

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 09 MAY 2019

DAY: THURSDAY

REPORT BY: HON. BENJAMIN WASHAU
MAJORITY PARTY WHIP

CLERK AT THE TABLE: INZIFU MWALE

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OF KENYA
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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
ROYSAMBU CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND ROYSAMBU
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

(b) Key Management

The NGCDF ROYSAMBU 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 2018 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|-----|-----------------------|-----------------|
| 1. | Accounting Officer | Yusuf Mbuno |
| 2. | A.I.E holder | Mary Wanyika |
| 3. | Sub-County Accountant | Alois Kimuyu |
| 4. | Chairman NG-CDFC | David Mwangi |
| 5. | Member NG-CDFC | Jamila Wangeshi |

(d) Fiduciary Oversight Arrangements

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

P.O. Box 65086-00618 RUARAKA
Along Garden Estate Road near Sun Star Hotel
Nairobi, KENYA

(f) NG-CDF ROYSAMBU Constituency Contacts

Telephone: (254) 713-546-646
E-mail: cdfroysambu@ngcdf.go.ke

(g) NG-CDF ROYSAMBU Constituency Bankers

1. Equity Bank Ltd
Githurai Branch
P.O. Box 15801
Nairobi, Kenya

Account Name: Roysambu NG-CDF
Account Number: 0710261637282

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Roysambu NG-CDF had an allocation of Kshs. 86,810,344.80 in the financial year 2017/2018. By 30th June 2018, the constituency had received Kshs. 43,405,172.00 from the NG-CDF Board and disbursed to various intended beneficiaries.

During the subject year, the constituency managed to implement the bursary project in totality while the other projects were in various stages of procurement. The constituency managed to complete an on-going project that started in the F/Y 2016/17. The actual construction did not commence in various projects. This was caused by lack of bill of quantities that the office relies heavily of the Ministry of State for Housing and Public Works in terms of technical expertise.

The table below shows how the projects got their allocation.

Project allocation

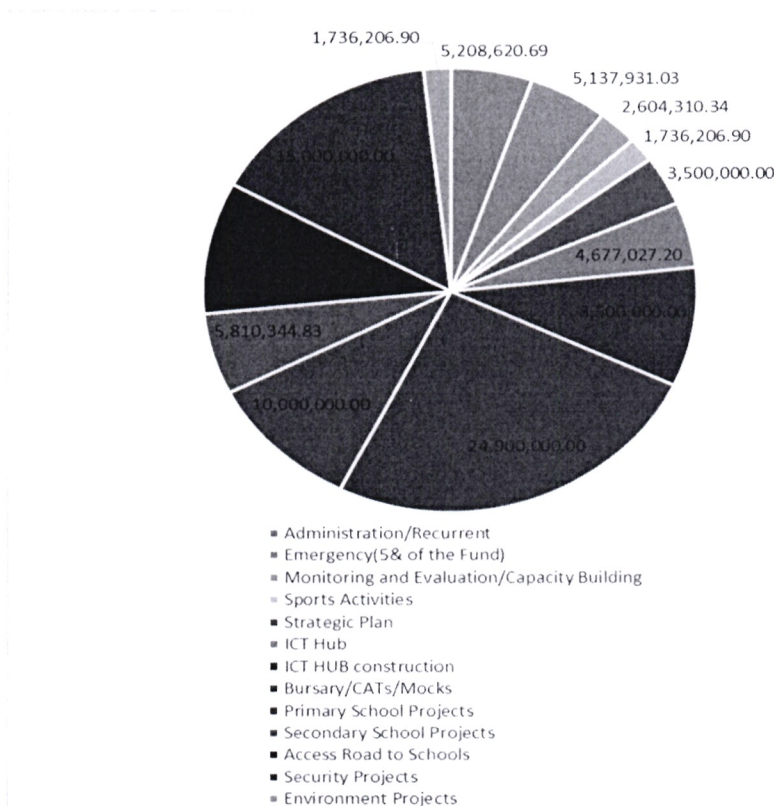


Figure 1

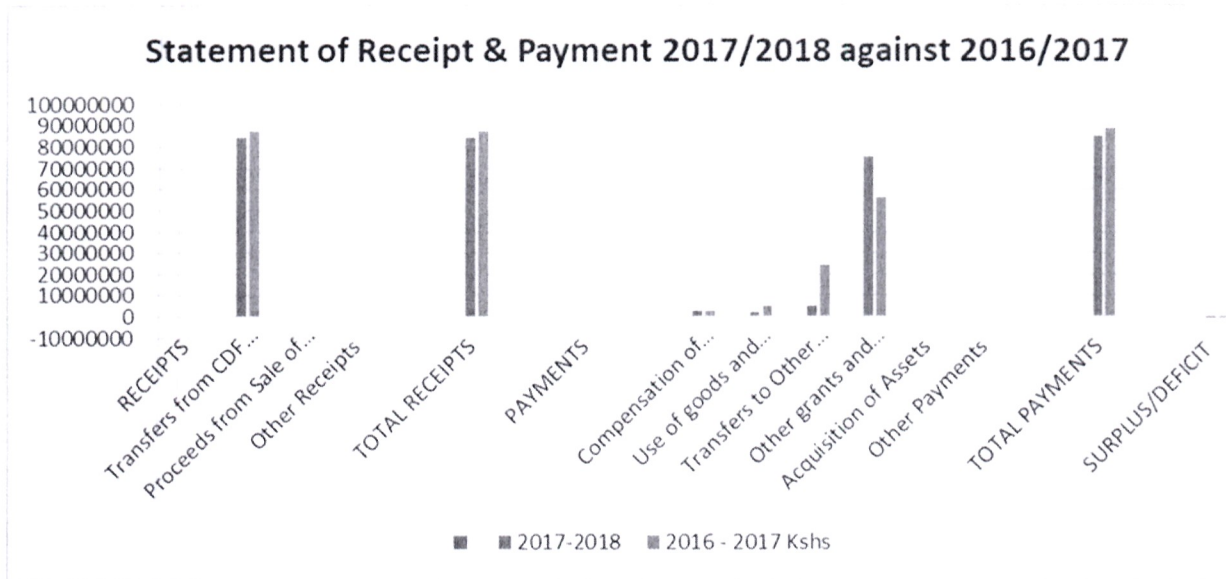


Figure 2

Key achievements during F/Y 2017/2018

Apart from the bursaries worth KShs. 22,663,100.00 that were issued to the needy constituents, construction of a modern ablution in Kiwanja Primary was a success.

Kiwanja Primary School ablution Block. (Old Block)

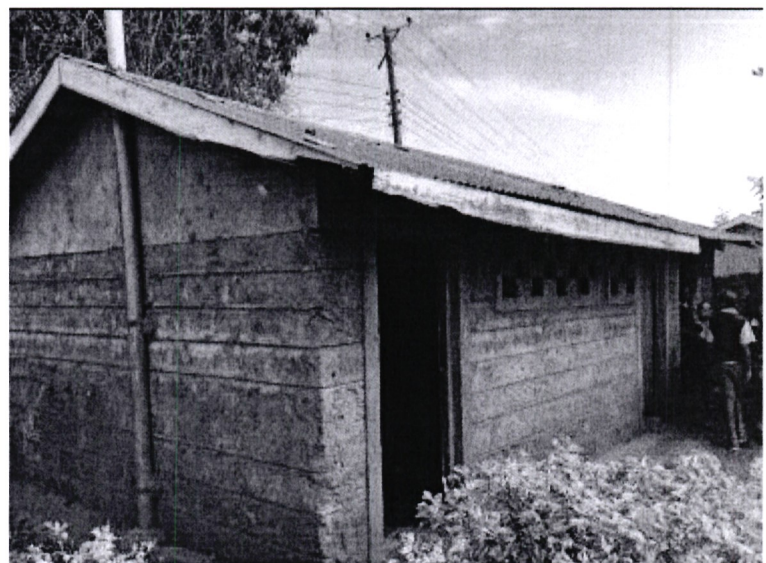


Figure 3

Newly constructed Ablution Block in Kiwanja Primary School F/Y 2016/17/18



Figure 4

Key Challenges

NG-CDF was and is meant to alleviate poverty at the grass root level. Indeed, this key objective has been achieved amid myriad of challenges. It is known to be the backbone of development in the Constituency and in the country at large and an integral part in any development agenda. The political interference and the attitude by the public about what the fund is all about.

D. David

David Mwangi,
CHAIRMAN
NGCDFC- ROYSAMBU

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

ROYSAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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-ROYSAMBU 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-ROYSAMBU 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-ROYSAMBU 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-ROYSAMBU 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-ROYSAMBU Constituency financial statements were approved and signed by the Accounting Officer on 30th September 2018.



Fund Account Manager
Name: Mary Wanyika



Sub-County Accountant
Name: Alois Kimuyu

ICPAK Member Number: 8506

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 - ROYSAMBU 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 - Roysambu Constituency set out on pages 8 to 30, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flow 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 effects of the matter described in the basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Roysambu 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 Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Cash and Cash Equivalents

The statement of assets and liabilities as at 30 June 2018 reflects cash and cash equivalents balance of Kshs.1,253,084. However, bank reconciliation statement as at the same date reflects unrepresented cheques totalling Kshs.8,858,381, which includes stale cheques amounting to Kshs.1,686,846. However, no explanation was given for failure to reverse stale cheques in the cash book. The accuracy of cash and cash equivalents balance of Kshs.1,253,084 could, therefore, not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Roysambu Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in

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

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 and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Budget Performance

During the year under review, Roysambu National Government 9760 Constituencies Development Fund had a budget of Kshs.128,765,638 against actual expenditure of Kshs.75,507,381 or 59% of the total budget resulting in under expenditure of Kshs.53,258,257 or 41% of the budget which has not been explained.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my

report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the ability of National Government Constituencies Development Fund - Roysambu Constituency to sustain services, disclosing and as applicable matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

Auditor-General's Responsibilities for the Audit

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

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

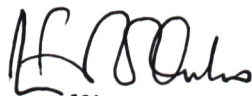
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining 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-Roysambu 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

18 April 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

ROYSAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2017 - 2018 Kshs | 2016 - 2017 Kshs |
|-------------------------------------|------|----------------------------|-----------------------------|
| RECEIPTS | | | |
| Transfers from NGCDF board | 1 | 76,753,447.10 | 90,038,836.60 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| TOTAL RECEIPTS | | 76,753,447.10 | 90,038,386.60 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 1,933,236.86 | 1,131,696.10 |
| Use of goods and services | 5 | 4,663,841.00 | 7,225,925.55 |
| Transfers to Other Government Units | 6 | 27,169,115.00 | 56,682,759.00 |
| Other grants and transfers | 7 | 41,741,188.00 | 58,956,928.80 |
| Acquisition of Assets | 8 | - | - |
| Other Payments | 9 | - | - |
| TOTAL PAYMENTS | | 75,507,380.86 | 123,997,308.85 |
| SURPLUS/(DEFICIT) | | <u>1,246,066.24</u> | <u>33,958,472.00</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ROYSAMBU Constituency financial statements were approved on 30th September 2018 and signed by:



Fund Account Manager
Name: Mary Wanyika



Sub-County Accountant
Name: Alois Kimuyu


ICPAK Member Number: 8506


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

STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2017 - 2018 | 2016 - 2017 |
|---|------|---------------------|-----------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 1,253,084.24 | 7,018.00 |
| Cash Balances (cash at hand) | 10B | = | = |
| Total Cash and Cash equivalents | | 1,253,084.24 | 7018 |
| Current Receivables- Outstanding Imprests | 11 | = | = |
| TOTAL FINANCIAL ASSETS | | <u>1,253,084.24</u> | <u>7,018.00</u> |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable-Retention | 12 | - | - |
| NET FINANCIAL ASSETS | | <u>1,253,084.24</u> | <u>7,018.00</u> |
| REPRESENTED BY | | | |
| | | - | - |
| Fund balance b/fwd 1st July... | 13 | 7,018.00 | 33,965,490.00 |
| Surplus/Deficit for the year | | 1,246,066.24 | 33,958,472.00 |
| Prior year adjustments | 14 | = | = |
| NET FINANCIAL POSITION | | <u>1,253,084.24</u> | <u>7,018.00</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ROYSAMBU Constituency financial statements were approved on 30th September 2018 and signed by:


 Fund Account Manager
 Name: Mary Wanyika

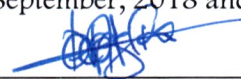

 Sub-County Accountant
 Name: Alois Kimuyu

ICPAK Member Number: 8506

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

| | | 2017 - 2018 | 2016 - 2017 |
|--|-----------|----------------------------|------------------------|
| Receipts for operating income | | | |
| Transfers from NGCDF Board | 1 | 76,753,447.10 | 90,038,836.60 |
| Other Receipts | 3 | = | = |
| | | 76,753,447.10 | 90,038,836.60 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 1,933,236.86 | 1,131,696.10 |
| Use of goods and services | 5 | 4,663,841.00 | 7,225,925.55 |
| Transfers to Other Government Units | 6 | 27,169,115.00 | 56,682,759.00 |
| Other grants and transfers | 7 | 41,741,188.00 | 58,956,928.00 |
| Other Payments | 9 | - | - |
| | | (xx) | (xx) |
| Adjusted for: | | | |
| Adjustments during the year | 14 | 75,507,380.86 | 123,997,038.85 |
| Net cash flow from operating activities | | 1,246,066.24 | 33,958,472.25 |
| | | | |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 8 | (-) | (-) |
| Net cash flows from Investing Activities | | - | - |
| | | | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 1,246,066.24 | 33,958,472.25 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 7,018.00 | 33,965,490.17 |
| Cash and cash equivalent at END of the year | | <u>1,253,084.24</u> | <u>7,018.00</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ROYSAMBU Constituency financial statements were approved on 30th September, 2018 and signed by:



Fund Account Manager
Name: Mary Wanyika



Sub-County Accountant
Name: Alois Kimuyu

ICPAK Member Number: 8506

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

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 Utilization Difference e=c-d | % of Utilization f=d/c % |
|-------------------------------------|----------------------|----------------------|-----------------------|------------------------------------|--|--------------------------------|
| RECEIPTS | | | | | | |
| Transfers from NGCDF Board | 86,810,344.82 | 53,334,603.45 | 140,144,948.27 | 76,753,447.10 | 63,391,501.17 | 59.61% |
| Proceeds from Sale of Assets | - | | | 0.00 | 0.00 | |
| Other Receipts | - | | | 0.00 | 0.00 | |
| TOTAL RECEIPTS | 86,810,344.82 | 53,334,603.45 | 140,144,948.27 | 76,753,447.10 | 63,391,501.17 | 59.61% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,412,936.00 | 0.00 | 2,412,936.00 | 1,933,286.86 | 479,649.14 | 80.12% |
| Use of goods and services | 8,899,994.00 | 1,039,326.39 | 9,939,320.39 | 4,663,841.00 | 5,275,479.39 | 46.92% |
| Transfers to Other Government Units | 30,779,010.10 | 30,221,139.15 | 61,000,149.25 | 27,169,115.00 | 33,831,034.25 | 44.54% |
| Other grants and transfers | 40,041,377.52 | 22,074,137.91 | 62,115,515.43 | 41,741,188.00 | 20,374,327.43 | 67.20% |
| Acquisition of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Other Payments | 4,677,027.20 | - | 4,677,027.20 | 0.00 | 4,677,027.20 | 0.00% |
| TOTAL PAYMENTS | 86,810,344.82 | 53,334,603.45 | 140,144,948.27 | 75,507,380.86 | 64,637,567.41 | 53.88% |

- i. The underutilization of funds was delayed due to technical expertise sought from other departments who are not directly responsible to us
- ii. The NGCDF Board disburses funds as per the rate of absorption of each constituency
- iii. The low rate of absorption is also interrupted by the nature of some projects (Bursary) that the office has no control once bursary cheques have been issued to the beneficiaries

The NGCDF-ROYSAMBU Constituency financial statements were approved on 30th September 2018 and signed by:


Fund Account Manager
Name: Mary Nanyiva



Sub-County Accountant
Name: Alois Kimuyu

ICPAK Member Number: 8506

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-ROYSAMBU 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 (shs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2017-2018 | 2016-2017 |
|--------------|------------------|----------------------|----------------------|
| | | Kshs | Kshs |
| NGCDF Board | | | |
| AIE NO | 2016/2017/235 | | 4,094,827.60 |
| AIE NO | 2015/2016/1053 | | 29,090,560.00 |
| AIE NO | 2016/2017/354 | | 36,853,449.00 |
| | 2015/2016/673 | | 20,000,000.00 |
| AIE NO | 07/2017/2018/234 | 5,500,000.00 | |
| AIE NO | 07/2016/2017/217 | 32,848,275.10 | |
| AIE NO | 07/2015/2016/710 | 37,905,172.00 | |
| | | 500,000.00 | |
| | | | |
| TOTAL | | 76,753,447.10 | 90,038,836.60 |

2. PROCEEDS FROM SALE OF ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

| | 2017-2018 | 2016-2017 |
|---|---------------------|---------------------|
| | Kshs | Kshs |
| Basic wages of contractual employees | 1,933,236.86 | 1,131,696.00 |
| Basic wages of casual labor | - | - |
| Personal allowances paid as part of salary | | |
| House allowance | - | - |
| Transport allowance | - | - |
| Leave allowance | - | - |
| Gratuity | - | - |
| Other personnel payments | - | - |
| Total | 1,933,236.86 | 1,131,696.00 |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| | 2017-2018 | 2016-2017 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Committee Expenses | 1,446,000.00 | 2,937,000.00 |
| Utilities, supplies and services | 1,363,235.00 | 507,826.55 |
| Communication, supplies and services | 103,100.00 | 223,100.00 |
| Domestic travel and subsistence | - | - |
| Printing, advertising and information supplies & services | 57,700.00 | 400,000.00 |
| Rentals of produced assets | - | - |
| Training expenses | 306,900.00 | 1,356,000.00 |
| Hospitality supplies and services | - | 130,000.00 |
| Insurance costs | - | - |
| Specialized materials and services | - | - |
| Office and general supplies and services | 425,956.00 | 892,000.00 |
| Other operating expenses | 960,950.00 | 780,000.00 |
| Routine maintenance – vehicles and other transport equipment | - | - |
| Routine maintenance – other assets | - | - |
| Total | 4,663,841.00 | 7,225,927.00 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 ROYSAMBU CONSTITUENCY
 Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2017-2018 | 2016-2017 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Transfers to National Government entities | - | - |
| Transfers to primary schools (see attached list) | 13,169,115.00 | 21,500,000.00 |
| Transfers to secondary schools (see attached list) | 14,000,000.00 | 30,700,000.00 |
| Transfers to tertiary institutions (see attached list) | - | - |
| Transfers to health institutions (see attached list) | - | 4,482,759.00 |
| TOTAL | 27,169,115.00 | 56,682,759.00 |

7. OTHER GRANTS AND OTHER PAYMENTS

| | 2017-2018 | 2016- 2017 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 12,995,000.00 | 19,548,000.00 |
| Bursary – tertiary institutions (see attached list) | 9,927,000.00 | 7,587,000.00 |
| Bursary – special schools (see attached list) | 190,000.00 | - |
| Mock & CAT (see attached list) | - | - |
| Security projects (see attached list) | - | 7,315,302.00 |
| Sports projects (see attached list) | - | 3,496,614.00 |
| Environment projects (see attached list) | - | 3,610,686.00 |
| Emergency projects (see attached list) | - | 10,399,326.80 |
| Total | 23,112,000.00 | 58,956,929.00 |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

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

9. OTHER PAYMENTS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ROYSAMBU 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 | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| Total | | | | - |

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

12: RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

| | 2017-2018 | 2016-2017 |
|---------------|------------------|-----------------------|
| | Kshs | Kshs |
| Bank accounts | 7,018.00 | 33,965,490.00 |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | 7,018.00 | 33,965,490.00- |

[Provide short appropriate explanations as necessary]

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

| | 2017- 2018 Kshs | 2016-2017 Kshs |
|---------------|--------------------|-------------------|
| Bank accounts | - | - |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | - | - |

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

| | Kshs | Kshs |
|--|------------|----------|
| Senior management | - | - |
| Middle management | - | - |
| Union sable employees | - | - |
| Others (<i>NG-CDF Employees on Contract Basis</i>) | 156,935.02 | - |
| | - | - |

15.3: UNUTILIZED FUNDS (See Annex 3)

| | Kshs | Kshs |
|---|----------------------|----------------------|
| Compensation of employees | 1,079,649.14 | 1,059,505.00 |
| Use of goods and services | 4,594,832.12 | 54,564.00 |
| Amounts due to other Government entities (see attached list) | 24,100,000.10 | 25,707,593.00 |
| Amounts due to other grants and other transfers (see attached list) | 18,300,189.52 | 14,633,631.00 |
| Acquisition of assets | - | - |
| Others (<i>ICT HUB</i>) | 4,677,027.20 | - |
| | 53,258,257.08 | 41,455,293.17 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ROYSAMBU 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) | 37,933,204.82 | 36,073,726.00 |
| | 37,933,204.82 | 36,073,726.00 |

NATIONAL GOVERNMENT ENTITY - (ROYSAMBU CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | 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 | | | | | | |

NATIONAL GOVERNMENT ENTITY - (ROYSAMBU CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2018 | Outstanding Balance 2017 | Comments |
|----------------------------------|-----------|-------------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | a | b | c | d=a-c | | |
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| Sub-Total | | | | | | | |
| Middle Management | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| Sub-Total | | | | | | | |
| union sable Employees | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| Sub-Total | | | | | | | |
| Others (NG-CDF Employees) | | | | | | | |
| 10. ISAAC M KAMAU | N/A | 54,540.78 | 1/1/2018 | | 54,540.78 | - | |
| 11. ESHTER N. NDEGWA | N/A | 49,647.12 | 1/1/2018 | | 49,647.12 | - | |
| 12. EVA W. MARANGA | N/A | 40,347.12 | 1/1/2018 | | 40,347.12 | - | |
| 13. SAMUEL GICHUHI | N/A | 12,400.00 | 1/5/2018 | | 12,400.00 | - | |
| Sub-Total | | | | | | | |
| Grand Total | | 156,935.02 | | | 156,935.02 | | |

NATIONAL GOVERNMENT ENTITY - (ROYSAMBU CONSTITUENCY)

**Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)**

ANNEX 3 – UNUTILIZED FUNDS

| Name | Brief Transaction Description | Outstanding Balance 2017/18 | Outstanding Balance 2016/17 | Comments |
|---|---|-----------------------------|-----------------------------|----------|
| Compensation of employees | Employees' Salaries | 479,649.14 | 1,059,505.00 | |
| Use of goods & services | Purchase of fuel, repairs \$ maintenance, printing, stationery, telephone, travel and subsistence | 4,036,428.76 | 95,788.00 | |
| Amounts due to other Government entities | | | | |
| Garden Est. Sec Sch | Construction of Ablution Block | 2,000,000.00 | | |
| Kiwanja Sec Sch | Construction of 4NO. classrooms (Phase III) | 8,500,000.00 | | |
| Kamiti Sec Sch | Construction of modern kitchen and completion of dining hall | 2,000,000.00 | 5,500,000.00 | |
| Kiwanja Sec Sch | Construction of Ablution Block | 2,000,000.00 | | |
| Kiwanja Sec Sch | Additional funds for construction of Ablution Block | 4,100,000.00 | | |
| Kiwanja Sec Sch | Construction of 4NO. classrooms (Phase IV) | 5,000,000.00 | | |
| Kiwanja Sec Sch | Construction of Modern twin Lab | 7,000,000.00 | | |
| Ministry of ICT | Construction of 4NO. internet sites | 4,677,027.20 | | |
| Githurai Pry Sch | | | 7,500,000.00 | |
| Kenyatta Univ. Pry Sch | | | 3,000,000.00 | |
| Njathaini Pry Sch | | | 200,000.00 | |
| Mahiga Pri. Sch | | | 700,000.00 | |
| Kahawa Pri. Sch | | | 500,000.00 | |
| Muthaiga Pri. Sch | | | 500,000.00 | |

NATIONAL GOVERNMENT ENTITY - (ROYSAMBU CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

| | | | |
|--|---|----------------------|----------------------|
| Garden Est. Sec Sch | Additional funds for completion of ablutition block | 231,034.15 | 3,500,000.00 |
| Kiwanja Pri Sch | | | |
| Sub-Total | | | |
| Amounts due to other grants and other transfers | | | |
| Githurai Chiefs Camp | | 7,600,000.00 | 7,600,000.00 |
| Githurai Chiefs Camp | | 4,000,000.00 | |
| Zimmerman Chiefs Camp | | 8,000,000.00 | |
| Kamuthi –Githurai Bridge | | 500,000.00 | 500,000.00 |
| Bursary to Secondary Schools | | 3,300,000.00 | |
| Bursary to tertiary Institutions | | 4,800,000.00 | |
| Constituency Sports | | 1,963,792.20 | |
| Environmental Activities | | 1,963,792.20 | |
| Emergency | | 2,539,777.52 | |
| | | | |
| | | | |
| Sub-Total | | | |
| Sub-Total | | | |
| Acquisition of assets | | | |
| | | | |
| Others (specify) | | | |
| | | | |
| Sub-Total | | | |
| Grand Total | | 63,391,501.17 | 41,955,293.12 |

NATIONAL GOVERNMENT ENTITY - (ROYSAMBU CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) 2016/17 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2017/18 |
|--|---|--|--|---|
| Land | - | - | - | - |
| Buildings and structures | - | - | - | - |
| Transport equipment | - | - | - | - |
| Office equipment, furniture and fittings | - | - | - | - |
| ICT Equipment, Software and Other ICT Assets | - | - | - | - |
| Other Machinery and Equipment | - | - | - | - |
| Heritage and cultural assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 2,697,560.00 | 2,697,560.00 | 2,697,560.00 | 2,697,560.00 |

NATIONAL GOVERNMENT ENTITY - (ROYSAMBU CONSTITUENCY)**Reports and Financial Statements****For the year ended June 30, 2018 (Kshs'000)****ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018**

| PMC | Bank | Account number | Bank Balance 2017/18 | Bank Balance 2016/17 |
|---|------------------------------|-----------------------|---------------------------------|---------------------------------|
| Garden Estate Sec Sch | Cooperative Bank of Kenya | 01134575250401 | 3,738,909.90 | 7,988,675.90 |
| Roysambu Const. Envi. PMC | Equity Bank | 0710265125462 | 16,524.80 | 611,634.80 |
| Mahiga Pry School | Equity Bank | 0710169615263 | 4,063.90 | 1,597,586.90 |
| Kamiti Sec School | Equity Bank | 0710169615286 | 5,008,777.35 | 187,052.00 |
| Githurai Chiefs Camp PMC | Equity Bank | 0710164999549 | 4,796,394.65 | 1,129,116.65 |
| Githurai Pry School PMC | Equity Bank | 0710170691229 | 7,639,302.00 | 1,089,767.00 |
| Roysambu Const. Sports PMC | Equity Bank | 0710265125134 | 2,876.80 | 2,876.00 |
| Njathaini Pry School | Cooperative Bank of Kenya | 01134284238500 | 2,912.10 | 159,992.80 |
| Kamuthi Bridge PMC | Cooperative Bank of Kenya | 01134575565300 | 90.65 | 90.65 |
| Marurui H/Centre PMC | Cooperative Bank of Kenya | 01141575917700 | 1,266,150.00 | 2,139,982.00 |
| Roysambu Sec Sch PMC | Cooperative Bank of Kenya | 01134284428400 | 10,408,764.90 | 10,408,764.90 |
| Zimmerman Sec Sch PMC | Equity Bank | 0710263683343 | 1,557,333.12 | 10,600,514.12 |
| Muthaiga Pry Sch PMC | Equity Bank | 0710169615309 | 148,022.00 | 148,022.00 |
| Kahawa Pry Sch | Equity Bank | 0710169615207 | 9,620.00 | 9,620.00 |
| Kenyatta University Primary School PMC | National Bank of Kenya | 01022205462900 | 2,999,875.00 | 0.00 |
| Thome AP Police Post PMC | Cooperative Bank of Kenya | 01134575510900 | 294,775.25 | 0.00 |
| Kiwanja Primary School PMC | Family Bank | 044000007040 | 38,812.40 | 0.00 |
| Zimmerman Chiefs/ AP Camp | Cooperative Bank of Kenya | 044000007831 | 7,997,800.00 | 0.00 |
| Total | | | 37,933,204.82 | 36,073,726.00 |

NATIONAL GOVERNMENT ENTITY - (ROYSAMBU CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe (Put a date when you expect the issue to be resolved) |
|---|--|----------------------------|---|--|--|
| N/A | N/A | N/A | N/A | N/A | N/A |
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All the issues have been resolved. The Office of the Auditor General is working on the 2016/2017 reports to deliver their verdict. However, all the issues raised in the management letter were addressed appropriately.

