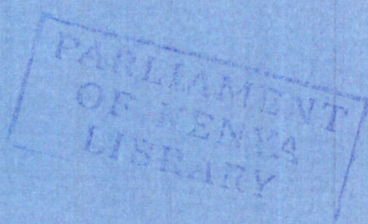


REPUBLIC OF KENYA




OFFICE OF THE AUDITOR-GENERAL

REPORT



OF

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	27 MAR 2019
	DAY: <u>WEDNESDAY</u>
TABLED BY:	Hon. Adu Duale Leader of Majority Party
CLERK OF THE TABLE:	Moses Lemura

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MAKADARA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND MAKADARA
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
MAKADARA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MAKADARA CONSTITUENCY**

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

Table of Content

Page

I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II.	FORWARD BY THE CABINET SECRETARY	3
III.	STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES	4
IV.	STATEMENT OF RECEIPTS AND PAYMENTS	5
V.	STATEMENT OF ASSETS.....	6
VI.	STATEMENT OF CASHFLOW	7
VII.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	8
VIII	TRAL BALANCE.....	10
IX.	SIGNIFICANT ACCOUNTING POLICIES	11
X.	NOTES TO THE FINANCIAL STATEMENTS.....	13

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2003 now repealed by the NGCDF Act, 2013 .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

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Job Munyi
3.	Accountant	Cleophas Oyaro
4.		

(d) Fiduciary Oversight Arrangements

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

(e) MAKADARA NGCDF Headquarters

NGCDF Office Building.
P.O Bo 41842-00100
NAIROBI

MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P.O. Box 618-00515, BURUBURU

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKADARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

(f) MAKADARA NGCDF Contacts

Telephone: (254) 724870038
E-mail: makadara@ngcdf.go.ke

(g) MAKADARA NGCDF Bankers

1. Equity Bank
P.O Box 75104
Nairobi

(h) Independent Auditors

Auditor General
Kenya National Audit Office
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

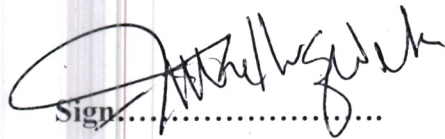
MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P.O. Box 618-00515, BURUBURU

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

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

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

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


Sign.....

CHAIRMAN NGCDFC

MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. O. Box 618-00515, BURUBURU

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKADARA
CONSTITUENCY**

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

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government NGCDF shall prepare financial statements in respect of that NGCDF. 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 MAKADARA NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

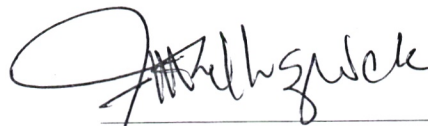
The Accounting Officer in charge of the MAKADARA NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes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

Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on 5-08-2017.



Fund Account Manager



Chairman

NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P.O. Box 610 00105, DUNDURU

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 - MAKADARA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Makadara Constituency set out on pages 5 to 26, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation 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, because of the significance of the matters described in the basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund- Makadara Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that public money has not been applied lawfully and in an effective way.

Basis for Adverse Opinion

1. Presentation and Disclosures in the Financial Statements

No disclosures have been made on Project Management Committee (PMC) bank balances as at 30 June 2017. Further, the summary of fixed assets register at annex 4 to the financial statements reflects movement of Kshs. 58,700. However, the statement of receipts and payments reflects nil expenditure under acquisition of assets.

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

Consequently, the financial statements have not been presented in accordance with the presentation guidelines issued by the Public Sector Accounting Standards Board.

2. Other Payments

The statement of receipts and payments for the year ended 30 June 2017 reflects other payments expenditure amounting to Kshs.5,560,166 and as disclosed in Note 9 to the financial statement. However, the expenditure was not budgeted for in 2016/2017 financial year. In the circumstances the validity of the expenditure totalling Kshs.5,560,166 cannot be confirmed.

3. Other Grants and Other Payments

Other grants and other payments amounting to Kshs. 41,096,855 reflected in the statement of receipts and payments for the year ended 30 June 2017 includes bursaries to secondary and tertiary institutions totalling Kshs. 34,380,640. However, by the end of the year, cheques totalling Kshs. 5,900,000 had not been presented for payment by the recipients. The unrepresented bursary cheques may be an indicator that the evaluation process and final disbursements were not done appropriately and fairly.

4. Bank Balance

The statement of financial assets as at 30 June 2017 reflects a bank balance of Kshs.2,531,036 which represents the balance as per the bank certificate. However, the cashbook reflects an overdrawn balance of Kshs.3,459,187 resulting in unreconciled difference of Kshs.5,990,223. Consequently, the accuracy of bank balance of Kshs.2,531,036 as at 30 June 2017 cannot be confirmed.

5. Net Financial Position

The statement of assets as at 30 June 2017 reflects net liabilities instead of net financial position of Kshs.2,531,036, being the difference between the brought forward fund balance of Kshs.25,011,281 and the deficit for the year of Kshs.22,480,245. No explanation has been provided for this anomaly.

6. Unconfirmed Supply of Furniture to Schools

Information available at the Fund's constituency office indicate that some merchants claims to have supplied furniture to schools within the constituency between July 2009 and December 2012 at a cost of Kshs. 47,428,765,52 without adequate documentation and instructions. It is not clear how the contracts were awarded and on what basis the items were supplied to the public schools in Makadara Constituency.

A letter by the Fund Manager to thirty-three schools dated 4 January 2016 requesting confirmation of receipt of the furniture had only twelve schools responding. The remaining twenty-one schools did not respond on whether they were supplied with the furniture or not. However, no delivery notes, inspection and acceptance committee

reports, contract documents, tender documents and LPOs/LSOs were attached to the letter sent to the thirty-three schools.

Further information indicates that there was no budget provided or allocated for the supplies in the respective financial years when the contracts were purportedly awarded. It was further noted that several court suits have since been filed against the Fund by the merchants on the matter and even a Garnishee Order Nisi issued against the Fund's bank Account No. 0950262163417 at Equity Bank –Buru Buru Branch.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Makadara Constituency management 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 adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance to the audit of the financial statements for the current year. Except for matters described in the Basis for Adverse Opinion and Other Matter sections, I have determined that there are no key audit matters to communicate in my report.

Other Matters

1. Budget and Budgetary Controls

During the year under review, the fund budgeted to spend Kshs.108,999,833. However, overall actual expenditure for the year amounted to Kshs. 106,468,797 resulting in overall an under expenditure of Kshs.2,531,036 which is equivalent to about 2% of the total budget. Further analysis of the budget against actual expenditure indicate that administration expenses for the year amounted to Kshs.6,956,354 against a budget of Kshs.11,191,490 resulting in an under expenditure of Kshs.4,235,136.

Out of the development budget of Kshs.97,808,343 an amount of Kshs.99,512,443 was spent resulting in over expenditure of Kshs.1,704,100. In addition, there was a nil budgetary provision on other payments but an actual expenditure of Kshs.5,560,166. This implies that some expenditure items were incurred without budgetary provisions and approval from the Board.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

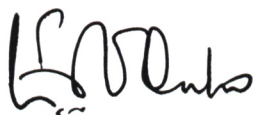
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease 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 activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

06 March 2019

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKADARA
CONSTITUENCY**

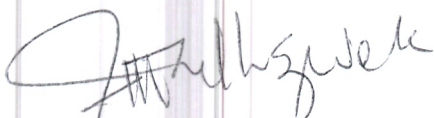
Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board-AIEs' Received	1	83,988,552.00	90,042,358.00
Proceeds from Sale of Assets	2	-	741,000.00
Other Receipts	3	-	-
TOTAL RECEIPTS		83,988,552.00	90,783,358.00
PAYMENTS			
Compensation of employees	4	2,422,520.00	2,330,088.00
Use of goods and services	5	4,533,834.00	6,088,774.00
Transfers to Other Government Units	6	52,855,422.00	51,830,314.00
Other grants and transfers	7	41,096,855.00	14,151,392.00
Acquisition of Assets	8	-	169,000.00
Other Payments	9	5,560,166.00	500,000.00
TOTAL PAYMENTS		106,468,797.00	75,069,568.00
SURPLUS/DEFICIT		(22,480,245.00)	15,713,790.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MAKADARA NGCDF financial statements were approved on 5-08-2017 and signed by:



Chairman - NGCDFC



Fund Account Manager

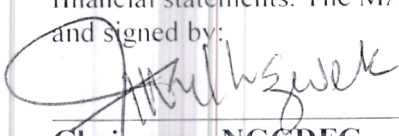
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKADARA
CONSTITUENCY

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

V. STATEMENT OF ASSETS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,531,036.00	25,011,280.00
Cash Balances (cash at hand)	10B	-	
Outstanding Imprests	11	-	
TOTAL FINANCIAL ASSETS		2,531,036.00	25,011,280.00
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	25,011,281.00	9,297,491.00
Surplus/Deficit for the year		(22,480,245.00)	15,713,790.00
Prior year adjustments	14	-	-
NET LIABILITIES		2,531,036.00	25,011,281.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MAKADARA NGCDF financial statements were approved on 5-02-2017 and signed by:


Chairman - NGCDFC


Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKADARA
CONSTITUENCY

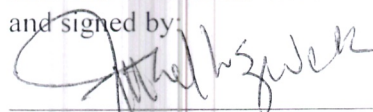
Reports and Financial Statements

For the year ended June 30, 2017


VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	83,988,552.00	90,042,358.00
Proceed from sale of Non-financials		-	741,000.00
Other Receipts	3	-	-
		83,988,552.00	90,783,358.00
Payments for operating expenses			
Compensation of Employees	4	2,422,520.00	2,330,088.00
Use of goods and services	5	4,533,834.00	6,088,774.00
Transfers to Other Government Units	6	52,855,422.00	51,830,314.00
Other grants and transfers	7	41,096,855.00	14,151,392.00
Other Payments	9	5,560,166.00	500,000.00
		106,468,797.00	74,900,568.00
Adjusted for:			
Adjustments during the year	14	-	
Net cash flow from operating activities		(22,480,245.00)	15,882,790.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	169,000.00
Net cash flows from Investing Activities		-	169,000.00
NET INCREASE IN CASH AND CASH EQUIVALENT		(22,480,245.00)	15,713,790.00
Cash and cash equivalent at BEGINNING of the year	13	25,011,280.00	9,297,491.00
Cash and cash equivalent at END of the year		2,531,035.00	25,011,281.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MAKADARA NGCDF financial statements were approved on 5-08-2017 and signed by:



Chairman NGCDFC



Fund Account Manager

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552.00	27,103,281.00	108,999,833.00	108,999,833.00	-	100.0%
Proceeds from Sale of Assets				-	-	
Other Receipts	-			-	-	
TOTAL	81,896,552.00	27,103,281.00	108,999,833.00	108,999,833.00	-	100.0%
PAYMENTS						
Compensation of Employees	2,965,000.00	1,270,600.00	4,235,600.00	2,422,520.00	1,813,080.00	57.2%
Use of goods and services	4,405,690.00	2,550,200.00	6,955,890.00	4,533,834.00	2,422,056.00	65.2%
Transfers to Other Government Units	42,500,000.00	10,560,280.00	53,060,280.00	52,855,422.00	204,858.00	99.6%
Other grants and transfers	32,025,862.00	12,722,201.00	44,748,063.00	41,096,855.00	3,651,208.00	91.8%
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	-	-	5,560,166.00	(5,560,166.00)	
TOTAL	81,896,552.00	27,103,281.00	108,999,833.00	106,468,797.00	2,531,036.00	97.7%

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

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

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

The MAKADARA NGCDF financial statements were approved on 5 - 08 - 2017 and signed by:



Chairman NGCDF



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

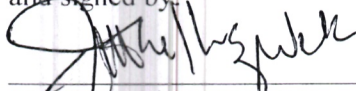
Reports and Financial Statements

For the year ended June 30, 2017


VIII TRIAL BALANCE AS AT 30TH JUNE 2017

		DR	CR
Cash and Cash equivalents			
	Bank Balances	2,531,036.00	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	2,422,520.00	
	Use of goods and services	4,533,834.00	
	Transfers to Other Government Units	52,855,422.00	
	Other grants and transfers	41,096,855.00	
	Acquisition of Assets	-	
	Other Payments	5,560,166.00	
Receipts			
	Transfers from the Board		83,988,552.00
	Proceeds from sale of assets		-
	Others receipts		-
	Prior Year Adjustment		-
Fund Balance b/f			25,011,281.00
TOTAL		108,999,833.00	108,999,833.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MAKADARA NGCDF financial statements were approved on 5-08-2017 and signed by:


Chairman - NGCDFC

MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P.O. Box 018-00515, BURUBURU


Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Normal Allocation	825907	2,000,000.00	10,000,000.00
Normal Allocation	829905	4,094,828.00	10,000,000.00
	839608	36,953,449.00	10,000,000.00
	855511	24,440,275.00	10,000,000.00
	855729	9,500,000.00	10,000,000.00
		7,000,000.00	40,042,358.00
Conditional grants			
	AIE NO...	-	
Receipt from other Constituency	AIE NO...	-	
TOTAL		83,988,552.00	90,042,358.00

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

Description		2016 - 2017	2015 - 2016
		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		-	
Proceeds from hire of Ground			712,000.00
Sale of Tender Documents			29,000.00
	Total	-	741,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

3 OTHER RECEIPTS

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Interest Received	-	-
Rents	-	
Receipt from sale of tender	-	
Sale of tender documents		
Total	-	

4 COMPENSATION OF EMPLOYEES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	2,229,872.00	2,313,288.00
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		16,800.00
Gratuity	192,648.00	
Total	2,422,520.00	2,330,088.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

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

5 USE OF GOODS AND SERVICES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	168,700.00	821,516.00
Office rent	503,694.00	651,142.00
Communication, supplies and services	105,300.00	503,360.00
Domestic travel and subsistence	150,000.00	450,000.00
Printing, advertising and information supplies & services	231,140.00	-
Rentals of produced assets		-
Training expenses	1,700,000.00	1,492,000.00
Hospitality supplies and services		
Other committee expenses	399,000.00	1,076,000.00
Committee allowance	1,276,000.00	1,094,756.00
Insurance costs	.	
Specialized materials and services	-	
Office and general supplies and services	-	
Fuel ,oil & lubricants	-	
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	
Routine maintenance – other assets	-	
Total	4,533,834.00	6,088,774.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

6 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	19,569,431.80	25,712,783.00
Transfers to secondary schools	17,501,664.02	5,742,328.00
Transfers to Tertiary institutions	14,661,817.18	17,846,262.00
Transfers to Health institutions	122,509.00	2,528,941.00
Transfers to Other Institutions	1,000,000.00	
TOTAL	52,855,422.00	51,830,314.0

7 OTHER GRANTS AND OTHER PAYMENTS

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary -Secondary	23,723,100.00	3,456,100.00
Bursary -Tertiary	10,657,540.00	445,000.00
Bursary-Special schools		
Mocks & CAT		
Strategic Plan		
Agriculture (food security)		
Electricity projects		
Security		
Roads	952,535.00	580,000.00
Sports	1,267,800.00	1,850,000.00
Environment	645,880.00	
Other Capital Grants and Transfers	-	2,258,800.00
Emergency Projects (specify)	3,850,000.00	5,561,492.00
Total	41,096,855.00	14,151,392.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

8 ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>		2016 - 2017	2015 - 2016
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings		-	-
Refurbishment of Buildings		-	-
Purchase of Vehicles		-	-
Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles		-	-
Purchase of Office furniture and fittings		-	-
Purchase of computers ,printers and other IT equipments		-	169,000.00
Purchase of photocopier		-	-
Purchase of other office equipments		-	-
Purchase of soft ware		-	-
Acquisition of Land		-	-
Total		-	169,000.00

9 Other Payments

Court Suit		5,560,166.00	-
specify		-	-
Audit Fee		-	500,000.00
TOTAL		5,560,166.00	500,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

10A: Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency		2016 - 2017	2015 - 2016
	Account Number	Kshs (30/6/2017)	Kshs (30/6/2016)
<i>Equity Bank, Buruburu Branch (A/C No. 0950262163417)</i>	<i>0950262163417</i>	2,531,036.00	25,011,280.00
		-	-
Total		2,531,036.00	25,011,280.00

10B: CASH IN HAND)

		2016 - 2017	2015 - 2016
		Kshs (30/6/2017)	Kshs (30/6/2016)
Location 1		-	
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
Total		-	-

[Provide cash count certificates for each]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>
	Date imprest taken	<i>Kshs</i>	<i>Kshs</i>
			-
		-	-
		-	-
		-	-
		-	-
		-	-
Total			

12 Retention

Supplier/Contractor	PV NO.	2016 - 2017	2015 - 2016
TOTAL		-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

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

13 BALANCES BROUGHT FORWARD

		2016 - 2017	2015 - 2016
		Kshs	Kshs
		(1/7/2016)	(1/7/2015)
Balance B/F		25,011,280.00	25,011,280
Surplus/Deficit for the year		(22,480,245)	-
Imprest			-
Total		2,531,035	25,011,280

[Provide short appropriate explanations as necessary]

14 PRIOR YEAR ADJUSTMENTS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

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

15 OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

		Kshs	Kshs
Senior management		-	-
Middle management		-	-
Unionisable employees		-	-
Others (specify)		-	-
		-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

		Kshs	Kshs
Amounts due to other Government entities (see attached list)		-	-
Amounts due to other grants and other transfers (see attached list)		-	-
Others (specify)		-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA
CONSTITUENCY**

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

15.4 AMOUNT OWING FROM NG-CDFB

		Kshs	Kshs
		-	

15.5 PMC ACCOUNT BALANCES

There were no PMC accounts in operation

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	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						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	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, 2017 (Kshs'000)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
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	Historical Cost
	(Kshs) 2016/2017	(Kshs) 2015 - 2016
Balance brought forward	1,969,426.00	1,969,426.00
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings	58,700.00	
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	2,028,126.00	1,969,426.00

Prepared by:



Job Munyi

Fund Account Manager

MAKADARA NGCDF

MAKADARA NATIONAL GOVERNMENT
 CONSTITUENCY DEVELOPMENT FUND
 P.O. Box 618-00515, BURUBURU