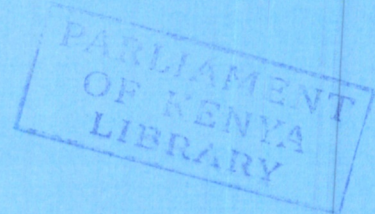




OFFICE OF THE AUDITOR-GENERAL



REPORT



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 AUG 2013

DAY: THURSDAY

MAJORITY LEADER

FILE

OF THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
NYERI TOWN CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018



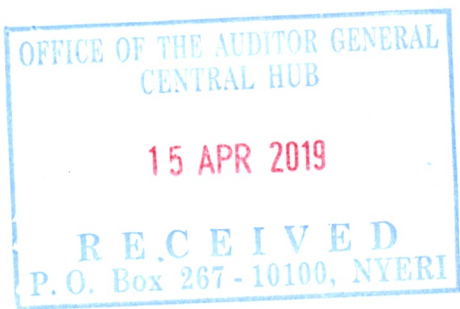


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
NYERI TOWNCONSTITUENCY**

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) NYERI TOWN
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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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 NG-CDF Nyeri Town Constituency 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	Huron Karanja
3.	Sub-County Accountant	Mr. Thomas Githua
4.	Chairman NG-CDFC	Nancy Njai
5.	Member NG-CDFC	Stephen Nguyo

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of NG-CDF - Nyeri Town Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF 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 Nyeri Town Constituency Headquarters

P.O. Box 1976-10100
NG-CDF Building Next to Ruring'u Stadium
Nyeri, KENYA

(f) NGCDF Nyeri Town Constituency Contacts

Telephone: (254) 720 370 307
E-mail: nyeritown@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF Nyeri Town Constituency Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Equity Bank
Nyeri Branch
P.O. Box 2064-10100
Nyeri, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

It is my great pleasure to present the annual report and financial statement prepared in accordance with the cash basis of accounting method under the international public sector accounting standard (IPSAS) for the year ended 30th June 2018.

Nyeri Town NG-CDF under receipts had Kshs. 43,405,172 out of the expected budget of Kshs. 86,810,344.82. This led to underutilization of Kshs. 43,405,172.82 (50.0%) of which had not been received from the NG-CDF Board.

For the Expenditure, Nyeri Town NG-CDF had a budget of Kshs. 86,810,344.82 of which we were able to have an expenditure totalling Kshs. 21,789,656.52 having a utilization of Kshs. 21,615,515.50. This was as result of not receiving more than half of the expected funds from the NG-CDF board. In addition some funds were received towards the close of the financial year.

Challenges

In course of the project implementation the NG-CDF encountered a number of challenges:

- Delayed disbursement of funds from the NG-CDF Board

Despite the challenges, the NG-CDFC has prepared a work plan and conducting capacity building of the PMC to ensure efficient and effective project management. In addition strategizing on the ways to improve absorption of funds.

Sign



Nancy Wamuyu Njai

CHAIRPERSON NG-CDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NYERI TOWN 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 NG-CDF-Nyeri Town 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 NG-CDF- Nyeri Town 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 NG-CDF- Nyeri Town 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 NG-CDF- Nyeri Town 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 NG-CDF-Nyeri Town Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.



Fund Account Manager
Name:



Sub-Country Accountant
Name: Thomas Gitua
CPA Member Number: 9596

REPUBLIC OF KENYA

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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 - NYERI TOWN 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 - Nyeri Town Constituency set out on pages 6 to 27, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows, 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 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-Nyeri Town Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Cash and Bank Balances

The financial statements reflect bank balance of Kshs.21,600,931 as at 30 June 2018. However, the following anomalies were noted:

(i). As disclosed in Note 10A to the financial statements, the Nyeri NG-CDF operated bank account No. 10061303000001 at the Consolidated Bank which had nil balance as at 30 June 2018. However, cash book, bank statements and bank reconciliation statements relating to this account were not provided for audit verification.

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Nyeri Town Constituency For The Year Ended 30 June 2018

(ii). The bank reconciliation statement for the account maintained at Equity Bank, Nyeri with a balance of Kshs.21,600,931 as at 30 June 2018 includes stale cheques totalling Kshs.1,436,330.71, receipts in bank statement not recorded in the cash book of Kshs.92,000 and payments in the bank statement not recorded in cash book amounting to Kshs.36,486.15. No explanation was provided for the failure to reverse the stale cheques in the cash book or clear these reconciling items which have been outstanding for a long time.

As a result, the accuracy and completeness of the cash and cash equivalents balance of Kshs.21,600,931 as at 30 June 2018 could not be confirmed.

2. Bursary Funds

Disclosed in Note 7 to the financial statements under other grants and transfers are payments of Kshs.19,281,281 for bursary-secondary schools. However, letters from the schools and beneficiaries acknowledging receipts of the bursaries were not provided for audit review. Consequently, it has not been possible to ascertain the validity of the expenditure and, whether the bursary payments amounting to Kshs.19,282,281 reached the intended beneficiaries and were properly accounted for.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 the 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

1. Project Implementation

The summary statement of appropriation-recurrent and development combined indicate that Nyeri Town NG- CDF budgeted to receive an amount of Kshs.98,189,654 during the year under review but the actual receipts were Kshs.43,405,172 only (or 44% of budget). Further, out of the actual receipts, the Nyeri Town NG- CDF spent only Kshs.21,789,657 (or 50% of actual receipts). However, the CDF management did not provide explanations for the budget underutilization which impacted negatively on service delivery to the residents of Nyeri Town.

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 the 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of National Government Constituencies Development Fund-Nyeri Town 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

04 July 2019

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NYERI TOWN 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 CDF board-AIEs' Received	1	43,405,172	136,869,744
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		43,405,172	136,869,744
PAYMENTS			
Compensation of employees	4	820,329	1,189,244
Use of goods and services	5	2,369,848	11,625,505
Transfers to Other Government Units	6	-	61,189,311
Other grants and transfers	7	19,281,281	68,863,179
Acquisition of Assets	8	-	700,000
Other Payments	10	-	-
TOTAL PAYMENTS		22,471,458	143,567,239
SURPLUS/DEFICIT		20,933,714	(6,697,495)

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




Fund Account Manager

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

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)	12A	21,600,931	667,217
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	-
TOTAL FINANCIAL ASSETS		21,600,931	667,217
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	667,217	7,364,713
Surplus/Deficit for the year		20,933,714	(6,697,495)
Prior year adjustments	14	-	
NET LIABILITIES		21,600,931	667,217

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




Fund Account Manager

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

VI. STATEMENT OF CASHFLOW

	Notes	2017-2018	2016-2017
Receipts for operating income			
Transfers from CDF Board	1	43,405,172.00	136,869,744.10
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	820,328.52	1,189,244.00
Use of goods and services	5	2,369,848.00	11,625,505.00
Transfers to Other Government Units	6	-	61,189,311.00
Other grants and transfers	7	19,281,281.00	68,863,179.00
Other Payments	9	-	-
Adjusted for:			
Adjustments during the year		0	-
Net cash flow from operating activities		20,933,714.00	(5,997,494.90)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	-	700,000.00
Net cash flows from Investing Activities		-	(700,000.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		20,933,714.00	(6,697,495.00)
Cash and cash equivalent at BEGINNING of the year	15	667,217.00	7,364,712.95
Cash and cash equivalent at END of the year	16	21,600,931.00	667,217.00

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


Fund Account Manager

Name: *Hiron Karanja*

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,344.82	-	86,810,344.82	43,405,172.00	43,405,172.82	50
Proceeds from Sale of Assets			-	-	-	
Supplementary Budget		11,379,310.00	11,379,310.00			
Other Receipts	0	-	-	-	-	
PAYMENTS						
Compensation of Employees	1,500,000	-	1,500,000.00	820,328.52	679,671.48	55
Use of goods and services	6,112,931	-	6,112,930.98	2,369,848.00	3,743,082.98	39
Transfers to Other Government Units	40,176,421.11	-	40,176,421.11	-	40,176,421.11	0
Other grants and transfers	43,502,586.21	-	43,502,586.21	19,281,281.00	24,221,305.21	44
Acquisition of Assets	500,000	-	500,000.00	-	500,000.00	0
Other Payments	-	-	-	-	-	-
TOTALS	91,791,938.30	11,379,310.00	91,791,938.30	22,471,457.52	69,320,480.78	24

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

Below 90% of utilization) and any overutilization (above 100%)

- a) For transfer from the NGCDF board is 50% which is due additional allocation of Kshs. 11,379,310.34 submitted may, 2018 and having not received part of the allocation of for the year of Kshs. 43,405,172.82.*
- b) Compensations of employees are at 55% since budget amount included an addition funds relating from the previous year balances and it is a continuous process.*
- c) Use of goods and services is at 39% budget as is continuous process*
- d) Other grants and transfers are at 44% since it had a balance which had not yet received from the board of Kshs 54,784,482.35.*
- e) Acquisition of assets is at 0% since part of the purchase of assets were in procurement process*
- f) Other payment is at 0% as it related to preparation of strategic plan and ICT constituency hub and the disbursement is yet to be received from the NGCDF board*

The NGCDF- Nyeri Town Constituency financial statements were approved on _____ 2018 and signed by:



Fund Account Manager
Name:

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest 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 NG-CDF- Nyeri Town 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 Equivalent

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, imprest 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 NG-CDF 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) –
 NYERI TOWN 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
NG-CDF Board		
825886		51,473,192
829975		4,094,828
839570		3,500,000
855236		36,853,449
855655		40,948,275
855981	5,500,000	
896775	37,905,172	
TOTAL	43,405,172	136,869,744

2. PROCEEDS FROM SALE OF ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 OTHER RECEIPTS

Description	2017 - 2018 Kshs	2016 - 2017 Kshs
Interest Received	-	-
Rents	-	0
Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
Total	-	-

4 COMPENSATION OF EMPLOYEES

Description	2017 - 2018 Kshs	2016 - 2017 Kshs
Basic wages of contractual employees	728,307	896,654.80
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	45,360	25,725.00
gratuity	46,662	266,864.00
Total	820,329	1,189,243.80

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NYERI TOWN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

5 USE OF GOODS AND SERVICES

Description	2017 - 2018 Kshs	2016- 2017 Kshs
Utilities, supplies and services	73,819	386,146.36
Office rent	-	-
Communication, supplies and services	29,000	542,900.00
Domestic travel and subsistence	-	907,250.00
Printing, advertising and information supplies & services	422,379	750,759.00
Rentals of produced assets	-	-
Training expenses	-	1,963,000.00
Hospitality supplies and services	310,406	836,046.00
Other committee expenses	875,250	2,368,600.00
Committee allowance	282,000	1,167,000.00
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	241,220	1,483,044.00
Fuel ,oil & lubricants	-	-
Other operating expenses	135,774	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	1,220,760.00
	-	-
Total	2,369,848	11,625,505.36

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NYERI TOWN 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 Kshs	2016 - 2017 Kshs
Transfers to National Government Entities	-	-
Transfers to primary schools(see attached list)	-	39,599,311.00
Transfers to secondary schools(see attached list)	-	19,470,000.00
Transfers to Tertiary institutions(see attached list)	-	1,520,000.00
Transfers to Health institutions(see attached list)	-	600,000.00
TOTAL	-	61,189,311.00

**7 OTHER GRANTS AND OTHER
 PAYMENTS**

Description	2017 - 2018 Kshs	2016 - 2017 Kshs
Bursary -Secondary	19,281,281.00	27,296,633.00
Bursary -Tertiary	-	15,020,583.00
Bursary-Special schools	-	310,000.00
Mocks & CAT	-	-
water	-	-
Agriculture (food security)	-	-
Electricity projects	-	-
Security	-	17,360,000.00
Roads	-	-
Sports	-	3,537,500.00
Environment	-	1,899,463.00
Emergency Projects (specify)	-	3,439,000.00
Total	19,281,281.00	68,863,179.00

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

8 ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017 - 2018	2016 - 2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	700,000.00
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of Office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
Total	-	700,000.00

9. OTHER PAYMENTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Strategic Plan	-	-
ICT HUB	-	-
TIVET	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NYERI TOWN 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 (30/6/2018)	Kshs (30/6/2017)
<i>Equity Bank ltd, Nyeri Branch A/C no.0110263582626</i>	21,600,931	667,217
<i>Consolidated Bank, Nyeri Branch A/C no.10061303000001</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
Total	21,600,931	667,217

10B: CASH IN HAND)

Location	2017 - 2018	2016 - 2017
	Kshs (30/6/2018)	Kshs (30/6/2017)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-

[Provide cash count certificates for each]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NYERI TOWN 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</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>	-	-	-
<i>Name of Officer or Institution</i>	-	-	-
<i>Name of Officer or Institution</i>	-	-	-
<i>Name of Officer or Institution</i>	-	-	-
<i>Name of Officer or Institution</i>	-	-	-
<i>Name of Officer or Institution</i>	-	-	-
Total			

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

12 RETENTION

Supplier/Contractor	2017- 2018	2016 - 2017
	Kshs	Kshs
Supplier 1		
Supplier 2		
Supplier 3		
TOTAL		

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

13 BALANCES

BROUGHT FORWARD

	2017 - 2018	2016 - 2017
	Kshs (1/7/2017)	Kshs (1/7/2016)
Bank accounts	21,600,931.00	7,364,712.95
Cash in hand	-	-
Imprest	-	-
Total	21,600,931.00	7,364,712.95

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NYERI TOWN 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	-	-
TOTAL	-	-

**15.2: PENDING STAFF
PAYABLES (See Annex 2)**

	2017 - 2018 Kshs	2016 - 2017 Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NYERI TOWN 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 Kshs	2016-2017 Kshs
PMC account Balances (see attached list)	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

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

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	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						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

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

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

Reports and Financial Statements

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	4,160,000	-	-	4,160,000
Buildings and structures	40,785,651	-	-	40,785,651
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,623,035	-	-	1,623,035
ICT Equipment, Software and Other ICT Assets	1,059,935	-	-	1,059,935
Other Machinery and Equipment	37,500	-	-	37,500
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	47,666,121	-	-	47,666,121

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

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Total				

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

Reports and Financial Statements

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

**• Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)**

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

Reports and Financial Statements

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

<p>Unsupported Bursary Awards and Disbursements</p>	<p>Bursary fund is a fund which serves to benefit the individual beneficiaries directly and as such, the NG-CDF Nyeri Town has been disbursing the bursary cheques by way of:</p> <ol style="list-style-type: none"> 1. Direct delivery to the institutions in which the beneficiaries are students and: 2. By having the bursary cheques picked by the beneficiaries themselves directly or through their guardians or parents. <p>In option (1) above, the delivery is done by the NG-CDF and as such, the acknowledgments are all received and returned for filing in the NG-CDF office.</p> <p>In option (2) above, the person picking the cheques from the office is required to sign a register for ease of follow up and the picked cheques are confirmed if they were honored in the institutions by way of bank reconciliations.</p> <p>The list of all the beneficiaries are also posted on notice boards to ensure the bursary beneficiaries get to know of the award so that they are also able to make a follow up with their institutions in case the bursary cheque is delivered by the NG-CDFC or other person other than themselves.</p> <p>It has been the NG-CDF Nyeri town custom to request the parents/Guardians/Beneficiaries</p>	<p>Huron Karanja</p>	<p>Resolved</p>	<p>N/A</p>
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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

		<p>as to surrender receipts of previously awarded bursaries as well as acknowledgment of the dispatch schedules/letters from the beneficiaries learning institutions prior to being issued with further bursary funding. However, we have been experiencing challenges for beneficiaries in their final years of study who usually don't bring back the acknowledgement receipts and that's the major cause of under acknowledgement.</p>			
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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

	<p>Nyakinyua Primary School</p>	<p>The project at Nyakinyua primary School entailed construction of Eight (8) classrooms on a storied block. The project works so far done is as per the scope and specifications per the tendered works. The project still has some fund balance that will go towards its completion and more funds will be allocated for the construction of the ablution block and the project is still a works in progress. The remaining electrical works are to do with the connection of the classrooms to the electrical main power line and this shall be taken as a priority for execution by the Project Management Committee (P.M.C). The project was being implemented in phases with each phase being tendered for separately as and when funds are available upon allocation by the NG-CDFC and when the funds are released by the NG-CDF board secretariat since the whole project had not been allocated funds at once in a single financial year. The Kshs. 2,232,595 for the project was used towards the implementation of the project and the payment of the amount to the contractor was upon completion of the works tendered for and as per the scope and specifications of the tendered works.</p>	<p>Huron Karanja</p>	<p>Resolved</p>	<p>N/A</p>
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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

	<p>Unutilized project-Karia Dispensary</p>	<p>The project had been funded by the NG-CDF Nyeri Town and once completed the project was handed over to the department of health under the County government of Nyeri. Since the project is therefore under the management of the county government of Nyeri, it is the mandate of the department of health to ensure that the house is occupied. The NG-CDF will liaise with the county government of Nyeri to ensure the house is allocate to the dispensary staff or is put to proper use within the facility.</p>	<p>Huron Karanja</p>	<p>Resolved</p>	<p>N/A</p>
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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

Proposed construction of Dining Hall at Gachika Secondary school	<p>In phase II, the contract was terminated due to poor workmanship and delays and as a result an amount of Kenya Shillings One Million Two Hundred Seventy Nine Thousand Six Hundred (1,279,600) was not paid to the contractor.</p> <p>Amongst the works for Phase III of the project entailed Roofing which was not to be affected in any way by the uncompleted works in Phase II and the certificate of work done dated 18th October 2017 of Kshs.1,850,000 pertained to roofing works which was paid for under phase III.</p> <p>The NG-CDF office is in the process of procuring another contractor to complete phase II of the project works upon which completion of phase III of the project is pegged on.</p> <p>The project was funded in phases hence the tendering was done in phases and therefore the award to different contractors in the three phases per the tendering process.</p>	Huron Karanja	Resolved	N/A
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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

	<p>Proposed Laboratory Renovation at Kihuyo Secondary School</p>	<p>In the financial year 2015/2016 and 2016/2017, the school was allocated Kenya Shillings One Million One Hundred Thousand only (1,100,000) and Kenya Shillings One Million Five Hundred Thousand only (1,500,000) respectively towards the proposed laboratory renovation. This amount had been allocated prior to the procurement process and the allocation was based on estimates for the proposed works and hence there was no overfunding. However, the contract price of Kshs. 2,129,200 was arrived at after the procurement for the works was done and the bid was awarded to the lowest bidder. The school had requested for funding of other projects in the institution and therefore the unspent amount will be utilized in their implementation.</p>	<p>Huron Karanja</p>	<p>Resolved</p>	<p>N/A</p>
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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

	<p>Proposed Laboratory Renovation at Kihuyo Secondary School</p>	<p>In the financial year 2015/2016 and 2016/2017, the school was allocated Kenya Shillings One Million One Hundred Thousand only (1,100,000) and Kenya Shillings One Million Five Hundred Thousand only (1,500,000) respectively towards the proposed laboratory renovation. This amount had been allocated prior to the procurement process and the allocation was based on estimates for the proposed works and hence there was no overfunding. However, the contract price of Kshs. 2,129,200 was arrived at after the procurement for the works was done and the bid was awarded to the lowest bidder. The school had requested for funding of other projects in the institution and therefore the unspent amount will be utilized in their implementation.</p>	<p>Huron Karanja</p>	<p>Resolved</p>	<p>N/A</p>
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