

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
IGEMBE CENTRAL CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
IGEMBE CENTRAL CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
IGEMBE CENTRAL CONSTITUENCY**

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Danson Njogu Njiru
3.	Sub-County Accountant	Millicent Njeri Kamau
4.	Chairman NGCDFC	Andrew Ebuthania
5.	Member NGCDFC	Joseph Mutharimi

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Igembe central Constituency Headquarters

P.O. Box 300
Maua.
NG-CDF OFFICE
Kangeta.

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

(f) NGCDF Igembe central Constituency Contacts

Telephone: (254) 703 780 482
E-mail: igembecentral2013@gmail.com

(g) NGCDF Igembe central Constituency Bankers

1. Co-operative Bank of Kenya
Maua Branch
Account. No.01141414913000
P.O. Box
Maua.
Meru, 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[u87
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

IGEMBECENTRAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Igembe central constituency is situated along Meru-Maua road and borders Igembe South on the north ,Isiolo on the west and Tigania east on the south regions. The main economic stay of the constituency is mainly farming of food crops with a large portion with Miraa cash crop .There is a large area in the west which is dry and the community majors on livestock keeping as their main economic activities. The constituency is vast with five wards and approximately has 350,000 population. The constituency is wholly developed by NGCDF in about 80% together with other partners, mainly national government and nongovernmental organizations.

IGEMBE CENTRAL NGCDF PERFORMANCE

The constituency received Kshs.102,071,927.52 the financial year 2017/2018 and has efficiently absorbed Kshs.90, 692,616.52 which translate into 89% rate inclusive bank balance brought forward. All the projects started in the financial year under consideration are complete and the constituents are enjoying the benefits of the Kitty. Various projects have been accomplished ranging from almost all sectors i.e. Roads, schools infrastructure, health and water.

KEY ACHIEVEMENTS OF THE FUND

NGCDF has transformed many lives of Igembe central residents. The empirical data available coupled with actual observations reveal an enormous impact on the residents in improved standard of living which was never witnessed before the inception of NGCDF. The current year has seen completion of 22 classrooms and 11 security projects .The many poor children who have been to school under the courtesy of the fund is a milestone reached in enabling every needy student access education.

EMERGING ISSUES

NGCDF being a community fund has so far been identified with the constituents needs which changes every now and then with the establishment of the devolved functions, various sectors have been taken by the county governments which has stripped off residents the very pertinent projects centre in their economic life. County governments have slowly taken off with residents agitating for various projects formally funded by NGCDF and this has brought great discontent on the side of the residents who think such functions should be handled by NGCDF.

IMPLEMENTATION CHALLENGES.

There various challenges meted in the implementation of the kitty namely:

- a) Lack of management skills by the project implementation committees.
- b)Thinly allocation of project funds
- c) Political interferences

WAY FORWARD

NGCDF should be added more funds enough to complete projects. Again PMC should be trained frequently on good management practices. MPs and their opponents should not interfere with projects.

CHAIRMAN NGCDF COMMITTEE

NAME: Andrew Ebuthania

SIGN: _____


IGEMBE CENTRAL CDF
CDFC CHAIRMAN
P.O.Box 300-60600
Maua

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
IGEMBE CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

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

The Accounting Officer in charge of the NGCDF-Igembe central Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Igembe central Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

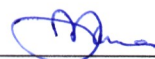
Approval of the financial statements

The NGCDF-Igembe central Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.



Fund Account Manager
Name: Danson Njogu Njiru.

IGEMBE CENTRAL CDF
FUND ACCOUNT MANAGER
P.O.Box 300 - 60600 Maua



Sub-County Accountant
Name: Millicent Njeri Kamau.
ICPAK Member.

IGEMBE CENTRAL
SUB - COUNTY ACCOUNTANT
P.O.Box 300, Maua
Date.....

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 - ISEMBE CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund (NGCDF) - Isembe Central Constituency set out on pages 6 to 34, which comprise the statement of assets and liabilities as at 30 June 2018, 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Isembe Central Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund (NGCDF) Act, 2015.

Basis for Qualified Opinion

1.0 Unaccounted for Bursary

Note 7 to the financial statements reflects Kshs.26,486,717 in respect to other grants and other payments which includes Kshs.8,833,142 and Kshs.8,731,163 respectively all totaling to Kshs.17,564,305 spent in respect to bursary to secondary schools and tertiary institutions. However, only bursaries totaling to Kshs.5,639,047 were acknowledged by the respective beneficiary institutions through issuance of receipts while bursaries totaling to Kshs.11,925,258 were not acknowledged or accounted for by the recipient institutions.

In the circumstance, it was not possible to ascertain whether the Kshs.11,925,258 bursaries were received by the respective institutions and whether same was expended as appropriated during the year ended 30 June 2018.

2.0 Prior Year Adjustments

The statement of assets and liabilities reflects a balance of Kshs.956,886 in respect to prior year adjustments for the year ended 30 June 2018. However, the item appeared like a

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

balancing figure in the financial statements as no documentation in support of the adjustments has been availed for audit review.

In the circumstances it is not possible to determine the accuracy and authenticity of the Kshs.956,886 prior year adjustments for the year ended 30 June 2018.

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

Key Audit Matters

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

Other Matters

1.0 Budgetary Control and Performance

1.1 Receipts

The summary statement of appropriation recurrent and development combined reflects approved budgeted receipts of Kshs.102,071,928 and actual receipts of KShs.86,810,345 resulting in net under receipts of Kshs.15,261,583 as summarized below;

Items	Current Year Final Budget Figures (Kshs)	Actual Receipts Figures (Kshs)	Under Receipts (Kshs)	Budget Absorption %
Receipts				
Transfer from NGCDF Board	102,071,928	86,810,345	15,261,583	85%
Total	102,071,928	86,810,345	15,261,583	85%

In overall, the fund failed to actualize its budget by Kshs.15,261,583 or 15% an indication that programmes and activities that had been planned were not implemented. There is need therefore for Constituency Development Fund management to review its budget making process with a view to formulating a realistic budget that would be actualized for service delivery to the citizens of Igembe Central Constituency.

1.2 Expenditure

The summary statement of appropriation recurrent and development combined reflected approved budgeted payments of Kshs.102,071,927 and actual payments of KShs.87,656,711 resulting in net under expenditure of Kshs.14,415,216 as follows;

Items	Current Year Final Budget (Kshs)	Actual Expenditure (Kshs)	Under Absorption (Kshs)	Budget Absorption
Expenditure				
Compensation of	3,414,272	2,313,242	1,101,030	68%
Use of goods and services	11,805,070	10,350,719	1,454,351	88%
Transfer to other	25,543,218	19,967,356	5,575,862	78%
Other Grant and Transfers	32,770,690	26,486,717	6,283,973	81%
Acquisition of Assets	23,861,650	23,861,650	0	100%
Allocation Waiting board	4,677,027	4,677,027	0	100%
Total	102,071,927	87,656,711	14,415,216	86%

In overall, the National Government Constituencies Development Fund – Igembe Central Constituency under spent its budget by Kshs.14,415,216 or 14% of the total budget allocation. There is need therefore for the management to re-look at its budgeting mechanism with a view to focusing on priority areas which will improve service delivery to the residents of Igembe Central Constituency. This may also be an indication of improper planning and defective budgetary preparation process.

In the circumstances the residents of the Igembe Central Constituency did not get expected services equivalent to Kshs.14,415,216 under expenditure for the year ended 30 June 2018. Further, the statement of receipts and expenditure reflects total receipts and total payments of Kshs.86,810,345 and KShs.87,656,711 respectively resulting into an unexplained and over expenditure or deficit of Kshs.846,366 whose source of funding was not explained.

2.0 Project Implementation Status

Review of project implementation status report for the period 2017/2018 revealed that forty eight (48) projects worth Kshs.86,416,887 were budgeted to be implemented during the year under review. However out of the forty eight (48) projects, thirty nine(39) projects worth Kshs.74,992,750 were funded comprising of one project (1) worth Kshs.23,861,650 which is completed, thirty eight (38) projects worth Kshs.51,131,100 which are ongoing while nine (9) projects worth Kshs.11,424,137 are not started as at 30 June 2018 as follows;

Sector	Project Status	Amount Allocated (Kshs.)	Amount Disbursed (Kshs.)	Number Of Projects
Education	Completed	-	-	-
	Ongoing	19,967,356	19,967,356	17
	Not Started	5,575,862	-	6

	Total	25,543,218	19,967,356	23
Bursary	Completed			
	Ongoing	17,564,305	17,564,305	1
	Not Started	3,982,758	-	1
	Total	21,547,063	17,564,305	1
Security	Completed			
	Ongoing	1,950,000	1,950,000	4
	Not Started			
	Total	1,950,000	1,950,000	4
Environment	Completed	-	-	-
	Ongoing	1,736,206	1,736,206	12
	Not Started	-	-	-
	Total	1,736,206	1,736,206	12
Emergency	Completed	-	-	-
	Ongoing	3,500,000	3,500,000	2
	Not Started	1,637,931	-	1
	Total	5,137,931	3,500,000	3
Sports	Completed			
	Ongoing	1,736,206	1,736,206	1
	Not Started	227,586		1
	Total	1,963,792	1,736,206	2
Purchase of ICT Hub	Completed			
	Ongoing	4,677,027	4,677,027	1
	Not Started			
	Total	4,677,027	4,677,027	1
Construction of Ng-Cdf Building	Completed	23,861,650	23,861,650	1
	Ongoing			
	Not Started			
	Total	23,861,650	23,861,650	1
	Total	86,416,887	74,992,750	48

In view of the foregoing, the constituents did not get the expected services equivalent to the thirty-eight (38) ongoing projects and nine (9) project not started all totaling to Kshs.62,555,237 for the year ended 30 June 2018. This is an indication of inappropriate project implementation mechanism. Therefore, there is need for the Constituency Development Fund management to review its project planning mechanism with a view to prioritizing those projects which will be implemented during the financial year resulting to higher impact into improving service delivery to the citizen of Igembe Central Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in

use of Public resources section of my report, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Presentation of the Financial Statements

The International Public Sector Accounting Standards (Cash Basis) reporting template for Ministries, Departments and Agencies (MDAs) revised in 2018 prescribed by the Public Sector Accounting Standards Board (PSASB) require government entities to include a separate statement of appropriation recurrent and development, budget execution by programmes and sub programmes. However, the Funds financial statements for the year ended 30 June 2018 did not include these statements.

Further, progress on follow up of auditor recommendations should include status of audit issues raised and the date when the issues are expected to be resolved. However, annex 6 to the financial statements on progress on follow up of auditor recommendations indicates that the issues raised in the Auditor General's report for year 2016/2017 were all resolved. However, documentary evidence showing how and when the issues were resolved was not provided for audit review.

In addition, the Sub County Accountant's Institute of Certified Public Accountant of Kenya (ICPAK) membership number should be included in the financial statements. However, a review of the financial statements revealed that the membership number of the Sub County Accountant was not included.

In view of the foregoing, the presentation of the financial statements for the year under ended 30 June 2018 did not conform to the Public Accounting Standards Board requirements.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the procedures performed, except for the matter described in the basis for qualified opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the National Government Constituencies Development Fund - Igembe Central Constituency'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 National Government Constituencies Development Fund - Igembe Central Constituency 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.

In addition to the responsibility for the preparation and presentation of the National Government Constituencies Development Fund - Igembe Central Constituency's financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

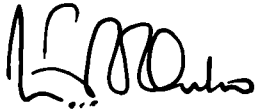
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

Government Constituencies Development Fund - Igembe Central Constituency's ability to continue as a going concern or 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 National Government Constituencies Development Fund - Igembe Central Constituency to cease to continue 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 National Government Constituencies Development Fund - Igembe Central Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

20 March 2019

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

IGEMBE CENTRAL CONSTITUENCY

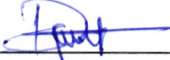
Reports and Financial Statements

For the year ended June 30, 2018


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	86,810,345	81,896,552
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		<u>86,810,345</u>	<u>81,896,552</u>
PAYMENTS			
Compensation of employees	4	2,313,242	1,517,892
Use of goods and services	5	10,350,719	1,942,040
Transfers to Other Government Units	6	19,967,356	12,750,000
Other grants and transfers	7	26,486,717	50,151,236
Acquisition of Assets	8	23,861,650	14,527,673
Other Payments	9	4,677,027	0
TOTAL PAYMENTS		<u>87,656,711</u>	<u>80,888,841</u>
SURPLUS/(DEFICIT)		<u>(846,366)</u>	<u>1,007,711</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Igembe central Constituency financial statements were approved on _____ 2018 and signed by:


Fund Account Manager
Name: Danson Njogu Njiru.

**IGEMBE CENTRAL CDF
FUND ACCOUNT MANAGER
P.O.Box 300 - 60600 Maua**

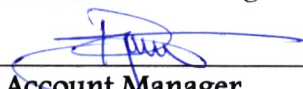

Sub-County Accountant
Name: Millicent Njeri Kamau.
ICPAK Member .

**IGEMBE CENTRAL
SUB - COUNTY ACCOUNTANT
P.O.Box 300, Maua
Date.....**

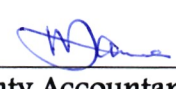
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,992,792	3,882,272
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		3,992,792	3,882,272
Current receivables - Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		3,992,792	3,882,272
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	0	0
NET FINANCIAL ASSETS		3,992,792	3,882,272
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	3,882,272	2,668,778
Surplus/Deficit for the year		(846,366)	1,007,711
Prior year adjustments	14	956,886	205,783
NET FINANCIAL POSITION		3,992,792	3,882,272

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Igembe central Constituency financial statements were approved on _____ 2018 and signed by:


Fund Account Manager
 Name: Danson Njogu Njiru.

IGEMBE CENTRAL CDF
 FUND ACCOUNT MANAGER
 P.O.Box 300 - 60600 Maua


Sub-County Accountant
 Name: Millicent Njeri Kamau.
 ICPAK Member .

IGEMBE CENTRAL
 SUB - COUNTY ACCOUNTANT
 P.O.Box 300, Maua
 Date.....

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

IGEMBE CENTRAL CONSTITUENCY

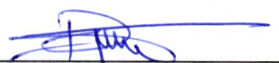
Reports and Financial Statements

For the year ended June 30, 2018


VI. STATEMENT OF CASHFLOW

		2018 - 2017	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	86,810,345	81,896,552
Other Receipts	3	0	0
		86,810,345	81,896,552
Payments for operating expenses			
Compensation of Employees	4	2,313,242	1,517,892
Use of goods and services	5	10,350,719	1,942,040
Transfers to Other Government Units	6	19,967,356	12,750,000
Other grants and transfers	7	26,486,717	50,151,236
Other Payments	9	4,677,027	0
		(63,795,061)	(66,361,168)
Adjusted for:			
Adjustments during the year	14	956,886	205,783
Net cash flow from operating activities		23,972,170	15,741,167
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	(23,861,650)	(14,527,673)
Net cash flows from Investing Activities		(23,861,650)	(14,527,673)
NET INCREASE IN CASH AND CASH EQUIVALENT		110,520	1,213,494
Cash and cash equivalent at BEGINNING of the year	13	3,882,272	2,668,778
Cash and cash equivalent at END of the year		<u>3,992,792</u>	<u>3,882,272</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Igembe central Constituency financial statements were approved on _____ 2018 and signed by:


Fund Account Manager
Name: Danson Njogu Njiru.

IGEMBE CENTRAL CDF
FUND ACCOUNT MANAGER
P.O.Box 300 - 60600 Maua


Sub-County Accountant
Name: Millicent Njeri Kamau.
ICPAK Member .
IGEMBE CENTRAL
SUB - COUNTY ACCOUNTANT
P.O.Box 300, Maua
Date.....

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – IGEMBE CENTRAL CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2018

II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	15,261,583	102,071,928	86,810,345	15,261,583	85%
Proceeds from Sale of Assets	0	0	0	0	0	
Other Receipts	0	0	0	0	0	
TOTAL RECEIPTS	86,810,345	15,261,583	102,071,928	86,810,345	15,261,583	85%
PAYMENTS						
Compensation of Employees	1,592,000	1,822,272	3,414,272	2,313,242	1,101,030	68%
Use of goods and services	8,720,932	3,084,138	11,805,070	10,350,719	1,454,351	88%
Transfers to Other Government Units	19,967,356	5,575,862	25,543,218	19,967,356	5,575,862	78%
Other grants and transfers	27,991,380	4,779,310	32,770,690	26,486,717	6,283,973	81%
Acquisition of Assets	23,861,650		23,861,650	23,861,650	0	100%
Other Payments	4,677,027		4,677,027	4,677,027	0	100%
TOTALS	86,810,345	15,261,582	102,071,927	87,656,711	14,415,216	86%

a) Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

i. Under utilization of ksh.1,101,030 was due to balance brought forward for compensation of employees as at 1st July 2017.

ii. The under utilization of funds on use of goods, transfer to other government entities, other grants and other transfers was due to additional approved allocation which had not been received from the board

iii. Adjustments of Kshs.15,261,582 include Kshs.11,379,311 additional approved allocations consisting of Kshs.240,000 Compensation of employees, Kshs. 784,138, Use of goods and services Kshs.4,779,310 Other payments and transfers and Kshs.5,575,862 Transfer to other government entities

The NGCDF-Igembe central Constituency financial statements were approved on _____ 2018 and signed by:



Fund Account Manager
Name: Danson Njogu Njiru.



Sub-County Accountant
Name: Millicent Njeri Kamau.
ICPAK Member.

IGEMBE CENTRAL CDF
FUND ACCOUNT MANAGER
P.O.Box 300 - 60600 Maua

IGEMBE CENTRAL
SUB-COUNTY ACCOUNTANT
P.O.Box 300, Maua
Date.....

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
IGEMBE CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

I. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – IGEMBE
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – IGEMBE
CENTRAL CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO: A829560	1	0	4,094,828
AIE NO:A855016	2	0	36,853,449
AIE NO:A855546	3	0	24,948,275
AIE NO:A855638	4	0	16,000,000
AIE NO:A855817	1	5,500,000	
AIE NO:A892825	2	37,905,172	
AIE NO:A896878	3	43,405,173	
TOTAL		86,810,345	81,896,552

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	0	
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	2,270,042	1,452,292
Social Security benefit-employer cont.to n.s.s.f	43,200	65,600
Basic wages of casual labour	0	0
Personal allowances paid as part of salary		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Gratuity	0	0
Other personnel payments	0	0
Total	2,313,242	1,517,892

5. **USE OF GOODS AND SERVICES**

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	4,080,000	800,000
Utilities, supplies and services	0	0
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	1,000,000	0
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	1,175,613	154,940
Other operating expenses	0	0
Routine maintenance – vehicles and other transport equipment	526,694	287,100
Routine maintenance – Fuel, oil and lubricants	1,068,412	700,000
Strategic plan	2,500,000	0
Total	10,350,719	1,942,040

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – IGEMBE
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	5,917,356	12,750,000
Transfers to secondary schools (see attached list)	14,050,000	0
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
TOTAL	19,967,356	12,750,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,833,142	14,614,924
Bursary – tertiary institutions (see attached list)	8,731,163	7,410,450
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Roads projects	0	16,000,000
Security projects (see attached list)	1,950,000	3,850,000
Sports projects (see attached list)	1,736,206	1,637,931
Environment projects (see attached list)	1,736,206	1,637,931
Emergency projects (see attached list)	3,500,000	4,000,000
Capacity building	0	1,000,000
Total	26,486,717	50,151,236

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – IGEMBE
CENTRAL CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	23,861,650	14,052,173
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	475,500
Overhaul of Vehicles and Other Transport Equipment	0	xx
Purchase of Household Furniture and Institutional Equipment	0	xx
Purchase of Office Furniture and General Equipment	0	xx
Purchase of ICT Equipment, Software and Other ICT Assets	0	xx
Purchase of Specialised Plant, Equipment and Machinery	0	xx
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	xx
Acquisition of Land	0	xx
Acquisition of Intangible Assets	0	xx
Total	23,861,650	14,527,673

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub	4,677,027	0
TOTAL	4,677,027	0

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – IGEMBE
CENTRAL CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Name of Bank, Account No.</i>	3,992,792	3,882,272
<i>Name of Bank, Account No.</i>	0	0
<i>Name of Bank, Account No.</i>	0	0
Total	3,992,792	3,882,272
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – IGEMBE
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
Total				0

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

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	3,882,272	2,668,778
Cash in hand	0	0
Imprest	0	0
Total	3,882,272	2,668,778

[Provide short appropriate explanations as necessary]

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Stale cheques	956,886	205,783
Total	956,886	205,783

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,101,030	0
Use of goods and services	1,454,351	0
Amounts due to other Government entities (see attached list)	5,575,862	0
Amounts due to other grants and other transfers (see attached list)	6,283,973	0
Acquisition of assets	0	0
	14,415,216	0

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – IGEMBE
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	20,633,445.00	4,971,948.00
	20,633,445.00	4,971,948.00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/17	Outstanding Balance 2016/17	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.							
11.							
12.							
	Sub-Total						
	Grand Total						

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		861,030		
Use of goods & services		670,213		
Sub-Total		1,531,243		
Amounts due to other Government entities		0		
Sub-Total		0		
Amounts due to other grants and other transfers				
Emergency		1,504,663		
Sub-Total		1,504,663		
Acquisition of assets		0		
Sub-Total		0		
Others payments		0		
Sub-Total		0		
Additional Proposal				
Employees' salaries		200,000		
N.H.I.F		20,000		
N.S.S.F		20,000		
Goods and services		442,759		
Committee allowances		341,379		
Igembe central Sports		227,586		
Emergency		568,966		
Secondary school bursaries		2,482,758		
Tertiary bursaries		1,500,000		
Nturuba day secondary school		1,475,862		
Thamare secondary school		2,600,000		
Kaani ka Karui primary school		400,000		

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Mutuatine primary school		300,000	
Liburu Nkong'une primary school		600,000	
Laikumukumu primary school		200,000	
Sub-Total		11,379,310	0
Grand Total		14,415,216	0

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	0	0	0	0
Buildings and structures	14,052,173	23,861,650	0	37,913,823
Transport equipment-motorvehicle	6,125,000	0	0	6,125,000
Transport equipment-motorcycle	475,500	0	0	475,500
Office equipment, furniture and fittings	290,900	0	0	290,900
ICT Equipment, Software and Other ICT Assets	219,500	0	0	219,500
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	21,163,073	23,861,650	0	45,024,723

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 30 June, 2018	Bank Balance 30 June, 2017
ATHIRU RUUJINE CHIEF'S OFFICE	DHABITI SACCO BANK	4918-001-14658	-	536.00
GICHANINE-NTUTI PRY SCHOOL-KANDUBAI PRY-RIKIAU PRY SH. ROAD	DHABITI SACCO BANK	4918-044-15522	-	404.00
IGEMBE CENTRAL CDF OFFICE	DHABITI SACCO BANK	4918-044-15113	-	55,554.00
IGEMBE CENTRAL ENVIRONMENT PROG.	DHABITI SACCO BANK	4918-001-14657	-	6,456.00
IGEMBE CENTRAL ICT HUB	DHABITI BANK	4918-001-14128	4,676,427.00	-
IGEMBE CENTRAL SPORTS PROGRAMS	DHABITI BANK	4918-001-16146	1,735,706.00	-
IGEMBE CENTRAL SPORTS PROGRAMS	DHABITI SACCO BANK	4918-001-14391	-	503.00
IGEMBE CENTRAL STRATEGIC PLAN	DHABITI BANK	4918-001-16147	2,499,500.00	-
ITULU-KAUMONE PRY SCHOOL ROAD	DHABITI SACCO BANK	4918-044-15526	-	264,836.00
K.K MARKET-ATJIRU PRY SCHOOL-THITHA SEC - KALANKWARE PRY SCH. ROAD	DHABITI SACCO BANK	4918-044-15525	-	6,336.00
KAANI KA RUUI PRY SCHOOL	DHABITI SACCO BANK	4919-001-14048	-	50,054.00
KALANKWARE PRY SCHOOL	DHABITI SACCO BANK	4918-001-14571	-	97,389.00
KALIMIYU PRY SCHOOL	DHABITI SACCO BANK	4918-001-14576	-	99,672.00
KALUI PRY SCHOOL	DHABITI SACCO BANK	4918-001-13500	-	1,877.00
KANGETA CHIEF'S OFFICE	DHABITI SACCO BANK	4918-044-15359	-	504.00
KARAMA ANTUAMUO PRY SCHOOL	DHABITI SACCO BANK	4918-001-14927	-	27,217.00
KATHELWA CHIEF'S OFFICE	DHABITI SACCO BANK	4918-044-15358	-	666.00
KATHELWA PRY-NGUTHUKII PRY-K.K NANGA PRY SCHOOL ROAD	DHABITI SACCO BANK	4918-044-15524	-	47,804.00

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KATHELWA SEC.SCHOOL	DHABITI BANK	4918-001-13655	1,504,547.00	-
KAWIRU PRY SCHOOL	DHABITI SACCO BANK	4918-001-14108	-	99,024.00
KAWIRU PRY SCHOOL-MPINDA PRY SCHOOLNTHAMBIRO PRY SCHOOL ROAD.	DHABITI SACCO BANK	4918-044-15528	-	318.00
KAWIRU SEC. SCHOOL	DHABITI BANK	4918-001-1466	2,999,419.00	-
KIENGU POLICE HOUSES	DHABITI SACCO BANK	4918-044-15360	-	58.00
KIMUTUBWA PRY SCHOOL	DHABITI SACCO BANK	4918-001-15363	-	634.00
KITHARE DAY SEC. SCHOOL	DHABITI BANK	4918-001-13604	1,699,742.00	-
KITHARE PRY SCHOOL	DHABITI SACCO BANK	4918-001-13841	-	311,534.00
LAIKUMUKUMU PRY SCHOOL	DHABITI SACCO BANK	4918-044-15366	-	49,747.00
LIBURU NKONG'UNE PRY SCHOOL	DHABITI SACCO BANK	4918-001-13640	-	281,929.00
MACHUNGULU CHIEF'S OFFICE	DHABITI SACCO BANK	4918-044-15367	-	517.00
MACHUNGULU PRIMARY SCHOOL	DHABITI BANK	4918-001-05297	49,490.00	-
MACHUNGULU PRY SCHOOL	DHABITI SACCO BANK	4918-044-14068	-	219,134.00
MANGALA AP LINE	DHABITI SACCO BANK	4918-044-15164	-	106,791.00
MIORI CHIEF'S OFFICE	DHABITI SACCO BANK	4918-044-15166	-	920.00
MPOROKO PRY SCHOOL	DHABITI SACCO BANK	4918-001-14229	-	390.00
MUKULULU CHIEF'S OFFICE	DHABITI SACCO BANK	4918-001-14575	-	526.00
MUKULULU PRY SCHOOL	DHABITI SACCO BANK	4918-044-15364	-	61,584.00
MUTUATINE PRY SCHOOL	DHABITI SACCO BANK	4918-001-14925	-	397,844.00
MUUTINE CHIEF'S OFFICE	DHABITI SACCO BANK	4918-044-15369	-	297,880.00
MUUTINE-NJIA BOYS SEC-KILIMAMUNGU SEC- LIMORO PRY SCH ROAD.	DHABITI SACCO BANK	4918-044-15523	-	160,402.00
MWERONGAI PRY SCHOOL	DHABITI SACCO BANK	4918-001-15417	-	556.00
MWIYO CHIEF'S CAMP	DHABITI SACCO BANK	4918-001-14026	-	74,090.00

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MWOMWERE PRY SCHOOL	DHABITI SACCO BANK	4918-001-14050	-	684.00
NJIA BOYS SEC. SCHOOL	DHABITI BANK	4918-001-16148	1,525,179.00	-
NJOUNE-MIORI PRY SCHOOL -NTHARE SEC ROAD	DHABITI SACCO BANK	4918-044-15527	-	698,136.00
NKINYANG'A PRY SCHOOL	DHABITI SACCO BANK	4918-001-13626	-	897,806.00
NKOE PRIMARY SCHOOL	DHABITI BANK	4918-001-16145	1,807,933.00	-
NTHAMBIRO CHIEF'S OFFICE	DHABITI SACCO BANK	4918-001-15361	-	167,224.00
NTUENE PRY SCHOOL	DHABITI SACCO BANK	4918-001-13660	-	454.00
NYAMBENE FOREST	DHABITI BANK	4918-001-16144	1,035,706.00	-
RIKIAU PRY SCHOOL	DHABITI SACCO BANK	4918-001-14230	-	98,989.00
ST.MARKS PRY SCHOOL	DHABITI SACCO BANK	4918-044-15365	-	634.00
THAMARE SEC.SCHOOL	DHABITI BANK	4918-001-13990	1,099,796.00	-
THUMBERERIA PRY SCHOOL	DHABITI SACCO BANK	4918-001-14569	-	509.00
THUURU PRY SCHOOL	DHABITI SACCO BANK	4918-001-14065	-	383,826.00
Total			20,633,445.00	4,971,948.00

ANNEX 6: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Auditor General's report for 2016/2017	<p>1.0 Cash and Cash Equivalent</p> <p>The statement of assets reflects bank balance of Kshs.3,882,272 as at 30 June 2017. However, the bank reconciliation statements reflected unrepresented cheques totalling to Kshs.2,501,386 which included stale cheques totalling Kshs.329,000 and payments in bank statements not in cashbook. Further, statement of assets, the statement of cash flows and note 9 to the financial statements for the year under review reflected prior year adjustment of stale cheque of Kshs.205,783 which were not presented for verification so as to ascertain their authenticity, existence and accuracy.</p> <p>In addition, annex 2 to the financial statements reflected forty three (43) projects management committee (PMC) bank accounts with balances totalling to Kshs.4,971,948. However, the Fund did not</p>	<p>The PMC bank statements, cashbooks, and bank reconciliation have been provided</p>	FUND ACC. MANAGER	RESOLVED	ALREADY RESOLVED

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	provide the bank statements, cashbooks and bank reconciliations for audit verifications In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.3,882,272 as at 30 June 2017 could not be ascertained.				
Auditor General's report for 2016/2017	<p>2.0 Irregular Implementation Roads Projects</p> <p>During the period under review the fund had a budget of Kshs.16,000,00 in respect to roads. Note 5 to the financial statements shows that all roads projects totalling to Kshs.16,000,000 were funded and implemented. However, the road projects did not fall within the functions of the fund as per section 24 (1) of the NGCDF fund act 2015.</p> <p>In the circumstances, the Fund was in breach of section 24 (1) of the NGCDF Act 2015.</p>	The projects that had not been implemented have been implemented in financial year 2016/17.	FUND ACC. MANAGER.	RESOLVED	ALREADY RESOLVED
Auditor General's report for 2016/2017	<p>Budget and Budgetary Control</p> <p>During the financial year under review, the fund had an approved budget of Kshs.85,458,248 comprising of Kshs.81,896,552 for the financial year</p>	The constituency will request for funds on	FUND ACC. MANAGER.	RESOLVED	ALREADY RESOLVED

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>2016/2017 and Kshs.3,561,696 brought forward from financial year 2015/2017. The total expenditure by the Fund in the the financial year 2016/2017 was Kshs.80,888,841 representing absorption rate of 95% of the total approved budget resulting in under expenditure of Kshs.4,569,407.</p> <p>However, the combined statement of appropriation reflected a budgeted expenditure of Kshs.78,087,559 and actual expenditure of Kshs.77,428,909 which differed with the above budgeted and actual expenditure of Kshs.85,458,248 and Kshs.8088,841 by unexplained and unreconciled variance of Kshs.7,370,689 and Kshs.3,459,932</p>	<p>timely basis from the board</p>			
Auditor General's report for 2016/2017	<p>Projects Implementation Project implementation made available indicated that a total of Kshs.74,525,863 was disbursed to forty five projects out of which one project of Kshs.14,052,173 was on going while 44 projects amounting to Kshs.60,473,690 were completed.</p>	<p>The projects that had not been implemented have been implemented in financial year 2017/18.</p>	FUND ACC. MANAGER.	RESOLVED	ALREADY RESOLVED

