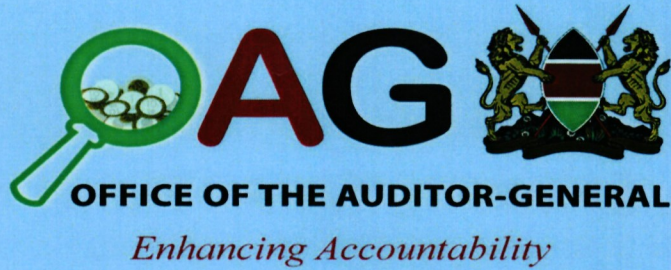


REPUBLIC OF KENYA




REPORT
THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 30 MAR 2022

DAY.

Wed

TABLED
BY:

LDM

OF

CLERK-AT
THE-TABLE:

P. Karanu

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 STAREHE CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2020**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
STAREHE CONSTITUENCY
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Core Values

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

(a) Key Management

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

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

(b) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Jane Wairimu
2.	Sub-County Accountant	Mugo Mbugua
3.	Chairman NGCDFC	George Mwenda
4.	Member NGCDFC	

(c) Fiduciary Oversight Arrangements

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

(d) NG-CDF STAREHE Constituency Headquarters

P.O. Box 33087-00600
Starehe Sub-County Headquarters – Kariokor
General Waruinge Road
Nairobi, KENYA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

(e) NGCDF STAREHE Constituency Contacts

Telephone: (254) 723637469
E-mail: cdfstarehe@ngcdf.go.ke
Website: www.starehengcdf.go.ke

(f) NGCDF STAREHE Constituency Bankers

1. **Co-operative Bank Ltd**
Branch: Stima Plaza
A/c No: 01120070407600

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
STAREHE CONSTITUENCY
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For the year ended June 30, 2020**

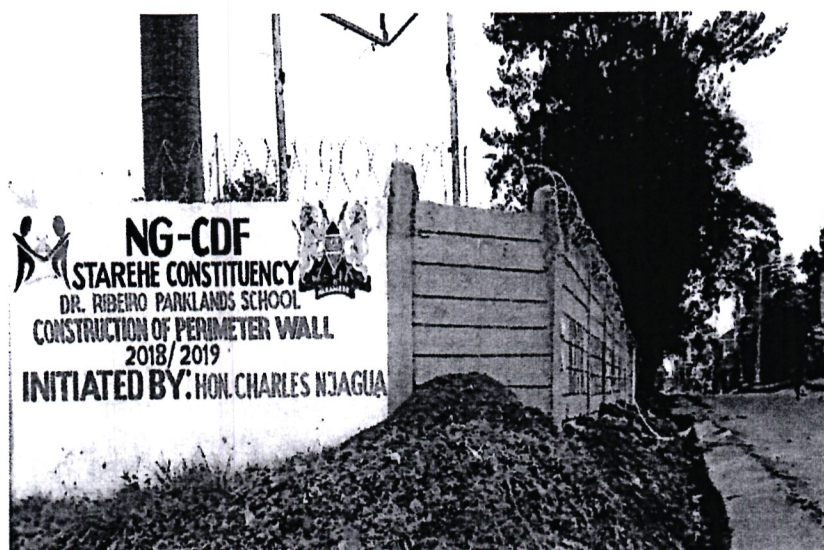
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

1.0 ACHIEVEMENTS:

1.1 DR. RIBEIRO PARKLANDS BOYS SECONDARY SCHOOL

In the previous years, Starehe Constituency being an NGCDF Starehe constituency within Nairobi Town, and being a host of the business community and major businesses within Nairobi town, our youths have had serious challenges in regard to drug and substance abuse. This has also infiltrated our schools and constituted the major challenge in a most of these schools. In the year under review, Dr. Ribeiro Secondary school, one of the secondary schools within Starehe had such issues which the community requested that the NGCDF team to construct a Perimeter wall to keep drugs out of school we have managed to construct 450m perimeter wall around the school and managed to keep intruders away from the students. The drug levels have since reduced and we hope that with time we will eventually get rid of drugs fully.

Similarly, the institution has had challenges with intruders destroying the school properties but this has greatly reduced and the teachers as well as the students feel safe to be in the school.



1.2 CHILD PROTECTION UNIT – PANGANI POLICE

Starehe Constituency is in the heart of Nairobi City. At times, there happens situations where children are lost or abandoned by their parents and thus once found they are brought to the police station for help. However, the Police station did not have a facility to host these children once found. They would hold the children in the Cells which host the criminals arrested for different reasons or let them sleep in the offices on cold floor. The community felt that the challenge was great since the children were exposed to harsh environment. This made the NGCDF committee to resolve to construct a Children Protection Unit which would host these Children. So far this has been our greatest achievement.

1.3. NEW DAY SECONDARY SCHOOL

The demographic distribution in Starehe Constituency is uneven across the 3 divisions. South B division is the most populated, while CBD division which has a very high day population due to business community while the Central division is least populated. South B Division which characterised by existence of informal settlement and industries has the highest population during the day and during the night. This equally is translated to over use of the infrastructure in schools and other facilities. It is worth noting that the division has 7 (seven) public primary schools with no day secondary school. This has been a challenge to the residents due to the fact that most of these children are not able to attend school due to poverty issues. Therefore, to solve this challenge,

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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3. NEW DAY SECONDARY SCHOOL

The demographic distribution in Starehe Constituency is uneven across the 3 divisions. South B division is the most populated, while CBD division which has a very high day population due to business community while the Central division is least populated. South B Division which characterised by existence of informal settlement and industries has the highest population during the day and during the night. This equally is translated to over use of the infrastructure in schools and other facilities. It is worth noting that the division has 7 (seven) public primary schools with no day secondary school. This has been a challenge to the residents due to the fact that most of these children are not able to attend school due to poverty issues. Therefore, to solve this challenge, the NGCDFC resolved to construct a day secondary school to accommodate the pupils from these primary school. Similarly, it is a way of ensuring the Governments directive of 100% transition is achieved with less challenges.

The tendering process for the project has just been concluded and we hope to hit the ground soon.

All the above achievements may not have been achieved without several setbacks.

1. LACK OF COMMUNITY LAND

This is the greatest challenge for implementation of the NGCDF projects. For example Mukuru Primary is an institution which is in the heart of the Mukuru Slum (informal settlement) it has a population of approximately 2,800 pupils, the classes are overwhelmed. The NGCDFC may want to construct additional classes but the land is not available to achieve that. This has therefore been our greatest challenge.

2. DRUG AND SUBSTANCE ABUSE IN SCHOOLS

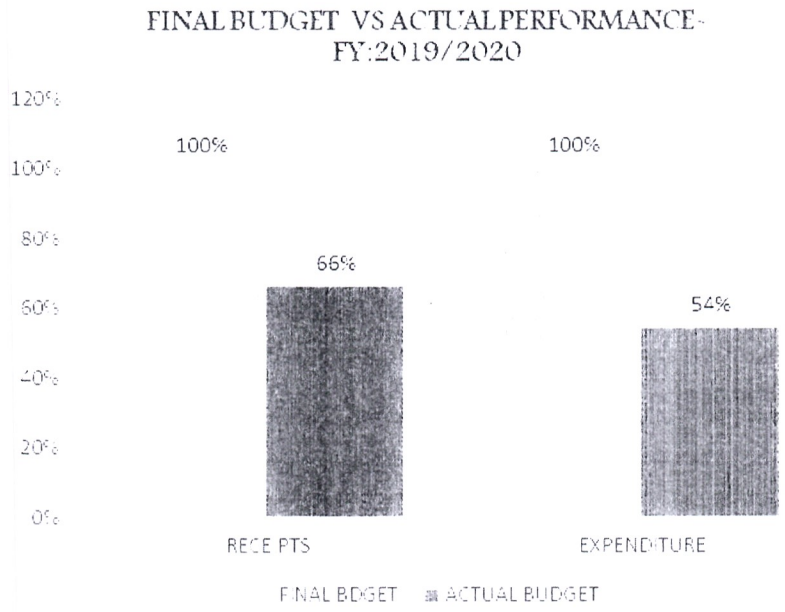
This cuts across the school going students, youths, as well as parents. This has been a serious challenge and has led to low productivity amongst the productive population. The NGCDFC has tried to construct perimeter walls to shield our schools but that at times is not enough. The Ministry of education has similarly worked hard to sensitize the students and to some extent the levels are slowing down especially amongst the school going population but on the rise amongst parents and other adults. The community therefore need to be sensitized.

I am pleased to present the unaudited financial statements for Starehe NG-CDF for the financial year ended June 2020. During the financial year under review, the constituency was allocated a total of Kshs 137,367,724 being the normal allocation.

On receipt of the above allocation, Starehe NG-CDFC pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to priorities of the public participation meetings held across the constituency. The funds

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 STAREHE CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2020**

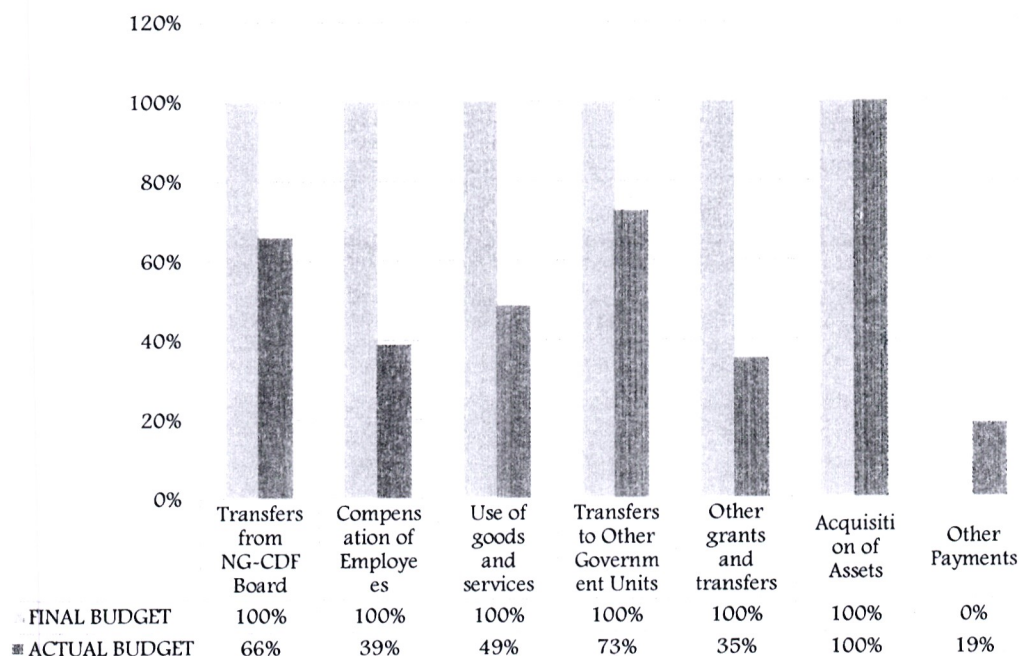
received were disbursed to earmarked projects. Out of these, the committee focused more on full implementation of bursary and completion of projects in primary, secondary and security sectors. The final budget performance against the actual performance was as depicted here below



In summary the budget performance against actual amounts for current year based on economic classification and programmes is as illustrated in the figure below

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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**FY:2019/2020 BUDGET PERFORMANCE VS ACTUAL BASED ON
ECONOMIC CLASSIFICATIONS & PROGRAMMES**



Some of the emerging issues the Fund is facing include; over dependence on the Fund due to high poverty index in the constituency which is estimated to be 72%, and secondly is high enrolment in upcoming schools thus creating high demand of infrastructure.

Major challenges faced by the Fund include; delay in disbursement of funds from the board, infrastructural demand is higher than the amount allocated, and the incomplete National Government and devolved projects which have not been given any attention by the county government.

As a way forward, the Board need to release funds in good time, secondly the Board needs to lobby for increase of funding to every constituency and finally the Board to create a linkage with the county government with a view of completing the devolved projects.

Sign

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government NGCDF Starehe constituency in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government NGCDF Starehe constituency's performance against predetermined objectives.

The key development objectives of NGCDF-STAREHE Constituency's 2018-2022 plan are to:

- a) To Improve Education Outcomes at all levels of Learning
- b) Enhance security in the constituency
- c) To harness sporting and creative talents of the youth.
- d) To enhance Environmental Conservation
- e) To develop and operationalize a comprehensive and effective disaster preparedness and response programme
- f) To ensure efficient and effective NG-CDF

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the Development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education and Training	To Improve Education Outcomes at all levels of Learning	<ul style="list-style-type: none"> • Facilitate the face-lifting/ Renovation of Schools • Construction of school Facilities • Equipping of Schools • Mainstreaming Special needs education in schools • Bursaries for needy students • Scholarships/ Sponsorship for Secondary and College students 	<ul style="list-style-type: none"> • number of usable physical infrastructure in schools that are renovated • number of bursary beneficiaries at all levels • number of institutions equipped • Number of Special classes constructed for special schools • Number of full scholarship students 	<p>In FY 19/20</p> <ul style="list-style-type: none"> -we increased the number of schools facelifted from 2 to 5 - Bursary beneficiaries under full scholarship increased by 66 in the F/Y 2019-2020 - furniture was bought for 7 more schools -6 students in KMTC were put on full scholarship program

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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				- 1 class for Cerebral palsy was constructed in Parklands Primary school
Security and Administration	Enhance security in the constituency	<ul style="list-style-type: none"> Facilitate the face-lifting/ Renovation of Police Stations, AP and Chief Camps Construction of Security Infrastructure Promote community policing Security Advocacy Discourage and fight consumption of illicit brews and drugs 	<ul style="list-style-type: none"> No. of schools renovated No. of Police stations renovated No. of Chiefs camps renovated No. of security infrastructure constructed - 	<ul style="list-style-type: none"> 1 child Protection unit was completed at Pangani Police Station Police housing was constructed at Kariokor AP Camp Ablution block at Ngara Police Station was Constructed A Chiefs Camp Was Constructed at Hazina
Employment Creation	To harness sporting and creative talents of the youth.	<ul style="list-style-type: none"> Facilitate Registration of sports teams from Ward level. Levelling of play grounds in public education institutions. Providing sporting equipment e.g. uniforms, balls, etc. Sponsor sports festivals. Promote excellent teams and individuals nationally and internationally. Organize talent shows and award the best talents. Assist the winners to link with organizations that can pay for their talents. 	<ul style="list-style-type: none"> No. of sports ground repaired, levelled or constructed No. of sports teams funded or issued with sports kits and equipment. No. of sports festivals and activities carried out. No. of talent shows conducted. - 	- Refurbished 1 No. sports field at Mariakani Primary School
Environment	To enhance Environmental Conservation	<ul style="list-style-type: none"> Construction of boreholes in educational institutions and police stations Provision of water tanks Construction of 	-	- Supplied water Tanks at 5 schools(Pangani Girls, Parkroad primary, Palins View Primary, CGHU Secondary)

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

STAREHE CONSTITUENCY

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		<p>pit latrines in schools and other public places</p> <ul style="list-style-type: none"> • Initiate afforestation and re-forestation programme • Establish tree nurseries • Promote tree planting and beautification • Identify and establish appropriate waste disposal sites • Formulate prudent waste recycling strategies 		<p>- Constructed Drainage works at Our Lady Of Mercy Primary and Secondary Schools</p>
Emergency	To develop and operationalize a comprehensive and effective disaster preparedness and response programme	<ul style="list-style-type: none"> • Participate in training of volunteers at ward level in Emergency Response. • Participate in Risk mapping of vulnerable areas. • Improve tracing and response to Emergency Response. 	<p>- Participated in the Disaster Management Committee at the Sub county level</p>	<p>- 5 meetings were attended</p>
Management	To ensure efficient and effective NG-CDF	<ul style="list-style-type: none"> • Promote public participation in project identification and implementation; • Promote timely submission and approval of project proposals; • Promote prioritization of on-going projects in allocation of Funds; • Improve collaboration with technical officers from relevant government agencies; • Improve management of transition of NG-CDFCs in relation to resources and projects; and Widen projects scope. 	<p>- Public participation conducted once per 2 years</p> <p>- All project proposal submitted within 2 months of preparation of the allocation table</p> <p>- All priorities made in the proposal must be within the community expectations</p> <p>- Ongoing projects to be given a priority</p> <p>- Technical teams from relevant departments to be engaged in the implementation of the NGCDFC proposal</p> <p>-</p>	<p>- Conducted one community participation as per the guidelines of the law</p> <p>- Submitted the proposals within the set guidelines</p> <p>- Completed all the ongoing projects</p> <p>- Priorities in the project proposal were guided by the community participation</p> <p>- Use of Technical team I.e. Procurement officer, Public Works were used to implement projects</p>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING**

NGCDF – STAREHE Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

NG-CDF funds also continue to support environmental activities and provision and supply of water through the drilling of boreholes and purchase of water tanks and extension of the water lines. Further it was used to organize other environment activities like planting trees, Beatification.

3. Employee welfare

The NGCDFC staff are hired on merit following the due process of recruitment without biasness. The current gender ratio is within the guidelines of 1/3 of either gender. Currently, out of the 4 members of staff, 2 have been enrolled in training programs while 1(one) the driver is scheduled to attend refresher course in January 2021 on Defensive and VIP driving. The NGCDFC also conduct routine training. The NGCDF office is well installed with fire extinguishers and the staff will be trained on disaster preparedness in the next training.

4. Market place practices-

a) Responsible competition practice.

The NGCDFC Starehe has overtime ensured that there is fair competition in product sourcing and supply as well as works. Bids are fairly collected and for supply items, the NGCDFC conducts a market survey. Products supplied are subject to technical verification and scrutiny. Similarly, the NGCDFC have a very strong oversight committee which is well trained and fully involved in the process of program implementation.

b) Responsible Supply chain and supplier relations- the constituency committee have a very good relationship with its suppliers. Liabilities are paid on time since the committee would only engage the suppliers when there are available funds to implement a said program. All the pending bills incurred in the past have all been fully settled. Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

5. Community Engagements-

in the Financial Year 2019/2020, the committee engaged the community in the process of identifying the projects to be funded and in the process of identifying the Bursary beneficiaries in the year. Students considered for scholarship are initially vetted and proposed by the community before the Committee visits them to make a verdict.

STATEMENT OF NGCDF STAREHE CONSTITUENCY 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 Starehe constituency shall prepare financial statements in respect of that NGCDF Starehe constituency. 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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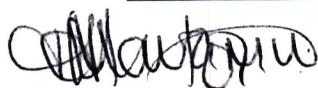
The Accounting Officer in charge of the NGCDF-STAREHE Constituency is responsible for the preparation and presentation of the NGCDF Starehe constituency's financial statements, which give a true and fair view of the state of affairs of the NGCDF Starehe constituency for and as at the end of the financial year (period) ended on June 30, 2020. 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 Starehe constituency; (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 Starehe constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-STAREHE Constituency accepts responsibility for the NGCDF Starehe constituency'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 Starehe constituency's* financial statements give a true and fair view of the state of NGCDF Starehe constituency's transactions during the financial year ended June 30, 2020, and of the NGCDF Starehe constituency's financial position as at that date. The Accounting Officer charge of the NGCDF-STAREHE Constituency further confirms the completeness of the accounting records maintained for the *NGCDF Starehe constituency*, which have been relied upon in the preparation of the NGCDF Starehe constituency's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-STAREHE Constituency confirms that the NGCDF Starehe constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF Starehe constituency'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 Starehe constituency'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-STAREHE Constituency financial statements were approved and signed by the Accounting Officer on _____ 2020.



**Fund Account Manager
Name: Jane Wairimu**



**Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – STAREHE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Starehe Constituency set out on pages 1 to 42 which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows for the year then ended, statement of appropriation - recurrent and development combined, 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 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 the of National Government Constituencies Development Fund - Starehe Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. In Accurate Presentation and Disclosure of Financial Statements

Examination of the financial statements presented for audit reflects deviations from the prescribed format by International Public Sector Accounting Standards Board as detailed below:

- i. the page numbering of financial statements not serialized,
- ii. the statement of assets and liabilities is reflected as statement of financial assets,
- iii. Note 12B to the financial statements reflects Kshs.231,916 opening balances under gratuity whereas the statement of assets and liabilities reflects nil balance,

- iv. The statement of assets and liabilities reflects net financial assets of Kshs.21,654,990 against net financial position of Kshs.22,647,573 resulting to unbalanced position of Kshs.992,583,
- v. The summary statement of appropriation - recurrent and development combined reflects transfers from NGCDF Board of Kshs.136,736,794 whereas the statement of receipts and payments reflects Kshs.120,973,852 resulting to unexplained variance of Kshs.15,762,942.
- vi. The statement of receipts and payments reflects Compensation of employees and Use of goods and services as under Note 4 and 5 respectively, however Notes to the financial statements reflects the expenditure as under Note 2 and 3. Further, the numbering of the Notes to the financial statements are not sequentially numbered as Note 4 and 5 have been omitted.
- vii. The summary statement of appropriation: recurrent and development combined reflects Kshs.114,089,221 in respect to budget utilization difference. However, Note 17.3 to the financial statements reflects Kshs.98,037,434 in respect to unutilized funds resulting to unexplained variance of Kshs.16,051,787 .

In the circumstances, the presentation and disclosure of the financial statements could not be confirmed. Further, the Management has not complied with the prescribed format by the Public Sector Accounting Standards Board.

2. Inaccurate Cash and Cash Equivalents

As disclosed under Note 10 to the Financial Statements, the statement of financial assets and liabilities reflects cash and cash equivalents of Kshs.22,647,573. However, examination of cashbook, bank statements and bank reconciliation statements reflects adjusted cashbook balance of Kshs.22,363,455 resulting to unexplained variance of Kshs.284,118. Further, a review of the bank reconciliation statement as at 30 June, 2020 reflects un-presented cheques amounting to Kshs.5,610,144 dating back to 2018 and 2019 which has not been reversed despite being stale.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.22,647,573 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Starehe Constituency Management in accordance with ISSAI 130 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. I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

1.1 Budget Shortfall

The summary statement of Appropriation: Recurrent and Development combined reflects an approved receipts budget of Kshs.208,171,541 out of which the Fund received Kshs.136,736,794 resulting in a deficit of Kshs.71,434,748 equivalent to 34% of the budgeted amount. No explanation has been provided for failure to fund the approved programmes for the period under review.

1.2 Under Expenditure

The summary statement of Appropriation: Recurrent and Development combined reflects an approved budget of Kshs.208,171,541 against actual expenditure of Kshs.114,089,221 resulting in budget utilization of Kshs.94,082,320 being 45% of the approved budget.

As a result, National Government Constituencies Development Fund - Starehe Constituency did not implement planned and approved projects in a timely manner thus denying Starehe constituents services.

Consequently, the under absorption may have impacted negatively on service delivery to the constituents of Starehe Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Conclusion on Compliance and Effectiveness section of my report, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, 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 Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the Cash basis of accounting unless Management is aware of the intention to abolish the Fund or cease operations.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion 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 applicable 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 continue offering 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 continue offering services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

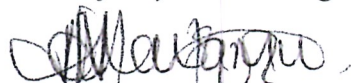
28 January, 2022


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	120,973,852	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		120,973,852	108,784,483
PAYMENTS			
Compensation of employees	4	1,567,258	2,825,974
Use of goods and services	5	6,048,954	5,103,127
Transfers to Other Government Units	6	75,331,481	28,695,518
Other grants and transfers	7	28,472,703	63,860,187
Acquisition of Assets	8	924,700	-
Other Payments	9	1,744,125	1,725,000
TOTAL PAYMENTS		114,089,221	102,209,806
SURPLUS/DEFICIT		6,884,631	6,574,677

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-STAREHE Constituency financial statements were approved on **30th June, 2020** and signed by:


Fund Account Manager
Name: Jane Wairimu

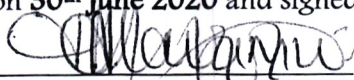

Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	120,973,852	108,784,483
Other Receipts	3	-	-
		120,973,852	108,784,483
Payments for operating expenses			
Compensation of Employees	4	1,567,258	2,825,974
Use of goods and services	5	6,048,954	5,103,127
Transfers to Other Government Units	6	75,331,481	28,695,518
Other grants and transfers	7	28,472,703	63,860,187
Other Payments	9	1,744,125	1,725,000
		113,164,521	102,209,806
Adjusted for:			
Decrease/ (Increase) in Accounts receivable	15		
Increase/ (Decrease) in Accounts Payable	16		
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		7,809,331	6,574,677
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(924,700)	-
Net cash flows from Investing Activities		(924,700)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		6,884,631	6,574,677
Cash and cash equivalent at BEGINNING of the year	13	15,762,942	9,188,265
Cash and cash equivalent at END of the year		22,647,573	15,762,942

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-STAREHE Constituency financial statements were approved on 30th June 2020 and signed by:


Fund Account Manager
Name: Jane Wairimu

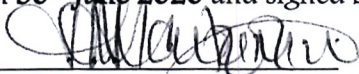

National Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

STATEMENT OF FINANCIAL ASSETS

	Note	2019 - 2020 Kshs	2018 - 2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	22,647,573	15,762,942
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		22,647,573	15,762,942
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		22,647,573	15,762,942
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A	688,600	-
Gratuity	12B	303,983	-
NET FINANCIAL ASSETS		21,654,990	15,762,942
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	15,762,942	9,188,265
Surplus/Deficit for the year		6,884,631	6,574,677
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		22,647,573	15,762,942

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-STAREHE Constituency financial statements were approved on 30th June 2020 and signed by:


Fund Account Manager
Name: Jane Wairimu


Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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 NG-CDF Board	137,367,724	70,803,817	208,171,541	136,736,794	71,434,748	66%
Proceeds from Sale of Assets				-	-	0%
Other Receipts	-	-	-	-	-	0%
TOTAL RECEIPTS	137,367,724	70,803,817	208,171,541	136,736,794	71,434,748	66%
PAYMENTS						
Compensation of Employees	3,407,959	607,699	4,015,658	1,567,258	2,448,400	39%
Use of goods and services	6,656,759	5,115,487	11,772,246	6,048,954	5,723,292	51%
Transfers to Other Government Units	66,101,361	37,549,051	103,650,412	75,331,481	28,318,931	73%
Other grants and transfers	60,276,945	18,276,928	78,553,873	28,472,703	50,081,170	36%
Acquisition of Assets	924,700	-	924,700	924,700	-	100%
Other Payments	-	9,254,652	9,254,652	1,744,125	7,510,527	19%
TOTAL	137,367,724	70,803,817	208,171,541	114,089,221	94,082,320	55%

- i. Receipts from NG-CDF Board 66%-Kshs 120,973,852.00 was received in the financial year while Kshs. 15,762,942.00 was opening balance from the previous year. The total cash available was Ksh. 136,736,794. Kshs 71,434,1748 had not been not received / not disbursed from the NG-CDF Board as at 30th June 2020

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

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

- ii. *Compensation of Employees 39%- unspent balance of Kshs 2,448,400 being utilized for the same purpose in the subsequent financial year til exhaustion.*
- iii. *Use of goods and services-49% unspent balance being utilized for the same purpose in the subsequent financial year til exhaustion.*
- iv. *Transfers to Other Government Units- 73%- The following projects had not been implemented as at 30th June 2020*

1.	1.City Primary School	600,000	Awaiting disbursement of funds from NG-CDF Board
2.	2.Mariakani Primary School	4,000,000	Awaiting disbursement of funds from NG-CDF Board
3.	3.Mukuru Primary School	1,200,000	Awaiting disbursement of funds from NG-CDF Board
4.	4.Pangani Primary School	600,000	Awaiting disbursement of funds from NG-CDF Board
5.	5.ParkRoad Primary School	600,000	Awaiting disbursement of funds from NG-CDF Board
6.	6.St. Bhakita Primary School	600,000	Awaiting disbursement of funds from NG-CDF Board
7.	7.Mariakani Primary	28,080	Unspent Vote Book Balance
8.	8. Nairobi South Primary	750	Unspent Vote Book Balance
9.	9.Nairobi South Primary/Race Course/Juja Road/Dr. Aggrey/Moi Avenue/CGHU	66,000	Unspent Vote Book Balance
10.	11.City Primary	3,750	Unspent Vote Book Balance
11.	13. Mariakani Primary	42,070	Unspent Vote Book Balance
12.	14. River bank Primary	47,302	Unspent Vote Book Balance
13.	15. Juja Road primary	10,858	Unspent Vote Book Balance
14.	18. Dr. Aggrey Primary	379,188	Unspent Vote Book Balance
15.	18. Pumwani Girls High School	400,000	Unspent Vote Book Balance
16.	20. Nairobi South Secondary School	20,000,000	Awaiting disbursement of funds from NG-CDF Board
17.	21. Ngara Girls High school	739,803	Unspent Vote Book Balance
18.	22.Pumwani Girls Secondary School	10	Unspent Vote Book Balance
19.	23. Dr. Ribeiro Secondary	1,300	Unspent Vote Book Balance

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)

v. *Other Grants and Transfers -35%- The following projects had not been implemented as at 30th June 2020*

1. Emergency Reserve	7,198,241	Funds to be reallocated -Awaiting disbursement of funds from NG-CDF Board
2. Bursary		
Secondary Schools	8,921,219	Awaiting disbursement of funds from NG-CDF Board
Tertiary Institutions	27,228,729	Funds to be spent for the same purpose in the subsequent financial year
3. Environment		
Mukuru Primary School	516,756	Project resubmitted awaiting approval from the Board
Racecourse Primary	516,756	Project resubmitted awaiting approval from the Board
Kariokor ECD School	516,756	Project resubmitted awaiting approval from the Board
City Primary	516,756	Project resubmitted awaiting approval from the Board
Balance B/f	107	Unspent Vote Book Balance
4. Security		
Kamukunji Police Station	83,940	Unspent Vote Book Balance
Central Police	125,064	Unspent Vote Book Balance
Kariokor AP Camp	59,615	Unspent Vote Book Balance
Ngara Police Post	44,000	Unspent Vote Book Balance
Hazina Chiefs Camp	69,706	Unspent Vote Book Balance
5. Sports	4,683,630	Funds reallocated to Mariakani Primary school awaiting approval from the NGCDF Board.

vi. *Other Payments- 19% Due to non- implementation of the following projects as at 30th June 2020*

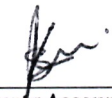
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

1.	Strategic Plan	30,875	Unspent Vote Book Balance
2.	Renovation of office toilet	2,625	Unspent Vote Book Balance
3.	Innovation Hub	7,477,027	Funds reallocated to Nairobi South Day secondary school awaiting approval from the NGCDF Board.

Changes in the budget are as a result of reallocations and resubmissions not yet approved or awaiting communication from the board

The NGCDF-STAREHE Constituency financial statements were approved on **30th June, 2020** and signed by:


Fund Account Manager
Name: Jane Wairimu


Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – STAREHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,407,959	607,699	4,015,658	1,567,258	2,448,400
1.2 Committee allowances	2,500,000	1,247,530	3,747,530	2,207,500	1,540,030
1.3 Use of goods and services	1,409,404	1,505,268	2,914,672	1,261,064	1,653,608
2.0 Monitoring and evaluation					
2.1 Capacity building	1,400,354	423,843	1,824,197	1,788,700	35,497
2.2 Committee allowances	1,000,000	455,719	1,455,719	719,500	736,219
2.3 Use of goods and services	347,000	733,127	1,080,127	72,190	1,007,937

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
3.0 Emergency					
3.1 Primary schools	-		-		-
3.2 Secondary schools			-		-
3.3 Tertiary institutions			-		-
3.4 Security projects					-
3.5 Emergency Reserve	7,198,241		7,198,241		7,198,241
4.0 Bursary and Social Security					
4.1 Primary Schools					-
4.2 Secondary Schools	20,000,000		20,000,000	11,078,781	8,921,219
4.3 Tertiary Institutions	28,078,703	5,451,185	33,529,889	6,301,160	27,228,729
4.4 Social Security					-

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
5.0 Sports					
5.1	2,500,000	2,183,630	4,683,630	-	4,683,630
6.0 Environment					
6.1 Balance b/f	-	107	107	-	107
6.2 Our Lady of Mercy Primary School	1,000,000		1,000,000	1,000,000	-
6.3 Our Lady of Mercy Secondary School	1,500,000		1,500,000	1,500,000	-
6.4 City Primary School		516,756	516,756		516,756
6.5 Mukuru Primary School		516,756	516,756		516,756
6.6 Racecourse Primary		516,756	516,756		516,756
6.7 Kariokor ECD School		516,756	516,756	-	516,756

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
7.0 Primary Schools Projects (List all the Projects)					
7.1 City Primary School	600,000	-	600,000	-	600,000
7.2 Dr. Aggrey Primary School	8,000,000	-	8,000,000	8,000,000	-
7.3 Islamia Primary School	1,251,361	-	1,251,361	1,251,361	0
7.5 Mariakani Primary School	7,000,000	-	3,000,000	-	4,000,000
7.6 Mukuru Primary School	1,200,000	-	1,200,000	-	1,200,000
7.7 Nairobi South Primary School	4,250,000		4,250,000	4,250,000	-
7.8 Pangani Primary School	600,000		600,000		600,000
7.9 ParkRoad Primary School	600,000		600,000		600,000
7.10 St. Bhakita Primary School	600,000		600,000		600,000

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
7.11 Mariakani Primary		1,500,000	1,500,000	1,471,920	28,080
7.12 Nairobi South Primary		1,500,000	1,500,000	1,499,250	750
7.13 Nairobi South Primary/Race Course/Juja Road/Mariakani/Dr. Aggrey/Moi Avenue Primary Schools & CGHU Secondary school	600,000	5,500,000	6,100,000	6,034,000	66,000
7.14 Moi Avenue Primary School		1,500,000	1,500,000	1,500,000	-
7.15 City Primary		1,500,000	1,500,000	1,496,250	3,750
7.16 Dr. Aggrey Primary		2,000,000	2,000,000	2,000,000	-
7.17 Dr. Ribeiro Primary Sch		3,000,000	3,000,000	3,000,000	-
7.18 Pumwani Primary		(170)	(170)		(170)
7.19 Mariakani Primary		42,070	42,070		42,070

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

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
7.20 River bank Primary	-	47,302	47,302		47,302
7.21 Juja Road primary	-	10,858	10,858	-	10,858
7.22 Dr. Aggrey Primary schools	-	5,779,188	5,779,188	5,400,000	379,188
8.0 Secondary Schools Projects (List all the Projects)					
8.1 Pumwani Girls High School	14,400,000	-	14,400,000	14,000,000	400,000
8.2 Pumwani Girls High School	250,000	-	250,000	250,000	-
8.3 Nairobi South Secondary School	26,750,000		26,750,000	6,750,000	20,000,000
8.4 Ngara Girls High school		16,168,503	16,168,503	15,428,700	739,803
8.5 Pumwani Girls Secondary School		10	10	-	10
8.6 Dr. Ribeiro Secondary		1,300	1,300	-	1,300

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2019 (Kshs'000)

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
9.0 Tertiary institutions Projects (List all the Projects)					
9.1	-	-	-		-
10.0 Security Projects					
10.1 Pangani Police Station		317,766	317,766	317,766	-
10.2 Kamukunji Police Station		3,000,000	3,000,000	2,916,060	83,940
10.3 Central Police		4,095,000	4,095,000	3,969,936	125,064
10.4 Kariokor AP Camp		59,615	59,615	-	59,615
10.5 Ngara Police Post		783,000	783,000	739,000	44,000
10.6 Hazina Chiefs Camp		69,706	69,706	-	69,706

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-
11.2 Construction of NG-CDF office					
11.4 Purchase of furniture and equipment	-	-	-	-	-
11.5 Purchase of computers	924,700	-	924,700	924,700	-
11.6 Purchase of land	-	-	-	-	-
12.0 Others					
12.1 Innovation Hub		7,477,027	7,477,027	-	7,477,027
12.2 Strategic Plan		1,775,000	1,775,000	1,744,125	30,875
12.3 Renovation of office toilet		2,625	2,625	-	2,625
GRAND TOTALS	137,367,724	70,803,932	208,171,656	114,089,221	94,082,435

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the NGCDF Starehe constituency's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

STAREHE CONSTITUENCY

Reports and Financial Statements

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SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting NGCDF Starehe constituency

The financial statements are for the NGCDF-STAREHE Constituency. The financial statements encompass the reporting NGCDF Starehe constituency 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 NGCDF Starehe constituency for all the years presented.

a) Recognition of Receipts

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

SIGNIFICANT ACCOUNTING POLICIES

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 NGCDF Starehe constituency)

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 NGCDF Starehe constituency.

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 NGCDF Starehe constituency 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 2020, 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.

SIGNIFICANT ACCOUNTING POLICIES

b) Recognition of payments

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

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 NGCDF Starehe constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the NGCDF Starehe constituency 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 Starehe constituency 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.

SIGNIFICANT ACCOUNTING POLICIES

6. Cash and Cash Eequivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the NGCDF Starehe constituency 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.

SIGNIFICANT ACCOUNTING POLICIES

10. Unutilized Fund

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

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 2019 for the period 1st July 2019 to 30th June 2020 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 2020.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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)
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NOTES TO THE FINANCIAL STATEMENTS

TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
Normal Allocation	AIE NO B 041212	4,000,000	
	AIE NO B 047307	52,973,852	
	AIE NO B 047654	20,000,000	
	AIE NO B104482	24,000,000	
	AIE NO B 104099	14,000,000	
	AIE NO B 049179	6,000,000	
	AIE NO B005213		54,784,483
	AIE NO B030119		10,000,000
	AIE NO B005476		12,000,000
	AIE NO B007476		8,000,000
	AIE NO B042840		12,000,000
	AIE NO B047049		12,000,000
Conditional Grants	AIE NO...		
	-		-
Receipt from other Constituency			
TOTAL		120,973,852	108,784,483

PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

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

1. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

2. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,552,298	1,642,551
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)		1,183,423
Employer Contributions Compulsory national social security schemes	14,960	-
Total	1,567,258	2,825,974

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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3. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services		22,000
Electricity	-	-
Water & sewerage charges		-
Office rent	-	-
Communication, supplies and services	78,260	-
Domestic travel and subsistence	60,000	-
Printing, advertising and information supplies & services	84,000	788,472
Rentals of produced assets	-	-
Training expenses	1,788,700	425,965
Hospitality supplies and services	293,490	20,000
Other committee expenses	719,500	-
Committee allowance	2,207,500	2,620,590
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	130,300	-
Fuel , oil & lubricants	550,000	450,000
Other operating expenses		272,200
Bank service commission and charges		
Other Operating Expenses		
Security operations		
Routine maintenance - vehicles and other transport equipment	118,904	295,500
Routine maintenance- other assets	18,300	208,400
TOTAL	6,048,954	5,103,127

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to Primary Schools	38,902,781	11,620,818
Transfers to Secondary Schools	36,428,700	17,074,700
Transfers to Tertiary Institutions	-	-
Transfers to Health Institutions	-	-
TOTAL	75,331,481	28,695,518

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary - Secondary	11,728,781	22,754,509
Bursary –Tertiary	6,301,160	16,006,521
Bursary- Special Schools	-	-
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	7,942,762	17,669,483
Roads and Bridges	-	-
Sports	-	1,960,980
Environment	2,500,000	2,077,479
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	-	3,391,215
TOTAL	28,472,703	63,860,187

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

– STAREHE CONSTITUENCY

Reports and Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	924,700	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	924,700	-

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	1,744,125	1,725,000
Total	1,744,125	1,725,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>COOPERATIVE BANK STIMA PLAZA STAREHE NG-CDF-Kshs A/C no. 01120070407600</i>	22,647,573	15,762,942
Total	22,647,573	15,762,942
10B: CASH IN HAND		
Location 1	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Total</i>				-

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

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Construction Media Services	291,606	-
Ken source Supply Ltd	396,994	-
Total	688,600	-

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Accrued Gratuity as at 30 th June 2020	330,993	231,916 -
	-	-
	-	-
Total	330,993	231,916

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	15,762,942	9,188,265
Cash in hand	-	-
Imprest	-	-
Total	15,762,942	9,188,265

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-

I. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

II. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	303,983	231,916
Deposit and Retentions held during the year (B)	2,678,212	-
Deposit and Retentions paid during the Year (C)	1,989,612	-
Net changes in account receivables D= A+B-C	992,583	231,916

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

– STAREHE CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	330,993	231,916
	330,993	231,916

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,448,400	607,699
Use of goods and services	5,278,291	4,365,487
Amounts due to other Government entities (see attached list)	32,318,941	32,769,873
Amounts due to other grants and other transfers (see attached list)	50,481,275	23,806,221
Acquisition of assets	-	-
Others Payments	7,510,527	9,254,652
	98,037,434	70,803,932

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

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – STAREHE CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – STAREHE CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance
		a	b	c	d=a-c	2,019
NG-CDFC STAFF SALSARIES						
1.		-		-	-	-
Sub-Total		-			-	-
NGCDFC SATAFF GRATUITY						
1. Richard Mwangi	Accounts assistant		5th Feb, 2021		95,437.60	95,438
2. Anastacia Wangui	Office secretary		5th Feb, 2021		76,285.11	70,711
3. Joseph Mwangi	Driver		11th June, 2021		76,285.11	65,767
4. Daniel Thoithi	Creck of works		1st October, 2022		55,985.00	
Sub-Total		-		-	303,993	231,916
Others (specify)						
10.						
11.						
Sub-Total		-			-	-
Grand Total		-		-	303,993	231,916

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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<u>ANNEX 3 – UNUTILIZED</u>	2018-2019	2019-2020
<u>FUND Programme/Sub-programme</u>		
	Kshs	Kshs
1.0 Administration and Recurrent		
1.1 Compensation of employees	607,699	2,448,399.70
1.2 Committee allowances	1,247,530	1,540,030.00
1.3 Use of goods and services	1,505,268	1,653,608.41
2.0 Monitoring and evaluation		
2.1 Capacity building	423,843	35,497.48
2.2 Committee allowances	455,719	736,219.00
2.3 Use of goods and services	733,127	1,007,937.00
3.0 Emergency		
3.1 Primary schools		-
3.2 Secondary schools	-	-
3.3 Tertiary institutions	-	-
3.4 Security projects		-
3.5 Emergency Reserve		7,198,241.38
4.0 Bursary and Social Security		
4.1 Primary Schools	-	-
4.2 Secondary Schools	-	8,271,219.00
4.3 Tertiary Institutions	5,451,185	27,228,728.52
4.4 Social Security	-	-
5.0 Sports		
5.1	2,183,630	4,683,630.00
6.0 Environment		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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6.1 Balance b/f	107	107.06
6.2 Our Lady of Mercy Primary School		-
6.3 Our Lady of Mercy Secondary School		-
6.4 City Primary School	516,756	516,756.00
6.5 Mukuru Primary School	516,756	516,756.00
6.6 Racecourse Primary	516,756	516,756.00
6.7 Kariokor ECD School	516,756	516,756.00
7.0 Primary Schools Projects (List all the Projects)		
7.1 City Primary School	-	600,000.00
7.2 Dr. Aggrey Primary School	-	-
7.3 Islamia Primary School	-	0.38
7.5 Mariakani Primary School	-	4,000,000.00
7.6 Mukuru Primary School	-	1,200,000.00
7.7 Nairobi South Primary School		-
7.8 Pangani Primary School		600,000.00
7.9 ParkRoad Primary School		600,000.00
7.10 St. Bhakita Primary School		600,000.00
7.11 Mariakani Primary	1,500,000	28,080.00
7.12 Nairobi South Primary	1,500,000	750.00
7.13 Nairobi South Primary/Race Course/Juja Road/Mariakani/Dr. Aggrey/Moi Avenue Primary Schools & CGHU Secondary school	5,500,000	66,000.00
7.14 Moi Avenue Primary School	1,500,000	-
7.15 City Primary	1,500,000	3,750.00
7.16 Dr. Aggrey Primary	2,000,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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7.17 Dr. Ribeiro Primary Sch	3,000,000	-
7.18 Pumwani Primary	(170)	(170.00)
7.19 Mariakani Primary	42,070	42,070.00
7.20 River bank Primary	47,302	47,302.00
7.21 Juja Road primary	10,858	10,858.00
7.22 Dr. Aggrey Primary schools	5,779,188	379,188.00
8.0 Secondary Schools Projects (List all the Projects)		-
8.1 Pumwani Girls High School	-	400,000.00
8.2 Pumwani Girls High School	-	-
8.3 Nairobi South Secondary School		20,000,000.00
8.4 Ngara Girls High school	16,168,503	739,803.00
8.5 Pumwani Girls Secondary School	10	10.00
8.6 Dr. Ribeiro Secondary	1,300	1,300.00
9.0 Tertiary institutions Projects (List all the Projects)		-
9.1	-	-
10.0 Security Projects		-
10.1 Pangani Police Station	317,766	-
10.2 Kamukunji Police Station	3,000,000	83,940.00
10.3 Central Police	4,095,000	125,064.00
10.4 Kariokor AP Camp	59,615	59,615.00
10.5 Ngara Police Post	783,000	44,000.00
10.6 Hazina Chiefs Camp	69,706	69,706.00
11.0 Acquisition of assets		-

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11.1 Motor Vehicles (including motorbikes)	-	-
11.2 Construction of NG-CDF office		-
11.4 Purchase of furniture and equipment	-	-
11.5 Purchase of computers	-	-
11.6 Purchase of land	-	-
12.0 Others		-
12.1 Innovation Hub	7,477,027	7,477,027.20
12.2 Strategic Plan	1,775,000	30,875.00
12.3 Renovation of office toilet	2,625	2,625.00
GRAND TOTALS	70,803,932	94,082,435.13

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f Kshs 2019/2020	Additions during the year	Disposals during the year	Historical Cost Kshs 2019/2020
Land				-
Buildings and structures	7,610,000			7,610,000
Transport equipment	4,083,226			4,083,226
Office equipment, furniture and fittings	1,113,438			1,113,438
ICT Equipment, Software and Other ICT Assets	1,045,000	924,700		1,969,700
Other Machinery and Equipment	3,446,692			3,446,692
Heritage and cultural assets				0
Intangible assets				0
Total	17,298,356	924,700	-	18,223,056

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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.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Examination of Bank reconciliation statements reflects Kshs. 9,054,089 against un-presented cheques which includes stale cheques amounting to 468,109. However, no explanation has been given for failure to reverse stale cheques in the cashbook contrary to section 90 (3) of Public Finance Management Act, regulation 2015.	<i>The comment has been well taken by the management and wish to note that the Stale Cheques that were pending as at the end of the financial year were reversed after a committee meeting in August 2019 as per the attached Cashbook and Committee minutes.</i>	Sub county Accountant & FAM	Resolved	
1.3	Review of bank balances revealed Project Management Committees a balance Kshs. 3,000,000 which was not part of the disclosed cash and cash equivalent balance of Kshs. 15,762,942. The funds were to Project Management Committee account but not utilized as at 30 June 2019. Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs. 15,762,942 as at 30 June 2019 could not be confirmed.	<i>The concern has been noted however, PMC operations are independent of the NGCDFC operations. When reporting, the PMC Balances are disclosed under other disclosures which was actually done in the financial report. It is important to note that the PMC have their own Bank Account and Cashbook thus once funds are disbursed to the PMC they are regarded in the cashbook as payment. Including them in the Cash and Cash Equivalent, denotes that the funds are available for the NGCDFC to spent. Therefore, these balances are part of other disclosures.</i>	FAM	Resolved	
1.2	Bank charges for the financial year have not been accounted for both 2017/18 and 2018/19 no explanation has been given for the omission.	<i>This was an omission and it has since been corrected in the Financial Statements</i>	Sub county Accountant & FAM	Resolved	

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2.0	<p>The statement of assets and liabilities as at 30 June 2019 reflects total financial assets of Kshs.15,762,942 and nil liabilities. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, Kshs. 15,762,942 has been presented as net liabilities instead net of financial position.</p>	<p><i>The concern has been noted and this error has been corrected in the financial statement</i></p>	Sub county Accountant & FAM	Resolved	
	<p>During the financial year ended 30 June 2019, Starehe NG-CDF had an approved budget of Kshs 173,013, 624 which includes adjustments (previous year balances that were not transferred from CDF Board Account to the constituency account) of Kshs. 63,972,748. The statement of Receipts and payments shows kshs108,784,483 as the actual receipts resulting to a variance of Kshs. 64,229,141 equivalent to (34%). The statement of comparison of budget and actual amounts also reflects budgeted expenditure of Kshs. 173,013,624 and actual expenditure of Kshs. 102,209,806 resulting in an under expenditure of Kshs. 70,803,818 which is equivalent to about 41% of the total budget. Consequently, planned and approved projects could not be fully implemented.</p>	<p><i>As noted above, the committee did not receive Ksh. 64,229,141 from the Board and this meant that the committee was not able to implement all the projects as earlier planned.</i></p>	NGCDF Board	Not Resolved	

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	<p>During the year under review, Starehe NG-CDF management awarded and executed projects valued at Kshs. 17,669,483 without involving the Project Management Committees (PMCs) contrary to Section 36 (1) and Section 57 of the National Government Constituency Development Fund Act, 2015.</p>	<p><i>The concern has been well noted, however implementing projects with the PMCs has been a major challenge in Nairobi due to the nature of its residence. Most of the committee members are untraceable in case of any major issues. However, the NGCDF has embarked on a program to train all the existing board members of institutions within Starehe constituency. This would ensure that the committees understand the expectations of the NGCDF board. The NGCDF has also started the process of engaging PMCs on very coordinated efforts and ensuring that the PMCs are properly trained.</i></p>	<p>FAM</p>	<p>Not Resolved</p>	
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