

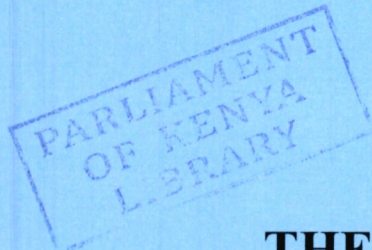
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 09 MAY 2019	DAY: THURSDAY
TABLED	BY: BENJAMIN WASHALI
CLERK-AT THE-TABLE:	MATURITY PARTY WHIP IMZOFU MWALE

REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
EMBAKASI WEST CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**

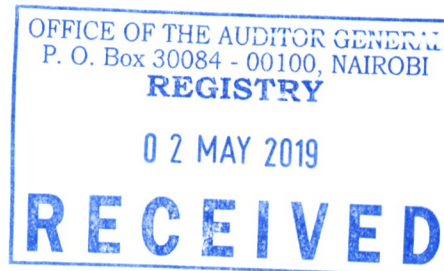


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
EMBAKASI WEST CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**

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For the year ended June 30, 2018

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 EMBAKASI WEST 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Alfred N. Mwangi
3.	Sub-County Accountant	Alois M. Kimuyu
4.	Chairman NGCDFC	Benson Kabucho
5.	Member NGCDFC	Douglas Mbogo

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF EMBAKASI WEST Constituency Headquarters

P.O. Box 38639-00100, GPO
Along Mtindwa Road, Umoja
Nairobi, KENYA

(f) NGCDF EMBAKASI WEST Constituency Contacts

Telephone: (254) 722-872779
E-mail: cdfembakasiwest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF EMBAKASI WEST Constituency Bankers

Equity Bank Limited
Account Number-0950261868298
Buruburu Branch
P.O. Box 75104
City Square 00200
Nairobi, Kenya

1. Kenya Commercial Bank (specify the constituency account banker details)
...
...
...

(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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Guided by the vision of Embakasi West Constituency, which is to utilize available resources in a transparent and accountable way to attain a vibrant economy throughout the entire constituency has led to the following key achievements through the NGCDF funds:

1. The Embakasi West NGCDF Five Year Strategic Plan (2014-2018) has continued to be implemented in a well-organized and coordinated manner, which follows clearly set performance indicators and time frame, under each of the eight strategic priorities namely: education, environment, health, water, security, vulnerable groups, equity and poverty elimination, and ICT.
2. Access to quality and equal opportunity in education by giving bursaries to the less fortunate children both in secondary and university level.
3. School drop outs are given the opportunity to undertake short courses such as driving, hairdressing, cookery, computer studies and sign language training.
4. Empowering vulnerable groups such as people living with disability (PWDs) skill training through short courses as well as creation of secure places for their business.
5. To improve security for the well-being of community members, the NGCDF has built police posts and an Administration Police camps with all the necessary amenities.

Budget.

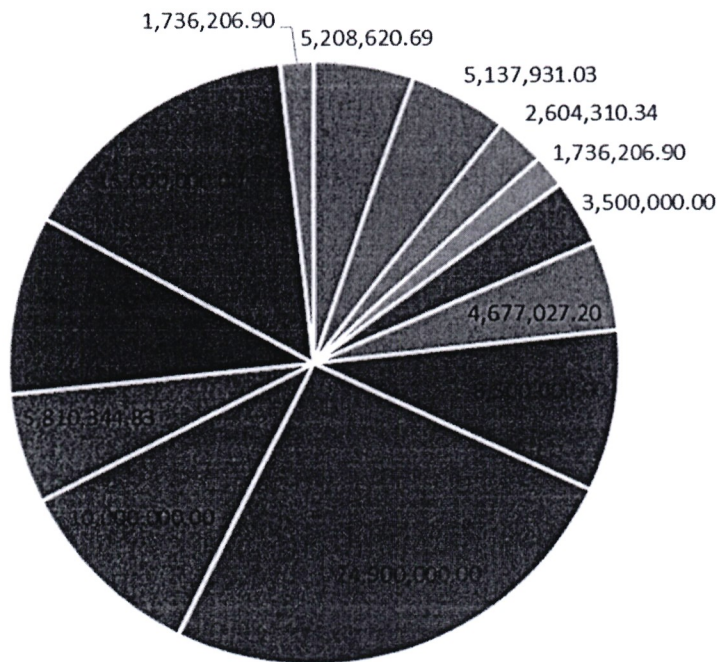
Embakasi West Constituency was allocated Ksh 98,189,655 for the financial year 2017/2018. Out of this Kshs 78,310,344.73 worth of projects has been approved by the Board with the remaining projects still under review or conditional approval. Ksh 43,405,172 for the financial year 2017/2018 has been disbursed to the constituency plus an additional Kshs 40,848,275.10 from the financial year 2016/2017 as at 30 June 2018. Of the disbursed amounts the constituency has managed to put to use Kshs 85,237,951 with a bank balance of Kshs 39,362 at the end of the financial year 2017/2018

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**

Reports and Financial Statements

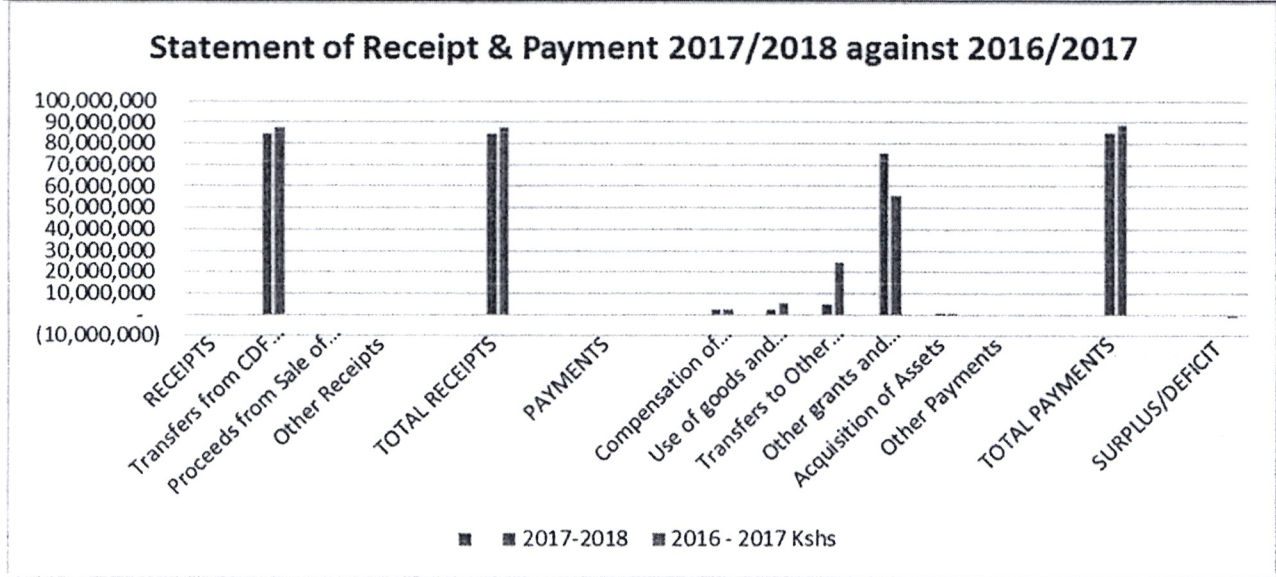
For the year ended June 30, 2018

Project allocation



- Administration/Recurrent
- Emergency(5% of the Fund)
- Monitoring and Evaluation/Capacity Building
- Sports Activities
- Strategic Plan
- ICT Hub
- ICT HUB construction
- Bursary/CATs/Mocks
- Primary School Projects
- Secondary School Projects
- Access Road to Schools
- Security Projects
- Environment Projects

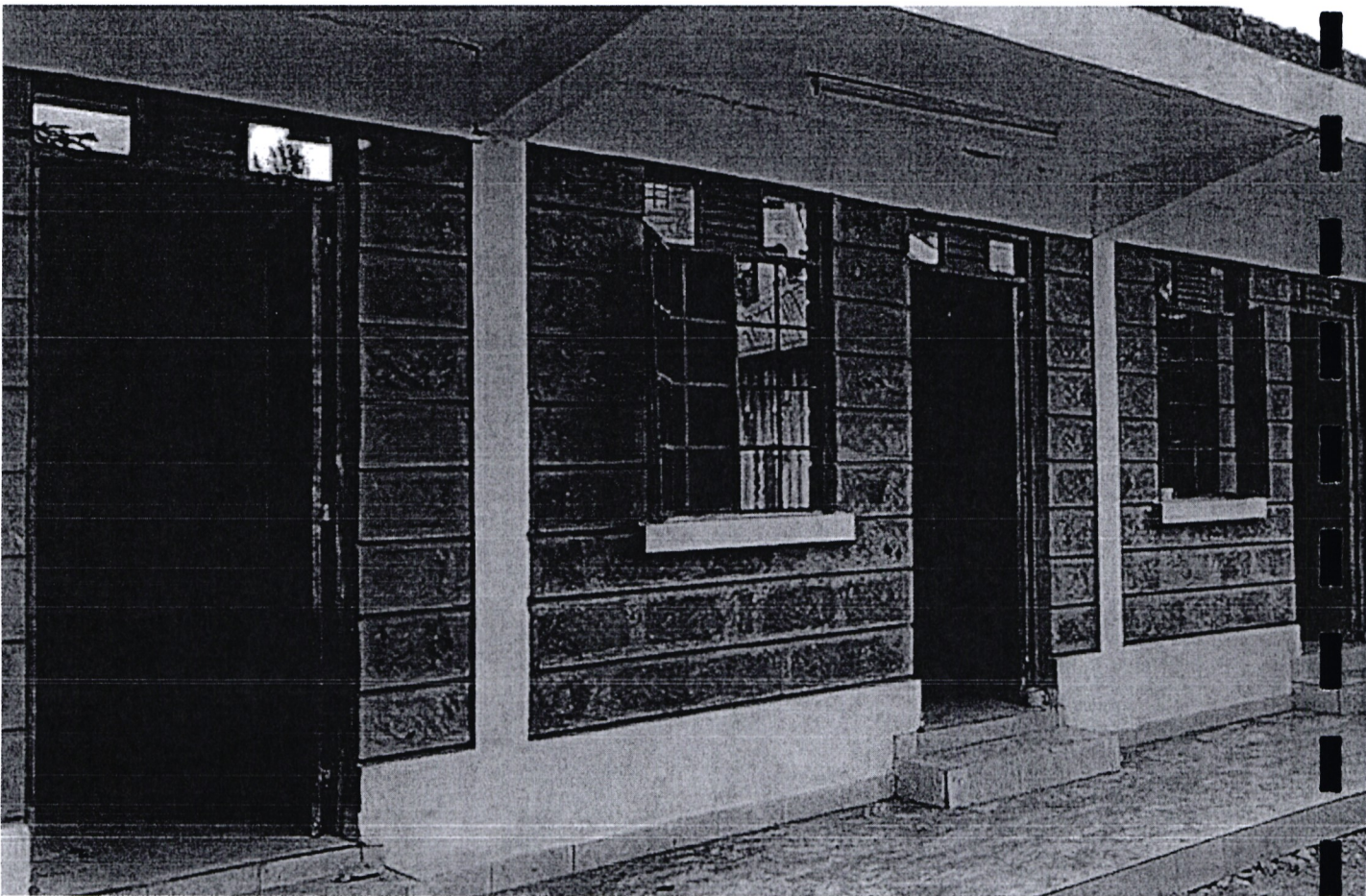
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018



Key achievements

In the financial year 2017/2018 Embakasi west was able to achieve the following projects

1. Construction of 5 rooms and 4 toilets/ bathrooms for administration police at KARIOBANGI South Chiefs Camp which is at 90% complete



2. Construction of 3 rooms and 4 toilets/ bathrooms for administration police at MOWLEM Police Post at 80 % completion



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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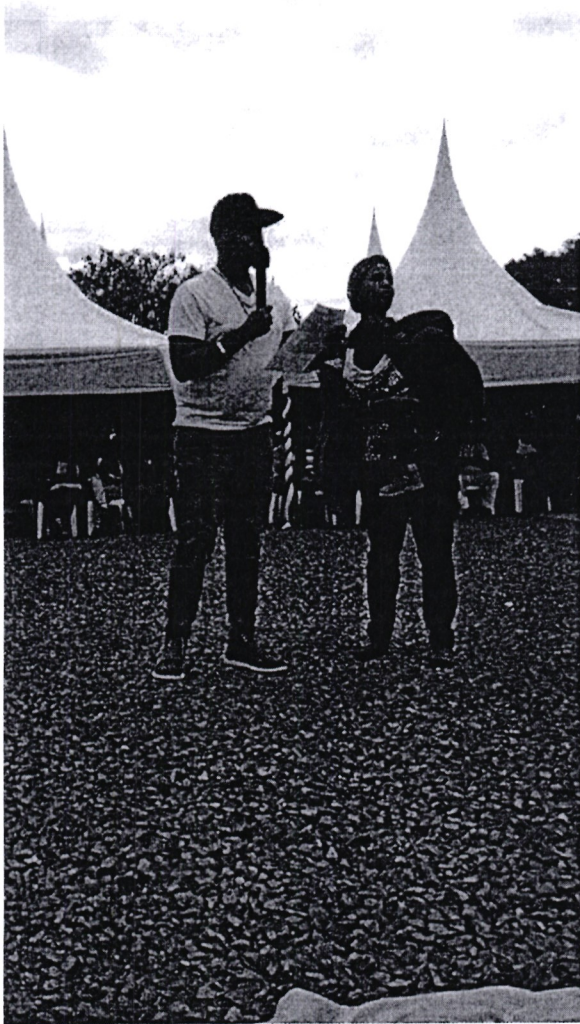
3. Construction of 3 rooms and 4 toilets/ bathrooms for administration police at MOWLEM Chief's Camp at 80% completion



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

4. Bursary disbursement to needy students at 82%



Implementation challenges

The major challenge experienced by Embakasi west NGCDF in its implementation of its work plan is

1. Timely disbursement of funds from the board
2. Lengthy time in which the relevant technical department take in developing tender documents that have a direct effect in the timely implementation of the project

The Embakasi west has however been seeking alternative technical department with capacity to deliver timely tender documents

Sign

CHAIRMAN NGCDFC

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

EMBAKASI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. 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.

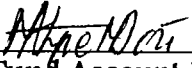
The Accounting Officer in charge of the NGCDF- EMBAKASI WEST Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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 entity; (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 entity; (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- EMBAKASI WEST Constituency accepts responsibility for the entity'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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- EMBAKASI WEST Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF- EMBAKASI WEST Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 entity'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- EMBAKASI WEST Constituency financial statements were approved and signed by the Accounting Officer on 15th September 2018.



Fund Account Manager
Alfred N. Mwangi



Sub-County Accountant
Alois M. Kimuyu
ICPAK Member Number: 8506

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL OF NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- EMBAKASI WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Embakasi West Constituency set out on pages 11 to 36, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flow and summary 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, 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- Embakasi West Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Cash and Cash Equivalents

The statement of assets and liabilities as at 30 June 2018 reflects cash and cash equivalents balance of Kshs. 12,898. However, bank reconciliation statement as at the same date reflects un-presented cheques totalling Kshs.30,190,143, which includes stale cheques amounting to Kshs 88,600. However, no explanation was given for failure to reverse stale cheques in the cash book. The accuracy of cash and cash equivalents balance of Kshs.12,898 could, therefore, not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Embakasi West Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
– Embakasi West Constituency for the year ended 30 June 2018*

accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no key audit matters to communicate in my report.

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, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing else 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

Budget Performance

According to the summary statement of appropriation for the year ended 30 June 2018 Embakasi West NG-CDF had budgeted to receive from NGCDF Board and spend Kshs.141,374,164 respectively. However, the actual receipts and total actual expenditure were Kshs. 85,213,849 and Kshs.85,200,951, respectively. No satisfactory explanations were provided by the management for the resultant under-receipts of Kshs.56,160,315 or 40% and under- expenditure of Kshs.56,173,213 or 40% of the total budget.

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, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my

report, I confirm that, nothing else 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 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

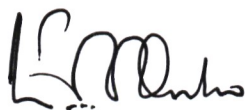
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 directors.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund- Embakasi West Constituency 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

24 April 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

EMBAKASI WEST CONSTITUENCY

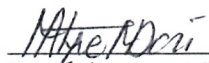
Reports and Financial Statements

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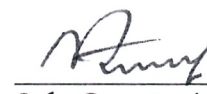
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	84,353,447.10	87,501,635.60
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		84,353,447.10	87,501,635.60
PAYMENTS			
Compensation of employees	4	2,568,909	2,628,650
Use of goods and services	5	2,139,888	5,291,710
Transfers to Other Government Units	6	5,074,936	24,333,784
Other grants and transfers	7	75,322,018.30	56,030,813
Acquisition of Assets	8	15,000	300,000
Other Payments	9		
TOTAL PAYMENTS		85,120,75130	88,584,957
SURPLUS/(DEFICIT)		(847,503.9)	(1,083,321.40)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- EMBAKASI WEST Constituency financial statements were approved on 15th September 2018 and signed by:



Fund Account Manager
Name: Alfred N. Mwangi




Sub-County Accountant
Name: Alois M. Kimuyu
ICPAK Member Number: 8506


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	12,898	860,402
Cash Balances (cash at hand)	10B		
TOTAL CASH AND CASH EQUIVALENTS		12,898	860,402
Current receivables Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		12,898	860,402
FINANCIAL LIABILITIES			
Accounts payable-Retention	12		
NET FINANCIAL ASSETS		12,898	860,402
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	860,402	1,943,723
Surplus/Defict for the year		(847,504)	(1,083,321)
Prior year adjustments	14		
NET financial position		12,898	860,402

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- EMBAKASI WEST Constituency financial statements were approved on 15th September 2018 and signed by:


 Fund Account Manager
 Name: Alfred N. Mwangi


 Sub-County Accountant
 Name: Alois M. Kimuyu
 ICPAK Member Number: 8506

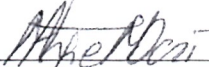
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMBAKASI WEST CONSTITUENCY**

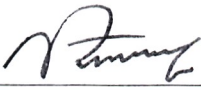
**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017-2018	2016-2017
Transfers from NGCDF Board	1	84,353,447	87,501,636
Other Receipts	3		-
		84,353,447	87,501,636
Payments for operating expenses			
Compensation of Employees	4	2,568,909	2,628,650
Use of goods and services	5	2,139,888	5,291,710
Transfers to Other Government Units	6	5,074,936	24,333,784
Other grants and transfers	7	75,322,018	56,030,813
Other Payments	9	85,185,951	88,284,957
Adjusted for:			-
Adjustments during the year	14		
Net cash flow from operating activities		(832,503)	(783,321)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	9	15,000.00	300,000
Net cash flows from Investing Activities		(15,000.00)	(300,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(847,503)	(1,083,321)
Cash and cash equivalent at BEGINNING of the year	13	860,402	1,943,723
Cash and cash equivalent at END of the year		12,898	860,402

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- EMBAKASI WEST Constituency financial statements were approved on 15 September 2018 and signed by:


Fund Account Manager
Name: Alfred N. Mwangi


Sub-County Accountant
Name: Alois M. Kimuyu
ICPAK Member Number: 8506

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMBAKASI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VII. 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 NGCDF Board	86,810,345	54,563,819	141,374,164	85,213,849	56,160,315	60%
Proceeds from Sale of Assets						-
Other Receipts						-
TOTALS	86,810,345	54,563,819	141,374,164	85,213,849	56,160,315	60%
PAYMENTS						
Compensation of Employees	1,779,800	838,150	2,617,950	2,568,909	49,041	98%
Use of goods and services	6,033,131	2,971,044	9,004,175	2,139,888	6,784,087	25%
Transfers to Other Government Units	5,000,000	5,000,000	10,000,000	5,074,936	4,925,064	51%
Other grants and transfers	73,997,414	45,754,625	119,752,039	75,322,018	44,430,021	63%
Acquisition of Assets				15,000	(15,000)	
Other Payments						
TOTALS	86,810,345	54,563,819	141,374,164	85,200,951	56,173,213	60%

(a) On receipts the total receipts from the NGCDF Board is 61% which is due

i. Additional funds resulting from the supplementary budget 2017/2018 of Ksh 11,379,310.34 had not been received

ii. Funds of ksh 43,405,172.80 relating to Financial year 2017/2018 had not been received as at 30th June 2018


(b) On payments


i. On use of goods and services, 25% underutilization was as a result of late disbursement from the NGCDF Board and transitional challenges as well as late gazettelement.

ii. On transfer to other Government Units, 51% underutilization is because of late disbursement from the NGCDF Board and reallocation still pending approval from the Board

iii. On other Grants and Transfers, 63% underutilization is because of late disbursement from the NGCDF Board

The NGCDF- EMBAKASI WEST Constituency financial statements were approved on 15th September 2018 and signed by:


Fund Account Manager
Name: Alfred N. Mwangi


Sub-County Accountant
Name: Alois M. Kimuyu
ICPAK Member Number: 8506

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 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 Entity

The financial statements are for the NGCDF- EMBAKASI WEST Constituency. The financial statements encompass the reporting entity 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 Entity for all the years presented.

a) Recognition of Receipts

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

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 entity)

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 entity.

SIGNIFICANT ACCOUNTING POLICIES

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 entity 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 2018, 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 Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity 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 Entity 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 Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 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 2018.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO	AIE NO...A825845		42,533,359.00
AIE NO	AIE NO...A829539		4,094,827.60
AIE NO	AIE NO...A855524		4,000,000.00
AIE NO	AIE NO...A855688		36,853,449.00
AIE NO	AIE NO...A855681		20,000.00
AIE NO	AIE NO...A855794	5,500,000.00	
	AIE NO...A892552	40,948,275.10	
	AIE NO...A896797	37,905,172.00	
TOTAL		84,353,447.10	87,501,635.60

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received	xxx	xxx
Rents	xxx	xxx
Receipts from Sale of tender documents	xxx	xxx
Other Receipts Not Classified Elsewhere	xxx	xxx
Total	xxx	xxx

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	1,674,579	1,918,000
Basic wages of casual labour	26,000	24,000
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity	868,330	686,650
Other personnel payments		
Total	2,568,909	2,628,650

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	1,259,701	2,885,770
Utilities, supplies and services	18,200	455,123
Communication, supplies and services	133,200	-
Domestic travel and subsistence	168,000	-
Printing, advertising and information supplies & services	46,810	169,360
Rentals of produced assets	-	262,800
Training expenses	25,000	1,518,657
Hospitality supplies and services	108,590	
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	300,188	0
Other operating expenses	80,199	0
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	<u>2,139,888.00</u>	<u>5,291,710.00</u>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

EMBAKASI WEST CONSTITUENCY

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For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	5,074,936	24,333,784
Transfers to secondary schools (see attached list)	-	-
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	5,074,936	24,333,784

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,272,000	12,166,000
Bursary – tertiary institutions (see attached list)	18,694,400	2,185,000
Bursary – special schools (see attached list)	150,000.00	892,000
Social Security Programmes (NHIF)		664,000
Mock & CAT (see attached list)	-	-
		25,083,105.9
Security projects (see attached list)	31,539,544.00	0
Roads	9,478,881.30	2,247,495.10
Sports projects (see attached list)	1,637,580.00	1,872,954.00
Other grants and transfers	549,613	8,992,320.00
Environment projects (see attached list)		1,927,938.00
Emergency projects (see attached list)		-
Total	75,322,018.30	56,030,813

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

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018 Kshs	2016-2017 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
		180,000.00
Purchase of Office Furniture and General Equipment	-	
Purchase of other office equipments		30,000.00
Purchase of ICT Equipment, Software and Other ICT Assets	15,000.00	20,000.00
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		70,000.00
Total	15,000.00	300,000

9. OTHER PAYMENTS

	2017-2018 Kshs	2016-2017 Kshs
Strategic plan	XX	XX
ICT Hub	XX	XX
TIVET	XX	XX
	xxx	xxx

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Equity Bank - Buruburu Branch</i>	19,878.00	860,402.25
Total	19,878.00	860,402.25
10B: CASH IN HAND		
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY
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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	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
Total				xxx

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

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Invent Contractors Company Limited	199,612.20	-
Supplier 2	-	-
Supplier 3	-	-
Total	199,612.20	-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2016-2017	2015-2016
	Kshs	Kshs
Bank accounts	860,402.25	1,943,722.95
Cash in hand	-	-
Imprest	-	-
Total	860,402.25	1,943,722.95

[Provide short appropriate explanations as necessary]

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

EMBAKASI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	xx	xx
Cash in hand	xx	xx
Imprest	xx	xx
Total	xx	xx

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	xx	xx
Construction of civil works	xx	xx
Supply of goods	xx	xx
Supply of services	xx	xx
	xx	xx

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>NGCDF Staff on Contract Basis</i>)	374,859.00	775,000.00
	374,859.00	775,000.00

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Amounts due to other Government entities (see attached list)	17,677,027	20,500,000
Amounts due to other grants and other transfers (see attached list)	24,000,000	28,000,000
Acquisition of assets	-	-
Others (<i>specify</i>)	11,285,344	10,646,551
	52,962,371.29	59,146,551

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMBAKASI WEST CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 4)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	56,406,028	38,119,189
	56,406,028	38,119,189

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	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 ENTITY - (Indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2018 (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 2018	Outstanding Balance 2017	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. JOSEPH ANDAR ATIENO	Not Applicable	80,779	1/9/2017	-	80,779	-	
11. FRED MUKOMA ARESI	Not Applicable	56,792	1/9/2017	-	56,792	-	
12. PAUL NJUGUNA NJURU	Not Applicable	56,792	1/9/2017	-	56,792	-	

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

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
13. SALOME WARINGA GITUMA	Not Applicable	66,587	1/9/2017	-	66,587	-	
14. STEPHEN MWANGI IRUNGU	Not Applicable	66,587	1/9/2017	-	66,587	-	
15. GABRIEL BRIAN OTIENO OKOTH	Not Applicable	47,322	1/2/2018	-	47,322	-	
Sub-Total							
Grand Total		374,859			374,859	-	

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
1. Tena Estate Chief's camp (2015/2016)	Construction of Administration police	4,500,000.00	527,452.40	
2. Umoja 1 Primary(2017-2018)	Construction of ICT HUB	8,500,000.00	8,500,000.00	
3. Ministry of ICT	Installation of satellite Antenna, Router, Digital Access Kit and Digital Ruggedized tablets, Wi-Fi with outdoor wireless devise complete with installation accessories	4,677,027.20	4,677,027.20	
Sub-Total		17,677,027.20	13,704,480	
Amounts due to other grants and other transfers				

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
4. Bursary for Secondary School	Payment of bursary to needy students	12,000,000.00	0	
5. Bursary for Tertiary schools, colleges and Universities	Payment of bursary to needy students	12,000,000.00	4,380,600	
Sub-Total		24,000,000	4,380,600	
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)				
6. Sports	Sponsoring sports tournaments and procuring games kits and uniforms.	1,736,206.90	1,736,206.90	
7. Environment	Financing environmental activities	1,736,206.90	1,736,206.90	
8. Administration/ recurrent/ monitoring & evaluation	Administration/ monitoring & evaluation	7,812,930.29	3,809,195	
Sub-Total		11,285,344.09	7,085,057	
Grand Total		59,146,551.00		

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2018 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	837,395.00			1,348,540.00
ICT Equipment, Software and Other ICT Assets	20,000.00			
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets	122,769.00			
Total	980,164.00			1,348,540.00

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

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance	Bank Balance
			2017/18	2016/17
UMOJA 11 CHIEF'S CAMP QUARTERS NGCDF PROJECT	EQUITY	950272961209	440,941.75	7,999,525.00
TUMAINI PRIMARY SCHOOL- PERIMETER WALL NGCDF PROJECT	EQUITY	950272466637	316,058.00	4,999,525.00
UMOJA 1 PRIMARY SCHOOL SWIMMING POOLCDF PROJECT	EQUITY	950265637139	592,411.47	10,649,101.37
BURUBURU 1 PRIMARY SCHOOL AUTISM BLOCK NGCDF PROJECT	EQUITY	950271616644	8,999,835.00	8,999,835.00
SCHOOL FURNITURE FOR PUBLIC PRIMARY SCHOOLS NGCDF PROJECT	EQUITY	950272949182	21,850.00	4,491,173.00
MOWLEM SUPALOAF PRIMARY SCHOOL CLASSROOMS CDF PROJECT	EQUITY	950268108316	656,893.10	807,388.10
BUSARA PRIMARY SCHOOL HALL CDF PROJECT	EQUITY	950266504084	-	171,455.00
UNITY PRIMARY SCHOOL PERIMETER WALL	EQUITY	950277367082	5,000,000.00	1,187.40
MOWLEM POLICE POST QUARTERS	EQUITY	950272991290	4,999,780.00	0.00
KARIOBANGI SOUTH CHIEF'S CAMP	EQUITY	950276266475	6,000,000.00	0.00
Kwa maji police post	EQUITY	950277385887	7,000,000.00	0.00
City Cotton Chief Camp	EQUITY	950277366073	8,000,000.00	0.00
Acess road to various Schools	EQUITY	950277385688	9,379,007.30	0.00
Mowlem Assistant chief's camp	EQUITY	950276347494	4,999,252.00	

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Total			56,406,029	38,119,189.87
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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

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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)
1.0 Audit Findings	Comparison between balances in the financial statements and balances in the ledger accounts revealed material variances. In some instances balances disclosed in the financial statements	<ol style="list-style-type: none"> 1. During the financial year ending 30th June 2017, all the financial statements for embakasi west constituency were prepared in accordance with the Kenyan government regulations and the International Public Sector Accounting Standards (IPSAS). Attached is a copy ledgers in support of the financial statements for the financial year 2016/2017. 2. Imprests amounting to kshs 3,945,000 was surrendered in time and the file was held in the treasury, attached please 	Alfred N. Mwangi Fund Account Manager	Resolved	20/04/018

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time taken: (Put a date when you expect the issue to be resolved)
		find copies of the surrenders amounting to kshs 3,945,000.			
1.1 Inconsistencies Between Budget Format and Financial statements Template Criteria	Comparison between the approved code list and the financial statements indicated that the presentation of expenditure components in the two documents was not done in a same format. Use of goods and services amounting to Kshs.5, 291,710 is reported in the financial statements as one component but broken down into six sub-components as the Government chart of accounts. These sub-components however have no budgetary provision in the approved code list. The approved code list instead provided Kshs.1, 335,793 and Kshs.456, 896 separately for Goods and services. Under these circumstances it is not possible to	Embakasi west NG-CDF uses the budget given by the NG-CDF Board to prepare budget and administration expenses are divided in 5 components as defined below:- 1. Employees' salaries 2. Goods and services 3. N.S.S.F 4. N.H.I.F 5. Committee expenses Goods and services is used to pay for daily office expenses while committee expenses is used to pay for committee allowances and other committee expenses. Once the NG-CDF Board introduces a new budgetary template, we Embakasi west NG-	Alfred N. Mwangi Fund Account Manager	Resolved	20/018

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

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For the year ended June 30, 2018 (Kshs'000)

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)
	confirm adherence to budgetary provisions per expenditure items.	CDF will not hinder to implement.			
1.2 Incorrect Disclosure of Expenditure Criteria	Under transfer to other government units total payments reported in the statement of receipts and payments is Kshs.24,333,784. However out of this amount Kshs.24,258,820 were just transfers to project management committees for projects which had commenced as at close of the financial year under review. Similarly expenditure amounting to Kshs.8,000,000 for money transferred to project	<p>. The project management committee was effected to overlook and implement the NG-CDF Projects</p> <p>Once the funds are transferred to a PMC, the project is already ongoing, it's one of the most secure mode of implementing the project.</p> <p>The above projects amounting to kshs32,333,784 are ongoing projects, of which some are almost complete and to be handed over and no amendments is needed since the funds are already in use.</p> <p>2. On the other hand, the PMC accounts balances for the financial year 2016/2017 has been disclosed in the financial statements</p>	Alfred N. Mwangi Fund Account Manager	Resolved	20/04.018

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time taken: (Put date when you expect the issue to be resolved)
	management committee account was disclosed as expenditure under other transfers and grants				
1.3 Incorrect Bank Reconciliation	The statement of cash and cash equivalents reflects cash and cash equivalents of Kshs.860, 402 as at 30 June, 2017. Bank reconciliation statements were prepared on monthly basis. However payments in cash book represents un-presented cheques amounted to Kshs.1, 375,831. Included in the list of un-presented cheques are three stale cheques worth	The above stale cheques amounting to kshs 120, 365 has been replaced in the cash book in financial year 2017/2018 to give a true and fair view of cash and cash equivalents	Alfred N. Mwangi Fund Account Manager	Resolved	20/0 018

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For the year ended June 30, 2018 (Kshs'000)

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)
	Kshs.120, 365. The cheques were issued between June 2016 and September 2016				
1.4 Variances between assets schedule and assets Register	Annex 4 to the financial statements, summary of fixed assets has a balance of Kshs.980, 164. The Asset Register provided for audit verification however had a balance of Kshs.1, 423,829 resulting to a variance of Kshs.443, 665. Further the Asset register maintained by the fund included items such as utensils as low as Kshs.50 which do not qualify to be capitalized/asset. Further Assets Register provided for audit verification contained assets acquired from 2014-2016 with no specific date on when the entity received the assets.	Attached please find the amended copy of the financial statements reflecting the actual figure of assets amounting to kshs 1,423,829	Alfred N. Mwangi Fund Account Manager	Resolved	20/04.018

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time me: (Put date when you expect the issue to be resolved)
1.4 Failure to Adhere to Public Procurement Procedures	Three contracts worth Kshs.12, 582,165 each with a contract price of above Kshs.4, 000,000 were awarded without advertising in dedicated Government tenders' portals or in its own website, or a notice in at least two daily newspapers of nationwide circulation	<ul style="list-style-type: none"> ▶ According to procurement act, 2005 and regulations, 2006 indicates that the Constituency Development Fund Committees is classified by the Public Procurement Oversight Authority in gazette notice No. 719 of 24th January, 2007 as a PROCUREMENT ENTITY IN CLASS C. The Fund Account Manager is the accounting officer of a CDFC and is responsible for the execution of the procurement process. Specific duties include:- ▶ Compliance with the Act ▶ Ensure CDFC and PMC establish the tender and procurement committees in accordance with Act and Regulations. ▶ Sign Contracts on behalf of CDFCs. The 	Alfred N. Mwangi Fund Account Manager	Resolved	20/01/18

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>signing should be done jointly between Fund Account Manager and the CDFC Chairperson.</p> <ul style="list-style-type: none"> ▶ Ensure procurement plans are in place ▶ Appoint inspection and acceptance committee ▶ Ensure all contracts are complied with ▶ Report to PPOA in accordance with directives of the PPOA ▶ Ensure all procurement procedures are properly documented and records and procurement and disposal files maintained in a secure location ▶ Carry out any other function in the law or directed by the CDFB <p>The above contracts amounting to kshs 12,582,165 were advertised locally through inviting bidders and the pre-qualified contractors are the considered in the project implementation</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time taken: (Put a date when you expect the issue to be resolved)