

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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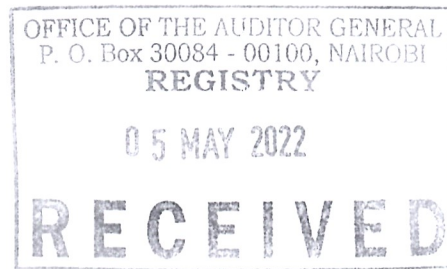
Hermona

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
WESTLANDS CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2021**



WESTLANDS CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

***Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. NG-CDFC CHAIRMAN’S REPORT	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETRMINED OBJECTIVES	9
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	11
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES	13
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- WESTLANDS CONSTITUENCY</i>	14
VII. STATEMENT OF RECEIPTS AND PAYMENTS	15
VIII. STATEMENT OF ASSETS AND LIABILITIES.....	16
XI. STATEMENT OF CASH FLOW	17
XII. SUMMARY STATEMENT OF APPROPRIATION RECURRENT & DEVELOPMENT COMBINED	18
XIII. BUDGET EXECUTION BY SECTORS AND PROJECTS	20
XIV. SIGNIFICANT ACCOUNTING POLICIES.....	26
XV. NOTES TO THE FINANCIAL STATEMENTS.....	29
XVI. ANALYSIS OF PENDING ACCOUNTS PAYABLE.....	39
XVII ANNEXTURES.....	40-47

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, 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

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The Westlands Constituency NGCDF 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 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Risper Loisa
2.	Sub-County Accountant	Cornelius Kimori
3.	Chairman NGCDFC	Elkia Bidija Adekhera
4.	Member NGCDFC	Roselida Upendo

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of WESTLANDS Constituency NGCDF. 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) Westlands Constituency NGCDF Headquarters

Bhenga House
Off Kiuna Highrise, behind the Nairobi school
P.O. Box 13712-00800
Sarit Centre.
Nairobi

(f) Westlands Constituency NGCDF Contacts

Telephone: (254) 713895337,
E-mail: cdwestlands@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Westlands Constituency NGCDF Bankers

Equity Bank, Kangemi Branch
A/c no. 1370261760659
P.O. Box 75104,
Nairobi, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDF CHAIRMAN'S REPORT



WESTLANDS NGCDF CHAIRMAN- ELKIA BIDIJA ADEKHERA

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

Westlands NG-CDF had an allocation of Kshs. 137,088,879 in the financial year 2020/2021. We were able to implement most of the projects. The constituency has so far received Kshs. 161,367,724 from the NG-CDF Board and disbursed the same to the beneficiaries.

The Westlands NG-CDF committee has worked tirelessly to ensure projects are completed in good time and that there is prudent use of the available funds.

During the financial year, 2020/2021, a considerable number of projects completed were for the financial year 2019 / 2020 due to some challenges faced. The challenges face during the year were: funds disbursement from the NGCDF Board delayed a little bit as well as the procurement process for the projects 2019/2020 tenders' cancellation because of the period of procurement becoming stale just to name but a few.

Westlands NGCDF was able to implement to completion 11 projects for primary and secondary schools respectively. The bursaries were also issued successfully.

KEY ACHIEVEMENTS IN THE FY 2020/2021

The bursary to needy students were issued and emergency funds were utilized for construction of a septic tank, construction of a dormitory, a perimeter wall and rehabilitation of 2 classrooms and a library to improve learning environment for learners.

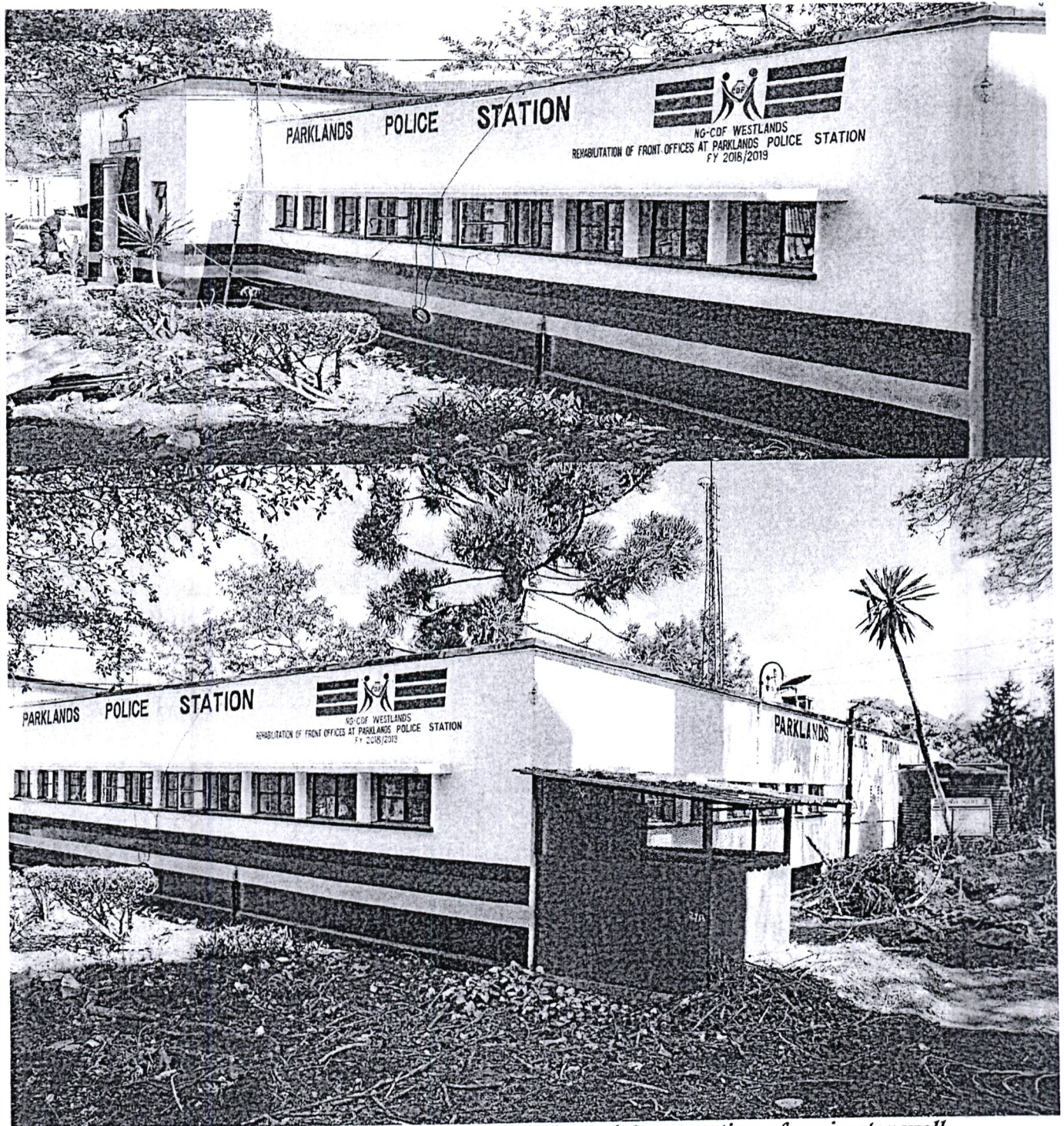


Figure 1: Parklands Police Station- Renovation Works and Construction of perimeter wall

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

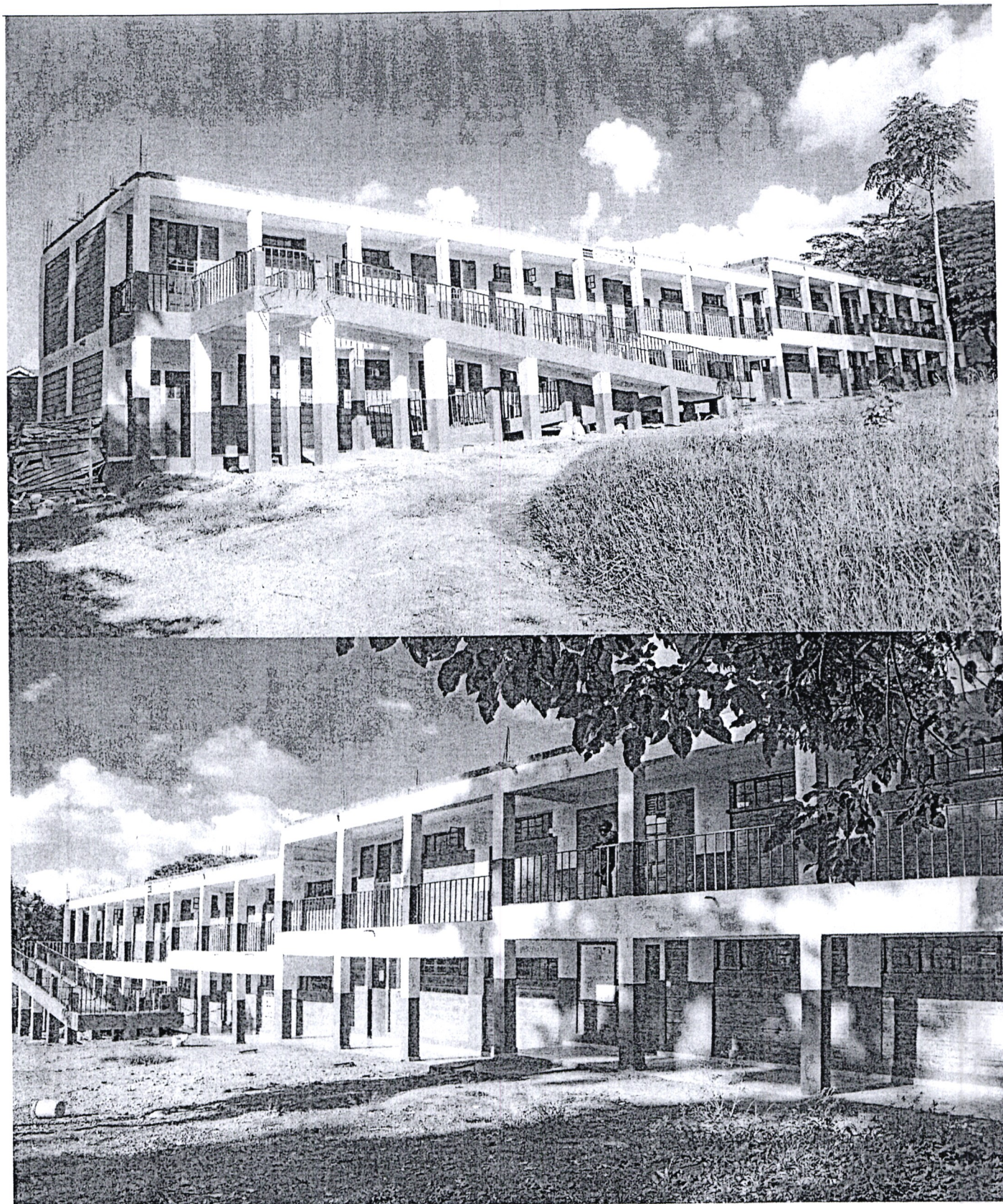


Figure 2: Farasi Lane Secondary School Construction of classrooms



Figure 3: Parklands Police Station- Construction of perimeter wall

NG-CDF as a development wheel is faced with numerous challenges. The society is yet to embrace it as a non-political fund. Separation here becomes an uphill task. A negative attitude towards the fund is also another big challenge to the implementers.

During the public participation wards meetings the members expressed concern on the restrictive nature of the projects procurement citing that most youth have been left out for lack of capital to start up and maintain businesses hence asked the NGCDFC to assist them. This observation showed that there was need to sensitize the public on NGCDF mandate and functions to enhance youth's participation in development.

A lot of sensitization is necessary to change the community's mind set. It has been our core responsibility to educate the general public on the mandate of NGCDF as well as refer those seeking moral and financial support to relevant partners for example Uwezo fund and the like.

Signature

CHAIRMAN NGCDF COMMITTEE

**Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of *Westlands Constituency 2018-2022* plan are to:

- a) Assess the performance of Westlands Constituency (WC) in the last five years.
- b) Review the previous strategic plan
- c) Analyse the strengths, weaknesses, opportunities and threats (SWOT),
- d) Conduct the political, economic, social, technological environmental and legal (PESTEL) analyses.
- e) Determine the key strategic pillars that will inform the operations of the constituency
- f) Outline strategies for the constituency's new scope of operation for optimum performance.
- g) Come up with a definitive SP document that informs Westlands constituency's strategic focus for the next 5 years.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In FY 20/21 -we increased number of classrooms in the following schools: - Construction of 10 classrooms at Farasi Lane Sec School Bursary beneficiaries at all levels were as per the attached schedules
Security	to have all security officers work in a conducive environment	Increased new construction of toilets chief's office, perimeter wall & renovation front offices of police stations	Numbers of usable physical infrastructure build in police stations and chiefs offices.	In FY 20/21 there we did construction of perimeter wall and renovation of the offices at Parklands Police station

Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Environment	to enhance clean water supply	Provision of water tanks	Numbers of water tanks purchased and installed.	In FY 20/21 we set provided 10,000 litres water tank to Loresho primary school, Cheleta Primary and Bohra primary school
Sports	to develop the talents of young people	Increased participation of youth in Sports tournaments.	Increased number of girl's football teams during tournament their counterpart's boy's teams for the first time.	The winning teams were awarded with trophies, balls, and games kits
Disaster Management	to develop disaster mitigation mechanism to ensure safe working environment	Provision of fire extinguishers Accessible emergency exits	No recorded disaster occurrence in the office	The door locks of emergency exits were serviced to ensure functionality Construction of classrooms with rumps Continuous capacity building on work environment safety

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

To make a better impact and enhance the lives of the people, the area Member of Parliament (MP) and the Constituency Development Fund Committee (NG-CDFC) developed a five year Strategic Plan (SP) with the view of evaluating what the constituency had done so far, establish the gaps and set new strategies for the future. Their objective is to assess their performance in the last five years, knowing their current status through analysis of their strengths, weaknesses, opportunities and threats (SWOT) and coming up with goals and strategies for Westlands Constituency's new scope of operation. They purposed to adopt an aggressive strategy that builds on their existing strengths to exploit opportunities available in the area.

In the current plan, the constituency envisages a continuation of their current programs only with better focus on achieving higher efficiency.

Five main goals identified as their strategic focus include:-

- a) Enhancing the quality of education in schools, which range from construction of classrooms and other blocks, renovations of dilapidated buildings, supply of desks and lockers, laboratory equipment and making schools accessible to children with disability.
- b) Enhancement of the bursary allocations that target the neediest.
- c) Supporting the improvement of security in the constituency.
- d) Improvement of sanitation, hygiene and environmental sustainability.
- e) Sports and talent development for the young people in the constituency.
- f) Collaboration with other stakeholders for improved development of the constituency; important segments of population are targeted for empowerment including people with disability (PWDs), women and the youth.

2. Environmental performance

For sufficient supply of water, water tanks were provided for needy primary and secondary schools.

3. Employee welfare

The Westlands NGCDFC plays an important role in development of its staffs and ensures that they are equipped with relevant skills. The need of a well-trained and knowledgeable team gives the organization the competitive advantage that it needs to survive in a tough and increasingly uncertain environment of performance appraisals and result oriented.

The ability of the staffs to deliver will depend on their capacity to understand their duties and responsibilities. The success of any staff will depend on how it handles its work in line with the legal structures in place.

The Westlands NGCDFC trains its staffs at least once a year and encourages them to pursue other relevant skills to further their career development.

The staffs are given service gratuity tabulated at 31% of their annual basic salary for the contract period.

Employment laws and staff rules and regulations are applicable subject to provisions of the Employment Act, 2013 and other relevant regulations as issued.

The committee has put in policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of

movement, accessibility within the office and in all rooms not forgetting to put in place disaster mitigating measures like fire extinguishers and accessible escape routes in case of emergency.

The staffs have a medical cover with a credible health insurance.

4. Market place practices-

The Westlands NGCDFC has ensured that they comply with the applicable provisions of the Constitution of Kenya 2010, Public Finance Act No.18 of 2012 and Public Procurement and Asset Disposal Act No. 33 of 2015 and adheres to the article 227(1) of the Constitution of Kenya 2010 and Section 54(2) of the Public Procurement and Disposal Act

Tenders are advertised in an open and transparent manner to provide responsible competition practices and sufficient notices are given within good time to all concerned in case of any changes that may affect competition.

Projects contractors are paid on time as per guidelines after consultative meetings to approve works done and payment request done.

5. Community Engagements-

On keen analysis, and in consultation with stakeholders, we embarked on key areas that would have a great positive impact on the livelihoods of my constituents. One of these areas was provision of quality education in a conducive environment for learning. Many public schools were in a sorry state of disrepair. We embarked on fixing roofs, ceiling boards, windows, tiling and paintwork. We also supplied desks, lockers and chairs to enhance comfort in learning.

Further, we established well equipped computer labs complete with internet connectivity in all primary schools in the constituency. For sufficient supply of water, we provided water tanks for needy primary and secondary schools.

This initiative has led to improved student enrolment and attendance in schools and equally improved the quality of education in public schools. We also established four new secondary schools within the existing primary schools. These are North Highridge, Farasi Lane, Loresho and Kabete Vet Lab Secondary Schools. These schools continue to record impressive enrolment and helping to achieve the government's policy of 100% transition. Transparent and open bursary allocations to deserving students in secondary schools and colleges have enabled them to get quality education that has oriented them to achieve their dreams.

**Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

V. STATEMENT OF 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 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.

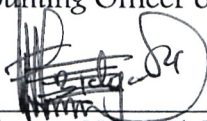
The Accounting Officer in charge of the NGCDF-WESTLANDS Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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-WESTLANDS Constituency accepts responsibility for the NGCDF-WESTLANDS Constituency 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 *constituency's* financial statements give a true and fair view of the state of NGCDF-WESTLANDS Constituency transactions during the financial year ended June 30, 2021, and of the NGCDF-WESTLANDS Constituency financial position as at that date. The Accounting Officer charge of the NGCDF- WESTLANDS Constituency further confirms the completeness of the accounting records maintained for the *constituency*, 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 WESTLANDS Constituency confirms that the *constituency* 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 *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- WESTLANDS Constituency financial statements were approved and signed by the Accounting Officer on 30 June 2021.



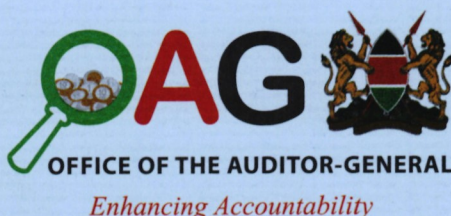
Chairman NGCDF Committee
Name: Elkia Bidija Adekhera



Fund Account Manager
Name: Risper L. Loisa

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WESTLANDS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Westlands Constituency set out on pages 15 to 47,

*Report of the Auditor-General on National Government Constituencies Development Fund - Westlands Constituency
for the year ended 30 June, 2021*

which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation, recurrent – 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Westlands Constituency as at 30 June, 2021, 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Stale Cheques in Bank Reconciliation Statement

The statement of assets and liabilities reflects bank balance of Kshs.69,430,872 and as disclosed in Note 10 to the financial statements. However, bank reconciliation statement for the month of June, 2021 reflects unrepresented cheques totalling to Kshs.8,143,603 out of which Kshs.4,547,367 were stale. Further, some of the stale cheques dated back to 2019. These cheques had not been reversed in the cashbook.

In the circumstances, the validity, accuracy and completeness of the cash and cash equivalent balance of Kshs.69,430,872 could not be confirmed.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Westlands Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual receipts on comparable basis of Kshs.211,639,920 and Kshs.166,393,041 respectively, resulting into an under-funding of Kshs.45,088,879 or 21% of the budget. Similarly, the Fund spent Kshs.97,120,169 against an approved budget of Kshs.211,639,920 resulting into an under-expenditure of Kshs.114,519,751 or 54% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised. The Management has not resolved the issues or provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section 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

Unutilized Project Management Committee Funds

Note 17.3 to the financial statements reflects Project Management Committee unutilized fund balance of Kshs.114,519,751 which was not returned to the Constituency account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the Constituency account.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

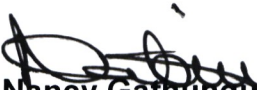
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue 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 business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


29 July, 2022

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

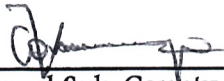
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	161,367,724	123,040,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	158,000	-
TOTAL RECEIPTS		161,525,724	123,040,876
PAYMENTS			
Compensation of employees	4	3,369,375	3,194,702
Use of goods and services	5	9,228,636	7,671,769
Transfers to Other Government Units	6	56,963,874	83,022,084
Other grants and transfers	7	22,664,040	52,286,510
Acquisition of Assets	8	4,820,400	-
Other Payments	9	73,845	3,426,155
TOTAL PAYMENTS		97,120,169	149,601,220
SURPLUS/DEFICIT		64,405,555	(26,560,344)

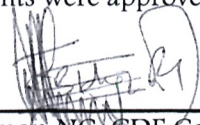
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WESTLANDS Constituency financial statements were approved on 30 June 2021 and signed by:



Fund Account Manager
Name: Risper L. Loisa



National Sub-County
Accountant
Name: Conelius Omony
ICPAK M/No:17636




Chairman NG-CDF Committee
Name: Elkia Bidija Adekhera


*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

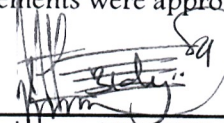
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	69,430,872	5,025,317
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		69,430,872	5,025,317
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		69,430,872	5,025,317
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		69,430,872	5,025,317
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	5,025,317	31,585,661
Prior year adjustments	14	-	-
Surplus/Deficit for the year		64,405,555	(26,560,344)
NET FINANCIAL POSITION		69,430,872	5,025,317

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WESTLANDS Constituency financial statements were approved on 30 June 2021 and signed by:


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*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*


IX. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Transfers from NGCDF Board	1	161,367,724	123,040,876
Other Receipts	3	158,000	-
		161,525,724	123,040,876
Payments for operating activities			
Compensation of Employees	4	3,369,375	3,194,702
Use of goods and services	5	9,228,636	7,671,769
Transfers to Other Government Units	6	56,963,874	83,022,084
Other grants and transfers	7	22,664,040	52,286,510
Other Payments	9	73,845	3,426,155
		92,299,769	149,601,220
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		69,225,955	(26,560,344)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(4,820,400)	-
Net cash flows from Investing Activities		(4,820,400)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		64,405,555	(26,560,344)
Cash and cash equivalent at BEGINNING of the year	10	5,025,317	31,585,661
Cash and cash equivalent at END of the year		69,430,872	5,025,317

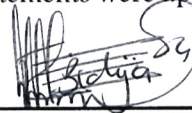
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- WESTLANDS Constituency financial statements were approved on 30 June 2021 and signed by:



Fund Account Manager
Name: Risper L. Loisa



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Name: Elkia Bidija Adekhera

Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

X. SUMMARY STATEMENT OF APPROPRIATION RECURRENT & DEVELOPMENT COMBINED

Receipts/Payments	Original Budget a	Adjustments b		Final Budget c=a+b	Actual on comparable basis D	Budget utilization difference e=c-d	% of Utilization f=d/c %
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021			2020/2021	30/06/2021		
Transfers from NGCDF Board	Kshs 137,088,879	5,025,317	69,367,724	Kshs 211,481,920	166,393,041	Kshs 45,088,879	79%
Proceeds from Sale of Assets					-		0%
Other Receipts		158,000		158,000	158,000	-	0%
TOTALS	137,088,879	5,183,317	69,367,724	211,639,920	166,551,041	45,088,879	79%
PAYMENTS							
Compensation of Employees	4,164,900	201,780	-	4,366,680	3,369,375	997,306	77%
Use of goods and services	7,525,800	1,795,215	-	9,321,015	9,228,636	92,380	99%
Transfers to Other Government Units	75,500,000	-	52,526,596	128,026,596	56,963,874	64,428,072	50%
Other grants and transfers	49,898,179	3,028,322	6,957,399	59,883,900	22,664,040	43,854,510	27%
Acquisition of Assets	-	-	5,132,857	5,132,857	4,820,400	312,457	94%
Other Payments	-	-	4,750,872	4,750,872	73,845	4,677,027	2%
Funds pending approval** AIA	-	158,000	-	158,000		158,000	0%
TOTALS	137,088,879	5,183,317	69,367,724	211,639,920	97,120,169	114,519,751	46%


**Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.

**Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

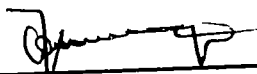
- i. The under-utilization under compensation of employees at 77%, use of goods and services at 99%, Transfers to other Government Units at 50%, other grants and transfers at 27% was generally due to the fact that WESTLANDS NGCDF received only part of the budgeted funds during the financial year. With this it meant that full budget implementation was not practical.
- ii. The difference between the original and the final budget was brought about by the opening cashbook and AIA balance and funds not yet received from the Board at the closure of the financial year. These funds were available for utilization during the financial year under review and thus the difference in the budget.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	114,519,751
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	69,430,872
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	<u>69,430,872</u>


The NGCDF- WESTLANDS Constituency financial statements were approved on 30 June 2021 and signed by:



Fund Account Manager
Name: Risper L. Loisa



National Sub-County
Accountant
Name: Conelius Omony
ICPAK M/No:17636



Chairman NG-CDF Committee
Name: Elkia Bidija Adekhera

*National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,164,900	201,780		4,366,680	3,369,375	997,306
1.2 Committee allowances	1,629,000	36,021		1,665,021	1,616,200	48,821
1.3 Use of goods and services	2,000,000	711,389		2,711,389	2,694,107	17,282
Sub total	7,793,900	949,190	-	8,743,090	7,679,681	1,063,409
2.0 Monitoring and evaluation						
2.1 Capacity building	1,000,000	993,649		1,993,649	1,978,405	15,244
2.2 Committee allowances	1,800,000	33,518		1,833,518	1,831,000	2,518
2.3 Use of goods and services	1,096,800	20,638		1,117,438	1,108,924	8,514
Sub Total	3,896,800	1,047,805	-	4,944,605	4,918,329	26,276
3.0 Emergency						
3.1 Primary Schools	7,192,207	3,028,322	324,019	10,544,548	0	10,544,548
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
Sub Total	7,192,207	3,028,322	324,019	10,544,548	5,914,650	4,629,898

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	20,309,073		239,787	20,548,860	1,280,000	19,268,860
4.3 Tertiary Institutions	13,500,000		1,303,156	14,803,156	9,737,300	5,065,856
4.4 Vocational Institutions	1,500,000			1,500,000		1,500,000
4.5 Social Security-NHIF	1,200,000		742,000	1,942,000	1,248,000	694,000
Sub Total	36,509,073	-	2,284,943	38,794,016	38,517,900	26,528,716
5.0 Sports						
5.1 Sports Activities	1,800,000		1,630,891	3,430,891	1,100,090	2,330,801
Sub Total	1,800,000	-	1,630,891	3,430,891	1,100,090	2,330,801
6.0 Environment						
6.1 Environment Activities			1,064,857	1,064,857		1,064,857
6.1 Kangemi Chief's Office	205,000			205,000		205,000
Sub Total	205,000	-	1,064,857	1,269,857	720,00	1,269,857

**National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.0 Primary Schools Projects (List all the Projects)						
7.1 Hospital Hill Primary School			3,500,000	3,500,000	5,000,000	(1,500,000)
7.2 Lower Kabete Primary School			8,000,000	8,000,000	8,000,000	-
7.3 Westlands Primary School			759,332	759,332	2,395,800	(16,364,68)
7.4 Visa Oshwal Primary School			-	-	3,500,000	(36,500,000)
7.5 Kihumbuini Primary School			42,094	42,094	42,094	42,094
7.6 Karura Primary School			42,094	42,094	750,000	(707,906)
7.7 Lower Kabete Primary School			29,663	29,663		29,663
7.8 Kabete Vet Lab Secondary School			500,000	500,000		500,000
7.9 New Kihumbuini Primary School			1,357,640	1,357,640		1,357,640
7.10 Kangemi Primary School	10,000,000		385,000	10,385,000	736,118	9,648,882
7.11 Bohra Primary School	3,500,000			3,500,000		3,500,000
7.12 Loresho Primary School	3,500,000		-	3,500,000	265,756	3,234,244
7.12 Farasi Lane Primary School			-	-	144,000	(144,000)
Sub Total	17,000,000	-	14,615,823	31,615,823	20,791,674	10,824,149

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Farasi lane Secondary School	5,000,000		10,042,094	15,042,094	10,000,000	5,042,094
8.2 Loresho Secondary School	5,000,000		10,042,094	15,042,094	10,000,000	5,042,094
8.4 North Highridge Secondary School	3,500,000		8,381,398	11,881,398	11,400,000	481,398
8.5 Parklands Arya Girls Sec School			-	-	-	-
8.6 Kabete Vet Lab Secondary School	5,000,000		8,945,187	13,945,187	10,644,000	3,301,187
8.7 Kangemi High School			-	0	618,850	(618,850)
8.8 Highridge Secondary School			500,000	500,000		500,000
8.9 Hospital Hill Secondary School	20,000,000			20,000,000		20,000,000
8.10 High ridge girls secondary school	20,000,000			20,000,000	144,000	20,000,000 (144,000)
8.10 Chaleta secondary school				-	-	-
Sub Total	58,500,000	-	37,910,773	96,410,773	42,806,850	53,603,923
9.0 Tertiary institutions Projects (List all the Projects)						
Sub Total		-	-	-	-	-

*National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.0 Security Projects						
10.1 Parklands Police Station			-			-
10.2 Kangemi Chief's Office	1,000,000		1,652,689	2,652,689	1,564,000	1,088,689
10. 3 Highridge Div Headq. ACC Office	3,191,899			3,191,899		3,191,899
10.4 Runda Police Station					1,100,000	(1,100,000)
Sub Total	4,191,899	-	1,652,689	5,844,588	2,664,000	3,180,588
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)			5,132,857	5,132,857	4,820,400	312,457
11.2 Construction of CDF office						-
11.3 Purchase of furniture and equipment						-
11.4 Purchase of computers						-
11.5 Purchase of land						-
Sub Total		-	5,132,857	5,132,857	4,820,400	312,457
12.0 Others						-
12.1 Strategic Plan			73,845	73,845	73,845	-
12.2 Innovation Hub			4,677,027	4,677,027		4,677,027

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
Sub Total	-	-	4,750,872	4,750,872	73,845	4,677,027
Funds pending approval**						
Sale of Tender		158,000		158,000		158,000
Sub Total	-	158,000	-	158,000	-	158,000
Total	137,088,879.31	5,183,316.90	69,367,724.10	211,639,920	97,120,169	114,519,751

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

XI. 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 (gratuity 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-WESTLANDS 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.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

**Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance 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 constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

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 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 (gratuity 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. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. 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 are 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 financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is 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 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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 2021.

14. Errors

Material prior period errors are 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

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. 1569	1		55,040,876
AIE NO. 288	2		4,000,000
AIE NO. 387	3		18,000,000
AIE NO. 621	4		5,000,000
AIE No 890	5		6,000,000
AIE NO. 1160	6		14,000,000
AIE NO. 1474	7		21,000,000
AIE NO. B104782	1	45,000,000	
AIE NO. B104851	2	24,367,724	
AIE NO. B124696	3	9,000,000	
AIE NO. B119726	4	13,000,000	
	5	6,900,000	
AIE NO. B119685	6	10,000,000	
	7	6,000,000	
AIE NO. B132371	8	6,000,000	
AIE NO. B140771	9	12,000,000	
AIE NO. B126332	10	7,100,000	
AIE NO. B119685	11	10,000,000	
AIE NO. B126040	12	12,000,000	
SUB TOTAL		161,367,724	123,040,876
BALANCE BROUGHT FORWARD		5,025,317	
TOTAL FOR THE YEAR		166,393,041	

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	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	-	-

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	158,000	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
Total	158,000	-

4. COMPENSATION OF EMPLOYEES

1	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,257,055	2,242,363
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	144,000
Leave allowance	-	743,539
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	112,320	64,800
Total	3,369,375	3,194,702

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	1,794,107	
Electricity	-	
Water & sewerage charges	-	
Office rent	1,800,000	1,350,000
Communication, supplies and services	-	
Domestic travel and subsistence	-	323,650
Printing, advertising and information supplies & services	-	536,290
Rentals of produced assets		
Training expenses	2,062,605	
Hospitality supplies and services	-	
Other committee expenses	-	
Committee allowance	1,142,004	1,696,400
Insurance costs	-	200,096
Specialized materials and services		
Office and general supplies and services	2,274,500	1,205,044
Fuel , oil & lubricants	-	
Other operating expenses	-	
Bank service commission and charges	155,420	18,720
Other Operating Expenses	-	2,101,449
Security operations		240,120
Routine maintenance - vehicles and other transport equipment	-	
Routine maintenance- other assets		
TOTAL	9,228,636	7,671,769

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	15,463,874	46,529,763
Transfers to secondary schools (see attached list)	41,500,000	36,492,321
Transfers to tertiary institutions (see attached list)		
	56,963,874	83,022,084
TOTAL		

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary - Secondary (see attached list)	1,280,000	17,344,600
Bursary -Tertiary (see attached list)	9,737,300	15,484,124
Bursary- Special Schools – DRIVING SCHOOL		-
Social Security programmes (NHIF)		-
Social Security programmes (NHIF)	1,248,000	3,158,000
Security Projects (see attached list)	2,664,000	5,000,000
Sports Projects (see attached list)	1,100,090	1,586,133
Environment Projects (see attached list)	720,000	288,000
Emergency Projects (see attached list)	5,914,650	9,425,653
TOTAL	22,664,040	52,286,510

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	4,820,400	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	4,820,400	-

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	73,845	-
ICT Hub	-	-
	73,845	-

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank – Kangemi Branch (A/C No. 1370261760659)</i>	69,430,872	5,025,317
Total	69,430,872	5,025,317
10B: CASH IN HAND		
	-	-
Total	-	-

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>Total</i>				

12A. RETENTION

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

12B. GRATUITY

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 st July (A)	0	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	0	-

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	5,025,317	31,585,661
Cash in hand	-	-
Imprest	-	-
Total	5,025,317	31,585,661

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST*

	2020-2021	2019-2020
	Kshs	Kshs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	2,691,500
Imprest surrendered during the Year (C)	-	2,691,500
closing accounts in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2021	2019 - 2020
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	0	-
Construction of civil works	0	-
Supply of goods	0	-
Supply of services	0	-
	0	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff Gratuity	0	374,997
Others (<i>specify</i>)	0	-
	0	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	997,306	1,711,780
Use of goods and services	92,380	285,315
Amounts due to other Government entities (see attached list)	64,428,072	52,526,498
Amounts due to other grants and other transfers (see attached list)	43,854,510	11,485,720
Acquisition of assets	312,457	5,132,857
Other Payments	4,677,027	4,750,872
Funds pending approval - Sale of Tender	158,000	0
Total	114,519,751	75,893,042

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	42,197,586	11,433,960
	42,197,586	11,433,960

WESTLANDS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

*WESTLANDS Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		997,306	201,780	
Sub-Total		997,306	201,780	
Use of goods & services		92,380	1,795,215	
Sub-Total		92,380	1,795,215	
Amounts due to other Government entities		64,428,072	52,526,596	
Sub-Total		64,428,072	52,526,596	
Amounts due to other grants and other transfers		43,854,510	9,985,721	
Sub-Total		43,844,510	9,985,721	
Acquisition of assets		312,457	5,132,857	
Sub-Total		312,457	5,132,857	
Others Payments		4,677,027	4,750,872	

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

	Sub-Total	4,677,027	4,750,872
Funds pending approval			
Sale of Tender		158,000	158,000
	Sub-Total	158,000	158,000
	Grand Total	114,519,751	74,551,041

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land				0
Buildings and structures	0			0
Transport equipment	0	4,820,400		4,820,400
Office equipment, furniture and fittings	1,303,519			1,303,519
ICT Equipment, Software and Other ICT Assets				-
Other Machinery and Equipment	15,688			15,688
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	1,319,207	4,820,400	0	6,139,607

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account Number	Bank Balance 2020/21	Bank Balance 2019/20
KARURA FOREST PRIMARY SCHOOL	COOPERATIVE BANK	114106999740	1,381,327	1,120,151
WESTLANDS PRIMARY SCHOOL	KCB SARIT CENTRE	1205528369	7,879,907	916,183
KIHUMBUINI PRIMARY SCHOOL	EQUITY BANK	1370278458011	16,900	755,043
NEW KIHUMBUINI PRIMARY SCHOOL	EQUITY BANK	1370277568647	391,022	573,448
HIGHRIDGE PRIMARY SCHOOL	EQUITY BANK	0550278438699	1,095	417,332
LORESHO SECONDARY SCHOOL	EQUITY BANK	137278933728	1,795,622	
VET LAB SECONDARY SCHOOL	EQUITY BANK	1370278981139	391,022	474,501
FARASI LANE SECONDARY SCHOOL	EQUITY BANK	137028926109	1,630,896	998,000
NORTH HIGHRIDGE SECONDARY SCHOOL	EQUITY BANK	0550278498177	3,097,299	436,467
NORTH HIGHRIDGE PRIMARY SCHOOL	EQUITY BANK	0550278662302	436,467	97,479
NORTH HIGHRIDGE SECONDARY SCHOOL	KCB SARIT CENTRE	1271931699	606,082	-
KANGEMI HIGH SCHOOL	EQUITY BANK	1370278999484	97,232	213,660
BOHRA PRIMARY SCHOOL	EQUITY BANK	1370279742499	17,013,191	-
BOHRA PRIMARY SCHOOL	EQUITY BANK	1370272924891	64,555	451,215
VISA OSHWAL PRIMARY SCHOOL	KCB -SARIT CENTRE	1197722653	2,803,224	72,289
PARKLANDS ARYA GIRLS	COOPERATIVE BANK	01129587170200	-	(1,482)
PARKLANDS POLICE STATION	EQUITY BANK	0550279437205	575,303	4,909,675
CHELETA PRIMARY SCHOOL	EQUITY BANK	1340280705804	145,000	
KABETE VET LAB SEC SCHOOL	EQUITY BANK	1370278981139	3,299,784	
KANGEMI CHIEFS OFFICE	EQUITY BANK	1370280459067	139,158	
KABETE VET LABS PRIMARY SCHOOL	EQUITY BANK	1370278953290	2,595	
LOWER KABETE PRIMARY SCHOOL	EQUITY BANK	0550278948265	820,928	
Total			42,197,586	11,433,960

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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 and subsequent progress made on the resolution of the issues.

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)
Report of the Auditor General for the year ended 30 June 2018	<p>1. Stale Cheque Bank reconciliation statement as at 30 June 2018 reflects unrepresented cheques totalling ksh 19,144,493 which include stale cheques amounting to ksh 2,049,546.08. However, no explanation has been given for failure to reverse the stale cheques in the cash book.</p> <p>2. Unconfirmed bank balances The project management committee bank balances of ksh 1,624,421 held at cooperative and equity banks as at 30 June 2018 were not supported by bank statements and certificates of bank balances as that date.</p> <p>3. Net Financial Position The statement of assets and liabilities as at 30 June 2019 reflects total financial assets of ksh 14,760,929 and a nil liabilities.</p>	<p>The management has authorised all stale cheques to be reversed and re-issued accordingly.</p> <p>The management has written to all PMCs to submit their bank balance certificates to the office.</p> <p>The management has amended the financial statement for the year ended 30 June 2018</p>	<p>Risper Loisa - FAM</p> <p>Risper Loisa - FAM</p> <p>Risper Loisa - FAM</p>	<p>Resolved</p> <p>Resolved</p> <p>Resolved</p>	<p>June 30 2019</p> <p>June 30 2019</p> <p>22 may 2018</p>

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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)
	However, contrary to the guidelines issued by the public sector accounting standards board, the net financial position of Kshs 14,760,929 has instead been presented as net liabilities				