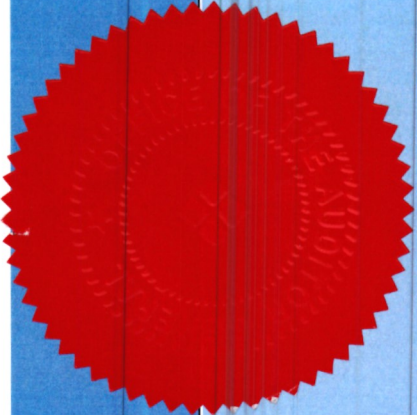


REPUBLIC OF KENYA



Paper laid by the
LOM the Hon.
Aden Duale, EGH
MP on 7th Nov
2018. *(Signature)*

OFFICE OF THE AUDITOR-GENERAL



PARLIAMENT
OF KENYA
LIBRARY

TABLE OFFICE
S/No:.....
07 NOV 2018
Sign:.....
PAPER LAID

REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
DAGORETTI NORTH CONSTITUENCY
FOR THE YEAR ENDED
30 JUNE 2017

**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORETTI
NORTHCONSTITUENCY**

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



**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND-
DAGORETTI NORTH CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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



11

11

**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORETTI
NORTHCONSTITUENCY**

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

Table of Content

Page

I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II.	FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC).....	3
	CHAIRMAN NG-CDFC	3
III.	STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES.....	4
IV.	STATEMENT OF RECEIPTS AND PAYMENTS	5
V.	STATEMENT OF CASHFLOW	7
VI.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	8
VII.	SIGNIFICANT ACCOUNTING POLICIES.....	9
VIII.	NOTES TO THE FINANCIAL STATEMENTS	11

**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORETTI
NORTHCONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (NG-CDF)* was set up under the NG-CDF Act, 2003 now repealed by the NG-CDF Act, 2013. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*.

(b) Key Management

The *DAGORETTI NORTH Constituency's* day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (NG-CDFB)
- ii. National Government-Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Aziz Juma
3.	Accountant	Alois Kimuyu

(d) Fiduciary Oversight Arrangements

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

(e) DAGORETTI NORTH NG-CDF Headquarters

P.O. Box 36845-00100
Kango Estate Kileleshwa off Tabere Crescent Road
Nairobi, Kenya



Vertical line of text or markings along the right edge of the page.

**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORETTI
NORTHCONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

(f) DAGORETTI NORTHNG-CDF Contacts

Telephone: 0205217862

E-mail: [cdfdagorettinorthcentral@cdf.go.ke](mailto:cfdagorettinorthcentral@cdf.go.ke)

Website: www.ngcdf.go.ke

(g) DAGORETTI NORTHNG-CDF Bankers

Bank name: Equity Bank

Branch: Kilimani Supreme

Account name: Dagoretti North NG-CDF

Account number: 14702616322406

Address: 75104 Nairobi.

(h) Independent Auditors

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORETTI
NORTHCONSTITUENCY**

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

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT-CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds.

The financial year 2016/2017 was generally a good year in terms of achieving the development targets set in the onset. We have been able to utilize at least 70% of the funds allocated and disbursed. The major achievement and most felt project is the Bursary kitty. This year we have issued bursaries to over 2,500 beneficiaries as compared to 2013/2014 where we had around 1,800 beneficiaries. Our target is that as the NG-CDF allocation grows, the bursary beneficiaries also grows and we impact to more and more people in the constituency.

The above success of course has some constraints. Firstly, the allocation to Dagoretti North Constituency has always been one of the least as compared to other constituencies. This has made it a challenge to really show impact in terms of developmental projects within the constituency. We always hope that the allocation criterion is revised so that at least we can have an improvement in that area. Secondly, disbursement of funds from the NG-CDF Board is a challenge. Many projects delay due to the delayed disbursement of these funds. We also hope that this is given some thought so that we can have timely disbursement to ensure timely implementation of projects.

Otherwise the impact of the NG-CDF kitty is felt countrywide and we hope and pray that the fund lives longer and longer in order to impact more and more lives in Kenya.

Sign



CHAIRMAN NG-CDFC





**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORETTI
NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF 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 NG-CDF shall prepare financial statements in respect of that 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.

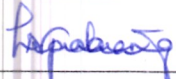
The Accounting Officer in charge of the *DAGORETTI NORTH NG-CDF* is responsible for the preparation and presentation of the *NG-CDF's* financial statements, which give a true and fair view of the state of affairs of the *NG-CDF* for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *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 *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 *DAGORETTI NORTH NG-CDF* accepts responsibility for the *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 *NG-CDF's* financial statements give a true and fair view of the state of *NG-CDF's* transactions during the financial year ended June 30, 2017, and of the *NG-CDF's* financial position as at that date. The Accounting Officer charge of the *DAGORETTI NORTH NG-CDF* further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *NG-CDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *DAGORETTI NORTH NG-CDF* confirms that the *NG-CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *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 *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 *NG-CDF's* financial statements were approved and signed by the Accounting Officer on _____ 2017.



Chairman - NG-CDFC



Fund Account Manager
DAGORETTI NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND
08 AUG 2018
SIGNATURE
P.O. Box 36845 - 00200, NAIROBI

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - DAGORETTI NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Dagoretti North Constituency set out on pages 5 to 23, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Dagoretti North Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Other Matter sections of my report, based on the audit procedures performed, 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.

Basis for Qualified Opinion

1. Other Grants and Other Payments

The statement of receipts and payments reflects other grants and transfers of Kshs.46,618,131 which as disclosed at Note 7 to the financial statements include bursaries to secondary and tertiary institutions totalling Kshs. 29,683,546. However, cheques amounting to Kshs.1,764,487 had not been presented for payment by the recipients as at 30 June 2017, casting doubts on the process of identifying needy cases for bursaries purposes.

Report of the Auditor-General on National Government Constituencies Development Fund-Dagoretti North for the year ended 30 June 2017

2. Net Financial Position

The statement of assets as at 30 June 2017 reflects net liabilities instead of net financial position of Kshs.17, 956.35 being the difference between the brought forward fund balance of Kshs.47,174,542.85 and the deficit for the year of Kshs.47,156,586.50. No explanation has been provided for this anomaly.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Dagoretti North Constituency management in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance to the audit of the financial statements. Except for matter described in the Basis for Qualified Opinion, I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1. Budget and Budgetary Controls

During the year under review, the Fund budgeted to spend Kshs.178,957,902.55. However, overall actual expenditure for the year amounted to Kshs.142,991,671.10 resulting in an under expenditure of Kshs.35,966,231.45, which is equivalent to 20% of the total budget. The under expenditure was mainly on transfers to other government units - Kshs.15,765,314.70 and other grants and transfers - Kshs.18,012,182.10.

Analysis of the budget against actual expenditure indicates that administration expenses for the year amounted to Kshs.10,002,215 against a budget of Kshs. 12,190,950 resulting in an under expenditure of Kshs.2,188,735. Further, out of the development budget of Kshs.166,766,953, an amount of Kshs.132,989,456 was spent resulting in under expenditure of Kshs.33,777,497, a 20% shortfall.

The under expenditure is an indication that approved programs were not fully implemented which impacted negatively on service delivery to the constituents of Dagoretti North.

2. Unutilized Project Management Committee (PMC) Funds

A review of Project Management Committee (PMC) bank statements revealed that nineteen PMCs were holding bank balances totalling Kshs.48,069,428.20 as at 30 June 2017. In some cases, there was little or no spending during the year as evidenced bank transactions. Although management has attributed this to long tendering process and delay in preparation of bills of quantities, this resulted in low absorption of funds by the project management committees which had negative consequences on delivery of services to the residents.

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

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

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

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

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

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

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

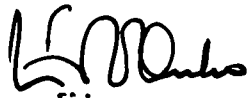
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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



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

Nairobi

27 September 2018

**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORETTI
NORTH CONSTITUENCY**


Reports and Financial Statements

For the year ended June 30, 2017


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	95,835,084.60	89,244,769.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		95,835,084.60	89,244,769.00
PAYMENTS			
Compensation of employees	4	2,324,425.80	1,465,959.00
Use of goods and services	5	7,677,789.00	6,947,901.00
Transfers to Other Government Units	6	85,054,685.30	12,595,351.00
Other grants and transfers	7	46,618,131.00	32,261,910.66
Acquisition of Assets	8	-	-
Other Payments	9	1,316,640.00	-
TOTAL PAYMENTS		142,991,671.10	53,271,121.76
SURPLUS/DEFICIT		(47,156,586.50)	35,973,647.24

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The DAGORETTI NORTH NG-CDF financial statements were approved on _____ 2017 and signed by:



Chairman - NG-CDFC



Fund Account Manager



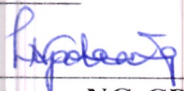
**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORETTI
NORTHCONSTITUENCY**

Reports and Financial Statements

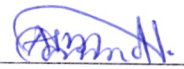
For the year ended June 30, 2017

II. STATEMENT OF FINANCIAL ASSETS			
	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	17,956.35	47,174,542.85
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	10C	-	-
TOTAL FINANCIAL ASSETS		17,956.35	47,174,542.85
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	47,174,542.85	11,200,895.61
Surplus/Deficit for the year		(47,156,586.50)	35,973,647.24
NET LIABILITIES		17,956.35	47,174,542.85

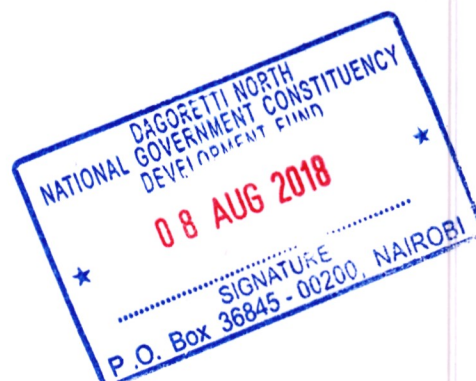
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The DAGORETTI NORTHNG-CDF financial statements were approved on _____ 2017 and signed by:



Chairman - NG-CDFC



Fund Account Manager



**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND- DAGORE TTI
NORTHCONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF CASHFLOW

CASHFLOW STATEMENT		2016-2017	2015-2016
Receipts for operating income		Kshs	Kshs
Transfers from CDF Board	1	95,835,084.60	89,244,769.00
Other Receipts	3	-	-
		95,835,084.60	89,244,769.00
Payments for operating expenses			
Compensation of Employees	4	2,324,425.80	1,465,959.00
Use of goods and services	5	7,677,789.00	6,947,901.00
Transfers to Other Government Units	6	85,054,685.30	12,595,351.10
Other grants and transfers	7	46,618,131.00	32,261,910.66
Other Payments	8	1,316,640.00	-
			53,271,121.76
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		(47,156,586.50)	35,973,647.24
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(47,156,586.50)	35,973,647.24
Cash and cash equivalent at BEGINNING of the year	10A	47,174,542.85	11,200,895.61
Cash and cash equivalent at END of the year	10A	17,956.35	47,174,542.85

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The DAGORETTI NORTHNG-CDF financial statements were approved on _____ 2017 and signed by:

Chairman NG-CDFC

Fund Account Manager

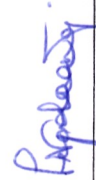



Reports and Financial Statements
For the year ended June 30, 2017

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551.70	97,061,350.85	178,957,902.55	142,755,686.80	36,202,215.75	80%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	2,047,200.00	1,080,000.00	3,127,200.00	2,324,425.80	802,774.20	74%
Use of goods and services	5,323,490.05	3,740,259.40	9,063,749.45	7,677,789.00	1,149,976.15	84%
Transfers to Other Government Units	33,000,000.00	67,820,000.00	100,820,000.00	85,054,685.30	15,765,314.70	84%
Other grants and transfers	41,525,861.65	23,104,451.45	64,630,313.10	46,618,131.00	18,012,182.10	72%
Acquisition of Assets	-	1,316,640.00	1,316,640.00	1,316,640.00	-	100%
Other Payments	-	-	-	-	-	
TOTALS	81,896,551.70	97,061,350.85	178,957,902.55	142,991,671.10	35,966,231.45	80%

The DAGORETTI NORTHING-CDF financial statements were approved on _____ 2017 and signed by:


Chairman NG-CDF


Fund Account Manager



VII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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

**NATIONAL GOVERNMENT - CONSTITUENCIES DEVELOPMENT FUND –
DAGORETTI NORTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

VIII. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES			-	
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
		A829531	4,094,827.60	41,244,769.00
1330407	Normal Allocation	A825992	18,386,808.00	48,000,000.00
		A855249	36,853,449.00	
		A855522	21,500,000.00	
		A839721	15,000,000.00	
1330408	Conditional grants		-	-
			-	-
1330409	Receipt from other Constituency		-	-
	TOTAL		95,835,084.60	89,244,769.00
	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
3510000	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings		-	-
3510601	Receipts from the Sale of Vehicles and Transport Equipment		-	-
3510801	Receipts from the Sale Plant Machinery and Equipment		-	-
3510803	Receipts from the Sale of office and general equipment		-	-
			-	-
			-	-
		Total		

**NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND –
DAGORETTI NORTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

3 OTHER				
1400000	RECEIPTS			
	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of tender documents		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	Total		-	-
4 COMPENSATION OF EMPLOYEES				
2110000				
	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
2110201	Basic wages of contractual employees		1,571,315.80	1,458,759.00
2110202	Basic wages of casual labour			
	Personal allowances paid as part of salary			
2110301	House allowance			
2110314	Transport allowance			
2110320	Leave allowance			
2110320	Employer contribution to NSSF		18,000.00	7,200.00
2110326	Other personnel payments			
2710120	gratuity		735,110.00	
	Total		2,324,425.80	1,465,959.00
5 USE OF GOODS AND SERVICES				
2200000				
	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
2210100	Utilities, supplies and services		450,000.00	116,975.00
2210104	Office rent		696,000.00	696,000.00



**NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND –
DAGORETTI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

2210200	Communication, supplies and services		362,000.00	400,000.00
2210300	Domestic travel and subsistence		450,000.00	467,477.00
2210500	Printing, advertising and information supplies & services		326,724.00	389,453.00
2210600	Rentals of produced assets			-
2210700	Training expenses		1,357,000.00	742,000.00
2210802	Other committee expenses		1,260,000.00	638,070.00
2210809	Committee allowance		1,932,000.00	1,466,000.00
2210800	Hospitality supplies and services			619,446
2210900	Insurance costs			-
2211000	Specialised materials and services			60,000
2211100	Office and general supplies and services		623,880.00	811,775.00
2211200	Fuel ,oil & lubricants		200,000.00	200,000.00
2211300	Other operating expenses		20,185.00	
2220100	Routine maintenance – vehicles and other transport equipment			146,856.00
2220200	Routine maintenance – other assets			193,849
	Total		7,677,789.00	6,947,901.00
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
2630204	Transfers to primary schools		59,700,215.30	10,710,306.10
2630205	Transfers to secondary schools		25,354,470.00	1,885,045.00

**NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND –
DAGORETTI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

2630206	Transfers to Tertiary institutions			-
2630207	Transfers to Health institutions			-
	TOTAL		85,054,685.30	12,595,354.00
2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
2640101	Bursary -Secondary		21,683,546.00	8,299,000.00
2640102	Bursary -Tertiary		8,000,000.00	5,655,000.00
2640104	Bursary-Special schools			-
2640105	Mocks & CAT			-
2640504	water			-
2640505	Agriculture (food security)			-
2640506	Electricity projects			-
2640507	Security		10,764,008.00	4,132,360.00
2640508	Roads			10,074,800.66
2640509	Sports		2,658,753.00	1,280,730.00
2640510	Environment			-
2640510	Other capital grants and transfer			-
2640200	Emergency Projects (specify)		3,511,824.00	2,820,000.00
	Total		46,618,131.00	32,261,910.66
3100000	8 ACQUISITION OF ASSETS			
	<u>Non-Financial Assets</u>		2016 - 2017	2015 - 2016
			Kshs	
3110102	Purchase of Buildings		-	-
3110202	Construction of Buildings			-
3110302	Refurbishment of Buildings		-	-
3110701	Purchase of Vehicles		-	-

NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND –

DAGORETTI NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

3110704	Purchase of Bicycles & Motorcycles		-	-
3110801	Overhaul of Vehicles		-	-
3111001	Purchase of Office furniture and fittings		-	-
3111002	Purchase of computers ,printers and other IT equipment's		-	-
3111005	Purchase of photocopier		-	-
3111009	Purchase of other office equipment's		-	-
3111112	Purchase of soft ware		-	-
3130101	Acquisition of Land		-	-
	OTHERS- STRATEGIC PLAN			-
	Total		-	-
		9.OTHER PAYMENTS	2016 - 2017	2015 - 2016
	DAGORETTI NORTH STRATEGIC PLANNING		1,316,640.00	-
			-	-
			-	-
	TOTAL		1,316,640.00	-
10A: Bank Balances (cash book bank balance)				
	Name of Bank, Account No. & currency		2016 - 2017	2015 - 2016
		Account Number	Kshs (30/6/2017)	Kshs (30/6/2016)
	EQUITY BANK		17,956.35	47,174,542.85
	Total		17,956.35	47,174,542.85
10B: CASH IN HAND)				

**NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND –
DAGORETTI NORTH CONSTITUENCY**

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

			2016 - 2017	2015 - 2016
			Kshs (30/6/2016)	Kshs (30/6/2015)
Location 1			-	
Location 2			-	-
Location 3			-	-
Other receipts (specify)			-	-
				-
Total			-	-
			<i>[Provide cash count certificates for each]</i>	
11: OUTSTANDING IMPRESTS				
	<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>
		<i>Date imprest taken</i>	<i>Kshs</i>	
			-	-
			-	-
			-	-
			-	-
			-	-
12: RETENTION				
	<i>SUPPLIER</i>		<i>2016 - 2017</i>	<i>2016 - 2017</i>
			<i>Kshs</i>	<i>Kshs</i>
			-	-
			-	-
			-	-
13 BALANCES BROUGHT FORWARD				
			<i>2016 - 2017</i>	<i>2015 - 2016</i>
			<i>Kshs (1//7/2016)</i>	<i>Kshs (1//7/2015)</i>
	Fund balance b/fwd		47,174,542.85	11,200,895.61
	Surplus / Deficit for the year		(47,156,586.50)	35,973,647.00

**NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND –
DAGORETTI NORTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

	Total		17,956.35	47,174,542.85
		<i>[Provide short appropriate explanations as necessary]</i>		
14. PRIOR YEAR ADJUSTMENTS				
			2016 - 2017	2015 - 2016
			Kshs	Kshs
	Bank accounts		-	-
	Cash in hand		-	-
	Imprest		-	-
	Total		-	-
15. OTHER IMPORTANT DISCLOSURES				
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)				
			2016 - 2017	2015 - 2016
			Kshs	Kshs
	Construction of buildings		-	-
	Construction of civil works		-	-
	Supply of goods		-	-
	Supply of services		-	-
	TOTAL		-	-
15.2: PENDING STAFF PAYABLES (See Annex 2)				
			2016 - 2017	2015 - 2016
			Kshs	Kshs
	Senior management		-	-
	Middle management		-	-
	Unionisable employees		-	-
	Others (specify)		-	-
			-	-

**NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND –
DAGORETTI NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

15.3: OTHER PENDING PAYABLES (See Annex 3)				
		2016 - 2017		2015 - 2016
		Kshs		Kshs
	Amounts due to other Government entities (see attached list)			
	Amounts due to other grants and other transfers (see attached list)		-	
	Others (specify)		-	
			-	

NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT - CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

NATIONAL GOVERNMENT - CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (<i>specify</i>)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

NATIONAL GOVERNMENT - CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings	2,050,000.00	2,050,000.00
ICT Equipment, Software and Other ICT Assets	1,670,000.00	125,000.00
Other Machinery and Equipment		
Heritage and Cultural assets		
Intangible assets		
Total	3,720,000.00	2,175,000.00

NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance	
			2016/17	2015/16
Kileleshwa Police Station	Equity-Kilimani Branch	1470272153382	6,000,000	0
Muthangari Primary School	Equity-Kilimani Branch	1470271830666	2,000,000	0
Nairobi Primary School	Equity-Kilimani Branch	1470271830574	2,000,000	0
Milimani Primary School	Equity-Kilimani Branch	1470269814613	2,008,750	0
Kilimani Primary School	Equity-Kilimani Branch	1470268937783	3,001,824	0
Lavington Primary School	Equity-Kilimani Branch	1470271830222	2,500,000	0
Kileleshwa Primary School	Equity-Kilimani Branch	1470268910687	2,666,284	0
Riruta HGM Primary School	Equity-Kilimani Branch	1470271830060	3,000,000	0
St George's Girls Secondary School	Equity-Kilimani Branch	1470271425101	1,499,780	0
Dagoretti Muslim	Equity-Kilimani Branch	1470268579903	2,499,880	0
Kabiro Muslim Chief's Office	Equity-Kilimani Branch	1470271424902	198,847	0
Kawangware Primary School	Equity-Kilimani Branch	1470271424958	3,777,068	0
Gatina Primary School	Equity-Kilimani Branch	1470268910644	12,441,351	0
Dagoretti Mixed Secondary School	Equity-Kilimani Branch	1470268910618	235,177	0
Dagoretti Sub-County Office	Equity-Kilimani Branch	1470268910586	3,000	0
Kenya High School	Equity-Kilimani Branch	1470271829992	2,000,000	0
Lavington Secondary School	Equity-Kilimani Branch	1470268941783	38,017.20	0
Jaccaranda Special School	Equity-Kilimani Branch	1470267814476	199,450	0
Nairobi Milimani Sec School	Equity-Kilimani Branch	1470272153436	2,000,000	0
Total				

NATIONAL GOVERNMENT -CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
				(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
1.1	Budgets and budgetary controls - Over/under expenditures on statement of appropriation final budget	-Under expenditures were caused by the delay by the NG-CDF board to release funds -over expenditures was caused by the fact that funds accumulated from the previous year were spent during the year under review.	Aziz juma-fam	resolved	
1.2	Revenue - Failure to implement projects in stipulated time frame	-Delay by NG-CDF board to release funds -the projects are now already implemented or an course of implementation	Aziz juma-fam	resolved	
2.1.1	Statement of receipts and payments - Variations noted between balances in financial statements and schedules from records	Variations were explained	Aziz juma-fam	resolved	
3.1	Cash and cash equivalents -Bank reconciliation not availed for audit purposes--Cash and cash equivalents in financial statements varying from those in cashbook	-A bank reconciliation statement as at the financial year was availed thus explaining the arising differences.	Aziz juma-fam	resolved	