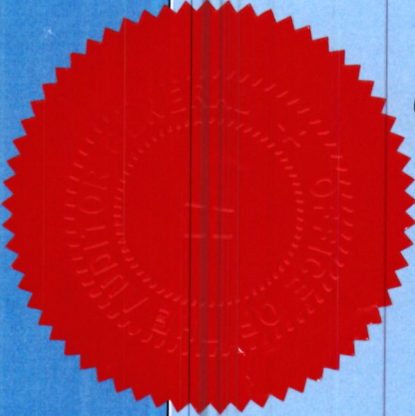


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 21 NOV 2018	DAY: Wed
TABLED BY:	The Hon. Aden Duale, EGH, MP
CLERK-AT-THE-TABLE:	Mary

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OF KENYA
LIBRARY

REPORT
OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI

29 SEP 2017

RECEIVED

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU 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 – LIMURU
CONSTITUENCY

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

The *Limuru Constituency's* day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Edwin Karani
3.	Accountant	Dominic Matiri

(d) Fiduciary Oversight Arrangements

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

(e) Limuru NG- CDF Headquarters

P.O. Box 11-00217
Limuru NG-CDF office building
In the Deputy county commissioner's compound
Limuru, KENYA

*NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY*

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

(f) Limuru NG-CDF Contacts

Telephone: (254) 0721-772317
E-mail: limuruconstituency.go.ke
Website: www.ngcdf.go.ke

(g) Limuru NG-CDF Bankers

1. Equity bank,
P.O BOX 987-00217
Limuru, Kenya.

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

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

Chairman's remarks;

The budget performance for this financial year has improved greatly. The overall budget performance has increased from 56.0% in the previous financial year to 92.6% in the financial year 2016/2017. This has been attributed to better efficiencies in management and in addition minimal interference of operations like was experienced in the financial year 2015/2016 due to enactment of the NG-CDF act 2015.

The quality of projects has also improved dramatically; by and large this can be attributed to the recent crop of contractor's who have upheld professionalism and quality standards. Close inspection by the NG-CDF's clerk of works has also attributed to the same.

The Limuru NG-CDF has managed to launch among the first ICT innovation hubs in the country with the help of the ministry of ICT. The hub has presented the community and more so the youth with a platform for engaging in the internet with no costs attached. This project has greatly assisted the community in that regard.

One of the greatest challenge, which is a form of a bitter, sweet situation is the sustainability of the ICT innovation hubs. Considering that the NG-CDF cannot undertake recurrent expenditure on the project it poses a challenge on how the day to day running costs of the project can be catered for since this is not deemed to be an income generating project.

Sign



CHAIRMAN
Limuru NG-CDFC

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY

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

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Limuru Constituency Development Fund is responsible for the preparation and presentation of the Limuru NG-CDF financial statements, which give a true and fair view of the state of affairs of the Limuru NG-CDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NG-CDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NG-CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

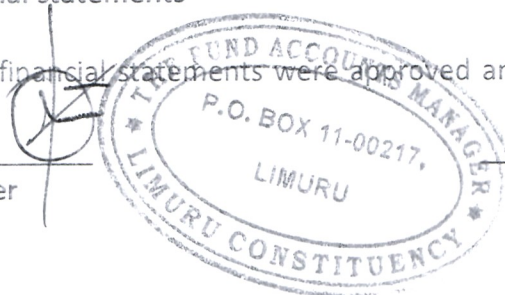
The Accounting Officer in charge of the Limuru NG-CDF accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of the Limuru NG-CDF further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Limuru NG-CDF's financial statements were approved and signed by the Accounting Officer on 25th August 2017.

Fund Account Manager



Chairman NG-CDFC

REPUBLIC OF KENYA

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

P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund–Limuru Constituency set out on pages 5 to 37, 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund–Limuru 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 matter described in the Other Matter section 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund–Limuru 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 matter described in the

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Limuru Constituency for the year ended 30 June 2017

Basis for Qualified Opinion section, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1. Construction of Limuru Technical Training Institute

Award of Contract

Note 6 to the financial statements for the year ended 30 June 2017 reflects transfers to other government entities balance of Kshs.72,680,000, out of which Kshs.10,000,000 was in relation to transfers to tertiary institutions. Records indicates that the amount was disbursed to mentoring institution-Kiambu Institute of Science and Technology for the construction of Limuru Technical Training Institute co-funded by the Ministry of Education, Science and Technology and Limuru CDF. The works involved construction of proposed twin workshops, classrooms and office block.

Records indicate that Project No MOE ST/TVET/60/2015-2016 for the construction of the proposed Institute was awarded by Ministry of Education, Science and Technology to a construction company based in Nairobi on 12 October 2015 at a tender sum of Kshs.54,984,099. Out of the total contract sum, the Limuru-CDF contributed Kshs.10 million and the balance of Kshs.44,984,099 was to be funded by the Ministry.

Progress of works

According to contract agreement, the works commenced on 21 March 2016 and were scheduled to run for fifty-two (52) weeks period, thus ending on 20 March 2017. However, a review of progress of works carried out in June 2018 revealed that the project stalled at the walling level. Progress report made available indicated that the progress of permanent works stood at about 40 % against which did not compare favourably with elapsed contract period of 227%. Further, the contractor was not on site at the time of this audit. No explanation was provided for the slow progress of the works. In addition, records of payments to the contractor were not made available for audit review. Consequently, the regularity of the disbursement of Kshs.10 million during the year for construction of Limuru Technical Training Institute could not be confirmed

2. Kamirithu Jua Kali Sheds

Note (a) to the financial statements reflects payments of Kshs.2,330,000 which includes an amount of Kshs.2,000,000 for the construction of Kamirithu Juakali sheds.

A physical verification carried out in June 2018 revealed that although the construction was completed, the facility appears abandoned. The market sheds were neglected and remain unutilized.

The management has not provided explanation for the failure to put into use the market sheds an indication that the project may not have been used a priority to the residents of

Limuru. The amount of Kshs.2,000,000 already spent on the project may go to waste if the facility is not put in use.

3. Budgetary Control

The summary statement of appropriation; recurrent and development combined indicate that during the financial year 2016/2017, Limuru CDF received a total of Kshs.159,113,076 from the National Government Constituencies Development Fund Board. Out of the total receipts for the year, the CDF incurred total expenditure of Kshs.147,337,929 equivalent to absorption rate of 93% as follows:

Item	Budget – Kshs.	Actual amounts- Kshs.	Over/(Under) Absorption Kshs.	Absorption Rate (%)
Receipts	159,042,076	159,113,076	(71,000)	100
Expenditure				
Compensation of Employees	4,901,124	2,378,900	(2,522,224)	49
Use of Goods and Services	6,615,090	12,154,694	5,539,604	184
Transfers to other Government Units	62,900,000	72,680,000	9,780,000	116
Other Grants and transfers	84,625,862	57,102,096	(27,523,766)	68
Acquisition		692,239	692,239	
Other payments		2,330,000	2,330,000	
Total Expenditure	159,042,076	147,337,929	(11,704,147)	93

The above analysis shows that the CDF development committee recorded overall under expenditure of Kshs.11,704,147 during the year under review. The CDF overspent on use of goods and services by Kshs.5,539,604 or 184% and transfers to other government units by Kshs.9,780,000 or 116%. Further, the CDF had no budget provision under acquisition of assets and other payments although an expenditure of Kshs.692,239 and Kshs.2,330,000 respectively was incurred. The management however, 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

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Limuru Constituency for the year ended 30 June 2017

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.

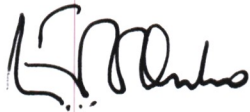
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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

17 October 2018

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY

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

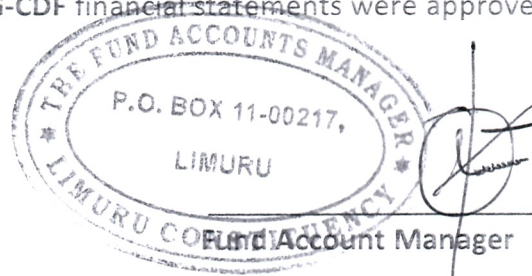
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	136,752,523	105,778,754
Proceeds from Sale of Assets	2	-	
Other Receipts	3	71,000	
TOTAL RECEIPTS		136,823,523	105,778,754
PAYMENTS			
Compensation of employees	4	2,378,900	1,233,247
Use of goods and services	5	12,154,694	6,484,995
Transfers to Other Government Units	6	72,680,000	47,217,398
Other grants and transfers	7	57,102,096	40,050,324
Acquisition of Assets	8	692,239	70,000
Other Payments	9	2,330,000	3,000,000
TOTAL PAYMENTS		147,337,929	98,055,964
SURPLUS/DEFICIT		(10,514,406)	7,722,790

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Limuru NG-CDF financial statements were approved on 25th August 2017 and signed by:



Limuru NG- CDFC


Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY**

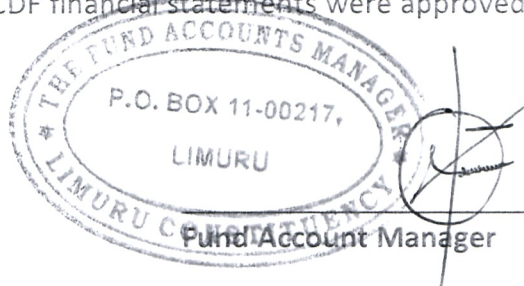
Reports and Financial Statements
For the year ended June 30, 2017

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	11,775,146	22,289,553
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		11,775,146	22,289,553
REPRESENTED BY			
Retention		12 -	-
Fund balance b/fwd 1st July...	13	22,289,553	14,566,763
Surplus/Deficit for the year		(10,514,406)	7,722,790
Prior year adjustments	14	-	-
NET LIABILITIES		11,775,147	22,289,553

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Limuru NG-CDF financial statements were approved on 25th August 2017 and signed by:


Chairman NG-CDFC


Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
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 NG-CDF Board	1	136,752,523	105,778,754
Other Receipts	3	71,000	-
		136,823,523	105,778,754
Payments for operating expenses			
Compensation of Employees	4	2,378,900	1,233,247
Use of goods and services	5	12,154,694	6,484,995
Transfers to Other Government Units	6	72,680,000	47,217,398
Other grants and transfers	7	57,102,096	40,050,324
Other Payments	9	2,330,000	3,000,000
		147,645,690	97,985,964
Adjusted for:			
Adjustments during the year	14	-	-
		(9,822,167)	7,792,790
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	692,239	70,000
		(692,239)	(70,000)
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,514,406)	7,722,790
Cash and cash equivalent at BEGINNING of the year		22,289,553	14,566,763
Cash and cash equivalent at END of the year		11,775,147	22,289,553

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Limuru NG-CDF financial statements were approved on 25th August

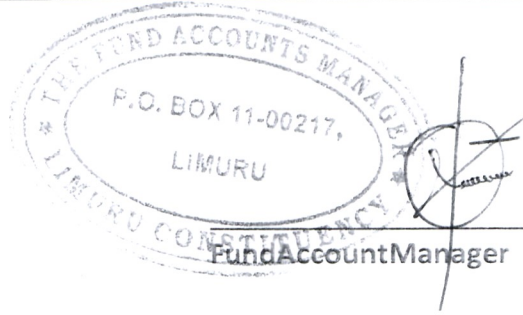
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY

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

2017 and signed by:



Chairman NG-CDFC



Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – LIMURU CONSTITUENCY

Reports and Financial Statements

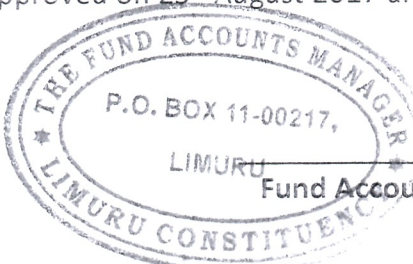
For the year ended June 30, 2017

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 CDF Board	81,896,552	77,145,524	159,042,076	159,042,076	(0)	100.0%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts (AIA)	-	-	-	71,000	(71,000)	-
TOTAL	81,895,752	77,145,524	159,042,076	159,113,076	(71,000)	100.0%
PAYMENTS						
Compensation of Employees	1,755,600	3,145,524	4,901,124	2,378,900	2,522,224	48.5%
Use of goods and services	5,615,090	1,000,000	6,615,090	12,154,694	(5,539,604)	183.7%
Transfers to Other Government Units	30,900,000	32,000,000	62,900,000	72,680,000	(9,780,000)	115.5%
Other grants and transfers	43,625,862	41,000,000	84,625,862	57,102,096	27,523,766	67.5%
Acquisition of Assets	-	-	-	692,239	(692,239)	-
Other Payments	-	-	-	2,330,000	(2,330,000)	-
TOTALS	81,896,552	77,145,524	159,042,076	147,337,929	11,704,147	92.6%

The Limuru NG-CDF financial statements were approved on 25th August 2017 and signed by:


Chairman NG-CDFC


Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits or bill 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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

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.

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 *NG-CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *NG-CDF'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 *NG-CDF's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
CDF Board		
AIE NO 790839		39,267,267.00
AIE NO 724005		12,511,487.00
AIE NO 724118		10,000,000.00
AIE NO 796315		10,000,000.00
AIE NO 820598		10,000,000.00
AIE NO 820834		24,000,000.00
AIE NO 825873	49,678,852.00	
AIE NO 829646	4,094,827.60	
AIE NO 839633	2,500,000.00	
AIE NO 855052	36,853,449.00	
AIE NO 855527	2,677,119.00	
AIE NO 855737	40,948,275.10	
TOTAL	136,752,522.70	105,778,754.00

1. 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 – LIMURU
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016- 2017 Kshs	2015 - 2016 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	71,000.00	-
Other Receipts Not Classified Elsewhere	-	-
Total	71,000.00	-

4. COMPENSATION OF EMPLOYEES

	2016 - 2017 Kshs	2015 - 2016 Kshs
Basic wages of contractual employees	1,576,860.00	1,222,847.00
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	782,440.00	-
NSSF	19,600.00	10,400.00
Total	2,378,900.00	1,233,247.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Committee Expenses	5,129,400.00	2,078,925.00
Utilities, supplies and services	1,573,975.00	858,551.00
Communication, supplies and services	662,330.00	113,761.00
Domestic travel and subsistence	-	449,500.00
Printing, advertising and information supplies & services	-	-
Fuel, oil & Lubricants	500,000.00	580,000.00
Committee allowance	475,000.00	827,000.00
Hospitality supplies and services	-	-
Insurance costs	-	24,108.00
Specialized materials and services	331,517.00	-
Office and general supplies and services	2,131,821.00	909,445.00
Other operating expenses	1,242,286.00	90,234.00
Routine maintenance – vehicles and other transport equipment	108,365.00	178,011.00
Routine maintenance – other assets	-	375,460.00
Total	12,154,694.00	6,484,995.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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)	35,150,000.00	8,610,485.00
Transfers to secondary schools (see attached list)	27,530,000.00	38,606,913.00
Transfers to tertiary institutions (see attached list)	10,000,000.00	-
Transfers to health institutions (see attached list)	-	-
TOTAL	72,680,000.00	47,217,398.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017 Kshs	2015 - 2016 Kshs
Bursary – secondary schools (see attached list)	23,386,000.00	18,278,403.00
Bursary – tertiary institutions (see attached list)	1,138,000.00	3,334,000.00
Bursary – special schools (see attached list)	1,652,145.77	847,000.00
Mock & CAT (see attached list)	3,766,120.00	943,500.00
Water projects (see attached list)	-	-
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	13,600,000.00	6,736,424.00
Roads projects (see attached list)	1,510,630.00	4,212,300.00
Sports projects (see attached list)	3,848,040.00	1,241,530.00
Environment projects (see attached list)	3,797,295.00	1,347,050.00
Emergency projects (see attached list)	4,403,865.00	3,110,117.00
Total	57,102,095.77	40,050,324.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2016 - 2017	2015- 2016
	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	436,206.00	-
Purchase of ICT Equipment, Software and Other ICT Assets	256,033.00	70,000.00
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	692,239.00	70,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RETENTION

	2016 - 2017 Kshs	2015 - 2016 Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

13. BALANCES BROUGHT FORWARD

	2016 - 2017 Kshs	2015 - 2016 Kshs
Bank accounts	22,289,552.85	14,566,762.85
Cash in hand	-	-
Imprest	-	-
Total	22,289,552.85	14,566,762.85

14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017 Kshs	2015 - 2016 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017 Kshs	2015 - 2016 Kshs
Construction of Limuru ICT hub	1,870,000.00	-
Construction of civil works	-	-
Supply of goods (Installation of CCTV system)	200,000.00	-
(Office furniture)	24,855.00	-
Supply of services	-	-
	2,094,855.00	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Staff salaries	339,229.00	-
	339,229.00	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	4,002,099.00	-
Amounts due to other grants and other transfers (see attached list)	5,073,980.00	-
Others (<i>specify</i>)	264,983.00	-
	9,341,062.00	-

15.4: PMC account balances (See Annex 5)

	Kshs (2016/2017)	Kshs (2015/2016)
PMC account Balances (see attached list)	37,883,850.65	19,438,137.95

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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Reports and Financial Statements
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37,883,850.65	19,438,137.95
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Reports and Financial Statements
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ANNEX 3 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Construction of buildings						
1. Limuru ICT Hub	2,200,000.00		330,000.00	1,870,000.00	0.00	The balance had not been paid since an approval letter from the NG-CDF board was to approve the rest of the payment.
2.						
3.						
Sub-Total	2,200,000.00		330,000.00	1,870,000.00	0.00	
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7. Installation of CCTV system	200,000.00			200,000.00	0.00	The Limuru NG-CDF office is still undertaking the procurement process of the same

GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
 BRANCH

Financial Statements

ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2016-2017	2015-2016
Kamirithu Juakali sheds	2,000,000.00	1,000,000.00
Ngecha Juakali sheds	-	2,000,000.00
Limuru ICT hub	330,000.00	-
	2,330,000.00	3,000,000.00

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017 Kshs	2015 - 2016 Kshs
National bank, Account No. 01021050809900 LIMURU BRANCH	-	6,354,048.85
EQUITY BANK ACCOUNT NO. 0690264049532 LIMURU BRANCH	11,775,146.00	15,935,504.00
Total	11,775,146.00	22,289,552.85

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for the year ended June 30, 2017

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10. Staff salaries		4,913,793.10		4,574,564.00	339,229.00		Over budgeted amount on salaries
11.							
12.							

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

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		4,913,793.10		4,574,564.00	339,229.00		
Sub-Total		4,913,793.10		4,574,564.00	339,229.00		
Grand Total		4,913,793.10		4,574,564.00	339,229.00		

ANNEX 3 ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1. Audit fee F/Y 2015/2016	Payment of Audit fees	500,000.00		0.00	500,000	0.00	Amount awaiting reallocation to other project(s)
2. Social security programs	Payment of NHIF for the elderly	1,400,000.00		0.00	1,401,007	0.00	Awaiting reallocation to other project
3. Sub-county education office	Purchase of printing press	2,000,000.00		0.00	2,000,000	0.00	Amount awaiting reallocation to other project(s)
4. Mocks and CATS	Printing of Mocks and CATS	3,205,172.44		0.00	101,092	0.00	Savings on the vote
Sub-Total		7,105,172.44		0.00	4,002,099	0.00	

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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Amounts due to other grants and other transfers							
5.	Monitoring and evaluation To cater for monitoring and evaluation activities	2,456,896.50		2,389,737	67,160	0.00	Savings on the vote
6.	Limuru DCC's office To cater for partition DCC's office	600,000.00			600,000	0.00	Project was under preparation of bills of quantities
7.	Miritihu secondary school Construction of Laboratory	1,500,000.00			1,500,000	0.00	Project was under preparation of bills of quantities stage
8.	Miritihu primary school Construction of 12 modern toilets	1,500,000.00			1,500,000	0.00	Project was under preparation of bills of quantities stage

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

Name	Brief Transaction Description	Original Amount	Date Payable	Outstanding Balance 2017	Outstanding Balance 2016	Comments
9. Kiriri primary school	Refurbishment of 6 classrooms	1,000,000.00		1,000,000	0.00	Project was under preparation of bills of quantities stage
10. Marianne-nyataragi access road	Construction of access road			2,900	0.00	Funds left over after construction of access road. Awaiting more funds for completion of access road
11. Mbari ya giathi access road	Construction of access road			3,920	0.00	Funds left over after construction of access road.
12. Kinyogori access road	Construction of access road			400,000	0.00	Funds retained as security until the one compensated for the piece of land does the required amendments in the lands office

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Sub-Total		7,056,896.50		2,389,737.00	5,073,987.00	0.00	
Sub-Total							
Others (specify)							
13. Environmental activities	To cater for environmental activities within the constituency	1,637,931.00		1,534,044	103,887	0.00	The tree planting exercise was still on going at the end of the financial year
14. Emergency	To cater for emergency activities within the constituency	4,094,827.59		3,933,732	161,096	0.00	
Sub-Total		5,732,758.59		5,467,776.00	264,983.00	0.00	

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Grand Total		12,837,931.03		7,857,512.00	9,341,062.00	0.00	

TABLE 4: SCHEDULE OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs) 2016/17	(Kshs) 2015/16
Land	7,894,668.00	7,894,668.00
Buildings and structures	3,800,000.00	3,800,000.00
Transport equipment	1,975,023.18	1,975,023.18
Office equipment, furniture and fittings	1,652,361.00	1,216,155.00
ICT Equipment, Software and Other ICT Assets	852,788.00	596,755.00
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	16,174,840.18	15,482,601.18

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

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

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Ngecha chief's office	KCB	1173113169	3,485.00	7,235.00
Murengeti AP line	Family bank	047000029735	1,196,583.00	3,549,710.00
Rwamburi AP line	Co-operative bank	1141541840900	1,717,948.00	356.00
Rironi AP line	National bank	1285106851800	145,648.00	2,998,750.00
Thigio police post	National bank	2151003500	478,274.00	1,566,248.00
Mbari ya Giathi AP line	KCB	1204272328	1,885,536.00	0.00
Rwamburi assistant chief's office	Co-operative bank	1141541840900	1,717,948.00	356.00
Kiawaroga primary school toilets	Co-operative bank	1141541864600	43,992.00	210,925.00
Ndungu Njenga boys secondary school	Equity bank	0690293482433	1,851,404.00	15,840.00
Nyanjega secondary school	National bank	1024050983300	277,176.00	284.00
St. Paul's primary school	National bank	01285050762400	43,216.00	0.00
Makutano primary school	KCB	1199395463	206,137.00	0.00
Bibirioni primary school	Co-operative bank	01141542502900	41.00	0.00
Kiambu institute of Science and technology			0.00	0.00
Ngarariga primary school	Equity bank	0690263440547	46,461.00	89,238.00
Gatimu primary school	National bank	01038086856500	131,763.00	0.00
Kamirithu secondary school	Co-operative bank	1141541414800	158,603.00	1,000,875.00
Bibirioni boys secondary school LATF classrooms	Co-operative bank	1141541415100	15,144.10	0.00
Umoja primary school toilets	National bank	01285050650900	1,500,000.00	0.00
Jonathan Maara primary school classrooms	Equity bank	0690263441458	812,281.00	3.00
Ngenia high school multipurpose hall	Family bank	047000010990	5,238,504.85	2,220,478.05

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIMURU
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PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Gatuura secondary school	Co-operative bank	1141541414900	1,059,798.00	59,798.00
Kabuku secondary school classrooms	National bank	01038086849100	9.00	8,230.00
Kiawaroga primary school administration block	National bank	01285085443500	2,498,582.00	998,850.00
Nderu primary school refurbishment	Co-operative bank	01141542531800	39,784.00	0.00
Kamandura primary school	National bank	01285067975100	1,225,727.00	1,250,100.00
Gichuru high school toilets	Family bank	047000030787	4,446,950.00	2,313,655.00
Thigio boys secondary school toilets	KCB	1178887391	1,500,000.00	0.00
Kiryogori high school toilets	Equity bank	0690265702026	1,500,000.00	0.00
Ngecha girls secondary school	KCB	1204221022	37.00	0.00
St. Monicah Karanje secondary school	Equity bank	0690271549097	2,000,000.00	0.00
Mukoma secondary school	Co-operative bank	1141542088600	112,401.00	252,335.00
Ngarariga girls secondary school	KCB	1154742180	1,109,587.00	694,442.00
Muna secondary school	Family bank	047000024129	2,066,807.20	1,117,029.40
Tharuni primary school	National bank	2450998000	71,702.00	826.00
Ngecha primary school	National bank	01285121850300	96,864.00	0.00
Limuru mission primary school	Co-operative bank	1141541415000	584.50	82,574.50
Nyoro primary school	National bank	01285121851200	102,326.00	0.00
Manguo primary school	KCB	1210432668	77,193.00	0.00
St John Bosco primary school	KCB	1210431467	60,730.00	0.00
Tiekunu primary school	KCB	1210431793	506,600.00	0.00
Nvataragi primary school	KCB	1210432439	59,932.00	0.00
Kiryogori primary school	KCB	1210432021	46,508.00	0.00
Rongai primary school	National bank	01285121853200	421,472.00	0.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIMURU
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PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Mahinga primary school	National bank	01285121852200	404,802.00	0.00
Rroni primary school	KCB	1182840256	1,005,010.00	1,000,000.00
Kiriri primary school	Family bank	047000034764	100.00	0.00
Satuura primary school	Family bank	047000034762	100.00	0.00
Toru primary school	Family bank	047000034763	100.00	0.00
TOTAL			37,883,850.65	19,438,137.95

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 person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
CEN/HUB/KBU.C/LIMURUCDF/9/5 -Item 2.0 on budget Performance.	-The audit revealed that there was underutilization of funds meant for transfers to other government entities compared to the approved budget. The threshold of over 50% expenditure per item was not met. It was at 46.4% -On the case of transfers to secondary schools and on other grants there was over expenditure without an approved budget or the source of the financing for the over expenditure.	-The result of the over expenditure was attributed to the spilling over of the funds for the previous FY into the new year.	Edwin Fund Manager. Karani Account	The NG-CDF Limuru worked on the issues of transferring of funds to the project accounts promptly, preparing BQs for hand and setting up of strategic plans for project implementation and procurement. RESOLVED: The funds for FY 16/17 was received by April 2017.	
CEN/HUB/KBU.C/LIMURUCDF/9/5 -Item 3.0 on Compensation of Employees.	-The audit revealed that there was a difference of Kshs 10,400 not explained incurred on employees' salaries between the receipts and payment schedules and the financial statements. The receipts had a figure of Kshs 1,233,247 and the financial statements a figure of Kshs 1,222,847. - It was also noted that the NG-CDF Limuru did not have separate files for each and every staff.	-The actual figure on the Financial statements was Kshs 1,222,847 not Kshs 1,233,247. it was a misrepresentation in that part. However, there was a typing error in the figure on the receipts. The figure was Kshs 1,222,847 instead of 1,222,247 as per the notes used in preparation of the Financial statements. There was a margin error	Edwin Karani-Fund Account Manager.	--The issue of the figures has since been addressed. -The issue of the files has also been addressed. RESOLVED	

TRANSNATIONAL ACCOUNTING CONSULTING AND DEVELOPMENT FUND-LIMURU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

Reference No. of the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
CLN/HUB/KBU/C/LIMURUCDF/9/5 -Item 4.0 on Use of Goods and services	<p>-The Audit had revealed that the NG-CDF Limuru had not followed the Financial regulations and procedures in the procuring of fuel. The service provider was paid before supplying and the support documents availed did not tally the funds actually paid.</p> <p>-There was also doubt of whether the fuel paid for was actually supplied.</p>	<p>of Kshs 600.</p> <p>-The issue of paying before service was inevitable as many of the local service providers had a history of unpaid dues from many government departments. They thus had an upper bargaining hand in the issue.</p> <p>-The copies of details order, receipts and work tickets supporting the expenditure were provided in the response</p>	Edwin Karani- Fund Account Manager	-The Limuru NG-CDF has since engaged a multinational company (TOTAL-KENYA) to be the service provider and has put measures to curb this.	
CFN/HUB/KBU/C/LIMURUCDF/9/5 -Item 5.0 on the transfer to other Government Entities.	<p>-The audit report noted there were no acceptance letters from bidders, signed contracts and notification to unsuccessful bidders as required by the procurement Act for Kabuku ,Paul's ,Bibirioni,Kiawaroga pry schools Toilets Project, Gatimu pry sch Classes,Nderu,Kiawanda,Ngarariga and Makutano Primary Schools refurbishment works.</p> <p>The Audit also revealed that there was a difference between the funds transferred and the actual expenditure to the projects.</p>	<p>-The acceptance letter and signed contracts were provided in the response.</p> <p>-The unsuccessful bidders were notified by either phone calls or text messages by the Sub-County Procurement officer.</p> <p>-The financial statements were prepared from the cash book and not the project accounts actual expenditures.</p>	Edwin Karani- Fund Account Manager	-The acceptance letter and signed contracts were provided in the response. -A table explaining the differences between the amount transferred and actual expenses was given in the management response which on a one to one comparison there was no difference -RESOLVED	

STATEMENT OF WORKS

Statement of Work
 for the period June 30, 2017

Reference No. on the external audit Report	Findings/ Observations from Auditors	Management comments	Person responsible to resolve the issue (Name and designation)	Status (Resolved or Not Resolved)	Timeframe (Date on which the issue is expected to be resolved)
CEN/HUB/KBU/C/IMURUC/DF/9/5 -Item 5.3 on the Irregular Procurement Method at Ngania high school Multipurpose Hall.	The audit revealed that there was award of tender to the highest bidder instead of the lowest as per the requirement of the procurement and Disposal Act	The documentary evidence was provided in the management response as <i>annex iv</i>	Edwin Karani Fund Account Manager	The documentary evidence has already been availed to the audit office	In the course of October 2017
CEN/HUB/KBU/C/IMURUC/DF/9/5 -Item 5.3 on the Irregular Procurement Method at Makutano Secondary School construction of Laboratory	The audit revealed that there was award of tender to the highest bidder instead of the lowest as per the requirement of the procurement and Disposal Act.	The documentary evidence was provided in the management response as <i>annex v</i>	Edwin Karani Fund Account Manager	The documentary evidence has already been availed to the audit office	In the course of October 2017
CEN/HUB/KBU/C/IMURUC/DF/9/5 -Item 5.4 on the Contribution of NG-CDF Limuru to the proposed Limuru Technical Training Institute	The audit revealed that there was no defined unit to be done by the amount contributed by CDF as stipulated by the CDF Act 2015 section 27	-The Ministry of Education, science and Technology in their letter Ref No.MST/DTE/6/5/VOL. 4 dated 1 st September 2015 stated that the Kshs 10,000,000.00 was to deposited in a special account in the name of the TTI's and managed by the mentoring institutions The principals of the mentoring institutes were responsible for payments of all works and furnishing the CDF offices with copies of the certificates. This sheds light more light on the project	Edwin Karani Fund Account Manager.	The CDF office contacted the mentoring institution to provide the payment certificates amounting to Kshs 10,000,000 which were provided for Audit verification They were attached as <i>annex iii</i> RESOI VED	
CEN/HUB/KBU/C/IMURUC/DF/9/5 -Item 6.0 on Other Grants and Payments	CEN/HUB/KBU/C/IMURUC/DF/9/5-Item 6.0 on Other Grants and Payments	CEN/HUB/KBU/C/IMURUC/DF/9/5-Item 6.0 on Other Grants and Payments	Edwin Karani Fund Account Manager	The Limuru NG-CDF office is putting up more effort towards ensuring that the remaining receipts are surrendered	End of September 2017

REPORT ON THE STATE OF DEVELOPMENT FUND (MURU) CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments.	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
CEN/HUB/KBU.C/LIMURUCDF/9/5 -Item 6.2 on Mocks and Continuous Assessment tests.	-The audit revealed that the CDF office spent Kshs 943,500 on printing and distribution of Mocks and CATs exams. The payment voucher was not availed for audit and there was no evidence of involvement of the MoE on the whole process.	-The NG-CDF office requested the audit office for more details on the issue for better response.	Edwin Fund Manager. Karani Account Manager.	NOT RESOLVED	As soon as the audit office provides more details.
CEN/HUB/KBU.C/LIMURUCDF/9/5 -Item 6.3 on Manjiri Flood Light.	-The Project was not operational despite 94% payment of the contract sum paid by time of the audit and the contract was not on site. -The purpose of the project was not realized.	-The payment made was 1,400,000 and not 1,964,800 as stated by the audit report i.e. 66.66% of works done by then. The payment certificate was for the 1.9 million by CDF paid 1.4 million. -The contractor had applied for the power connection for a three phase and no more works could have continued without the power, this explains his absence.	Edwin Karani-Fund Account Manager.	The Project by the time of preparation of the management response had officially been commissioned and fully serving the community. RESOLVED	
CEN/HUB/KBU.C/LIMURUCDF/9/5 -Item 6.4 on Mbari Ya Giathi Access Road	-The Audit raised three findings; -The evaluation minutes to identify the most responsive tenderer was not availed but the tender was awarded. -The CDF did not constitute a PMC but engaged the contractor directly. -The Comparative figure for emergency for the year 2014/15 indicates a balance of Kshs 40,036,788 instead of Kshs 1,835,340	-The tendering documentation were availed to the audit team.	Edwin Karani-Fund Account Manager.	-The issue of the PMC was an oversight by the NG-CDF office and the office will ensure all projects are implemented through the CDF ACT 2015 section 36 (1). RESOLVED	
CEN/HUB/KBU.C/LIMURUCDF/9/5 Item 7.0 Other Payments Irregular	-The tender was awarded to the 3 rd lowest tenderer denying the 1 st and 2 nd lowest	-The 1 st and 2 nd lowest bidders were stated to be	Edwin Fund Karani Account	NOT RESOLVED	

Reference to the external audit
 Report and Financial Statements
 for the year ending June 30, 2017

Reference to the external audit Report	Name / Address / Email from which tenderers without proper explanations	Management comments	Local Person responsible for the issue (Name and designation)	Status (Resolved / Not Resolved)	Imprestment when expected to be resolved
Procurement Method Proposed Construction works for Ngecha Jua Kali Sheds		below the official estimates because they did not include the rates for the floor works and fencing therefore disqualified. This therefore explained the award to the 3 rd lowest bidder.	Manager		
CFN/HUB/KIBU/C/IMPRUCDF/9/5 -Item 8 On procedural support of Surrender of Imprest	-The Audit raise issues anomalies in the surrender of imprests -Imprests taken much later after the activities were carried out instead of taking reimbursements for the claims -The risk was that the expenditures were not properly supported.	Most of the imprests were for sub-committee meetings and monitoring and evaluation meetings which necessitated payment after the activities and presentation of reports	Edwin Karani Fund Account Manager	The NG-CDF took the blame for the anomalies and promised to enforce all the procedures for imprest as required by the law RI/SOI V/E/D	

GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
OFFICE

Financial Statements

ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2016-2017	2015-2016
Kamirithu Juakali sheds	2,000,000.00	1,000,000.00
Ngecha Juakali sheds	-	2,000,000.00
Limuru ICT hub	330,000.00	-
	2,330,000.00	3,000,000.00

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017 Kshs	2015 - 2016 Kshs
National bank, Account No. 01021050809900 LIMURU BRANCH	-	6,354,048.85
EQUITY BANK ACCOUNT NO. 0690264049532 LIMURU BRANCH	11,775,146.00	15,935,504.00
Total	11,775,146.00	22,289,552.85

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
 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

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