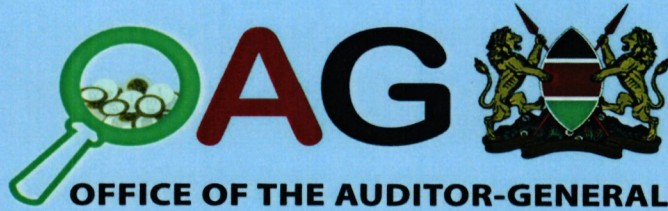


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Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY	
DATE: 23 MAR 2022	
ON WGD (pm)	
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**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
LANG'ATA CONSTITUENCY**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
LANGATA 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)
LANGATA CONSTITUENCY
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Phyliss Chibayi
2.	Sub-County Accountant	Conelius Omony
3.	Chairman NGCDFC	David K. Muchai
4.	Member NGCDFC	Donnie Langat

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -LANGATA 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.

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(e) NGCDF LANGATA Constituency Headquarters

P.O. Box 34833-00100
Langata NG-CDF office
Wilson (DCC Compound)
Nairobi, KENYA

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(f) NGCDF LANGATA Constituency Contacts

Telephone: (254)722557112
E-mail: cdflangata@ngcdf.go.ke
Website: www.langatangcdf.go.ke

(g) NGCDF LANGATA Constituency Bankers

Bank Name:	Equity bank
Branch:	Nairobi west
Account Name:	LANGATA NG – CDF
Account Number:	1280262114687
Address:	75104 Nairobi

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Total allocation for LANG'ATA NG - CDF for financial year 2019/2020 was **kshs 137,367,724.14**, an increase from **KShs. 109,040,875.53** allocation in financial years 2018/2019. The increase in funds allocation for the financial year under review resulted in more project implementation hence a positive impact to the constituents. Upon submission of the proposal, National Government Constituencies Fund Board approved a total of Kshs. 122,567,724.14 where three projects were pending approval since the office was to submit more information and documents.

Table 1.1: Showing allocation on comparative basis

Financial year	Allocation	Disbursement	Difference
2019/20	137,367,724.14	68,000,000.00	69,367,724.14 (50.5%)
2018/19	109,040,875.52	109,040,875.52	0.00
Difference	28,326,848.61 (+)		

On vote allocation, Langata NG-CDF allocated Kshs. 31,709,932.70 (23.1%) to bursary. The Committee had sought for a reallocation (from the DCC PMC) of Kshs. 3,250,000.00 to bursary by year end, thus making it Kshs. 34,959,932.70. A reallocation to the bursary vote was necessitated by the high demand besides ensuring that Langata constituency educates more needy students who would ordinarily miss the chance due to lack of school fees.

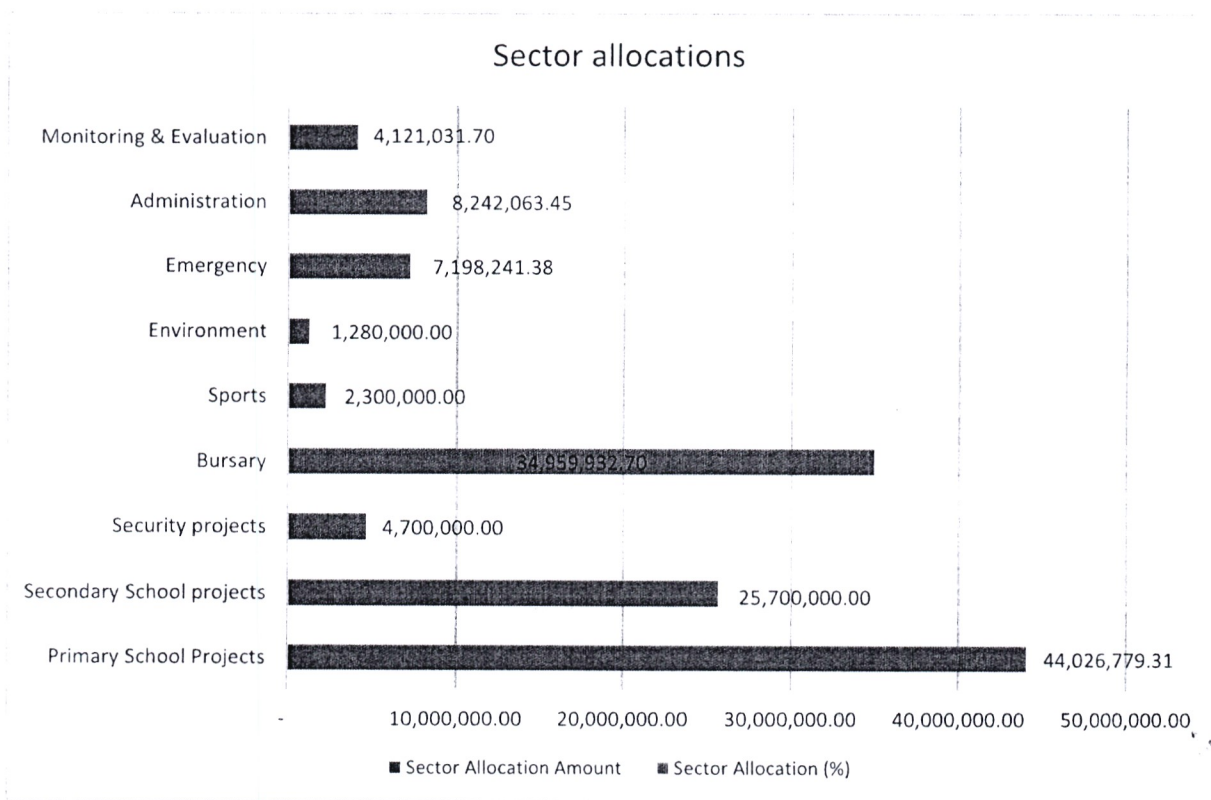
The Committee allocated other sectors as follows; Primary School projects Kshs. 43,526,779.31, Secondary school projects Kshs. 25,700,000.00 and Security projects Kshs. 4,700,000.00.

Table 1.2: Showing votes allocation and comparison with the previous financial year.

Financial year	Primary School	Secondary School	Security
2019/20	43,526,779.31	25,700,000.00	4,700,000.00
2018/19	29,110,817.51	17,450,000.00	9,950,000.00.
Difference	14,415,961.80	8,250,000.00	(5,250,000.00)

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Figure 1.1: Showing specific sector funds distribution

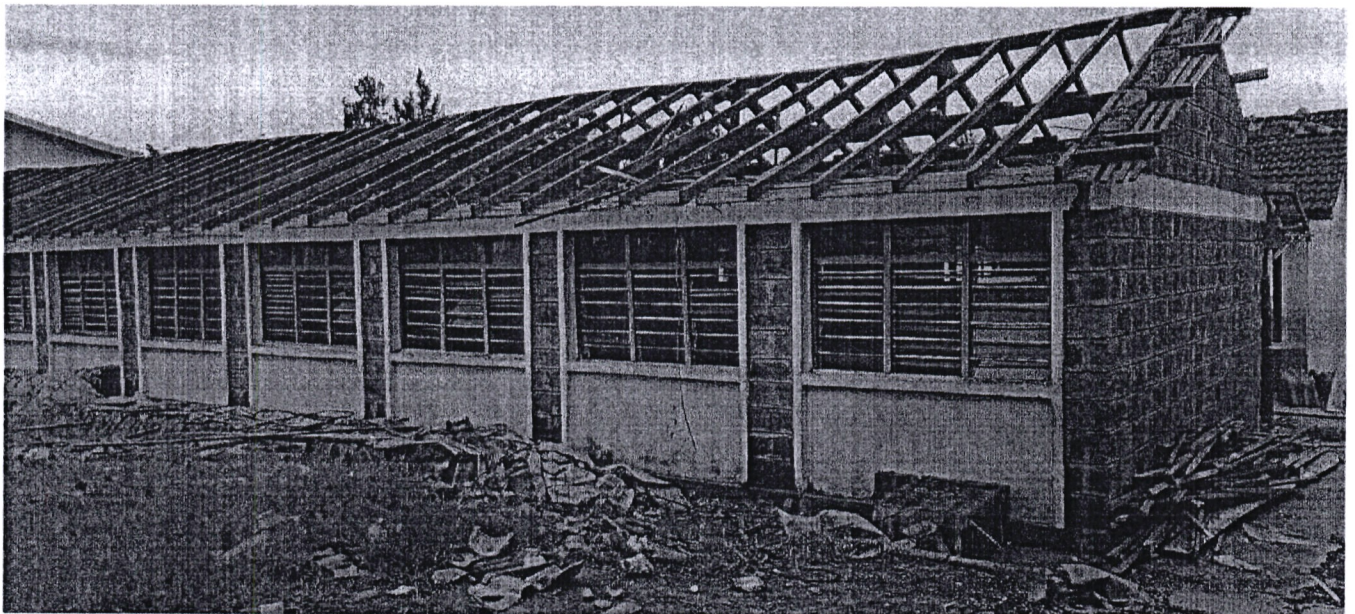


Key achievements

1. Langata NG-CDF has earned the constituents' trust over time when it comes to bursary issuance which has seen demand grow steadily.
2. The fund continues to display quality in its quest to improve infrastructure in the Government institutions such as public schools and security sector.

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Langata NG-CDF 2019/2020 Financial Year project gallery



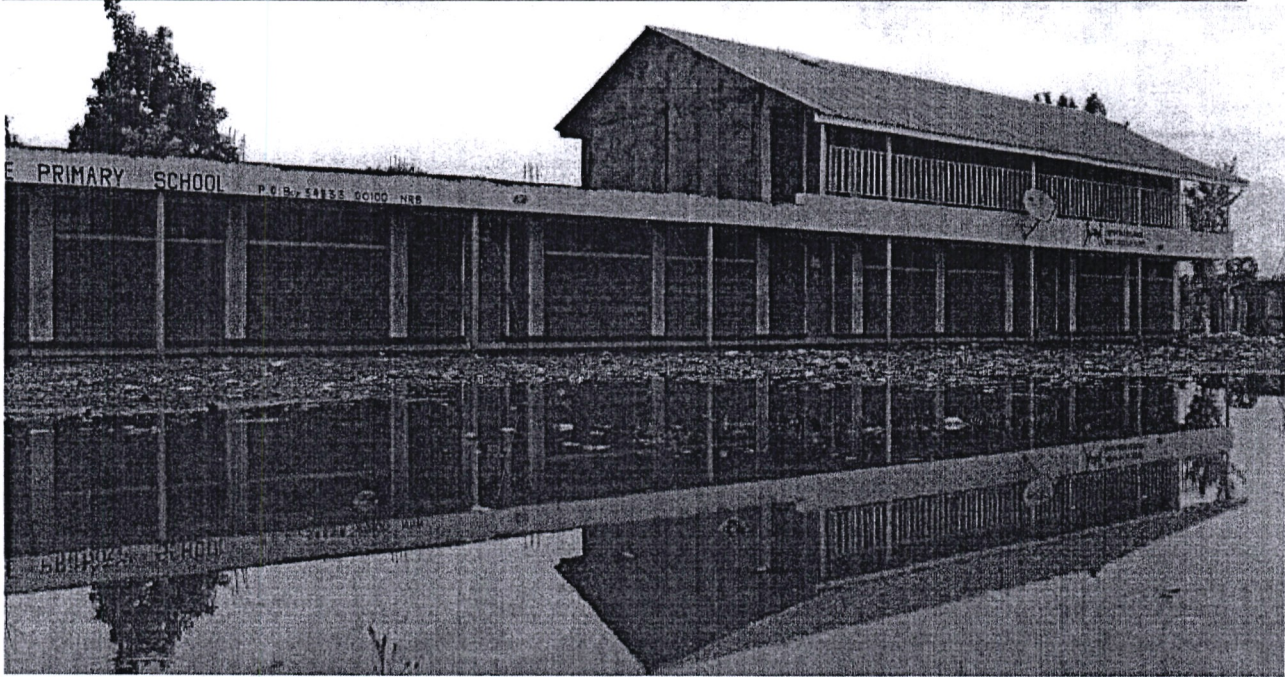
Uhuru Gardens Primary School – Before renovation

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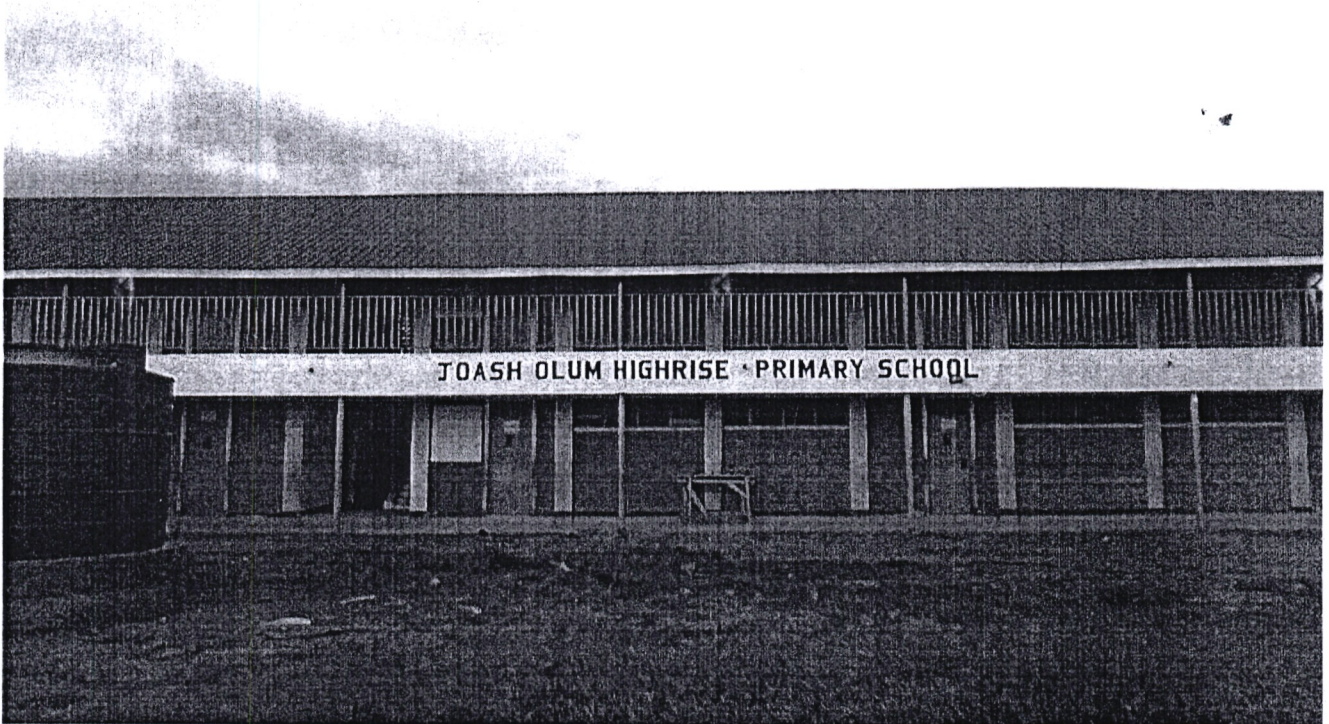


Uhuru Gardens Primary School – After renovation

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Joash Olum Highrise Primary School – Before construction of three classrooms



Joash Olum Highrise Primary School – After construction of three classrooms

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Joash Olum Highrise Primary School – Before the construction of a kitchen

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Joash Olum Highrise Primary School – After construction of a kitchen.

Emerging issues: -

1. Covid-19 pandemic has affected the implementation of projects during the year of review in that the way of carrying out meetings, whereby meetings had to be brief and the sitting arrangement had to change in order to allow at least 1.5 meters away.
2. Funds were not disbursed as per what the Fund was used to previously. The last disbursement was received in April whose mark-up with the rest was barely half the allocation. In the case, many changes had to be made including cancelling the bursary issuance in order to implement projects owing to the fact that schools had closed down.

Implementation challenges.

1. Delay in disbursement of NG - CDF funds. The Board with relevant bodies should strive to release funds to the NG - CDFC in the first quarter of each financial year. It will also be helpful if the funds are released latest before the end of the second quarter of every financial year.

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2. The NG - CDF relies fully on ministerial technical departments for support in areas of Bill of Quantities, technical design and supervision of projects, delays normally occur as the personnel involved are not under direct control of NG - CDF. The national NG - CDF Board should have its own technical experts within her structures for uniformity.
3. Some projects may require a long span of implementation creating a big variance between initial budget and actual cost during implementation. The national NG - CDF Board needs to be flexible on financing of such projects.
4. Some technical assistance require facilitation before the Bill of Quantities and technical designs are developed. It becomes difficult to submit such documents to the National Government Constituencies Development Fund Board before project approval because such facilitation can only be from the 5% project administration.

We humbly look forward to working very closely with the National Government Constituencies Development Fund Board with a view to enhancing accountability and efficiency in the management of the fund.



**David K. Muchai
CHAIRMAN NG-CDF COMMITTEE**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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 Langata NG-CDF in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government Langata NG-CDF's performance against predetermined objectives.

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

Strategic Issue 1: Unemployment

Objective: To Increase the % of youth (Male and Female) and people with disability benefiting socio-economically by Lang'ata NG-CDF by the end of 3 years

Strategic program and activities:

i) Youth, Women and people with disability empowerment

- Partner with public and private sector to provide revolving fund and create jobs
- Partner with government agencies and private such as National Youth Service and enroll youth on career ready technical skills such as welding
- Partner with other stakeholders in youth programs and set up a resource center for nurturing talents
- Mobilize youth to register on National Health Insurance Fund

ii) Education Support Program

- Partner with stakeholders and renovate and increase number of schools and classes to absorb more students
- Partner with relevant stakeholders and motivate teachers to improve teacher: student ratio
- Initiate and Strengthen School feeding program to keep poor students in school
- Create a fund for tertiary education and apprenticeship.

Strategic Issue 2: Poor access to community services such as health, security and others

Objective: Increase by 20% community access to quality social, housing, health and environmental secure services by the end of 5 years.

Strategic program and activities:

i) Safety and Security Program

- Work with national government to increase police and ensure secure business environment
- Work with national government to renovate present stations and advocate for more police posts and stations
- Partner with public and private sector to reform and rehabilitate youth who were once criminals

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- Work with County government and set up street lights in all wards specifically dark corners

ii) Water and Sanitation Program

- Work with county government to ensure clean pipe water connection and supply
- Work with county government and other stakeholders to ensure clean drainage, sewer system is clean and proper garbage management policies
- Partner with national and county government and other stakeholders to drill bore holes and provide clean drinking water

iii) Social Amenities and Housing

- Partner with National and County government ensure our people benefit on the house project under the big four agenda
- Partner with other agencies and implement National House Fund to improve housing standards of the constituency
- Work with county and renovate sports and social centres

iv) Public Health Programs

- Enrol as many people as possible on National Health Insurance Fund
- Partner with county and National government as well as non- governmental and private to advocate for increase in number of health facilities in Lang'ata Constituency and improve the quality of the current healthcare.
- Partner with relevant stakeholders and increase the number of health workers in the current and new health facilities

Strategic Issue 3: Leadership and management

Objective: Building the capacity of Lang'ata NG-CDF management committee and staff in leadership, management and governance by the end of 2 years

Strategic program and activities:

Performance Capacity Building Program

- Train committee members in leadership; management and governance
- Train staff in program monitoring and reporting
- Help develop evidence-based management, supervision and control systems

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:

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Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Unemployment	Increase the percentage of youth (Male and Female) and people with disability benefiting socio-economically Langata by NG-CDF by the end of 3 years	Increased number of youth and people with disability with business management skills and start-up from the identified agencies	<ul style="list-style-type: none"> •Number of youth (male and female), persons with disability empowered economically by the identified partners at end of year three •Number of Students in the constituency supported by the NG-CDF and are accessing quality education 	<p>2019/2020 F.Y</p> <ul style="list-style-type: none"> • There was an increase in the number of bursary beneficiaries thus 5,169 (2019/2020 Financial Year) against 4,454 (2018/2019 Financial Year). • Construction of a new secondary school in Kongoni was proposed besides construction of three more classrooms at Joash Olum Highrise Primary school.
Social health, housing, secure environment.	Increase by 20% community access to quality social health, housing, and environmental secure services by the end of 5 years	•5% of the community accessing quality social health, housing and environmental secure services by the end of 5 years	Survey reports at the mid and end of 5 years on quality social health, housing and environmental secure services by a consultant for NG-CDF	<p>2019/2020 F.Y</p> <ul style="list-style-type: none"> • Members of the community hold regular responsive forums under the guidance of the local administration. • Renovation of Langata police station.
Youth empowerment and involvement	Increased number of youths with business management skills	Increased number of partners delivering	5 partners delivering empowerment programs to the	<p>2019/2020 F.Y</p> <p>Equity Bank and K.C.B foundations</p>

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	and start-up from the identified agencies	empowerment programs to the youth	youth	managed to empower Langata Constituency youth on economic activities.
Social Security program	To Increase the number of vulnerable constituents benefiting from the NHIF enrolment by Langata NG-CDF by the end of 5 years	Have 500 vulnerable constituents enrolled for NHIF by the end of 5 years	A population that can easily access health facilities and services as at when need be.	2019/2020 F.Y 100% renewal of NHIF cover for the previous years' applicants and an allocation for 100 new applicants.

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – LANGATA 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. These pillars also make special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile –

Langata NG-CDF has tried to maintain a clear project scope in implementing its projects. However, changes have come up especially from the users even after contracts has been awarded. In this case, the employer and the contractor parties have had to come up with strategies to accommodate some requests not in the scope.

On timelines, our sustainable efforts towards implementation of projects has been affected by the emergence of the Covid-19 pandemic which hit Kenya in March this year. With this end of third and fourth quarters saw project implementation affected since the President gave out directives affecting movement from one County to another and convergence of individuals at one place and the duration thereof.

Even though the above were the cases on ground, the office managed to implement projects with the funds available adhering to the President's directives as well as the Ministry of Health guidelines in combating the pandemic.

2. Environmental performance

Langata NG-CDF borrows its environmental conservation policy from Prof. Wangare Mathai's mantra, *"You cannot protect the environment unless you empower people, you inform them, and you help them understand that these resources are their own, that they must protect them."*

Langata NG-CDF Environmental policy aspects

- ✓ In adherence to the Environmental Management and Co-ordination Act (EMCA) 1999, the Fund strives to protect the environment by mitigating any pollution activities by ensuring that such measures as water harvesting measures are taken through the provision of water tanks.
- ✓ In its effort to manager biodiversity, the Fund continues to engage in schools landscaping activities and supporting of pupils raring rabbits in schools.
- ✓ Through its policy on waste management, the Fund has installed waste bins in a number of public schools and it hopes to continue doing this in the coming years.
- ✓ Among the successes, the Fund has seen appreciation from the beneficiaries our environmental policy. However, due to limited resources the Fund is yet to impact all relevant institutions.

3. Employee welfare

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Terms and Conditions of the service

Under this, the general rules governing employment of Langata NG-CDFC staff in such as staff appointments, promotions and related matters are highlighted.

Categories of Employment:

Langata NG-CDFC staff are employed on contractual basis, which is usually 2 years maximum, and it is usually renewable basing on the terms and conditions. Such employees are eligible for employee benefits in line with the statutory requirements. New employees are usually put on one month's probation after which they are given a contract term in line with the rest.

Interns are engaged mostly during bursary issuance period since this is when the office needs such short-term services.

Recruitment Procedure: The Fund Account Manager declares vacancies within the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done on the notice board and on the website.

Contents of job advertisement

- Job title
- Main purpose of the job
- Description of responsibilities
- Mandatory education level, related work experience and physical office of appointment.
- Application criteria and closing date of the advertisement.

Selection and appointment

The Fund through the accounting officer appoints an adhoc selection and interview subcommittee whose main duty is to oversee the job applicants' analysis and selection to determine the applicants to be shortlisted for interviews.

Upon a completed analysis procedure, interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated upon based on ethnicity, religion, gender, age, disability, status among others.

Offer of Appointment:

A person appointed to the office is given the appropriate letter, such an appointee is given 14 days within which to tender in their acceptance letter, failure to which, this is deemed as a decline of the offer.

Letters of Appointment:

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which includes; the name and address of the employee, job description, probation period and terms, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, benefits and statutory deductions, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees:

Langata NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the new employees with the mandate, vision, mission and operations of the office and

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how their jobs contribute to this. Induction and orientation are done within the first one month of employment.

HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the organization's staff.

Guidelines to General Safety

The office in its quest to maintain a safe working environment, has put up tailored measures to ensure that the working environment adheres to the OSHA regulations. Personal injuries are mitigated and measures such as a working medical cover is in place to take care of this.

Health Care Services

Langata NG-CDFC staff with their spouse and at least three dependants are entitled to a medical cover, with specifics such as 300,000 Kes Inpatient and 50,000 Kes Outpatient besides the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis.

4. Market place practices-

National Government Constituency Development Fund Committee was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to alleviate poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level, hence making the limited resources available to everyone.

i) Responsible competition practice.

During projects implementation, Langata NG-CDF transfers funds to the Project Management Committees (PMC) who are thereafter guided during tendering process, to ensure that the locals benefit competitively and equitably in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

- ii) Responsible Supply chain and supplier relations** Payments to suppliers are done promptly upon presentation of requisite supporting documents
- iii) Responsible marketing and advertisement** outline efforts to maintain ethical marketing practices Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders
- iv) Product stewardship:** In order to safeguard consumer rights and interests, Langata NG-CDF managed to come up with a service charter and the complaints handling policy, principles and procedures brochure.

The service charter points out the Fund's commitment in ensuring that it provides quality services to its customers with high level of professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures show the commitment of the

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Fund's commitment to consistent, fair and confidential complaint handling and to resolve complaints promptly.

5. Community Engagements -

Public Participation in Project Identification and Implementation and Monitoring

Langata NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from the constituency wards' report and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the National development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. Thereafter, the list of proposed constituency-based projects to be covered under this Act shall be submitted by NG-CDFC to the Board for approval.

Public participation is the process that directly engages the concerned stakeholders in decision making and gives full consideration to public input in making that decision. However, public needs are diverse and at times they may not be pegged on the public participation every after two years. In such cases, members of the public are allowed to visit the office and discuss with the Fund Account Manager or the Langata NG-CDFC on urgent issues that cannot wait.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LANGATA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

V. STATEMENT OF LANGATA NG-CDF 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 Langata NG-CDF shall prepare financial statements in respect of that Langata NG-CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

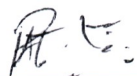
The Accounting Officer in charge of the NGCDF-LANGATA Constituency is responsible for the preparation and presentation of the Langata NG-CDF's financial statements, which give a true and fair view of the state of affairs of the Langata NG-CDF for and as at the end of the financial year (period) ended 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 Langata NG-CDF; (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 Langata NG-CDF; (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-LANGATA Constituency accepts responsibility for the Langata NG-CDF'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 *Langata NG-CDF's* financial statements give a true and fair view of the state of Langata NG-CDF's transactions during the financial year ended June 30, 2020, and of the Langata NG-CDF's financial position as at that date. The Accounting Officer charge of the NGCDF-LANGATA Constituency further confirms the completeness of the accounting records maintained for the *Langata NG-CDF*, which have been relied upon in the preparation of the Langata NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

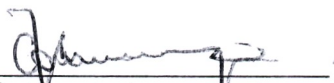
The Accounting Officer in charge of the NGCDF-LANGATA Constituency confirms that the Langata NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Langata NG-CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Langata NG-CDF'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-LANGATA Constituency financial statements were approved and signed by the Accounting Officer on 6th April 2021.



Fund Account Manager
Name: Phyliss Chibayi



Sub-County Accountant
Name: Cornelius Omony
ICPAK Member Number: 17636

REPUBLIC OF KENYA



Enhancing Accountability

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lang'ata Constituency set out on pages 24 to 55 which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows, statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Lang'ata 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 the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Lang'ata 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 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. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.179,110,062 and Kshs.109,742,337 respectively resulting to an under-funding of Kshs.69,367,724 or 39% of the budget. Similarly, the Fund expended Kshs.105,910,816 against an approved budget of Kshs.179,110,062 resulting to an under-expenditure of Kshs.73,199,245 or 41% of the approved budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Lang'ata Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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.

Basis for conclusion

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

The Management are 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 overall governance.

In preparing the financial statements, the Management is responsible for assessing the Fund's ability Fund to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

The 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, the 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 manner.

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

Auditor-General's Responsibilities for the Audit

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

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

Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of 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 the 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


03 February, 2022

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


VII.STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	68,000,000	125,156,393
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	67,740	33,000
TOTAL RECEIPTS		68,067,740	125,189,393
PAYMENTS			
Compensation of employees	4	3,689,938	3,144,560
Use of goods and services	5	7,314,219	4,621,608
Transfers to Other Government Units	6	43,026,779	57,235,292
Other grants and transfers	7	45,481,608	54,872,300
Acquisition of Assets	8	1,191,645	-
Other Payments	9	5,206,627	3,500,000
TOTAL PAYMENTS		105,910,816	123,373,760
SURPLUS/DEFICIT		(37,843,076)	1,815,633

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LANGATA Constituency financial statements were approved on 6th April 2021 and signed by:



Fund Account Manager
Name: Phyliss Chibayi




National Sub-County Accountant
Name: Conelius Omony
ICPAK Member Number: 17636

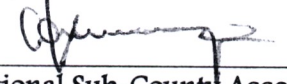
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LANGATA CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,831,522	41,674,597
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		3,831,522	41,674,597
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		3,831,522	41,674,597
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B		-
NET FINANCIAL ASSETS		3,831,522	41,674,597
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	41,674,597	39,858,965
Surplus/Deficit for the year		(37,843,076)	1,815,633
Prior year adjustments	14		-
NET FINANCIAL POSITION		3,831,522	41,674,598

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LANGATA Constituency financial statements were approved on 6th April 2021 and signed by:


Fund Account Manager
Name: Phyliss Chibayi


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Name: Conelius Omony
ICPAK Member Number: 17636

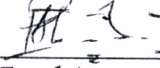
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LANGATA CONSTITUENCY**

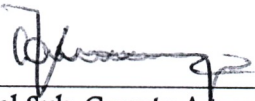
**Reports and Financial Statements
For the year ended June 30, 2020**

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	68,000,000	125,156,393
Other Receipts	3	67,740	33,000
		68,067,740	125,189,393
Payments for operating expenses			
Compensation of Employees	4	3,689,938	3,144,560
Use of goods and services	5	7,314,219	4,621,608
Transfers to Other Government Units	6	43,026,779	57,235,292
Other grants and transfers	7	45,481,608	54,872,300
Other Payments	9	5,206,627	3,500,000
		104,719,171	123,373,760
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		(36,651,431)	1,815,633
Cashflow From Investing Activities			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	(1,191,645)	-
Net cash flows from Investing Activities		(1,191,645)	-
Net Increase In Cash And Cash Equivalent		(37,843,076)	1,815,633
Cash &Cash Equivalent At Beginning Of the year	13	41,674,597	39,858,965
Cash and cash equivalent at END of the year		3,831,522	41,674,598

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LANGATA Constituency financial statements were approved on 6th April 2021 and signed by:


Fund Account Manager
Name: Phyliss Chibayi


National Sub-County Accountant
Name: Conelius Omony
ICPAK Member Number: 17636

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LANGATA CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

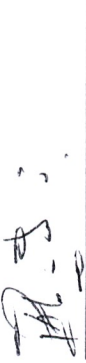
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	137,367,724	41,674,597	179,042,322	109,674,597	69,367,724	61%
Proceeds from Sale of Assets						
Other Receipts (sale of tender documents)		67,740	67,740	67,740		100%
TOTAL RECEIPTS	137,367,724	41,742,337	179,110,062	109,742,337	69,367,724	61%
PAYMENTS						
Compensation of Employees	4,702,063	1,923,739	6,625,802	3,689,938	2,935,864	56%
Use of goods and services	7,661,032	3,958,109	11,619,141	7,314,219	4,304,922	63%
Transfers to Other Government Units	69,726,779	10,000,000	79,726,779	43,026,779	36,700,000	54%
Other grants and transfers	49,588,174	24,663,921	74,252,095	45,481,608	28,770,487	61%
Acquisition of Assets		1,196,568	1,196,568	1,191,645	4,923	100%
Other Payments	5,689,676		5,689,676	5,206,627	483,049	92%
TOTAL	137,367,724	41,742,337	179,110,061	105,910,816	73,199,245	59%

- i. The under-utilization under compensation of employees at 44%, use of goods and services at 37%, Transfers to other Government Units at 46%, other grants and transfers at 39% was generally due to the fact that Langata NGCDF received only **Kshs 68,000,000** out of the budgeted Ksh **137,367,724** during the financial year. With this it meant that full budget implementation was not practical.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LANGATA CONSTITUENCY
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- ii.** *The difference between the original and the final budget was brought about by the opening cashbook balance of Kshs. 41,674,597 These funds were available for utilization during the financial year under review and thus the difference in the budget.*

The NGCDF-LANG'ATA Constituency financial statements were approved on 6th April 2021 and signed by:



Fund Account Manager
Name: Phylliss Chibayi



National Sub-County Accountant
Name: Conelius Omony
ICPAK Member Number: 17636

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LANGATA CONSTITUENCY
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XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs
1.0 Administration										
Employees' Salaries	4,598,863		1,811,939		6,410,802		3,592,488		2,818,314	
NHIF	69,600		75,400		145,000		65,850		79,150	
NSSF	33,600		36,400		70,000		31,600		38,400	
Goods and Services	2,000,000		722,325		2,722,325		2,312,219		410,106	
Committee Expenses	1,540,000		650,058		2,190,058		1,058,000		1,132,058	
Sub-Total	8,242,063		3,296,122		11,538,185		7,060,157		4,478,028	
2.0 Monitoring and Evaluation										
Goods and Services	1,113,058		767,226		1,880,284		1,575,800		304,484	
Committee Expenses	1,100,000		850,000		1,950,000		1,399,700		550,300	
Capacity Building of NG-CDFs/PMCs	1,907,974		968,500		2,876,474		968,500		1,907,974	
Sub-Total	4,121,032		2,585,726		6,706,758		3,944,000		2,762,758	
3.0 Emergency										
Emergency	7,198,241		3,197,142		10,395,383		2,600,000		7,795,383	
Emergencies										
Sub-Total	7,198,241		3,197,142		10,395,383		2,600,000		7,795,383	
4.0 Bursary and Social Security Programme										
Bursary Secondary Schools	11,000,000		4,386,586		15,386,586		15,386,586		-	
Bursary Tertiary Schools	20,709,933		7,800,000		28,509,933		17,475,064		11,034,869	
Bursary Special Schools					-				-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LANGATA CONSTITUENCY
Reports and Financial Statements
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Social Security Programmes - NHIF	2,400,000	600,000	3,000,000	600,000	2,400,000
Sub-Total	34,109,933	12,786,586	46,896,519	33,461,650	13,434,869
5.0 Sports					
Constituency Sports Tournament	2,300,000	2,181,611	4,481,611	2,179,958	2,301,653
Sub-Total	2,300,000	2,181,611	4,481,611	2,179,958	2,301,653
6.0 Environment					
Constituency Environmental activities		1,600,793	1,600,793	1,600,000	793
Kongoni Primary School-school landscaping	600,000		600,000	600,000	-
Highrise primary school-energy saving jikos	340,000		340,000	340,000	-
Karen C primary school-energy saving jikos	340,000		340,000		340,000
Sub-Total	1,280,000	1,600,793	2,880,793	2,540,000	340,793
7.0 Primary School Projects					
Madaraka Primary School	3,500,000		3,500,000	3,500,000	-
Karen C primary School	500,000		500,000	500,000	-
Langata West Primary School	7,500,000		7,500,000	500,000	7,000,000
Ngei Primary Sch	500,000		500,000	500,000	-
Kongoni Primary School	10,026,779		10,026,779	10,026,779	0
Ngong Forest Primary School	500,000		500,000	500,000	-
Langata Barracks Primary School	500,000		500,000	500,000	-
Uhuru Gardens Primary School	6,900,000		6,900,000	6,900,000	-
Langata Road Primary School	5,000,000		5,000,000	500,000	4,500,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LANGATA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Joash Olum Highrise Primary School	9,100,000		9,100,000	9,100,000	-
Sub-Total	44,026,779	-	44,026,779	32,526,779	11,500,000
8.0 Secondary School Projects					-
Langata High School	2,000,000		2,000,000		2,000,000
Karen C Secondary School	10,500,000		10,500,000		10,500,000
Langata Barracks Secondary School	3,200,000		3,200,000	500,000	2,700,000
Kongoni Mixed Day Secondary school	10,000,000		10,000,000		10,000,000
Sub-Total	25,700,000	-	25,700,000	500,000	25,200,000
9.0 Tertiary institutions projects					-
Langata TIVET		10,000,000	10,000,000	10,000,000	-
Sub-Total	-	10,000,000.00	10,000,000.00	10,000,000.00	-
10.0 Security Projects					-
Langata DCC Office		3,950,000	3,950,000		3,950,000
Nairobi West Prison			-		-
Langata Police Station	4,700,000	1,500	4,701,500	4,700,000	1,500
Silanga Chiefs Camp		946,289	946,289	-	946,289
	4,700,000	4,897,789	9,597,789	4,700,000	4,897,789
11.0 Acquisitions of Assets					-
NG- CDF office		1,196,568	1,196,568	1,191,645	4,923
12.0 Others					-
Waruru Karuku	5,689,676		5,689,676	5,206,627	483,049
Sub-Total	5,689,676	-	5,689,676	5,206,627	483,049
GRAND TOTAL	137,367,724	41,742,337	179,110,061	105,910,816	73,199,245

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
LANGATA CONSTITUENCY
Reports and Financial Statements
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XII. 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 Langata NG-CDF

The financial statements are for the NGCDF-LANGATA Constituency. The financial statements encompass the reporting Langata NG-CDF 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 Langata NG-CDF for all the years presented.

a) Recognition of Receipts

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

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 Langata NG-CDF)

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 Langata NG-CDF.

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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 Langata NG-CDF 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.

b) Recognition of payments

The Langata NG-CDF recognises all payments when the event occurs and the related cash has actually been paid out by the Langata NG-CDF.

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 Langata NG-CDF and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Langata NG-CDF 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 Langata NG-CDF includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized 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.

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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 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.

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.

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO....B005059	1		11,379,310.35
AIE NO....B005379	2		4,736,206.90
AIE NO....B030089	3		10,000,000.00
AIE NO....B030476	4		12,000,000.00
AIE NO....B006423	5		8,000,000.00
AIE NO....A724456	6		11,000,000.00
AIE NO....B047022	7		13,000,000.00
AIE NO....B047594	8		55,040,875.50
AIE NO....B041102	1	4,000,000	
AIE NO....B041495	2	20,000,000	
AIE NO....B047954	3	6,000,000	
AIE NO....B049352	4	14,000,000	
AIE NO....B104375	5	15,000,000	
AIE NO...	6	9,000,000	
TOTAL		68,000,000	125,156,393

2. 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		-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts from Sale of tender documents	67,000	33,000
Other Receipts Not Classified Elsewhere (Closure of PMC)	740	
Total	67,740	33,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,220,200	2,299,200
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments	179,538	410,000
Employer Contributions Compulsory national social security schemes	31,600	33,600
Pension and other social security contributions (Gratuity)	1,258,600	401,760
Total	3,689,938	3,144,560

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5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	1,230,680	1,464,217
Electricity	29,000	15,500
Water & sewerage charges		
Office rent		
Communication, supplies and services	52,100	
Domestic travel and subsistence		140,500
Printing, advertising and information supplies & services	747,800	151,960
Rentals of produced assets		
Training expenses	1,226,000	435,500
Hospitality supplies and services		
Other committee expenses	837,200	
Committee allowance	1,796,200	1,100,000
Insurance costs		
Specialised materials and services		174,000
Office and general supplies and services	1,096,825	200,000
Fuel , oil & lubricants		
Other operating expenses		882,486
Bank service commission and charges	22,560	57,445
Other Operating Expenses	210,854	
Security operations		
Routine maintenance - vehicles and other transport equipment		
Routine maintenance- other assets	65,000	
Total	7,314,219	4,621,608

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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 National Government entities		
Transfers to primary schools (see attached list)	32,526,779	44,887,017
Transfers to secondary schools (see attached list)	500,000	12,348,275
Transfers to tertiary institutions-TIVET(see attached list)	10,000,000	
Transfers to health institutions (see attached list)		
TOTAL	43,026,779	57,235,292

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	20,577,200	27,844,000
Bursary – tertiary institutions (see attached list)	12,284,450	
Bursary – special schools (see attached list)	600,000	
Mock & CAT (see attached list)		
Security projects (see attached list)	4,700,000	15,848,500
Sports projects (see attached list)	2,179,958	1,963,000
Environment projects (see attached list)	2,540,000	1,963,000
Emergency projects (see attached list)	2,600,000	7,253,800
Total	45,481,608	54,872,300

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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	1,191,645	
Purchase of Vehicles and Other Transport Equipment	-	
Overhaul of Vehicles and Other Transport Equipment	-	
Purchase of Household Furniture and Institutional Equipment	-	
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets	-	
Purchase of Specialised Plant, Equipment and Machinery	-	
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	
Acquisition of Land	-	
Acquisition of Intangible Assets	-	
Total	1,191,645	-

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan		3,500,000
Legal costs	5,206,627	
Total	5,206,627	3,500,000

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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>EQUITY BANK LIMITED, LANGATA NG-CDF A/C no. 1280262114687</i>	3,831,522	41,674,597
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
Total	3,831,522	41,674,597
10B: CASH IN HAND		
Location 1		
Location 2		
Other Locations		
Total		

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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>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			

Total

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1		
Supplier 2		
Supplier 3		
Total		

12B. GRATUTTY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1		
Name 2		
Name 3		
Total		

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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	41,674,597	39,858,965
Cash in hand		
Imprest		
Total	41,674,597	39,858,965

14. PRIOR YEAR ADJUSTMENTS

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

a. 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)	3,024,000	5,445,500
Imprest surrendered during the Year (C)	3,024,000	5,445,500
Net changes in account receivables D= A+B-C	-	-

b. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
Net changes in account receivables D= A+B-C		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: 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		

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff		
NGCDFC Staff Gratuity	274,350	839,790
Total	274,350	839,790

15.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,935,864	1,083,949
Use of goods and services	4,304,922	3,890,368
Amounts due to other Government entities (see attached list)	36,700,000	10,000,001
Amounts due to other grants and other transfers (see attached list)	28,770,487	24,663,921
Acquisition of assets	4,923	1,196,568
Others –waruiru karuku-legal costs	483,049	
Total	73,199,245	40,834,808

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15.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	15,376,441	30,598,786
	15,376,441	30,598,786

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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					

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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 2019	Outstanding Balance 2018	Comments
		a	b	c	d=a-c		
NGCDF Staff Gratuity							
1. Muhammed Wandera Wanyama			Feb-22		26,350		
2. Jacinta Mumbi Nduguya			Feb-22		26,350		
3. Walter Mutai			Feb-22		38,750		
4. Cynthia Jelimo Cheserem			Feb-22		62,000		
5. Violet Ngereso Mulengeka			Feb-22		51,150		
6. Kelvin Kairu Njenga			Feb-22		69,750		
Sub-Total					274,350		
NGCDFC Staff gratuity							
1							
2							
Sub-Total							
Others (specify)							
Sub-Total							
Grand Total					274,350		

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/2020	Outstanding Balance 2018/2019	Comments
Compensation of employees		2,935,864	1,923,739	
Use of goods & services		4,304,922	3,890,368	
Amounts due to other Government entities				
Langata West Primary School		7,000,000		
Langata Road Primary School		4,500,000		
Karen C secondary school		10,500,000		
Langata High School		2,000,000		
Langata Barracks Secondary School		2,700,000		
Kongoni Mixed Day Secondary school		10,000,000		
Madaraka mixed secondary school			10,000,000	
Sub-Total		36,700,000	10,000,000	
Amounts due to other grants and other transfers				
langata DCC office		3,950,000	3,950,000	
langata police station		1,500	1,500	
silanga chiefs camp		946,289	946,289	
Bursary		13,434,869	12,786,586	
Emergency		7,795,383	3,197,142	
Constituency sports tournament		2,301,653	2,181,611	
Environment activities (Installation of energy		340,793	793	

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saving jikos at Karen C Secondary School)			
Langata high school water harvesting project			240,000
Karen C Secondary school water harvesting project			240,000
Langata barracks high school water harvesting project			240,000
Highrise primary school water harvesting project			240,000
Mugumoini chiefs camp water harvesting project			240,000
Kongoni primary tree planting project			50,000
Madaraka primary tree planting project			50,000
Langata Road primary tree planting project			50,000
Uhuru Gardens primary tree planting project			50,000
Ngei primary tree planting project			50,000
Langata West primary tree planting project			50,000
Karen C primary tree planting project			50,000
St Marys primary tree planting project			50,000
Sub-Total		28,770,487	24,663,921
Acquisition of assets			
langata NG-CDF office		4,923	1,196,568
Others (specify)			
Waruiru Karuku (Legal costs)		483,049	
Grand Total		73,199,245	41,674,598

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LANGATA CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/2019	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/2020
Land				-
Buildings and structures	10,926,059	1,191,645		12,117,704
Transport equipment				-
Office equipment, furniture and fittings	2,713,560	219,500		2,933,060
ICT Equipment, Software and Other ICT Assets				-
Other Machinery and Equipment	1,656,319			1,656,319
Heritage and cultural assets				-
Intangible assets				-
Total	15,295,938	1,411,145	-	16,707,083

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/2020	Bank Balance 2018/2019
Highrise Primary School	EQUITY-NAIROBI WEST	1280270915693	3,437,666	592,418
Kongoni Primary School	EQUITY-NAIROBI WEST	1280271386853	5,352,465	4,132,652
Ngong Forest Primary School	EQUITY-NAIROBI WEST	1280270915749	102,762	175,061
Langata Road Primary School	EQUITY-NAIROBI WEST	1280271386731	5,993	134,280
Langata West Primary School	EQUITY-NAIROBI WEST	1280271386573	64,956	228,593
Karen C Secondary School	EQUITY-NAIROBI WEST	1280271386930	147,677	1,601,651
Karen C Primary School	EQUITY-NAIROBI WEST	1280271347142	131,472	1,628,396
Uhuru Gardens Primary School	EQUITY-NAIROBI WEST	1280271386624	198,753	11,837
Madaraka Primary School	EQUITY-NAIROBI WEST	1280271347202	315,906	1,236,062
Langata Dcc Office	EQUITY-NAIROBI WEST	1280271472120	233,324	10,216,560
Ngei Primary School	EQUITY-NAIROBI WEST	1280277203524	2,440	428,165
Langata Barracks Primary	EQUITY-NAIROBI WEST	1280277205514	12,706	941,761
Ngeno Estate Police Post	EQUITY-NAIROBI WEST	1280277206278	-	640
St.Marys Karen Primary School	EQUITY-NAIROBI WEST	1280277205076	180	4,863,100
Langata High School	EQUITY-NAIROBI WEST	1280277202596	229,271	84,730
Silanga Chiefs Camp	EQUITY-NAIROBI WEST	1280276809459	125,947	125,947
Nairobi West Prison	EQUITY-NAIROBI WEST	1280277541814	297,228	4,114,880
Langata Barracks Secondary	EQUITY-NAIROBI WEST	1280277541713	17,695	82,055
Langata Police Station	EQUITY-NAIROBI WEST	1280279905565	4,700,000	
Total			15,376,441	30,598,786

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LANGATA CONSTITUENCY
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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.

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)
4.1.1	Budget and budgetary controls- Budget utilization was at 74.8% of kshs. 165,048,357 resulting to under-utilization equivalent to 25.2%. As at 30th June 2019, projects worth kshs, 41,674,598 had not been implemented as per the budget	The under-utilization was as a result of late disbursement of funds from the NG-CDF Board in that Kshs. 55,040,875.50 – A.I.E No. B047594 was received on the 20 th June 2019. With only ten days remaining, absorption of this funding would not have been achieved by year end. It has to be noted that the planned projects have been implemented accordingly	Phlyiss Chibayyi-FAM	Resolved	
4.1.2	Transfer to Other Government Entities- The Constituency had budgeted to spend kshs. 67,235,293 on Transfer to Other Government Entities but spent kshs. 57,235,292 resulting to under expenditure of 10,000,001 an absorption of 85.1%.	The Kshs. 10,000,000 that had not been spent as at the year-end was meant for Madaraka mixed secondary school. These funds were however reallocated to co- fund the construction of the new Langata Technical & Vocational College (TVC). The reallocation had not been	Phlyiss Chibayyi-FAM	Resolved	

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4.1.3	<p>Other Grants and Transfers- the constituency had budgeted to spend kshs. 79,536,221 but only spent kshs. 54,872,300 resulting to under expenditure of kshs. 24,663,921, (31%).</p>	<p>approved by year end and therefore it was not possible to utilize the funds during the year under review.</p>	Phlyiss Chibayai-FAM	Resolved	
4.1.4	<p>Unutilized PMC Funds (Non Implementation of Projects) - Langata NG-CDF Received Ksh 125,189,392 from CDF Board during the Year under Review. Out of this, Ksh 30,598,786 remained in PMC Accounts as at 30 June 2019</p>	<p>The under expenditure was caused by delayed disbursement from NG-CDF Board in that Kshs. 55,040,875.50 – A.I.E No. B047594 was received on the 20th June 2019. With only ten days remaining, absorption of this funding would not have been achieved by year end. However, the funds were utilized accordingly.</p>	Phlyiss Chibayai-FAM	Resolved	

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4.2.1	Unpresented Bursary Cheques- Review of the bank reconciliation statements reveal that cheques totaling Kshs.1,951,000 relating to bursary and that cheques totaling Kshs.13,950,000 relating to PMC Accounts had not been presented as at 30 June 2019	Some of these unpresented cheques were drawn nearly to the end of the financial year and thus may not have gotten to the schools intended and then to the bank for presentation. Transfers to PMCs totaling to Kshs. 13,950,000.00 were done on the 25 th June 2019 but the bank actualized the transfers the next month	Phlyiss Chibayi-FAM	Resolved	
4.2.2	Non-Receipting of Bulk Bursary Funds- , it was noted that some funds disbursed as bulk cheques for multiple students in same institutions had no acknowledgment of payment vide an official receipt from the institutions.	The acknowledgement documents were availed for verification.	Phlyiss Chibayi-FAM	Resolved	
4.3.1	Silanga Chiefs Camp- The Langata NGCDF should hand over this project to the Ministry of Interior so that the Ministry is able to post Government Staff to occupy the Offices.	The project was already handed over to the ministry of interior and the hand over letter dated 21st March 2019, Ref: NGCDF/LGT/2019/VOL1/3/21 was availed.	Phlyiss Chibayi-FAM	Resolved	

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4.3.2	<p>Langata Barracks Primary School- Langata NG-CDF should provide documents relating to invitation of bids, opening of bids signing of contract and payment for the works and Langata CDF should ensure the incomplete work is completed and the defects are rectified properly</p>	<p>Documents relating to the invitation of tender, opening and evaluation of tenders and signing of agreement, implementation, certification and payments regarding this project were availed for verification. The incomplete works were completed and defects rectified.</p>	<p>Phlyiss Chibayi-FAM</p>	<p>Resolved</p>	
4.3.3	<p>Langata West Primary School- Langata NG-CDF should provide documents relating to invitation of bids, opening of bids signing of contract and payment for the works and Langata CDF should ensure the anomalies are rectified properly</p>	<p>Documents relating to the invitation of tender, opening and evaluation of tenders and signing of agreement, implementation, certification and payments regarding this project were availed for verification. The anomalies were rectified.</p>	<p>Phlyiss Chibayi-FAM</p>	<p>Resolved</p>	