,862.67 | 13,960,540.67 | 9,257,572.10 | 4,702,968.57 | 66.3% |
| Transfers to Other Government Units | 31,050,000.00 | 30,081,034.49 | 61,131,034.49 | 43,631,034.45 | 17,500,000.04 | 71.4% |
| Other grants and transfers | 66,477,197.52 | 23,206,817.21 | 89,684,014.73 | 40,606,716.20 | 49,077,298.53 | 45.3% |
| Acquisition of Assets | 1,700,000.00 | 1,580,000.00 | 3,280,000.00 | 1,677,542.70 | 1,602,457.30 | 51.1% |
| Other Payments | | 4,677,027.20 | 4,677,027.20 | 4,677,027.00 | 0.20 | 100.0% |
| Other receipts | | 5,000.00 | 5,000.00 | - | 5,000.00 | - |
| **TOTAL** | **109,040,876** | **68,337,457** | **177,378,332** | **102,875,585** | **74,502,747** | **58.0%** |

**Below 90% of utilization and any overutilization (Over 100%)**

i. *Underutilization of receipts (69%) is due to amount owing from the NGCDF Board of Kshs. 55,040,875 as at the close of the year.*
ii. *Underutilization in payments of Compensation of employees (65.2 %) is balance remaining for payment of gratuity to be done at the end of the contract period,*
iii. *Underutilization in use of goods and services (66%) is as result of amounts for strategic plan which its preparation is in progress*
iv. *Underutilization on transfer to other government units (71%) is as a result of funds to projects from the amount owing from the NGCF Board*
v. *Underutilization on Other grants and transfers (45%), is as a result of funds to projects from the amount owing from the NGCF Board*
vi. *Underutilization on acquisition of assets (51%) is as result of funds to the project from the amount owing from the NGCF Board.*

*The NGCDF-Kieni Constituency financial statements were approved on _____ 2019 and signed by:*

| | |
|---|---|
| **Fund Account Manager** | **Sub-County Accountant** |
| **Name: Jessi Mathu** | **Name: Erick Kiambi** |
| | **ICPAK Member Number: 15726** |

NATIONAL GOVERNMENT CDF
KIENI CONSTITUENCY
21 JAN 2020
P.O. Box 127 - 10104, MWEIGA

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|---|---|---|---|---|
| | 2018/2019 | | 2018/2019 | 2018/2019 | 2018/2019 |
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| **1.0 Administration** | | | | | |
| Employees' Salaries | 2,730,000 | 1,910,715 | 4,640,715 | 2,740,075 | 1,900,640 |
| Goods and Services | 2,372,452 | 1,544,833 | 3,917,285 | 3,324,172 | 593,113 |
| Committee Expenses | 1,440,000 | 1,490,650 | 2,930,650 | 2,369,400 | 561,250 |
| **Sub-Total** | **6,542,452** | **4,946,199** | **11,488,651** | **8,433,647** | **3,055,003** |
| **2.0 Monitoring and Evaluation** | | | | | |
| Goods and Services | 951,226 | 200,000 | 1,151,226 | 1,034,000 | 117,226 |
| Committee Expenses | 720,000 | 141,379 | 861,379 | 541,000 | 320,379 |
| Capacity Building | 1,600,000 | | 1,600,000 | 995,000 | 605,000 |
| **Sub-Total** | **3,271,226** | **341,379** | **3,612,605** | **2,570,000** | **1,042,605** |
| **3.0 Emergency** | | | | | - |
| Emergency | 5,738,993 | | 5,738,993 | 5,721,000 | 17,993 |
| **Sub-Total** | **5,738,993** | | **5,738,993** | **5,721,000** | **17,993** |
| **4.0 Bursary** | | | | | - |
| Bursary Secondary Schools | 17,000,000 | 2,000,000 | 19,000,000 | 2,131,000 | 16,869,000 |
| Bursary Tertiary Schools | 10,000,000 | 1,000,000 | 11,000,000 | 4,781,200 | 6,218,800 |
| Bursary Special Schools | 500,000 | 41,300 | 541,300 | 8,000 | 533,300 |
| **Sub-Total** | **27,500,000** | **3,041,300** | **30,541,300** | **6,920,200** | **23,621,100** |
| **5.0 Sports** | | | - | | - |
| Sports | 2,018,404 | 1,963,793 | 3,982,197 | 1,963,793 | 2,018,404 |
| **Sub - Total** | **2,018,404** | **1,963,793** | **3,982,197** | **1,963,793** | **2,018,404** |
| **6.0 Environment** | | | - | | - |
| Embaringo AP post | 265,000 | | 265,000 | - | 265,000 |
| Kimbogo Police post | 265,000 | | 265,000 | - | 265,000 |
| Kmburaini Chiefs Office | 265,000 | | 265,000 | - | 265,000 |
| Lusoi AP post | 265,000 | | 265,000 | - | 265,000 |
| Warazo Jet AP post | 265,000 | | 265,000 | - | 265,000 |
| Mweiga Police station | 265,000 | | 265,000 | - | 265,000 |
| Muthuini AP post | 265,000 | | 265,000 | - | 265,000 |
| Equators asst chiefs office | 265,000 | | 265,000 | - | 265,000 |
| Environment projects | | 1,963,793 | 1,963,793 | 1,963,793 | (0) |
| **Sub-Total** | **2,120,000** | **1,963,793** | **4,083,793** | **1,963,793** | **2,120,000** |

| | | | | | |
|---|---|---|---|---|---|
| **7.0 Primary School Projects** | | | | | - |
| Githura Primary School | 1,500,000 | | 1,500,000 | 1,500,000 | - |
| Lamuria Primary School | 1,700,000 | | 1,700,000 | 1,700,000 | - |
| Ikumari Primary School | 450,000 | | 450,000 | 450,000 | - |
| Kiaragana Primary School | 1,300,000 | | 1,300,000 | - | 1,300,000 |
| Aguthi Primary School | 1,000,000 | | 1,000,000 | - | 1,000,000 |
| Karundas Primary School | 1,000,000 | | 1,000,000 | - | 1,000,000 |
| Bellevue Primary School | 700,000 | | 700,000 | - | 700,000 |
| Rurichu primary school | | 1,450,000 | 1,450,000 | 1,450,000 | - |
| Kamatongu primary school | | 700,000 | 700,000 | 700,000 | - |
| Karichuta primary school | | 850,000 | 850,000 | 850,000 | - |
| Mere Primary school | | 850,000 | 850,000 | 850,000 | - |
| Kiria Primary Schol | | 850,000 | 850,000 | 850,000 | - |
| Muthuini primary School | | 800,000 | 800,000 | 800,000 | - |
| Mweiga Primary School | | 600,000 | 600,000 | 600,000 | - |
| Kahuho Primary School | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Macharia Primary School | | 1,200,000 | 1,200,000 | 1,200,000 | - |
| Gatei Primary School | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Maragima primary School | | 600,000 | 600,000 | 600,000 | - |
| Nyange primary School | | 300,000 | 300,000 | 300,000 | - |
| Mureru Primary School | | 400,000 | 400,000 | 400,000 | - |
| Kimunyuru primary School | | 450,000 | 450,000 | 450,000 | - |
| Watuka primary School | | 450,000 | 450,000 | 450,000 | - |
| Kiria Primary Schol | | 450,000 | 450,000 | 450,000 | - |
| Tanyai Primary School | | 450,000 | 450,000 | 450,000 | - |
| Rurichu Primary School | | 450,000 | 450,000 | 450,000 | - |
| Igathu primary School | | 450,000 | 450,000 | 450,000 | - |
| Mbirithi primary School | | 450,000 | 450,000 | 450,000 | - |
| Mwihoko Primary School | | 450,000 | 450,000 | 450,000 | - |
| Nyange Primary School | | 331,034 | 331,034 | 331,034 | - |
| Kamburaini primary school | | 500,000 | 500,000 | 500,000 | - |
| Githungo pry sch | | 550,000 | 550,000 | 550,000 | - |
| **Sub-Total** | **7,650,000** | **17,581,034** | **25,231,034** | **21,231,034** | **4,000,000** |
| **8.0 Secondary School Project** | | | | | - |
| Kamburaini Secondary Sch | 4,000,000 | | 4,000,000 | 4,000,000 | - |
| Ruirii Secondary School | 2,000,000 | | 2,000,000 | - | 2,000,000 |
| Njengu Secondary School | 1,500,000 | | 1,500,000 | - | 1,500,000 |

| | | | | | |
|---|---|---|---|---|---|
| Nyange Secondary School | 1,500,000 | | 1,500,000 | 1,500,000 | - |
| Mere Secondary School | 1,000,000 | | 1,000,000 | - | 1,000,000 |
| Kimunyuru Secondary Sch | 1,300,000 | | 1,300,000 | 1,300,000 | - |
| Kimahuri Secondary School | 1,300,000 | | 1,300,000 | 1,300,000 | - |
| Endarasha Day Sec sch | 500,000 | | 500,000 | 500,000 | - |
| Gatuanyaga secondary sch | 1,300,000 | | 1,300,000 | 1,300,000 | - |
| Karemeno secondary school | 2,000,000 | | 2,000,000 | - | 2,000,000 |
| St Monica Munyaka Sec Sch | | 1,000,000 | 1,000,000 | 1,000,000 | - |
| Naromoru Boys Sec Sch | | 2,500,000 | 2,500,000 | 2,500,000 | - |
| Mwichwiri Secondarysch | | 1,200,000 | 1,200,000 | 1,200,000 | - |
| Mere Secondary School | | 1,200,000 | 1,200,000 | 1,200,000 | - |
| Amboni Secondary School | | 1,200,000 | 1,200,000 | 1,200,000 | - |
| Warazojet Secondary Sch | | 1,000,000 | 1,000,000 | 1,000,000 | - |
| Kamiruri Secondary School | | 1,200,000 | 1,200,000 | 1,200,000 | - |
| Mwireri Secondary School | | 1,200,000 | 1,200,000 | 1,200,000 | - |
| Watuka Observation Hill Secondary School | | 1,300,000 | 1,300,000 | 1,300,000 | - |
| **Sub-Total** | **16,400,000** | **11,800,000** | **28,200,000** | **21,700,000** | **6,500,000** |
| **9.0 Tertiary institutions projects** | | | | | - |
| KMTC kieni campus | 7,000,000 | 700,000 | 7,700,000 | 700,000 | 7,000,000 |
| **Sub - Total** | **7,000,000** | **700,000** | **7,700,000** | **700,000** | **7,000,000** |
| **10.0 Security Projects** | | | | | - |
| Mweiga Police Station | 3,000,000 | | 3,000,000 | - | 3,000,000 |
| Chaka police station | 4,000,000 | | 4,000,000 | - | 4,000,000 |
| Kieni East Sub County Offices | 3,800,000 | | 3,800,000 | - | 3,800,000 |
| Charity Ass Chief's Office | 500,000 | | 500,000 | 500,000 | - |
| Ndathi Ass. Chief's Camp | 500,000 | | 500,000 | 500,000 | - |
| Kairi Assistant Chief Office | 1,500,000 | | 1,500,000 | 1,500,000 | - |
| Warazo Jet Assistant Chief's Office | 1,000,000 | | 1,000,000 | 1,000,000 | - |
| Kamatongu AP Housing | 600,000 | | 600,000 | 600,000 | - |
| Chaka Assistant Chiefs Camp | 500,000 | | 500,000 | 500,000 | - |
| Karundas Chief's Office | 400,000 | | 400,000 | 400,000 | - |

| | | | | | |
|---|---|---|---|---|---|
| Kaaga Assistant Chief Office | 2,000,000 | | 2,000,000 | 2,000,000 | - |
| Amboni Police Post | 2,500,000 | | 2,500,000 | - | 2,500,000 |
| Kieni west DCC staff house | 800,000 | | 800,000 | 800,000 | - |
| Lusoi AP post | | 437,931 | 437,931 | 437,930 | 1 |
| Kiambogo Ap.Post | | 400,000 | 400,000 | 400,000 | - |
| Embaringo AP post | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Endarasha Chiefs office | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Manyatta asst Chiefs office | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Githima AP Post | | 200,000 | 200,000 | 200,000 | - |
| Kimahuri AP post | | 500,000 | 500,000 | 500,000 | - |
| Mwiyogo AP post | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Muthu-ini AP Post | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Charity AP Post | | 2,000,000 | 2,000,000 | 2,000,000 | - |
| kimahuri ap post | | 900,000 | 900,000 | 900,000 | - |
| Gitegi asst chiefs office | | 600,000 | 600,000 | 600,000 | - |
| Mweiga assistant chiefs office | | 1,200,000 | 1,200,000 | 1,200,000 | - |
| **Sub - Total** | **21,100,000** | **16,237,931** | **37,337,931** | **24,037,930** | **13,300,001** |
| **11.0 Acquisitions of Assets** | | | | | - |
| NG- CDF office | 1,700,000 | 1,585,000 | 3,285,000 | **1,677,543** | 1,607,457 |
| **Sub-Total** | **1,700,000** | **1,585,000** | **3,285,000** | **1,677,543** | **1,607,457** |
| **12.0 Others** | | | | | - |
| Constituency Innovation Hubs | | 4,677,027 | 4,677,027 | **4,677,027** | 0 |
| Strategic plan | | 3,500,000 | 3,500,000 | 994,000 | 2,506,000 |
| **Sub-Total** | | **8,177,027** | **8,177,027** | **5,671,027** | **2,506,000** |
| **13.0 Roads** | | | | | - |
| Junct E592-Kiguru Primary School | 189,000 | | 189,000 | - | 189,000 |
| Kiambogo-Maragi Road | 756,000 | | 756,000 | - | 756,000 |
| Junt D448-Kamburaini | 315,000 | | 315,000 | - | 315,000 |
| Mitero-Gitubururu | 882,000 | | 882,000 | - | 882,000 |
| Muthoga-Mwihoko Road | 378,000 | | 378,000 | - | 378,000 |
| Kania-Ngerima Road | 882,000 | | 882,000 | - | 882,000 |
| Junt D540 -Kaiga | 227,000 | | 227,000 | - | 227,000 |
| Garu Road | 882,000 | | 882,000 | - | 882,000 |

| | | | | | |
|---|---|---|---|---|---|
| Chamata -Kwa Jiko Road | 529,000 | | 529,000 | - | 529,000 |
| D448 Karkuret-Ngonde E594 | 940,800 | | 940,800 | - | 940,800 |
| Kiriaku-Mayatta PCEA | 378,000 | | 378,000 | - | 378,000 |
| Bagdad -Forest Edge | 227,000 | | 227,000 | - | 227,000 |
| B5 Solio-L3854 Charity | 1,414,000 | | 1,414,000 | - | 1,414,000 |
| **Sub-Total** | **7,999,800** | | **7,999,800** | - | 7,999,800 |
| **GRAND TOTAL** | **109,040,876** | **68,337,457** | **177,378,332** | **102,589,968** | **74,788,365** |

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

## IX. SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of Ccompliance and Basis of Preparation

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

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

### 2. Reporting Entity

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

### 3. Reporting Currency

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

### 4. Significant Accounting Policies

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

#### a) Recognition of Receipts

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

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

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

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

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

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. 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 2019.

14. Errors

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

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

15. Related Party Transactions

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2018-2019 | 2017 - 2018 |
|---|---|---|---|
| | | Kshs | Kshs |
| Normal Allocation | AIE NO. B005342 | 53,784,483 | |
| | AIE NO. B030030 | 1,000,000 | |
| | AIE NO. B030020 | 1,400,000 | |
| | AIE NO. B030186 | 10,000,000 | |
| | AIE NO. B030437 | 13,000,000 | |
| | AIE NO. B006379 | 7,000,000 | |
| | AIE NO. A699128 | 11,000,000 | |
| | AIE NO. B047008 | 13,000,000 | |
| | | | |
| | AIE NO. A855858 | | 5,500,000 |
| | AIE NO. A892557 | | 39,548,275 |
| | AIE NO. A896753 | | 37,905,172 |
| | | | |
| Conditional grants | AIE NO... | | - |
| | | | - |
| Receipt from other Constituency | | | - |
| TOTAL | | 110,184,483 | 82,953,447 |

2. PROCEEDS FROM SALE OF ASSETS

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

3. OTHER RECEPTS

| Description | 2018-2019 | 2017 - 2018 |
|---|---|---|
| | Kshs | Kshs |
| Interest Received | - | - |
| Rents | - | - |
| Sale of Tender Documents | - | - |
| Other Receipts Not Classified Elsewhere (Hire of NGCDF Hall) | 5,000 | - |
| TOTAL | 5,000 | - |

4. COMPENSATION OF EMPLOYEES

| **2110000** | **COMPENSATION OF EMPLOYEES** | | | |
|---|---|---|---|---|
| | **Description** | | **2018-2019** | **2017 - 2018** |
| | | | **Kshs** | **Kshs** |
| 2110201 | Basic wages of contractual employees | | 1,959,550 | 1,618,641 |
| 2110202 | Basic wages of casual labour | | | |
| | **Personal allowances paid as part of salary** | | | |
| 2110301 | House allowance | | 142,500 | 0 |
| 2110314 | Transport allowance | | | |
| 2110320 | Leave allowance | | | |
| 2110326 | Other personnel payments | | | |
| 2120101 | Employer contribution to NSSF | | 91,905 | 85,152 |
| 2710120 | Gratuity-Paid | | - | 520,200 |
| | Gratuity-Accrued | | 831,738 | - |
| | **TOTAL** | | **3,025,693** | **2,223,993** |

5. USE OF GOODS AND SERVICES

| **Description** | **2018-2019** | **2017 - 2018** |
|---|---|---|
| | **Kshs** | **Kshs** |
| Utilities, supplies and services | 21,746 | 10,960 |
| Electricity | 96,714 | 58,246 |
| Water & sewerage charges | 11,749 | 1,279 |
| Office rent | 145,200 | 145,200 |
| Communication, supplies and services | 0 | 66,000 |
| Domestic travel and subsistence | 470,700 | 449,550 |
| Printing, advertising and information supplies & services | 0 | 0 |
| Rentals of produced assets | 0 | 0 |
| Training expenses | 895,000 | 2,297,000 |
| Hospitality supplies and services | 455,490 | 61,760 |
| Other committee expenses | 424,000 | 1,228,000 |
| Commitee allowance | 2,830,000 | 1,232,000 |
| Insurance costs | 215,465 | 0 |

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

| | | |
|---|---|---|
| Specialised materials and services | - | 0 |
| Office and general supplies and services | 1,056,218 | 908,239 |
| Fuel , oil & lubricants | 1,150,000 | 200,000 |
| Other operating expenses | 0 | 0 |
| Bank service commission and charges | 82,810 | 160,776 |
| Security operations | 0 | 0 |
| Routine maintenance - vehicles and other transport equipment | 408,481 | 46,000 |
| Routine maintenance- other assets | | 19,500 |
| Strategic Plan | 994,000 | 0 |
| **TOTAL** | **9,257,572** | **6,884,510** |

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2018-2019 | 2017 - 2018 |
|---|---|---|
| | Kshs | Kshs |
| Transfers to Primary schools | 21,231,034 | 12,100,000 |
| Transfers to Secondary schools | 21,700,000 | 1,431,379 |
| Transfers to Tertiary institutions | 700,000 | 9,423,834 |
| TIVET | | |
| TOTAL | 43,631,034 | 22,955,213 |

7. OTHER GRANTS AND OTHER PAYMENTS

| Description | 2018-2019 | 2017 - 2018 |
|---|---|---|
| | Kshs | Kshs |
| Bursary -Secondary | 2,131,000 | 15,968,429 |
| Bursary -Tertiary | 4,781,200 | 6,426,672 |
| Bursary-Special schools | 8,000 | 173,600 |
| Mocks & CAT | - | 0 |
| Security | 24,037,930 | 13,900,000 |
| Sports | 1,963,793 | 1,637,931 |
| Environment | 1,963,793 | 1,637,931 |
| Emergency Projects | 5,721,000 | 0 |
| Other capital grants and transfers | | 360,000 |
| TOTAL | 40,606,716 | 40,104,563 |

8. ACQUISITION OF ASSETS

| Non Financial Assets | 2018-2019 | 2017 - 2018 |
|---|---|---|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of Buildings | 105,573.20 | 1,776,793.00 |
| Refurbishment of Buildings | - | - |
| Purchase of Vehicles | - | - |
| Purchase of Bicycles & Motorcycles | - | - |
| Overhaul of Vehicles | - | - |
| Purchase of office furniture and fittings | 998,000 | 0 |
| Purchase of computers ,printers and other IT equipments | 573,970 | 0 |
| Purchase of photocopier | - | - |
| Purchase of other office equipments | - | - |
| Purchase of soft ware | - | - |
| Acquisition of Land | - | - |
| TOTAL | 1,677,543 | 1,776,793 |

9. OTHER PAYMENTS

| | | |
|---|---|---|
| CIT Hubs | 4,677,027 | - |
| | - | |
| TOTAL | 4,677,027 | |

10 A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | Account Number | 2018-2019 | 2017 - 2018 |
|---|---|---|---|
| | | Kshs (30/6/2019) | Kshs (30/6/2018) |
| *Equity Bank, Nyeri 1 Branch. Kieni NG-CDF* | *A/C no.0110297244437* | 20,415,596 | 12,147,974 |
| | | | |
| 10B: CASH IN HAND) | | | |
| | | 2018-2019 | 2017 - 2018 |
| | | Kshs (30/6/2019) | Kshs (30/6/2018) |
| Location 1 | | - | - |
| TOTAL | | - | - |

11: OUTSTANDING IMPRESTS

| *Name of Officer or Institution* | *Date Imprest Taken* | *Amount Taken* | | *Amount Surrendered* | *Balance* |
|---|---|---|---|---|---|
| | | *Kshs* | | *Kshs* | *Kshs* |
| *Name of Officer or Institution* | dd/mm/yy | xxx | | xxx | xxx |
| *Total* | | | | | xxx |

12A. RETENTION

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

*[Provide short appropriate explanations as necessary*

12B. STAFF GRATUITY OUTSTANDING

| **Name of the employee** | | **2018-2019** | **2017 - 2018** |
|---|---|---|---|
| Loise Mukuhi Thangari | | 130,269 | |
| Jedida Wangui Meru | | 130,269 | |
| Joseph Gikonyo Wanjau | | 149,881 | |
| Samson Karanja Mambo | | 68,288 | |
| Patrick Mwaniki Ndung'u | | 68,288 | |
| Peter Mwangi Theuri | | 68,288 | |
| Stephen Ndegwa Maina | | 127,937 | |
| Nathan Wang'ombe Ngunjiri | | 88,517 | |
| **TOTAL** | | **831,737** | |

13. BALANCES BROUGHT FORWARD

| | **2018-2019** | **2017 - 2018** |
|---|---|---|
| | **(1/7/2018** | **(1/7/2017)** |
| | **Kshs** | **Kshs** |
| Bank accounts | 12,147,974 | 3,129,599 |
| Cash in hand | - | - |
| Imprest | - | - |
| **TOTAL** | **12,147,974** | **3,129,599** |

*[Provide short appropriate explanations as necessary]*

14. PRIOR YEAR ADJUSTMENTS

| | **2018-2019** | **2017 - 2018** |
|---|---|---|
| | **Kshs** | **Kshs** |
| Bank accounts | 121,986 | 10,000 |
| Cash in hand | - | - |
| Imprest | - | - |
| **TOTAL** | **121,986** | **10,000** |

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2018-2019 | 2017-2018 |
|---|---|---|
| | Kshs | Kshs |
| Construction of buildings | - | - |
| Construction of civil works | - | - |
| Supply of goods | - | - |
| Supply of services | - | - |
| Total | - | - |

15.2: PENDING STAFF PAYABLES (See Annex 2)

| | | 2018-2019 | 2017 - 2018 |
|---|---|---|---|
| | | Kshs | Kshs |
| NGCDFC Staff | | 831,738 | - |
| Others (specify) | | - | - |
| **TOTAL** | | **831,738** | **-** |

15.3: UNUTILIZED FUND (See Annex 3)

| **Items** | **2018-2019** | **2017 - 2018** |
|---|---|---|
| | **Kshs** | **Kshs** |
| Compensation of employees | 1,980,847 | 1,910,715 |
| Use of goods and services | 2,196,969 | 3,376,863 |
| Amounts due to other Government entities | 17,500,000 | 30,081,034 |
| Amounts due to other grants and other transfers | 49,077,299 | 23,206,817 |
| Acquisition of assets | 1,607,457 | 1,580,000 |
| Others (*Strategic plan*) | 2,506,000 | 8,177,027 |
| **Total** | **74,868,572** | **68,332,457** |

15.4: PMC account balances (See Annex 5)

| | 2018-2019 | 2017-2018 |
|---|---|---|
| | Kshs | Kshs |
| PMC account Balances (see attached list) | 37,174,151 | 19,371,626 |
| | | |

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2019 | Comments |
|---|---|---|---|---|---|
| | a | b | c | d=a-c | |
| Construction of buildings | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| Sub-Total | | | | | |
| Construction of civil works | | | | | |
| 4. | | | | | |
| 5. | | | | | |
| 6. | | | | | |
| Sub-Total | | | | | |
| Supply of goods | | | | | |
| 7. | | | | | |
| 8. | | | | | |
| 9. | | | | | |
| Sub-Total | | | | | |
| Supply of services | | | | | |
| 10. | | | | | |
| 11. | | | | | |
| 12. | | | | | |
| Sub-Total | | | | | |
| Grand Total | | | | | |

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2019 | Outstanding Balance 2018 | Comments |
|---|---|---|---|---|---|---|---|
| | | a | b | c | d=a-c | | |
| NGCDF Staff salary | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| Sub-Total | | | | | | | |
| NGCDFC Staff gratuity | | | | | | | |
| Loise Mukuhi Thangari | G | 130,269 | 30/06/2019 | 0 | 130,269 | - | To be paid at the end of the contract |
| Jedida Wangui Meru | G | 130,269 | 30/06/2019 | 0 | 130,269 | - | To be paid at the end of the contract |
| Joseph Gikonyo Wanjau | H | 149,881 | 30/06/2019 | 0 | 149,881 | - | To be paid at the end of the contract |
| Samson Karanja Mambo | C | 68,288 | 30/06/2019 | 0 | 68,288 | - | To be paid at the end of the contract |
| Patrick Mwaniki Ndung'u | C | 68,288 | 30/06/2019 | 0 | 68,288 | - | To be paid at the end of the contract |
| Peter Mwangi Theuri | C | 68,288 | 30/06/2019 | 0 | 68,288 | - | To be paid at the end of the contract |
| Stephen Ndegwa Maina | J | 127,937 | 30/06/2019 | 0 | 127,937 | - | To be paid at the end of he contract |
| Nathan Wang'ombe Ngunjiri | G | 88,517 | 30/06/2019 | 0 | 88,517 | - | To be paid at the end of he contract |
| Sub-Total | | 831,737 | | | 831,737 | - | |
| Others (*specify*) | | | | | | | |
| 1 | | | | | | | |
| 2 | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |

ANNEX 3 – UNUTILIZED FUND

| Name | Brief Transaction Description | Outstanding Balance 2018/19 | Outstanding Balance 2017/18 | Comments |
|---|---|---|---|---|
| Compensation of employees | Payment of NGCDFC staff salaries, gratuity and other allowances and statutory deductions | 1,900,640 | 1,910,715 | |
| Use of goods & services | Payment of office administration expenses and monitoring and evaluation expenses | 4,702,969 | 3,376,863 | |
| Amounts due to other Government entities | | | | |
| | Transfers to primary schools | 4,000,000 | 17,581,034 | |
| | Transfers to secondary schools | 6,500,000 | 11,800,000 | |
| | Transfer to tertially institutions | 7,000,000 | 700,000 | |
| Sub-Total | | **17,500,000** | **30,081,034** | |
| Amounts due to other grants and other transfers | | | | |
| | Bursary - secondary | 16,869,000 | 2,000,000 | |
| | Bursary - tertially institutions | 6,218,800 | 1,000,000 | |
| | Bursary - special schools | 533,300 | 41,300 | |
| | Security | 13,300,001 | 16,237,931 | |
| | Sports | 2,018,404 | 1,963,793 | |
| | Environment | 2,120,000 | 1,963,793 | |
| | Roads | 7,999,800 | - | |
| | Emerency | 17,993 | - | |
| Sub-Total | | **49,077,299** | **23,206,817** | |
| Acquisition of assets | | | | |
| | NGCDF office | 1,607,458 | 1,585,000 | |
| Others (*specify*) | | | | |
| | Constituency Innovation Hub | - | 4,677,027 | |
| Sub-Total | | - | **4,677,027** | |
| Grand Total | | **74,788,365** | **64,837,456** | |

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) 2017/18 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2018/19 |
|---|---|---|---|---|
| Land | - | - | - | - |
| Buildings and structures | 20,782,883 | 105,573 | - | 20,888,456 |
| Transport equipment | 9,763,625 | - | - | 9,763,625 |
| Office equipment, furniture and fittings | 1,250,518 | 998,000 | - | 2,248,518 |
| ICT Equipment, Software and Other ICT Assets | 903,336 | 573,970 | - | 1,477,306 |
| Other Machinery and Equipment | 18,005,520 | - | - | 18,005,520 |
| Heritage and cultural assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| **Total** | **50,705,882** | **1,677,543** | **-** | **52,383,425** |

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE

| S/NO | Account Name | Account Number | Balance as at 30th June, 2019 | Balance as at 1st july, 2018 |
|---|---|---|---|---|
| 1 | Mwiyogo secondary school | 0110297145053 | 1,691 | 1,286 |
| 2 | Endarasha Primary school | 1150278541011 | 84,381 | - |
| 3 | Mweiga Assistant chiefs office | 0110271587077 | 950 | 3,890.00 |
| 4 | Endarasha Secondary school | 1150278541039 | 75,332 | - |
| 5 | Kieni East Education office | 1150278751285 | 500,000 | - |
| 6 | Kieni East AP Line | 1150278751323 | 990 | - |
| 7 | Kieni TTI | 1150278824510 | 900,000 | - |
| 8 | Kiahuria Primary school | 1150278821508 | 850,000 | - |
| 9 | Ocs Narumoru house | 1150278946393 | 880 | - |
| 10 | Githungo primary school | 0110268884370 | 24,485 | 17,450 |
| 11 | Muthuini primary school | 0110266222802 | 94,940 | 1,370 |
| 12 | Rurichu Primary school | 1150276286762 | 620.00 | 850,000 |
| 13 | Mere primary school | 1150299751039 | 546,419.00 | 1,550 |
| 14 | Kamatongu primary school | 1150276287063 | 60,340.00 | 600,000 |
| 15 | Karichuta primary school | 0110264394548 | 283,730 | 1,470.00 |
| 16 | Gatei Primary school | 0110269956718 | 2,051,733 | 51,733 |
| 17 | Macharia Primary school | 1150277811975 | 203,390 | - |
| 18 | Kahuho Primary school | 1150277811960 | 587,671.00 | - |
| 19 | Nyange Primary school | 1150277915002 | 59,031.45 | - |
| 20 | Watuka Primary school | 0110269984318 | 762 | 850,232 |
| 21 | Mweiga Primary school | 0110199299669 | 601,140 | 1,140 |

| | | | | |
|---|---|---|---|---|
| 22 | Maragima Primary school | 1150277914970 | 600,000 | - |
| 23 | Mureru Primary school | 1150276286489 | 10,000 | 850,000 |
| 24 | Kimunyuru Primary school | 1150276286728 | 29,550.00 | 850,000.00 |
| 25 | Kiria Primary school | 0110268859483 | 82,570 | 883,010 |
| 26 | Tanyai Primary school | 0110268859604 | 270 | 868,010 |
| 27 | Rurichu Primary school | 1150276286762 | 620 | 850,000 |
| 28 | Igathu Primary school | 1150276286551 | 1,000 | 850,000 |
| 29 | Mbirithi primary school | 1150276286999 | 440 | 850,000 |
| 30 | Mwihoko Primary school | 1150276286807 | 650 | 850,000.00 |
| 31 | Nyange Primary school | 1150277915002 | 59,031 | - |
| 32 | Kamburaini primary school | 1150278540984 | 44,884 | - |
| 33 | Githura Primary school | 1150276286684 | 2,000,000 | 500,000.00 |
| 34 | Ikumari Primary school | 0110272841801 | 40,614 | 200,150 |
| 35 | Lamuria Primary school | 0110266223538 | 94,660 | 305,240 |
| 36 | Mere secondary school | 0110264130825 | 741,235 | 258,060.00 |
| 37 | Narumoru Boys secondary school | 0110268884430 | 2,500,450 | 450 |
| 38 | Watuka Observation Hill secondary school | 1150277812011 | 567,321.00 | - |
| 39 | Mwichiuri Secondary school | 1150277811993 | 347,347.00 | - |
| 40 | Amboni Secondary school | 0110269924958 | 1,203,870 | 3,870 |
| 41 | Kamiruri Secondary school | 0110199298713 | 492,353 | 1,036 |
| 42 | St Monicah Munyaka sec school | 0110273176182 | 1,000,890 | 890 |
| 43 | Mwireri Secondary school | 0110266222504 | 213,632 | 1,015 |
| 44 | Kamburaini Secondary school | 1150278580072 | 4,000,000 | - |

| | | | | |
|---|---|---|---|---|
| 45 | Nyange Secondary school | 0110271249685 | 775,652 | 130 |
| 46 | Endarasha day sec school | 1150278541039 | 75,332.00 | - |
| 47 | Gatuanyaga Secondary school | 1150278821482 | 257,163.00 | - |
| 48 | Kimunyuru Secondary school | 0110269985589 | 366,550 | 50 |
| 49 | Kimahuri secondary school | 1150278837104 | 1,300,000 | - |
| 50 | KMTC kieni campus | 1150276271630 | 330,274 | 94,504 |
| 51 | Gitegi Assistant chiefs office | 1150197439280 | 67 | 21,687 |
| 52 | Mweiga Assistant chiefs office | 0110271587077 | 950.00 | 3,890 |
| 53 | Endarasha chiefs office | 1150277812051 | 2,000,000 | - |
| 54 | Manyatta assitant chiefs office | 1150277812062 | 576,572 | - |
| 55 | Githima AP post | 1150277915063 | 1,380 | - |
| 56 | Kiambogo AP post | 1150277915087 | 400,000 | - |
| 57 | Kimahuri AP post | 1150277915045 | 314,191 | - |
| 58 | Lusoi AP camp | 1150276287229 | 210.00 | 2,200,000 |
| 59 | Muthuini AP post | 1150277812082 | 522,562 | - |
| 60 | Embaringo AP post | 1150277812032 | 525,368 | - |
| 61 | Mwiyogo AP post | 1150277812072 | 571,768.00 | - |
| 62 | charity AP post | 1150277812100 | 2,000,000 | - |
| 63 | Kairi Assitant chiefs ofice | 1150276287370 | 2,900,000.00 | 1,400,000 |
| 64 | Karundas Chiefs Office | 1150276287316 | 350 | 2,300,000 |
| 65 | Kamatongu AP housing | 1150278751270 | 1,706 | - |
| 66 | Kaaga Assitant chiefs office | 1150278824540 | 644,531 | - |

| | | | | |
|---|---|---|---|---|
| 67 | Kieni West DCC staff house | 1150278879394 | 75,410.00 | - |
| 68 | Ndathi Assitant chiefs office | 0110266315761 | 500,600 | 600 |
| 69 | Charity Assitant chiefs ofice | 0110266769247 | 501,890 | 1,890 |
| 70 | Chaka Assitant chiefs office | 0110269983607 | 240,525 | 321 |
| 71 | Warazo Jet assitant chiefs office | 1150276287408 | 416,059.00 | 2,800,000 |
| 72 | Kieni Environment project management | 0110262127168 | 609,524.10 | 46,091 |
| 73 | Kieni NGCDF sports project management | 0110262506980 | 305,644.75 | 611.65 |
| | **Totals** | | **29,763,791** | **16,907,595** |

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue *(Name and designation)* | Status: *(Resolved / Not Resolved)* | Timeframe: *(Put a date when you expect the issue to be resolved)* |
|---|---|---|---|---|---|
| 1 | Included in other grants and transfers payment of Kshs. 40,104,563 and as further disclosed in note 7 to the financial statements is an amount of Kshs. 13,900 incurred on security projects, out of which disbursement of Kshs. 333,010 and Kshs. 1,400,000 were disbursed towards implementation of Kiamathaga AP camp and Kairi Assistant chiefs office for construction of staff houses and purchase of land respectively. However, physical inspection tarried out in December 2018 revealed that the projects were not implemented despite the fact that the funds were disbursed to the respective project management committee (PMCs) No satisfactory explanation has been given for failure to utilize the funds as intended | - Kiamathaga AP camp implementation was in progress during the period under audit though no payamnet had been made. However, currently the project has been implemented to completion.<br>- Kairi Assistant chief project had not been implemented due to delay process of land ownership processing but currently the project implementation is in progress. | Project Management committee<br>Project Management committee | Resolved<br>Resolved | June 2019<br>December, 2019 |