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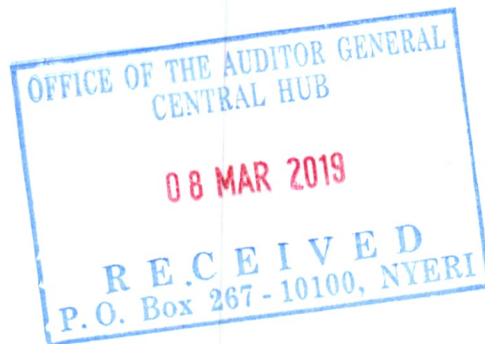
REPORT THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 09 MAY 2019	DAY: THURSDAY
TABLED BY: OF	HON. BENJAMIN WAITHAKI MAJORITY PARTY WHIP
CLERK AT THE TABLE:	IMZAFU MWALE

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KIHARU CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KIHARU CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2018

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

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

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

**Reports and Financial Statements
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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 Kiharu 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:

N	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Kennedy Kamau
3.	Sub-County Accountant	Simon Komu
4.	Chairman NGCDFC	Peter Manyeki
5.	Member NGCDFC	Anthony Warui

(d) Fiduciary Oversight Arrangements

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

P.O Bo 899 - 10200
Ngeka Centre Murang'a
Murang'a, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIHARU CONSTITUENCY
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(f) NGCDF Kiharu Constituency Contacts

Telephone: (254) 0720 207810
E-mail: cdkharu@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Kiharu Constituency Bankers

Family Bank
Murang'a Branch
Murang'a

(h) Independent Auditors

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

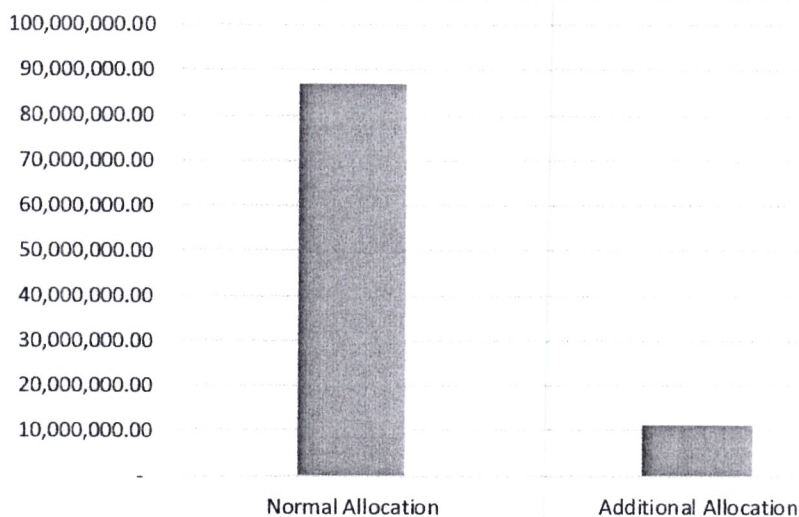
(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 KIHARU CONSTITUENCY
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 For the year ended June 30, 2018**

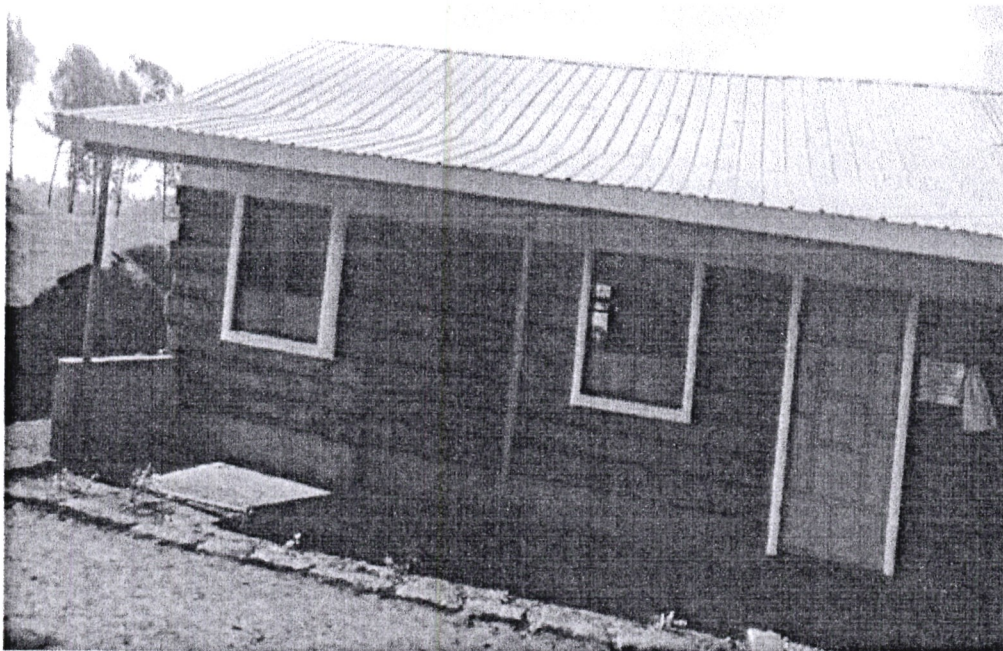
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I am pleased to present the unaudited financial statements for Kiharu Constituency for the financial year ended 30 June 2018. During the year, the Constituency was allocated a total of Kshs 98,189,655 consisting of Kshs 86,810,345 as normal allocation and Kshs 11,379,310 as additional allocation.



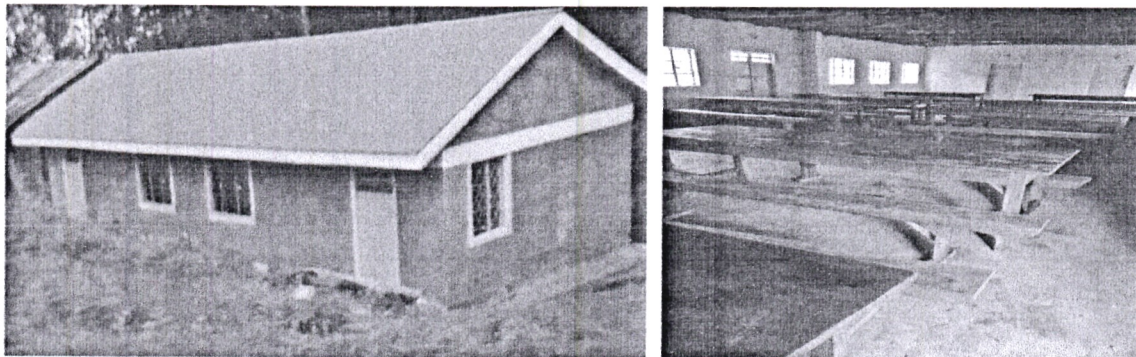
On receipt of the above allocations, Kiharu National Government Constituency Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the

Constituency. It is noteworthy that during the FY 2017/2018, we received 50% of the normal Constituency funding equivalent to Kshs 43,405,172 and these funds were then disbursed to earmarked projects mainly in education sector whereby a number of new school infrastructure were constructed to completion and others renovated, among them:

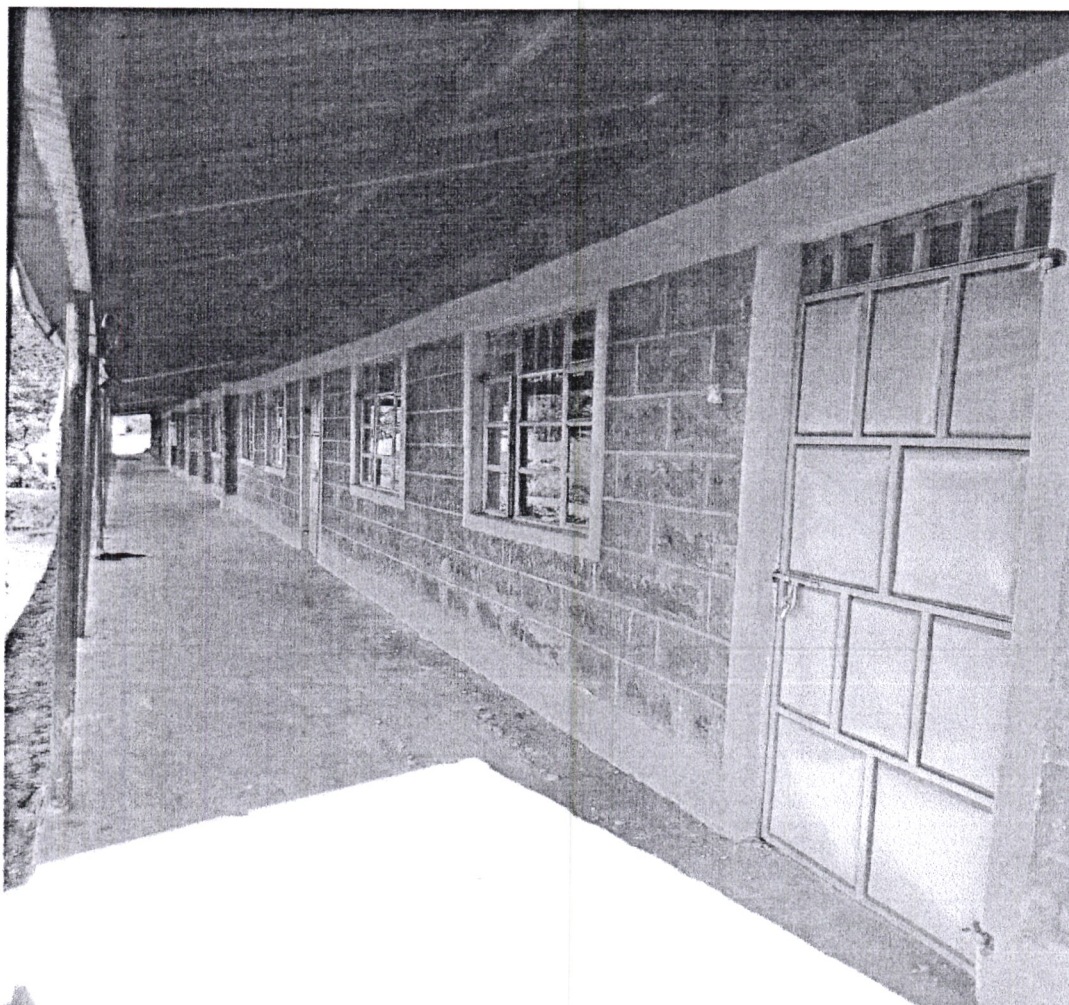


❖ **NEW CLASSROOM – GATARA PRIMARY SCHOOL**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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❖ RENOVATED & FURNISHED DINING HALL & LAB – MURARANDIA SECONDARY SCHOOL

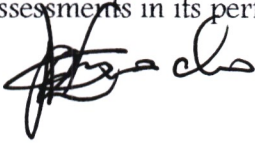


❖ RENOVATED CLASSROOMS BLOCK - GITIRI PRIMARY SCHOOL

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Despite the impressive performance, the Committee has noted various challenges in project implementation and management during the FY 2017/2018. These encompass, inadequate record keeping by project management committees, failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management. To mitigate the above, the committee during the year 2017/2018 scaled up its capacity building programmes for NGCDF Committee, Project Management Committees and staff on various aspects of NGCDF projects management. These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2018/2019.

I wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions to even perform better and attain better assessments in its performance targets for FY 2018/2019



**PETER MANYEKI, CHAIRMAN
KIHARU NGCDF COMMITTEE**

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

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Kiharu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kiharu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kiharu 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-Kiharu 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-Kiharu Constituency financial statements were approved and signed by the Accounting Officer on 25/09 2018.



Kennedy Kamau
Fund Account Manager



Simon Komu
Sub-County Accountant
ICPAK Member Number:

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Kiharu Constituency set out on pages 8 to 29, which comprise the statement of assets and liabilities as at 30 June 2018, 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Kiharu 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.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund-Kiharu 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 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 Conclusion on Lawfulness and Effectiveness in Use of Public Resources section, I have determined that there are no key audit matters to communicate in my report.

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

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 on Lawfulness and Effectiveness in Use of Public Resources of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Overall Budget Performance

According to the summary statement of appropriation, during the financial year under review, Kiharu NG-CDF received a total of Kshs.79,306,520 from the National Government Constituencies Development Fund Board against a budget of Kshs.134,091,003 resulting in a shortfall in disbursements by Kshs.54,784,483, representing 41% of the budget. Further, out of the total receipts for the year, the NG-CDF incurred total expenditure of Kshs.31,965,832 equivalent to absorption rate of rate of 40% of the actual receipts. No satisfactory explanation was provided for the failure to utilize the funds received fully, which in turn impacted negatively on service delivery to the residents of Kiharu Constituency.

2.0 Unutilized Project Funds

Disclosed in Note 6 to the financial statements under transfer to other government units is an expenditure of Kshs.7,300,000 on transfers to secondary schools. Included in the expenditure are amounts disbursed to Vidhu Ramji, Yamugwe and Kiaguthu secondary schools comprising Kshs.3,500,000, Kshs.500,000 and Kshs.600,000 for purchase of a bus, construction of dining hall and construction of a classroom, respectively. However, a review of progress on implementation of the approved projects revealed that as of February 2019, the funds had not been utilized nearly eight months after the funds were released to the project management committees. No satisfactory explanation was given by Kiharu CDF management for the delay in utilizing the funds for the intended purposes.

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 Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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-Kiharu 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.

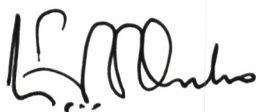
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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-Kiharu 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


16 April 2019

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

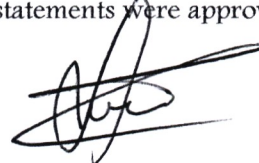
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board-AIEs' Received	1	74,153,447	50,948,277
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	143,000
TOTAL RECEIPTS		74,153,447	51,091,277
PAYMENTS			
Compensation of employees	4	2,050,734	2,893,737
Use of goods and services	5	3,743,298	6,753,272
Transfers to Other Government Units	6	20,700,000	14,400,000
Other grants and transfers	7	5,471,800	61,903,899
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		31,965,832	85,950,908
SURPLUS/DEFICIT		42,187,615	(34,859,631)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kiharu Constituency financial statements were approved on 25/07/2018 and signed by:



Kennedy Kamau
Fund Account Manager



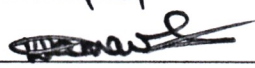
Simon Komu
Sub-County Accountant
ICPAK Member Number:

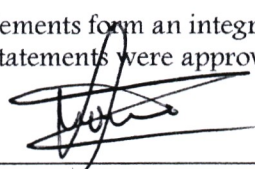
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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V. STATEMENT OF ASSETS & LIABILITIES

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	47,340,688	5,153,073
Cash Balances (cash at hand)	10B	-	-
Total Cash & Cash Equivalents		47,340,688	5,153,073
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		47,340,688	5,153,073
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	-	-
NET FINANCIAL ASSETS		47,340,688	5,153,073
REPRESENTED BY			
Fund balance b/f 1 st July	13	5,153,073	39,755,494
Surplus/Deficit for the year		42,187,615	(34,859,631)
Prior year adjustments	14	-	257,210
NET LIABILITIES		47,340,688	5,153,073

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kiharu Constituency financial statements were approved on 29/09/2018 and signed by:


 Kennedy Kamau
 Fund Account Manager

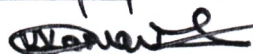

 Simon Komu
 Sub-County Accountant
 ICPAK Member Number:

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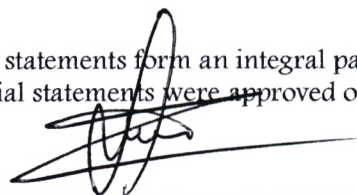
VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
		Kshs	Kshs
Transfers from CDF Board	1	74,153,447	50,948,277
Other Receipts	3	-	143,000
		74,153,447	51,091,277
Payments for operating expenses			
Compensation of Employees	4	2,050,734	2,893,737
Use of goods and services	5	3,743,298	6,753,272
Transfers to Other Government Units	6	20,700,000	14,400,000
Other grants and transfers	7	5,471,800	61,903,899
Other Payments	9	-	-
		31,965,832	85,950,908
Adjusted for:			
Adjustments during the year	14	-	257,210
Net cash flow from operating activities		42,187,615	(34,602,421)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT		42,187,615	(34,602,421)
Cash and cash equivalent at BEGINNING of the year	13	5,153,073	39,755,494
Cash and cash equivalent at END of the year		47,340,688	5,153,073

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kiharu Constituency financial statements were approved on 25/09/2018 and signed by:



Kennedy Kamau
Fund Account Manager



Simon Komu
Sub-County Accountant
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIHARU CONSTITUENCY
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	47,280,658	134,091,003	79,306,520	54,784,483	59%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTALS	86,810,345	47,280,658	134,091,003	79,306,520	54,784,483	59%
PAYMENTS						
Compensation of Employees	2,520,000	452,951	2,972,951	2,050,734	922,217	69%
Use of goods and services	5,292,930	1,115,513	6,408,443	3,743,298	2,665,145	58%
Transfers to Other Government Units	34,422,417	27,248,274	61,670,691	20,700,000	40,970,691	34%
Other grants and transfers	44,574,998	18,463,920	63,038,918	5,471,800	57,567,118	9%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTALS	86,810,345	47,280,658	134,091,003	31,965,832	102,125,171	24%

(a) There was a slowdown in absorption of funds in the first half of 2017/18 financial year as a result of constitution of a new NGCDF committee gazetted in December 2017 after swearing in of a new parliament.

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- (b) The adjustment of Kshs. 47,280,658 constitutes of balance b/f from 2016/17 financial year of Ksh. 5,153,073, Kshs. 30,748,275 balance for 2016/17 financial year disbursed by Board in 2017/18 financial year and additional allocation to the constituency for 2017/18 financial year of Kshs. 11,379,310.
- (c) The actual on comparable basis of Kshs. 79,306,520 constitutes of the Kshs. 74,153,447 disbursed by the NGCDF Board to the constituency during the financial year and Ksh. 5,153,073 brought forward from 2016/17 financial year.
- (d) The constituency did not receive from NGCDF Board a total of Kshs. 54,784,483 being Kshs. 43,405,173 for 2017/18 financial year initially budgeted and the adjusted additional allocation of Kshs. 11,379,310 which largely contributed to budget utilization of 24%.
- (e) Other grants and transfers and transfer to other government units were largely affected by the funds not yet received from the NGCDF Board hence the low budget utilization of 9% and 34% respectively.
- (f) NGCDF prioritized compensation of employees and use of goods and services from the first disbursement received from NGCDF Board hence the budget utilization of 69% and 58% respectively.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kiharu Constituency financial statements were approved on 25/09 2018 and signed by:



Kennedy Kamau
Fund Account Manager



Simon Komu
Sub-County Accountant
ICPAK Member Number:

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
CDF Board AIE No.			
	A829602		4,094,827
	A855035		36,853,449
	A839675		10,000,000
	A855860	5,500,000	
	A855035	30,748,275	
	A896812	37,905,172	
TOTAL		74,153,447	50,948,276

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	143,000
Other Receipts Not Classified Elsewhere	-	-
	-	-
Total	-	143,000

4. COMPENSATION OF EMPLOYEES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees	1,982,234	1,826,400
Basic wages of casual labour	68,500	119,000
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	948,337
Other personnel payments	-	-
Total	2,050,734	2,893,737

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Committee Expenses	1,570,300	2,641,700
Utilities, supplies and services	31,405	144,026
Communication, supplies and services	8,000	37,340
Domestic travel and subsistence	12,000	31,200
Printing, advertising and information supplies & services		-
Rentals of produced assets		-
Training expenses	857,800	2,702,200
Hospitality supplies and services	38,660	80,610
Insurance costs		-
Specialized materials and services		-
Office rent	793,514	624,756
Office and general supplies and services	140,475	82,360
Other operating expenses	22,648	-
Fuel, oil & lubricants	200,000	114,760
Routine maintenance – vehicles and other transport equipment	68,496	274,020
Routine maintenance – other assets		20,300
Total	3,743,298	6,753,272

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT UNITS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	13,400,000	11,300,000
Transfers to secondary schools (see attached list)	7,300,000	3,100,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	20,700,000	14,400,000

7. OTHER GRANTS AND TRANSFERS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	1,894,000	18,771,000
Bursary – tertiary institutions (see attached list)	-	10,096,000
Bursary – special schools (see attached list)	-	316,000
Mock & CAT (see attached list)	-	2,489,899
Water projects (see attached list)	-	-
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	5,000,000
Security projects (see attached list)	1,400,000	13,600,000
Roads projects (see attached list)	-	1,000,000
Sports projects (see attached list)	-	1,636,000
Environment projects (see attached list)	-	995,000
Other Projects (see attached list)	600,000	-
Emergency Projects	1,577,800	8,000,000
Total	5,471,800	61,903,899

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

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

9. OTHER PAYMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017 - 2018	2016 - 2017
	Kshs	Kshs
Family Bank Murang'a, A/c 006000020013	47,340,688	5,153,073
	-	-
	-	-
	-	-
	47,340,688	5,153,073
10B: CASH IN HAND		
	2017 - 2018	2016 - 2017
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations	-	-
	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
			-	
			-	
				0

12: RETENTION

Supplier/Contractor	PV no	2017 - 2018	2016 - 2017
		Kshs	Kshs
-	-		
		-	-
TOTAL		-	-

13: BALANCES BROUGHT FORWARD

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bank accounts	5,153,073	39,755,494
Cash in hand		
Imprest	-	-
Total	5,153,073	39,755,494

14: PRIOR YEAR ADJUSTMENTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
KRA PAYE reversed cheques	-	241,210
NSSF/NHIF reversed cheques	-	16,000
Bank accounts (Cash Book adjustment – 12/2/2016)	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	257,210

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016- 2017
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2017- 2018	2016- 2017
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-
	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

	2017- 2018	2016- 2017
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (specify)	-	-
	-	-

15.4: PMC ACCOUNT BALANCES (See Annex 4)

	2017- 2018	2016- 2017
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (specify)	-	-
	-	-

15.5: Amount due from NGCDF Board

	2017- 2018	2016- 2017
	Kshs	Kshs
Amount due from the Board	54,784,483	41,448,275
	54,784,483	41,448,275

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
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						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIHARU CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
Sub-Total				
Amounts due to other grants and other transfers				
Sub-Total				
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Grand Total				

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	-	-	-	-
Buildings and structures	9,988,431	-	-	9,988,431
Transport equipment	3,264,238	-	-	3,264,238
Office equipment, furniture and fittings	1,076,296	-	-	1,076,296
ICT Equipment, Software and Other ICT Assets	229,680	-	-	229,680
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	14,558,645	-	-	14,558,645

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Thengeini Primary school	Family Bank Murang'a	006000027079	391,440	-
Thangathi Primary School	Family Bank Murang'a	006000027073	491,384	-
Munyutha Primary school	Family Bank Murang'a	006000027141	77,569	-
Gitiri Primary School	Family Bank Murang'a	006000027120	10,400	-
Githundi Pri Sch	Family Bank Murang'a	006000026823	0	132,560.00
Giathiya Sec School	Family Bank Murang'a	006000026825	0	400,000.00
Kahuhia Mixed Sec School	Family Bank Murang'a	006000026743	0	145,900.00
Nyakihai Pry School	Family Bank Murang'a	006000026884	0	19,330.00
Mumbi Pry School	Family Bank Murang'a	006000027498	0	300,000.00
Muringa Primary School	Family Bank Murang'a	006000026196	0	494,530.00
Kiambuigi Pri School	Family Bank Murang'a	006000026836	0	136,750.00
Upendo Pry School	Family Bank Murang'a	006000026967	0	1,200,000.00
Kiawambeu Primary School	Family Bank Murang'a	006000026988	0	63,475
Gathukeini Primary School	Family Bank Murang'a	006000026137	0	493,130.00
Kigongo Pry Sch	Family Bank Murang'a	006000026821	0	22,550.00
Gakuyu Pry Sch	Family Bank Murang'a	006000026838		400,000.00
Mariaini Primary School	Family Bank Murang'a	006000026311		205,050.00

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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)
1	Cash and cash equivalents – stale cheques amounting to Kshs. 599,441 excluded from bank balance	All stale cheques have since been cancelled and reversed in the cash and vote books and for bursary – re issued to other needy students	Simon Komu, D.A	Resolved	-
2	Unsupported transfer from CDF Board – AIE amounting to Kshs. 1,920,580.40 not presented for verification	Follow up being made with Board for copy of AIE	Dinah Wanja, FAM	Resolved	-
3	Unsupported bursary payments – acknowledgement receipts from schools for bursary amounting to Kshs. 11,109,879 not presented for verification	Follow up being made with the respective beneficiary schools to submit acknowledgement receipts	Michael Mucheru, Accounts Assistant	Resolved	-
4	Karemainsi Dispensary – poor workmanship	Retention money utilized to repair defects. NGCDFC has written to County Government to take over the project	John Nderitu, PMC Chairman	Resolved	-
5	Nyakihai Water Project – double funding/returns	The second cheque erroneously written in favour of the project was cancelled and reversed in the cash and vote books. Kiharu NGCDF has written to MUWASCO, the water service provider responsible for management of the project to ensure defects on the supply line are addressed	E. Maina, M.D MUWASCO	Resolved	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIHARU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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)
6	Funding of incomplete road works – Mjini Road	Though the length of the road is approximately 2 kms, the available funds were only sufficient for 540m ³ of gravelling works. The entire 2km stretch could not be covered since the amount of money allocated to the project was insufficient. The available funds covered about 0.9 km and the contractor was only paid for the works done based on certification by the Roads Engineer – KERRA, Murang'a.	Michael M. Ng'ang'a – CRO, KERRA Murang'a	Resolved	-

KIHARU NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

TRIAL BALANCE AS AT 30 JUNE 2018

		DR	CR
Receipts			
	Transfers from the Board		74,153,447
	Proceeds from sale of assets		-
	Others receipts		-
Fund Balance b/f 1/7/2017			5,153,073
Payments			
	Compensation of Employees	2,026,932	
	Use of goods and services	3,767,100	
	Transfers to Other Government Units	20,700,000	
	Other grants and transfers	5,471,800	
	Acquisition of Assets	-	
	Other Payments	-	
Fund balance c/f 30/6/2018		47,340,688	
TOTAL		79,306,520	79,306,520

KIHARU NATIONAL GOVERNMENT CDF

LEDGER: COMPENSATION OF EMPLOYEES

	DATE	CHQ NO	AMOUNT	TOTAL
BASIC WAGES OF CONTRACTUAL EMPLOYEES				
Family Bank - Murang'a (Salary)	03.08.17	003559	131,333	
Comm of income tax	03.08.17	003560	15,667	
NSSF	03.08.17	003561	2,000	
NHIF	03.08.17	003562	4,450	
Family Bank - Murang'a (Salary)	06.09.17	003564	131,333	
Comm of income tax	06.09.17	003565	15,667	
NSSF	06.09.17	003566	2,000	
NHIF	06.09.17	003567	4,450	
Family Bank - Murang'a (Salary arrears)	08.02.18	003652	656,667	
Comm of income tax	08.02.18	003653	78,333	
NSSF	08.02.18	003654	10,000	
NHIF	08.02.18	003656	22,250	
Family Bank - Murang'a (Salary)	08.02.18	003663	131,333	
Comm of income tax	08.02.18	003664	15,667	
NSSF	08.02.18	003665	2,000	
NHIF	08.02.18	003666	4,450	
Family Bank - Murang'a (Salary)	02.03.18	003670	131,261	
Comm of income tax	02.03.18	003671	12,710	
NSSF	02.03.18	003672	2,400	
NHIF	02.03.18	003673	3,850	
Family Bank - Murang'a (Salary)	28.03.18	003704	126,225	
Comm of income tax	28.03.18	003705	11,445	
NSSF	28.03.18	003706	15,003	
NHIF	28.03.18	003707	3,850	
Family Bank - Murang'a (Salary)	02.05.18	003715	126,993	
Comm of income tax	02.05.18	003716	10,677	
NSSF	02.05.18	003717	15,003	
NHIF	02.05.18	003718	3,850	
Family Bank - Murang'a (Salary)	31.05.18	003715	126,993	
Comm of income tax	31.05.18	003716	10,677	
NSSF	31.05.18	003717	15,003	
NHIF	31.05.18	003718	3,850	
Family Bank - Murang'a (Salary)	25.06.18	003740	126,993	
Comm of income tax	25.06.18	003741	10,677	
NSSF	25.06.18	003742	15,003	
NHIF	25.06.18	003743	3,850	
NSSF stale Chqs No. 3292, 3410, 3421 reversal	29.06.18		(6,000)	
PAYE stale Chq No. 3420 reversal	29.06.18		(15,677)	1,982,234
BASIC WAGES OF CASUAL LABOUR	JULY 2017 - JAN 2018		68,500	68,500
TOTAL				2,050,734

KIHARU NATIONAL GOVERNMENT CDF

LEDGER: USE OF GOODS & SERVICES

	DATE	CHQ NO	AMOUNT	TOTAL
COMMITTEE EXPENSES				
Kennedy Kamau	20.09.17	003568	40,000	
Kennedy Kamau	20.02.18	003669	282,000	
Kennedy Kamau	21.03.18	003703	52,000	
Kennedy Kamau	25.06.18	003739	217,000	
Kennedy Kamau	20.09.17	003569	40,000	
Kennedy Kamau	07.03.18	003699	496,600	
Kennedy Kamau	24.05.18	003729	372,700	
Kennedy Kamau		Imp	70,000	1,570,300
UTILITIES, SUPPLIES AND SERVICES				
			31,405	31,405
COMMUNICATION, SUPPLIES AND SERVICES				
			8,000	8,000
DOMESTIC TRAVEL AND SUBSISTENCE				
			12,000	12,000
TRAINING EXPENSES				
Kennedy Kamau	28.03.18	003711	60,000	
Kennedy Kamau	10.04.18	003714	550,200	
Kennedy Kamau	08.05.18	003721	247,600	857,800
HOSPITALITY SUPPLIES AND SERVICES				
			38,660	38,660
OFFICE RENT				
Agricultural Finance Corporation	08.02.18	003661	399,259	
Kenya Revenue Authority	08.02.18	003662	17,245	
Ngeka Centre Ltd	29.03.18	003712	178,755	
Kenya Revenue Authority	29.03.18	003713	9,750	
Ngeka Centre Ltd	08.06.18	003735	178,755	
Kenya Revenue Authority	08.06.18	003736	9,750	793,514
OFFICE AND GENERAL SUPPLIES AND SERVICES				
			140,475	140,475
FUEL, OIL & LUBRICANTS				
Astrol Petroleum Co. Ltd	08.02.18	003657	100,000	
Astrol Petroleum Co. Ltd	08.06.18	003738	100,000	200,000
OTHER OPERATING EXPENSES				
D.A Murang'a (Bank Charges)	29.06.18		22,648	22,648
ROUTINE MAINTENANCE – VEHICLE				
Thika Motor Dealers	14.02.18	003667	35,594	
Kenya Revenue Authority	14.02.18	003668	1,942	
Kennedy Kamau Kiura		Imp	30,960	68,496
			3,743,298	3,743,298

KIHARU NATIONAL GOVERNMENT CDF

LEDGER: TRANSFERS TO OTHER GOVERNMENT UNITS

	DATE	CHQ NO	AMOUNT	TOTAL
PRIMARY SCHOOLS				
Gathiru Pri school	06.03.18	003674	400,000	
Githuuri Pri School	06.03.18	003675	400,000	
Matithi Pri School	06.03.18	003676	500,000	
Mamumbu Pri School	06.03.18	003677	400,000	
Rutune Pri School	06.03.18	003678	400,000	
Kiangochi Pri School	06.03.18	003679	400,000	
Githuguya Pri School	06.03.18	003680	600,000	
Munyutha Pri School	06.03.18	003681	400,000	
Mirichu Pri School	06.03.18	003682	400,000	
Gitiri Pri School	06.03.18	003683	400,000	
Kaganda Pri School	07.03.18	003684	400,000	
Kahithe Pri School	07.03.18	003685	400,000	
St. Mary's Pri School	07.03.18	003686	600,000	
Matharite Pri School	07.03.18	003687	400,000	
Theri Pri School	07.03.18	003688	400,000	
Gitui Pri School	07.03.18	003689	500,000	
Mukangu Pri School	07.03.18	003690	400,000	
Githambo Pri School	07.03.18	003694	400,000	
Mbiri Pri School	07.03.18	003695	2,000,000	
Gatara Pri School	09.03.18	003702	600,000	
Vidhuramji Pri School	28.03.18	003710	1,200,000	
Thengeini Pri School	18.05.18	003722	400,000	
Maragi Pri School	21.05.18	003726	900,000	
Thangathi Pri School	21.05.18	003728	500,000	13,400,000
SECONDARY SCHOOLS	DATE	CHQ NO	AMOUNT	
Mukurwe Wa Nyagathanga Sec Sch	03.07.17	003555	500,000	
Murarandia Day Sec School	03.08.17	003563	1,000,000	
Kiaguthu Sec School	07.03.18	003691	600,000	
Kirogo Sec School	07.03.18	003692	600,000	
Vidhu Ramji Sec School	07.03.18	003697	3,500,000	
Nyakahai Sec School	02.05.18	003719	600,000	
Yamugwe Sec School	31.05.18	003734	500,000	7,300,000
TOTAL				20,700,000

KIHARU NATIONAL GOVERNMENT CDF

LEDGER: OTHER GRANTS AND TRANSFERS

BURSARY	DATE	CHQ NO	AMOUNT	TOTAL
Bursary - Secondary Schools	10.01.18	003570-003625	1,894,000	1,894,000
SECURITY PROJECTS				
Ititu Chief's Office	07.03.18	003698	500,000	
Thengeini Chief's Office	09.03.18	003700	400,000	
Kiawambeu Chief's Office	09.03.18	003701	500,000	1,400,000
OTHER PROJECTS				
Gaturi Education Office	07.03.18	003696	600,000	600,000
EMERGENCY				
Kiamuri Pri School	08.02.18	003658	250,000	
Gitweku Girls Sec School	07.03.18	003693	500,000	
Hawmark Valuers Ltd	28.03.18	003708	784,983	
Kenya Revenue Authority	28.03.18	003709	42,817	1,577,800
TOTAL				5,471,800

ANNUAL EXPENDITURE RETURNS

CONSTITUENCY NAME: KIHARU		FINANCIAL YEAR: 2017/2018		AMOUNT			
CASH BOOK BALANCE AS AT 01/07/ 2017			(Copy of relevant cash book page extract attached)		5,153,073.05		
AMOUNT RECEIVED FROM THE NGCDF BOARD			DATE CAPTURED IN CASH BK	A/E NO.			
			30.01.18	A.I.E NO.A855860	5,500,000.00		
			08.02.18	A.I.E NO.A855035	30,748,275.10		
			16.05.18	A.I.E NO.A896812	37,905,172.00		
			29.06.18	NSSF stale Chqs No. 3292, 3410, 3421 reversal	6,000.00		
			29.06.18	PAYE stale Chq No. 3420 reversal	15,677.00		
AVAILABLE FUNDS					74,175,124.10		
ALLOCATION			EXPENDITURE				
PROJECT CODE	SECTOR/ PROJECT TITLE	ALLOCATION	DATE	P.V NO.	CHEQUE NO.	AMOUNT SPENT	TOTAL AMOUNT SPENT/VOTE
2110000	ADMINISTRATION/ RECURRENT						
						Expenditure b/f	
			03.07.17		003556	100,000.00	
			03.08.17		003559	131,333.00	
			03.08.17		003560	15,667.00	
			03.08.17		003561	2,000.00	
			03.08.17		003562	4,450.00	
			06.09.17		003564	131,333.00	
			06.09.17		003565	15,667.00	
			06.09.17		003566	2,000.00	
			06.09.17		003567	4,450.00	
			20.09.17		003568	40,000.00	
			08.02.18		003652	656,667.00	
			08.02.18		003653	78,333.00	
			08.02.18		003654	10,000.00	
			08.02.18		003656	22,250.00	
			08.02.18		003657	100,000.00	
			08.02.18		003660	100,000.00	
			08.02.18		003661	399,259.00	
			08.02.18		003662	17,245.00	
			08.02.18		003663	131,333.00	
			08.02.18		003664	15,667.00	
			08.02.18		003665	2,000.00	
			08.02.18		003666	4,450.00	
			14.02.18		003667	35,594.00	
			14.02.18		003668	1,942.00	
			20.02.18		003669	282,000.00	
			02.03.18		003670	131,261.00	
			02.03.18		003671	12,710.00	
			02.03.18		003672	2,400.00	
						74,175,124.10	79,528,197.15

