

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

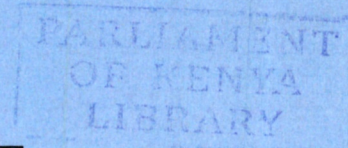
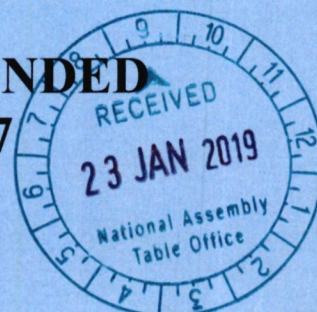
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
DAGORETTI SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017





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

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

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For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003 amended in 2007 and repealed by the CDF Act, 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015 being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government Agenda at the constituency level.

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Susan Nthiiri
3.	Accountant	Alois Kimuyu
4.	Chairman	Eng. Joseph Chege

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of GILGIL Constituency. The reports and recommendation of ARMC when adopted by the CDF Board are forwarded to the Constituency Development Fund Committee (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 South CDF Headquarters

NG-CDF Office Building.
P.O Bo 19879-00202
KNH.
Nairobi.

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

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For the year ended June 30, 2017

(f) DAGORETTI SOUTH NGCDF Contacts

Telephone: (254) 0777 427 239 , 020-202-048-5

E-mail: cdfdagorettisouth@cdf.go.ke

Website: www.dagorettisouthconstituency.co.ke

(g) DAGORETTI SOUTH NGCDF Bankers

1. Equity Bank Kenya
P.O Box 27076
Kawangware

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

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

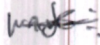
Dagoretti South NG-CDF had an allocation of Kshs. 81,896,551.72 in the financial year 2016/2017. We have been able to implement most of the projects. The constituency received Kshs. 50,605,624 from the CDF Board and had a balance brought forward of Ksh. 19,700,324.60.

During the financial year, 2016/2017, a considerable number of projects have been completed. These includes; renovating of primary schools, and building of two classrooms at Kabiria Primary School, Improving security and issuance of bursaries to needy and deserving students.

NG-CDF being the backbone of development in the Constituency is an integral part in any development agenda. The Constitutional crisis arising on NG-CDF should be taken as a critical decision for the survival of CDF.

NG-CDF as a development wheel is faced with numerous challenges. The society is yet to embrace it as a non-political fund hence a negative attitude towards the fund is also another big challenge to the implementers. Nevertheless, we hope following the enactment of NG-CDF Act 2015 this will change as we focus on project that are of interest to the National Government.

A lot of sensitization is necessary to change the community's' mind set towards development.


Sign

CHAIRMAN NG-CDFC

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

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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 agency shall prepare financial statements in respect of that agency. 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.

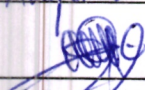
The Accounting Officer in charge of the Dagoretti South National Government Constituency Development Fund is responsible for the preparation and presentation of the Dagoretti South NG-CDF financial statements, which give a true and fair view of the state of affairs of the Dagoretti South NG-CDF for and as at the end of the financial year (period) ended on June 30, 2016. 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 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 CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

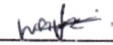
The Accounting Officer in charge of the Dagoretti South NG-CDF accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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, 2016, and of the NG-CDF's financial position as at that date. The Accounting Officer in charge of the Dagoretti South 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 South 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 August 2017.


Fund Account Manager


Chairman NG-CDF

REPUBLIC OF KENYA

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NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - DAGORETTI SOUTH 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 South Constituency set out on pages 6 to 23, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter 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 South 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 matter described in the Other Matter section of my report, based on 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

Net Financial Position

The statement of assets as at 30 June 2017 reflects net liabilities instead of net financial position of Kshs.1,617,772.05, being the difference between the brought forward fund balance of Kshs.19,700,324.93 and the deficit for the year of Kshs.18,082,552.88. No explanation has been provided for this anomaly.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
- Dagoretti South Constituency for the Year Ended 30 June 2017*

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for matters described in the Basis for Qualified Opinion and Other Matter sections, 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.156,036,464.65. However, overall actual expenditure for the year amounted to Kshs.68,769,176.48 resulting in an under expenditure of Kshs.87,267,288.17 which is equivalent to 44% of the total budget. Further analysis of the budget indicates that transfers to other government units and other grants and transfers were budgeted at Kshs.45,300,000 and Kshs.95,576,650.48 respectively. However, only Kshs.19,300,000 and Kshs.41,020,857.47, respectively was put to use resulting in budget under-utilization of Kshs. 26,000,000 (57%) and Kshs.54,555,793 (57%), respectively. The significant under-utilization of the budget is an indication that most approved programmes were not fully implemented thereby impacting negatively on the delivery of services to the residents of Dagoretti South.

2. Projects Implementation

Projects included in the 2016/17 approved budget with a total budget of Kshs. 36,567,243 had not started as at the time of audit as detailed below:

Project Location	Project Description	Budgeted Amount (Kshs)
Dagoretti South Constituency	Buy trophies, balls and games kits for Constituency sports tournament. Purchase of school games uniform for schools in the constituency	1,637,931
Dagoretti South Constituency	To purchase 20 water tanks for 15 public schools	1,637,931

Dr. Muthiora Primary School	Renovation of 4 classrooms and staff offices	2,000,000
Mutuini Primary School	Rehabilitation of 10 classrooms	3,000,000
Ruthimitu Girls high School	Construction of multipurpose hall (first phase)	2,000,000
Ruthimitu Mixed Secondary School	Construction of perimeter wall (first phase)	1,000,000
Mutuini High School	Construction of dining hall (first phase)	2,000,000
Wanyee Chief's Office - Dagoretti District	Construction of one block Githembe Chiefs office	3,000,000
Riruta Police Station	Construction of six staff house for police officers	3,000,000
Ndwaru Administration Police Post	Construction of four staff house for police officers	2,000,000
Waithaka Location Assistant Chief's Office	Construction of one block Assistant Chiefs office	3,000,000
Riruta Administration Police and Chief's Office	Construction of one block Administration police and Chiefs office	3,000,000
Matini Administration Police Post	Construction of one block Administration Police Post	2,991,381
Assistant Chief's Office - Ndunyu Location	Construction of one block Assistant Chiefs office	3,000,000
Waithaka Administration Police	Construction of four floor story building	3,300,000
Total		<u>36,567,243</u>

Consequently, the budget did not fully meet the expectations of Dagoretti South Constituents.

Responsibilities 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.

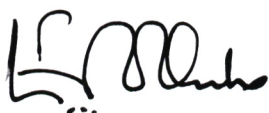
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 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 continue 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

19 September 2018

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

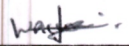
Reports and Financial Statements

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	50,605,623.60	70,783,626.40
Proceeds from Sale of Assets	2	-	
Other Receipts	3	81,000.00	324,400.00
TOTAL RECEIPTS		50,686,623.60	71,108,026.40
PAYMENTS			
Compensation of employees	4	1,204,950.00	1,409,263.00
Use of goods and services	5	7,243,369.01	5,829,383.26
Transfers to Other Government Units	6	19,300,000.00	-
Other grants and transfers	7	41,020,857.47	66,788,596.19
Acquisition of Assets	8	-	1,267,242.00
Other Payments	9	-	-
TOTAL PAYMENTS		68,769,176.48	75,294,484.45
SURPLUS/DEFICIT		(18,082,552.88)	(4,186,458.05)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Dagoretti South CDF financial statements were approved on August 2017 and signed by:


Chairman – NG-CDF


Fund Account Manager

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

Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF ASSETS

STATEMENT OF ASSETS			
	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,617,772.05	19,700,324.93
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		1,617,772.05	19,700,324.93
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	19,700,324.93	23,886,782.98
Surplus/Deficit for the year		(18,082,552.88)	(4,186,458.05)
Prior year adjustments	14	-	-
NET LIABILITIES		1,617,772.05	19,700,324.93

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Dagoretti South CDF financial statements were approved on August 2017 and signed by:


Chairman – NG-CDFC


Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- DAGORETTI SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	50,605,623.60	70,783,626.40
Other Receipts	3	81,000.00	324,400.00
		50,686,623.60	71,108,026.40
Payments for operating expenses			
Compensation of Employees	4	1,204,950.00	1,409,263.00
Use of goods and services	5	7,243,369.01	5,829,383.26
Transfers to Other Government Units	6	19,300,000.00	-
Other grants and transfers	7	41,020,857.47	66,788,596.19
Other Payments	9	-	-
Adjusted for:			
Adjustments during the year	14	-	-
		68,769,176.48	74,027,242.45
Net cash flow from operating activities		(18,082,552.88)	(2,919,216.05)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(1,267,242.00)
Net cash flows from Investing Activities		-	(1,267,242.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		(18,082,552.88)	(4,186,458.05)
Cash and cash equivalent at beginning of the year	13	19,700,324.93	23,886,782.98
Cash and cash equivalent at END of the year		1,617,772.05	19,700,324.93

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Dagoretti South CDF financial statements were approved on August 2017 and signed by:

Wale
Chairman NG-CDF

[Signature]
Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETII SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551.72	74,139,912.93	156,036,464.65	70,305,948.53	85,730,516.12	45%
Proceeds from Sale of Assets				-	-	
Other Receipts			0	81,000.00	-81000	0%
TOTAL	81,896,551.72	74,139,912.93	156,036,464.65	70,386,948.53	85,649,516.12	45%
PAYMENTS						
Compensation of Employees	2,083,793.10	1,536,125.00	3,619,918.10	1,204,950.00	2,414,968.10	33%
Use of goods and services	5,286,896.07	6,253,000.00	11,539,896.07	7,243,369.01	4,296,527.06	63%
Transfers to Other Government Units	10,000,000.00	35,300,000.00	45,300,000.00	19,300,000.00	26,000,000.00	43%
Other grants and transfers	64,525,862.55	31,050,787.93	95,576,650.48	41,020,857.47	54,555,793.01	43%
Acquisition of Assets	-	-		-	-	0%
Other Payments	-	-	-	-	-	0%
TOTAL	81,896,551.72	74,139,912.93	156,036,464.65	68,769,176.48	87,267,288.17	44%

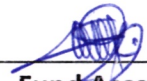
Reports and Financial Statements

For the year ended June 30, 2017

- (a) *In the revenue above, there is an AIA of Kshs 81,000*
- (b) *The underutilization was due to low absorption of funds by the various projects due to red-tapes that came along in the initial stages that had not been foreseen.*

The DAGOERTTI SOUTH NG-CDF financial statements were approved on August 2017 and signed by:


Chairman NG-CDF


Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

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

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *NG-CDF*. 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

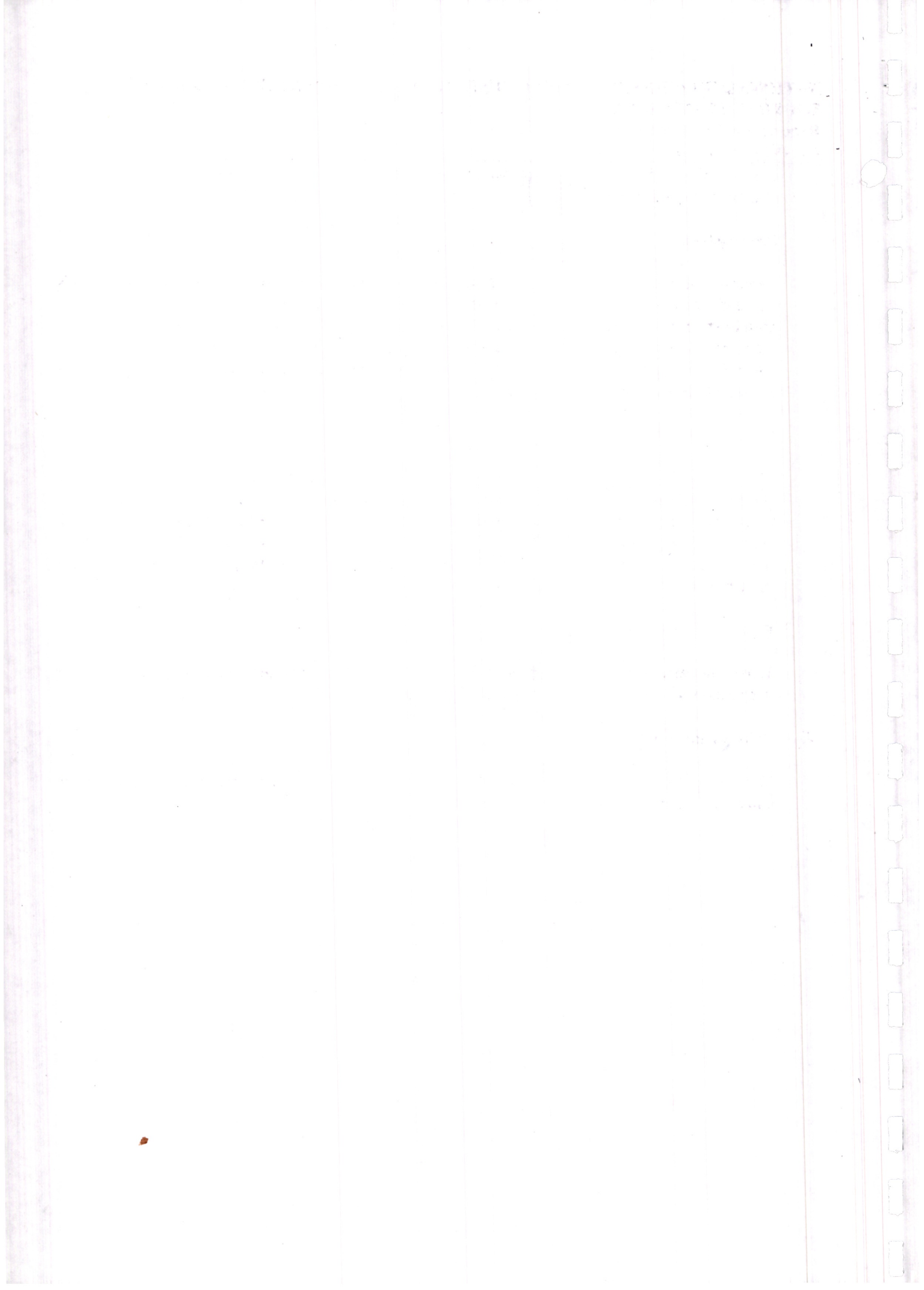
The *NG-CDF* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *NG-CDF*. In addition, the *NG-CDF* recognises all expenses when the event occurs and the related cash has actually been paid out by the *NG-CDF*.

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

Reports and Financial Statements

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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
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2016 - 2017 Kshs	2015 -2016 Kshs
1330407	Normal Allocation	A829532	4,094,827.60	19,083,626.40
			46,510,796.00	3,700,000.00
				24,000,000.00
				24,000,000.00
1330408	Conditional grants			
		AIE NO...		
1330409	Receipt from other Constituency	AIE NO...		
	TOTAL		50,605,623.60	70,783,626.40

2. PROCEEDS FROM SALE OF ASSETS

	2016 - 2017 Kshs	2015 - 2016 Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	xxx	xxx
Receipts from sale of office and general equipment	xxx	xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	xxx
Total	xxx	xxx

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016- 2017	2015 - 2016
	Kshs	Kshs
Interest Received	xxx	xxx
Rents	xxx	xxx
Receipts from Sale of tender documents	81,000	xxx
Other Receipts Not Classified Elsewhere	xxx	324,4000
Total	81,000	324,400

4. COMPENSATION OF EMPLOYEES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,122,850.00	1,214,463.00
Basic wages of casual labour	60,000.00	170,000.00
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	22,100.00	24,800.00
gratuity	-	-
Total	1,204,950.00	1,409,263.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

2200000	USE OF GOODS AND SERVICES			
	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
2210000	Utilities, supplies and services		1,500,000.00	43,372.55
2210104	Office rent			
2210200	Communication, supplies and services		202,142.00	485,310.25
2210300	Domestic travel and subsistence		120,000.00	32,500.00
2210500	Printing, advertising and information supplies & services		150,000.00	431,400.46
2210600	Rentals of produced assets			
2210700	Training expenses		1,000,000.00	1,200,000.00
2210800	Hospitality supplies and services			
2210802	Other committee expenses		740,000.00	522,300.00
2210809	Committee allowance		2,990,000.00	2,222,000.00
2210900	Insurance costs			
2211000	Specialized materials and services			
2210000	Office and general supplies and services			707,500.00
2211200	Fuel ,oil & lubricants			
2211300	Other operating expenses		541,227.01	
2220100	Routine maintenance – vehicles and other transport equipment			
2220200	Routine maintenance – other assets			185,000.00
			-	
	Total		7,243,369.01	5,829,383.26

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
2630204	Transfers to primary schools		15,300,000.00	
2630205	Transfers to secondary schools		4,000,000.00	
2630206	Transfers to Tertiary institutions			
2630207	Transfers to Health institutions			
	TOTAL		19,300,000.00	-

7. OTHER GRANTS AND OTHER PAYMENTS

	Description		2016 - 2017	2015 - 2016
			Kshs	Kshs
2640101	Bursary -Secondary		19,293,087.32	7,712,500.00
2640102	Bursary -Tertiary		7,000,000.00	6,167,500.00
2640104	Bursary-Special schools		300,000.00	340,000.00
2640105	Mocks & CAT			
2640504	water			
2640505	Agriculture (food security)			
2640506	Electricity projects			
2640507	Security		3,214,441.70	15,526,534.05
2640508	Roads		1,343,624.89	31,453,952.02
2640509	Sports			2,085,770.00
2640510	Other capital grants and transfer		7,200,000.00	89,885.00
2640200	Emergency Projects (specify)		2,669,703.56	3,412,455.12
	Total		41,020,857.47	66,788,596.19

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

3100000	ACQUISITION OF ASSETS			
	<u>Non Financial Assets</u>		2016 - 2017	2015 - 2016
			Kshs	Kshs
3110102	Purchase of Buildings		-	-
3110202	Construction of Buildings		-	
3110302	Refurbishment of Buildings		-	-
3110701	Purchase of Vehicles		-	-
3110704	Purchase of Bicycles & Motorcycles		-	-
3110801	Overhaul of Vehicles		-	
3111001	Purchase of School Office furniture and fittings			1,267,242.00
3111002	Purchase of computers ,printers and other IT equipments		-	-
3111005	Purchase of photocopier		-	-
3111009	Purchase of other office equipments		-	-
3111112	Purchase of soft ware		-	-
3130101	Acquisition of Land		-	
				-
	Total		-	1,267,242.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2016 - 2017 Kshs	2015 - 2016 Kshs
Specify		

xxx	xxx
-----	-----

10. (A): Bank Accounts (cash book bank balance)

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 - Kawangware Branch		1,617,772.05	19,700,324.93
Account no.0630262089069		-	-
		-	-
Total		1,617,772.05	19,700,324.93

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. (B): CASH IN HAND

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (<i>specify</i>)	xxx	xxx
Total	xxx	xxx

[Provide cash count certificates for each]

11. OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	xxx	xxx	xxx
Total				xxx

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RETENTION

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Supplier 1	xxx	-
Supplier 2	xxx	-
Supplier 3	xxx	-
Total		-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

13 BALANCES BROUGHT FORWARD			
		2016 - 2017	2015 - 2016
		Kshs	Kshs (1/7/2015)
		(1/7/2016)	
Bank accounts		19,700,324.93	23,886,782.98
Cash in hand		-	-
Imprest			-
Total		19,700,324.93	23,886,782.98

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE

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

15.2: PENDING STAFF PAYABLES

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	xxx	xxx

15.3: OTHER PENDING PAYABLES

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

15.4: PMC account balances (See Annex 2)

	Kshs	Kshs
PMC account Balances (see attached list)	3,298,915	9,298,915
	3,298,915	9,298,915

16. Amount Due to NG-CDF as at June 2017

	Kshs.	Kshs
Balance as at June 2017	<u>85,730,516.12</u>	
<u>7,928,791.76</u>		

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

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2016/17	2015/16
Land	N/A	N/A
Buildings and structures (appreciation of 10% p.a)	67,815,681.71	67,815,681.71
Transport equipment	-	-
Office equipment, furniture and fittings	918,746.11	918,746.11
ICT Equipment, Software and Other ICT Assets	2,318,335.80	2,318,335.80
Other Machinery and Equipment	135,048.00	135,048.00
Heritage and cultural assets	-	-
Intangible assets	-	-
Other assets	738,000.00	738,000.00
Total	71,925,811.62	71,925,811.62

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
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For the year ended June 30, 2017

ANNEX 2 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Dagoretti Market Boda Boda Shed PMC	Equity	0630273205985	600,000	0
Lenana Boda Boda Shed PMC	Equity	0630273206155	600,000	0
Nembu Girls High School PMC	Equity	0630270057878	2,000,000	
County Commissioner Office PMC	Equity	0630271871000	98,915.00	
Total			3,298,915	0

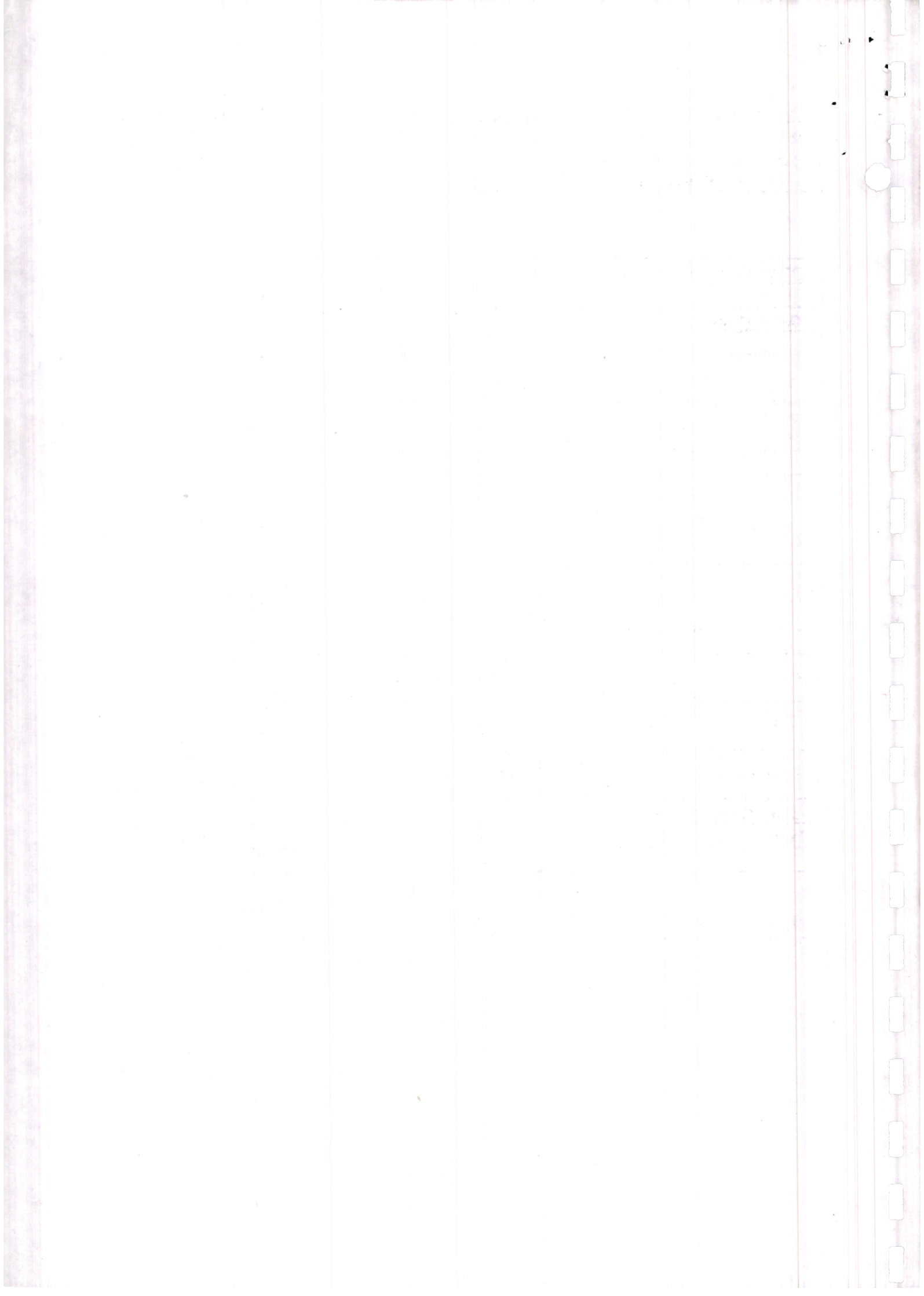
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

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

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)
OAG/CDF/2015-2016M GTL/1	Non Preparation of a Trial Balance	The error was rectified and a copy of the trial balance submitted	Jimnah Macharia – Fund Account Manager	Resolved	N/A
OAG/CDF/2015-2016M GTL/1	Delayed Implementation of Projects	This was caused by the slow disbursement of funds as well as the dissolution of the NG-CDF committee in order to comply with the NG-CDF act 2015 regulations.	Jimnah Macharia – Fund Account Manager	Resolved	N/A



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
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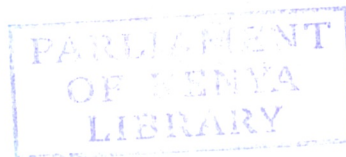
TRIAL BALANCE AS AT 30TH JUNE 2017			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	1,617,772.05	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	1,182,850.00	
	Use of goods and services	7,243,369.01	
	Committee Expenses		
	Transfers to Other Government Units	19,300,000.00	
	Other grants and transfers	41,020,857.47	
	Social Security Benefits	22,100.00	
	Acquisition of Assets	-	
	Other Payments	-	
Receipts			
	Transfers from the Board		50,605,623.60
	Proceeds from sale of assets		-
	Others receipts		81,000.00
Prior Year Adjustment			
			-
Fund Balance b/f			
			19,700,324.93
TOTAL			
		70,386,948.53	70,386,948.53

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 21ST February 2019

PAPERS LAID



Hon. Aden Duale (Garissa Township, JP):

1. Reports of the Auditor-General on the Financial Statements in respect of the following constituencies for the year ended 30th June 2017 and the certificates therein—

- (a) Samburu North;
- (b) Gatanga;
- (c) Nyeri Town;
- (d) Kikuyu;
- (e) Bomet East;
- (f) Juja;
- (g) Mandera East;
- (h) Dagoretti South;
- (i) Mumias West; and
- (j) Ndaragwa