

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

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OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND GATUNDU SOUTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
GATUNDU SOUTH CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – GATUNDU
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- GATUNDU SOUTH
-CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *National Government Constituencies Development Fund (NGCDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *National Government Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *National Government Constituencies Development Fund*. The objective of the fund to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The *Gatundu South Constituency's* 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 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Cynthia Robi
3.	Accountant	Jackline Wasilwa
4.		

(d) Fiduciary Oversight Arrangements

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

(e) GATUNDU SOUTH NGCDF Headquarters

P.O. Box 218-01030
NGCDF Building
Gatundu

*NATIONAL GOVERNMENT NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT
- FUND- GATUNDU SOUTH CONSTITUENCY*
Reports and Financial Statements
For the year ended June 30, 2017

(f) GATUNDU SOUTH NGCDF Contacts

Telephone: (254) 727 389 947
E-mail: ngcdfgatundusouth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) GATUNDU SOUTH NGCDF Bankers

1. Equity bank
Gatundu Town
P.O. Box
Gatundu Branch

(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 NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT
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**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NGCDFC)**

The NGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Gatundu South.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NGCDFCs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.



Sign

CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT
FUND- GATUNDU SOUTH CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017**

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the GATUNDU SOUTH National Government Constituency Development Fund is responsible for the preparation and presentation of the GATUNDU SOUTH NGCDF financial statements, which give a true and fair view of the state of affairs of the GATUNDU SOUTH NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. 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 NGCDF; (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 NGCDF; (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 GATUNDU SOUTH NGCDF accepts responsibility for the NGCDF'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 NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the GATUNDU SOUTH NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the GATUNDU SOUTH NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF'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 NGCDF'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's financial statements were approved and signed by the Accounting Officer on 01/08/2017.


Fund Account Manager

NG-CDF GATUNDU SOUTH
FUND ACCOUNT MANAGER
P.O. Box 212-01000, GATUNDU
Date: Sgn:


Chairman NGCDFC

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-GATUNDU SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund–Gatundu South Constituency set out on pages 5 to 29, which comprise the statement of assets as at 30 June 2017, 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 National Government Constituencies Development Fund–Gatundu South Constituency as at 30 June, 2017, 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 National Government Constituencies Development Fund, 2015.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, based on the procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

Other Grants and Other Payments

Included in the financial statements for the year ended 30 June 2017 and detailed under Note 7 are other grants and transfers balance of Kshs.49,064,587 which includes Kshs.2,527,927 relating to sports projects. However, an amount of Kshs.718,420 included in the balance was not supported by payment vouchers while a distribution list for the sports kits alleged purchased were not provided for audit review. Consequently, the accuracy of

sports projects balance of Kshs.2,527,927 for the year ended 30 June 2017 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1. Unsupported Bursary

Note 7 to the financial statements for the year ended 30 June 2017 reflects other grants and transfers balance of Kshs.49,064,587 which includes expenditure of Kshs.21,457,000 and Kshs.7,221,400 bursary-secondary schools and bursary-tertiary institutions respectively totaling to Kshs.28,678,400 which was awarded to various beneficiaries in learning institutions as bursaries to needy students. However, no acknowledgement letters/receipts from the receipts institutions were received for the awards amounting to Kshs.763,000 was provided to confirm the bursaries was received and accounted for.

Consequently, it has not been possible to ascertain whether the bursary awarded during the year ended 30 June 2017 reached the intended beneficiaries and was properly accounted for.

2. Budget Performance

The summary statement of appropriation; recurrent and development combined reflects actual receipts for the year of Kshs.113,655,800 against actual expenditure of Kshs.110,771,255 equivalent to absorption rate of 98% as analyzed below:

Item	Budget Amount (Kshs.)	Actual Amount (Kshs.)	Variance (Kshs.)	Absorption Rate %
Receipts	113,655,800	113,655,800	0	100
Payments				
Compensation to Employees	2,959,248	1,753,497	1,205,751	59
Use of Goods and Services	7,687,009	6,375,411	1,311,598	83
Transfers to Other Government Units	70,350,000	52,669,035	17,680,965	75
Other Grants and Transfers	32,259,543	49,064,587	(16,805,044)	152
Acquisition of Assets	400,000	858,726	(458,726)	215
Other Payments	-	50,000	(50,000)	
Total	113,655,800	110,771,255	2,884,544	98

The table above shows that the NG-CDF overspent grants and transfers by Kshs.16,805,044, acquisition of assets by Kshs.458,756 and other payments by Kshs.50,000 totaling Kshs.17,313,770. However, the management, did not provide prior approval for the over expenditure which is an indication of unauthorized reallocation of funds contrary to section 6(2) of the National Government Constituencies Development Fund Act, 2015.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 such 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability 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 liquidate the Fund or 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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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.

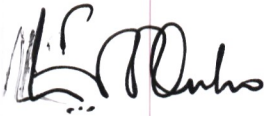
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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 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.



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

Nairobi

23 October 2018

NATIONAL GOVERNMENT NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT
 FUND- GATUNDU SOUTH CONSTITUENCY

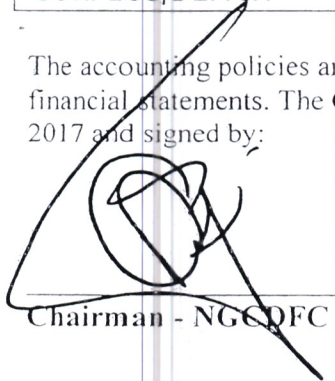
Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board-AIEs' Received	1	82,396,552	105,080,933
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		82,396,552	105,080,933
PAYMENTS			
Compensation of employees	4	1,753,497	2,154,371
Use of goods and services	5	6,375,411	5,381,838
Transfers to Other Government Units	6	52,669,035	61,845,840
Other grants and transfers	7	49,064,587	24,637,900
Acquisition of Assets	8	858,726	-
Other Payments	9	50,000	-
TOTAL PAYMENTS		110,771,255	94,019,948
SURPLUS/DEFICIT		(28,374,704)	11,060,986

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GATUNDU SOUTH NGCDF financial statements were approved on 01/08/17 2017 and signed by:


 Chairman - NGCDFC

NG - C.D.F. GATUNDU SOUTH
 FUND ACCOUNT MANAGER
 P.O. Box 213-01030, GATUNDU
 Date: Sign:


 Fund Account Manager

NATIONAL GOVERNMENT NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT
FUND- GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2017

V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,884,544	31,209,248
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11	-	50,000
TOTAL FINANCIAL ASSETS		2,884,544	31,259,248
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	31,259,248	20,198,262
Surplus/Deficit for the year		(28,324,704)	11,060,986
Prior year adjustments	14	-	-
NET LIABILITIES		2,884,544	31,259,248

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GATUNDU SOUTH NGCDF financial statements were approved on 01/08/17 2017 and signed by

Chairman - NGCDFC

NG - C.D.F GATUNDU SOUTH
FUND ACCOUNT MANAGER
P. O. Box 213-01030, GATUNDU
Date.....
Sgn.....

Fund Account Manager

NATIONAL GOVERNMENT NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT
FUND- GATUNDU SOUTH CONSTITUENCY


Reports and Financial Statements
For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from NGCDF Board	1	82,396,552	105,080,933
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	1,753,497	2,154,371
Use of goods and services	5	6,375,411	5,381,838
Transfers to Other Government Units	6	52,669,035	61,845,840
Other grants and transfers	7	49,064,587	24,637,900
Other Payments	9	50,000	-
Total		109,862,529	94,019,949
Adjusted for:			
Adjustments during the year		-	30,402
Net cash flow from operating activities		(27,515,978)	11,091,387
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	858,726	-
Net cash flows from Investing Activities		(858,726)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(28,374,704)	11,091,387
Cash and cash equivalent at BEGINNING of the year	15	31,259,248	20,167,861
Cash and cash equivalent at END of the year	16	2,884,544	31,259,248

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GATUNDU SOUTH NGCDF financial statements were approved on 01/08/17 2017 and signed by:


Chairman NGCDFC


Fund Account Manager

NG - CDF GATUNDU SOUTH
FUND ACCOUNT MANAGER
P. O. Box 215-1100, GATUNDU
Date:

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on	Budget	% of Utilisation
	a	b	c=a+b	Comparable Basis	Utilisation Difference	
RECEIPTS				d	e=c-d	f=d/c %
Transfers from NGCDF Board	81,896,552	31,759,248	113,655,800	113,655,800	0	100%
Proceeds from Sale of Assets						
Other Receipts	-					
PAYMENTS						
Compensation of Employees	2,200,000	759,248	2,959,248	1,753,497	1,205,751	
Use of goods and services	4,770,689	2,916,320	7,687,009	6,375,411	1,311,598	82.9%
Transfers to Other Government Units	57,800,000	12,550,000	70,350,000	52,669,035	17,680,965	74.9%
Other grants and transfers	16,725,863	15,533,680	32,259,543	49,064,587	(16,805,044)	152.1%
Acquisition of Assets	400,000	-	400,000	858,726	(458,726)	214.7%
Other Payments				50,000	(50,000)	
TOTALS	81,896,552	31,759,248	113,655,800	110,771,255	2,884,544	97.5%

Reports and Financial Statements
For the year ended June 30, 2017

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]


(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. Xxxx
- ii. Xxxx
- iii. Xxxx
- iv. Xxxx
- v. Xxxx

The GATLINDU SOUTH NGCDF financial statements were approved on 01/08/ 2017 and signed by:



Chairman NGCDF


NG - C.D.F. GATLINDU SOUTH
FUND ACCOUNT MANAGER

Fund Account Manager: D. For 215-01000. CHAUSD

Date:.....

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
NGCDF Board			
AIE NO	A82598	500,000	
AIE NO	A829552	4,094,827.60	
AIE NO	A839593	36,853,449	
	A855508	30,117,239	
	A855712	10,831,036	
	A796237		3,500,000.00
	A 724081		30,000,000.00
	A796468		10,000,000.00
	A 820725		11,000,000.00
	A 825599		25,000,000.00
	A 825754		25,580,933.00
TOTAL		82,396,552	105,080,933

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

	2016 - 2017	2015 - 2016
	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	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.3 OTHER RECEIPTS

	2016- 2017	2015 - 2016
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,535,225	1,293,844
Employer Contribution NHIF , NSSF	93,600	
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	439,618
Gratuity	-	351,891
Other personnel payments	124,672	69,018
Total	1,753,497	2,154,371

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.5 USE OF GOODS AND SERVICES

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Utilities, supplies and services	42,980	110,554
Office Rent	-	-
Communication, supplies and services	6,960	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Committee Expenses	1,292,900	-
Other Allowance Expense	2,700,000	609,190
Hospitality supplies and services	-	3,612,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,832,914	714,094
Fuel ,oil & lubricants	425,000	336,000
Other operating expenses	31,141	-
Routine maintenance – vehicles and other transport equipment	43,516	-
Routine maintenance – other assets	-	-
	-	-
Total	6,375,411	5,381,838

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.6 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017 Kshs	2015 – 2016 Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	22,531,035	21,334,190
Transfers to secondary schools (see attached list)	20,138,000	35,011,650
Transfers to tertiary institutions (see attached list)	10,000,000	5,000,000
Transfers to health institutions (see attached list)	-	500,000
TOTAL	52,669,035	61,845,840

1.1.1.1.1.1.7 OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017 Kshs	2015- 2016 Kshs
Bursary – secondary schools (see attached list)	21,457,000	3,968,300
Bursary – tertiary institutions (see attached list)	7,221,400	4,351,550
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	1,098,930	3,748,370
Water projects (see attached list)	-	-
Agriculture projects (see attached list)	-	2,000,000
Environment Projects (see attached list)	578,601	-
Security projects (see attached list)	9,650,000	4,500,000
Roads projects (see attached list)	-	-
Sports projects (see attached list)	2,527,927	596,800
Other Capitals grants and transfer (see attached list)	2,496,900	-
Emergency projects (see attached list)	4,033,829	5,472,880
Total	49,064,587	24,637,900

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU
SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.8 ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2016 - 2017 Kshs	2015- 2016 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	858,726	-
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	858,726	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU
SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.1 OTHER PAYMENTS

specify	2016 - 2017 Kshs	2015- 2016 Kshs
---------	---------------------	--------------------

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

Name of Bank, Account No. & currency	2016 - 2017 Kshs (30/6/2016)	2015 - 2016 Kshs (30/6/2015)
Equity Bank A/C No. 0660261950170	2,884,544	31,209,247.95
Total	2,884,544	31,209,248

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2016 - 2017 Kshs	2015 – 2016 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Lemain Kenneth	18/02/2016	50,000	-	50,000
Total				50,000

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RETENTION

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	<u>-</u>	<u>-</u>

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	2,884,544	20,198,263.45
Cash in hand	0	-
Imprest	0	-
Total	<u>2,884,544</u>	<u>20,198,263.45</u>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	<u>-</u>	<u>-</u>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU
SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016	2017	2015 - 2016
	Kshs		Kshs
Construction of buildings	-	-	-
Construction of civil works	-	-	-
Supply of goods	-	-	-
Supply of services	-	-	-
	-	-	-
	-	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2016	2017	2015 - 2016
	Kshs		Kshs
Senior management	-	-	-
Middle management	-	-	-
Unionisable employees	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-
	-	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

	2016	2017	2015 - 2016
	Kshs		Kshs
Amounts due to other Government entities (see attached list)	-	-	-
Amounts due to other grants and other transfers (see attached list)	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-
	-	-	-

15.4: PMC account balances (See Annex 5)

	2016	2017	2015 - 2016
	Kshs		
PMC account Balances (see attached list)	111,325.20	121,135.20	
	111,325.20	121,135.20	
	111,325.20	121,135.20	

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2017	Comments
	a	b	c	d=a-c		
Construction of buildings						
Sub-Total						
Construction of civil works						
Sub-Total						
Supply of goods						
Sub-Total						
Supply of services						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	0	0
Buildings and structures	10,259,410	10,259,410
Transport equipment	3,094,999	3,094,999
Office equipment, furniture and fittings	1,341,260	1,341,260
ICT Equipment, Software and Other ICT Assets	381,640	381,640
Other Machinery and Equipment	865,796	7,070
Heritage and cultural assets	0	0
Intangible assets	0	0
Total	16,801,831	15,084,377

Prepared by:



CYNTHIA ROBI CHACHA
Fund Account Manager
NG-CDF Gatundu South

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Gachoka A.P Post	Equity	0660162830828	343.25	343.25
Gachoka Secondary School	Equity	0660272354257	15	-
Gakunju memorial pry sch	Equity	0660263839454	2,084.45	44,829.45
Gathage secondary school	Equity	0660265009314	30.00	30.00
Gathange Assistant Chief's Office	Equity	0660170904084	425	-
Gathiru Primary School	Equity	0660162166078	120	-
Gathuri sec school	Equity	0660166067959	-	-
Gatitu Girls Secondary School	Equity	0660171303871	725	-
Gatitu Primary School	Equity	0660191642454	1080.95	-
Gatundu KMTC	Equity	1770272146812	11249.1	-
Gikobu Primary school	Equity	0660296385938	665.00	665.00
Gikure Primary School Toilets	Equity	0660171082679	139.95	-
Githunguchu pry school	Equity	0660168285283	1,491,792.00	682.00
Githuya sec school	Equity	0660266072760	0.90	0.90
Ituru high school	Equity	0660166067899	0.60	0.60
Kagera Primary School	Equity	0660293191887	2491.20	-
kahugu-ini Ap Post	Equity	0660161442621	730	-
Kamutua sec school	Equity	0660266072804	80.00	80.00
Karinga sec school	Equity	0660166067982	-	-

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
				-
Kiamugo Primary School	Equity	0660162890264	5,473.30	-
Kiamwangi AP POST PMC	Equity	0660168410750	390.00	390.00
Kiamwangi Primary School	Equity	0660161813976	2259	-
Kiamwangi sec school	Equity	0660161769276	340.00	340.00
Kigaa A.P Post	Equity	0660162826431	5,074.20	5,074.20
Kigaa Primary school	Equity	0660262827125	58	-
Kiganjo market Public TOILET PMC	Equity	0660168382470	220.00	220.00
Kiganjo Primary School	Equity	0660272354222	0.15	-
Kimunyu Primary School	Equity	0660193119224	2574.80	-
Kimunyu secondary school	Equity	0660263368079	47.00	11,452.00
Kimunyu stadium	Equity	0660264265590	6,650.00	6,650.00
Mundoro A.P Post	Equity	0660199637757	170	-
Munyiuni secondary school	Equity	0660195070170	90,683.10	3,598.10
Mutati AP Post	Equity	0660169211643	890	-
Ndarugu Secondary School	Equity	0660171088412	105	-
Nembu AP Post	Equity	0660161442459	920	-
Nembu sec school	Equity	0660266072827	1,100.00	1,100.00
Ngenda AP Post	Equity	0660170903814	5525	-
Ngenda Secondary school	Equity	0660166067864	30.00	30.00


NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Thaara Asistant Chief's Office	Equity	0660161441884	775	-
Thaara Primary	Equity	0660193267800	1.00	1.00
Wamitaa Primary School	Equity	0660162167420	1900.13	-
Wamwangi market Public Toilet	Equity	0660168380802	190.00	190.00
Wamwangi Secondary School	Equity	0660295143030	1975	-
			111,325.20	121,135.20

Prepared by:



CYNTHIA ROBI

Fund Account Manager

NG-CDF Gatundu South

Confirmed by:

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

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)	Time frame: (Put a date when you expect the issue to be resolved)

NATIONAL GOVERNMENT ENTITY - (*indicate actual name of the entity*)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

MONTHLY AND ANNUAL EXPENDITURE RETURNS

CONSTITUENCY NAME: GATUNDU SOUTH		CASH BOOK BALANCE AS AT 30Th 06 2017		CASH BOOK BALANCE AS AT 1ST JULY 2016		DATE	P.V. NO.	CHEQUE NO	AMOUNT	AMOUNT
PROJECT CODE	SECTOR/PROJEC T TITLE	ALLOCATION	PAYEE	DATE	P.V. NO.	CHEQUE NO	AMOUNT	AMOUNT	AMOUNT	
				20/9/2016		A825958	500,000.00		31,209,247.95	
				10/04/2016		A829552	4,094,827.60			
				21/11/2016		A839593	36,853,449.00			
				30/1/2017		A855508	30,117,239.00			
				22/03/2017		A855712	10,831,036.00		82,396,551.60	
AVAILABLE FUNDS ALLOCATION									113,605,799.55	
	ADMINISTRATION/RECURRENT	Administration - Salary		02/08/2016	9	2481	116,325.20			
			Staff salaries July 2016	02/08/2016	7	2482	4,200.00			
			NHIF July 2016	02/08/2016	6	2483	3,600.00			
			CIT July 2016	02/08/2016	8	2484	14,216.00			
			Staff salaries August 2016	25/08/2016	32	2505	116,325.20			
			NSSF August 2016	25/08/2016	33	2506	3,600.00			
			NHIF August 2016	25/08/2016	34	2507	4,200.00			
			CIT August 2016	25/08/2016	35	2508	14,216.00			
			FAM:Subsistence	15/9/2016	39	2513	11,500.00			
			FAM:Subsistence	15/9/2016	40	2513	11,500.00			
			Staff salaries Sept 2016	26/9/2016	48	2515	108,507.20			
			NSSF August 2016	26/9/2016	49	2516	3,600.00			
			NHIF August 2016	26/9/2016	50	2517	4,200.00			
			CIT August 2016	26/9/2016	52	2518	14,216.00			
			HELB :July,Aug,Sept 2016	26/9/2016	51	2519	7,818.00			
			FAM:Subsistence	10/05/2016	56	2523	6,000.00			
			FAM:Subsistence	10/05/2016	55	2523	1,000.00			
			Staff salaries Oct 2016	25/10/2016	70	2731	113,719.00			
			NSSF October 2016	25/10/2016	71	2732	3,600.00			
			NHIF October 2016	25/10/2016	72	2733	4,200.00			
			CIT October 2016	25/10/2016	71	2734	14,216.00			
			HELB :October 2016	25/10/2016	74	2735	2,606.00			
			FAM:Subsistence	11/09/2016	75	2737	11,500.00			
			FAM:Subsistence	11/09/2016	74	2737	22,700.00			
			PAYE Nov. 2016	24/11/2016	93	2757	14,216.00			
			HELB Nov 2016	24/11/2016	94	2758	2,606.00			
			NHIF Nov 2016	24/11/2016	92	2759	4,200.00			
			NSSF Nov 2016	24/11/2016	91	2760	3,600.00			
			Staff salaries Nov 2016	24/11/2016	90	2761	113,719.00			

Egwithi Developers Ltd- Equipments	02/08/2016	17	2489	295,900.00		
FAM-Office expenses	02/08/2016	17	2491	14,000.00		
FAM-Office expenses	02/08/2016	18	2491	9,000.00		
FAM-Office expenses	02/08/2016	19	2491	13,000.00		
FAM-Office expenses	02/08/2016	20	2491	8,000.00		
FAM-Office expenses	02/08/2016	21	2491	170.00		
FAM-Office expenses	02/08/2016	22	2491	5,000.00		
FAM-Office expenses	02/08/2016	23	2491	600.00		
FAM-Office expenses	08/02/2016	32	2504	52,000.00		
Gateway Service Station	11/08/2016	26	2503	425,000.00		
Bank charges	28/09/2016	54	Cash	3,312.75		
Postal corporation of Kenya	14/9/2016	38	2512	6,960.00		
FAM-Office expenses	15/9/2016	46	2513	17,395.00		
FAM-Office expenses	15/9/2016	45	2513	6,000.00		
FAM-Office expenses	15/9/2016	44	2513	7,000.00		
FAM-Office expenses	15/9/2016	43	2513	13,500.00		
FAM-Office expenses	15/9/2016	42	2513	4,150.00		
FAM-Office expenses	15/9/2016	41	2513	970.00		
FAM-Office expenses	10/05/2016	55	2523	2,099.00		
FAM-Office expenses	10/05/2016	56	2523	12,000.00		
FAM-Office expenses	10/05/2016	57	2523	560.00		
FAM-Office expenses	10/05/2016	58	2523	3,720.00		
FAM-Office expenses	10/05/2016	59	2523	12,750.00		
FAM-Office expenses	10/05/2016	60	2523	10,625.00		
FAM-Office expenses	11/09/2016	81	2737	20,000.00		
FAM-Office expenses	08/11/2016	80	2737	560.00		
FAM-Office expenses	08/11/2016	79	2737	6,000.00		
FAM-Office expenses	08/11/2016	78	2737	10,000.00		
FAM-Office expenses	08/11/2016	77	2737	6,000.00		
FAM-Office expenses	08/11/2016	76	2737	6,990.00		
FAM-Office expenses	24/11/2016	93	2756	32,000.00		
FAM-Office expenses	24/11/2016	92	2756	17,810.00		
KRA	22/11/2016	86	2746	2,374.00		
Muranga Motor spares Ltd- vehicle	22/11/2016	86	2745	43,516.00		
FAM-Office expenses	21/12/2016	123	2781	6,000.00		
FAM-Office expenses	21/12/2016	120	2781	17,000.00		
FAM-Office expenses	21/12/2016	121	2781	21,500.00		
FAM-Office expenses	21/12/2016	122	2781	3,920.00		
FAM-Office expenses	21/12/2016	127	2781	38,500.00		
FAM-Office expenses	01/11/2017	126	2790	52,000.00		
FAM-Office expenses	18/01/2017	131	2793	26,970.00		

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