

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper Law by the hon
MP
Thursday 25/10/2018*



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KASARANI CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KASARANI CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Elias .M. Mate
3.	Accountant	Alois Kimuyu

(d) Fiduciary Oversight Arrangements

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

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

(e) KASARANI NG-CDF HEADQUARTERS

P.O. Box 7542-00300,
BWG Grandview Court, 1st Floor,
Along Kasarani-Mwiki Road
Nairobi, Kenya

(f) KASARANI NG-CDF Contacts

Telephone: (020) 2317003
E-mail: cdfkasarani@cdf.go.ke
Website: www.cdfkasarani.go.ke

(g) KASARANI NG-CDF Bankers

1. Central Bank of Kenya

Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya.

2. Equity Bank Ltd,

Kasarani Branch,
P.O Box 75104
Nairobi, Kenya

(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.

**II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND
COMMITTEE (CDFC)**

IPSAS is a catalyst for providing high-quality transparent financial statements and, more importantly, enabling sound public-finance management and improving operational performance.

Kasarani NGCDF was allocated **Kshs 81, 886,552/=** in the financial year 2016/2017. Our budget utilisation stands at **98%**. We applaud the NGCDF Board for the timely disbursement of funds which has been the pillar to our successful project implementation and we are looking forward to continued support.

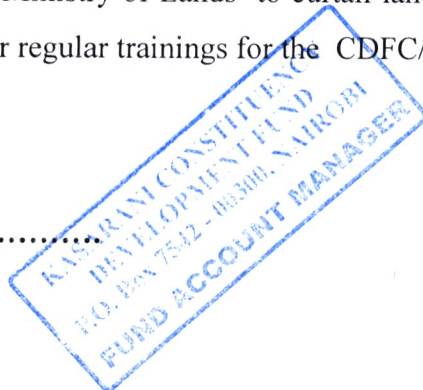
Major projects undertaken in the constituency during the year under review include three new public schools, four new AP camps), and bursaries. These projects have contributed positively to the livelihoods of the Kasarani residents.

Kasarani NG-CDF noted improved transition rate from primary level to secondary level as a result of construction of three new public secondary schools in the constituency and Improved retention rate of students both in secondary schools and tertiary institutions due to timely award of bursaries to the needy and bright students.

However, these have been achieved with a lot of emerging issues such as high expectations from the public versus low N-CDF funding and continued misconception by the public in regard to NG-CDF funds which they view it as a political fund.

NG-CDF Kasarani has however experienced some implementation challenges. Key among them, increased incidents of public land grabbing leaving no space for development, inadequate record keeping for the CDFC/PMCs, Low capacity for the CDFC/PMCs which can be curbed by collaboration with the Ministry of Lands to curtail land grabbing and increased funding by the NG-CDF Board to cater for regular trainings for the CDFC/PMCs respectively.

Sign 



CHAIRMAN CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government agency shall prepare financial statements in respect of that agency. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the Kasarani National Government Constituency Development Fund is responsible for the preparation and presentation of the kasarani NG-CDF financial statements, which give a true and fair view of the state of affairs of the Kasarani NG-CDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *NG-CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *NG-CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Kasarani NG-CDF accepts responsibility for the *NG-CDF*'s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NG-CDF*'s financial statements give a true and fair view of the state of *NG-CDF*'s transactions during the financial year ended June 30, 2017, and of the *NG-CDF*'s financial position as at that date. The Accounting Officer charge of the Kasarani NG-CDF further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *NG-CDF*'s financial statements as well as the adequacy of the systems of internal financial control.

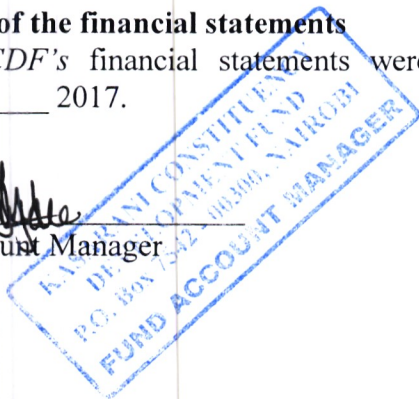
The Accounting Officer in charge of the Kasarani NG-CDF confirms that the *NG-CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *NG-CDF*'s funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *NG-CDF*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The *NG-CDF*'s financial statements were approved and signed by the Accounting Officer on
Sept. 2017.


Fund Account Manager


Chairman CDFC



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kasarani Constituency set out on pages 6 to 27, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flow and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund- Kasarani Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that public money has not been applied lawfully and in an effective way.

Basis for Adverse Opinion

1. Opening Accounts Balances

As reported in the previous year, the original constituency was divided into additional other electoral areas of Roysambu, Ruaraka and Mathare following the general elections of 2013. Information and records made available indicated that no opening cash balances and assets were inherited and accounted for in the books of account from the original Kasarani Constituency. Consequently, the accuracy of the opening and closing bank balances of Kshs.24,921,253.48 and Kshs.1,356,512.58 reflected in the statement of assets as at 30 June 2017 respectively, cannot be confirmed.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies
Development Fund - Kasarani Constituency for the year ended 30 June 2017*

2. Transfers to Other Government Units

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other Government units of Kshs.24,979,426 but the respective Note 6 to the financial statements reflects Kshs.25,159,255 resulting in unexplained difference of Kshs.179,829.

3. Use of Goods and Services

During the year under review, the fund spent Kshs. 7,341,060 on use of goods and services. However, the annual expenditure returns show Kshs. 6,953,060 only, resulting in a variance of Kshs. 388,000. In addition, payment vouchers and source documents to support the expenditure were not produced for audit review. Consequently, the propriety of the expenditure on use of goods and services amounting to Kshs. 7,341,060 cannot be confirmed.

4. Other Grants and Transfers

Other grants and transfers expenditure of Kshs.68,930,601 as disclosed in Note 7 to the financial statements includes an amount of Kshs. 35,100,000 relating to security. The fund spent Kshs.27,500,000 in the installation of 5 units (30 metres high) security mast flood lights. However, tender opening and evaluation minutes for the project were not produced for audit review. The only document related to the project was the bills of quantities as per tender number DWO/Kasarani /CDF/8/2016-2017 for supply, delivery and installation of 2 number 30-metre-high flood mast at Maili Saba and Kamulu which had a quote from Kicos Investment Company with total tender sum of Kshs.10,905,679.68. Project inspection and verification of the electrical installations on 21 March 2018 revealed that two flood masts erected at Maili Saba and Chokaa area were not working even though they were completed during the year 2017. It was also noted that the bills of quantities from the State Department of Works in the PMC file was not signed.

In the circumstances, the validity and propriety of the expenditure of Kshs.27,500,000 incurred on security mast flood lights can not be confirmed. Further, it is also apparent that the public did not get value for money from the security mast flood lights project.

5. Cash and Cash Equivalents

The statement of assets reflects a bank balance of Kshs.1,356,512.58 as at 30 June 2017 and as further disclosed at Note 10A to the financial statements. However, bank reconciliation statements were prepared for the period up to February 2017 and not June 2017 as required. A review of the February 2017 bank reconciliation statement revealed unpresented cheques totalling Kshs. 38,250,073 out of which cheques worth Kshs. 642,841 were stale cheques but had not been reversed in the cashbook. In addition, certificate of balance from the bank was not provided for audit verification. Further informational indicate that the fund maintained 34 Project Management Committee (PMC) bank accounts that had a total of Kshs. 5,525,058.38. However, the balances were not verified since bank statements and certificate of bank balances were not provided for audit review.

In the circumstances, the completeness, existence and accuracy of the bank balance of Kshs.1,356,512.58 as at 30 June 2017 cannot be confirmed.

6. Net Financial Position

The statement of assets as at 30 June 2017 reflects net liabilities instead of net financial position of Kshs.1,356,512.58, being the difference between the brought forward fund balance of Kshs. 24,921,253.48 and the deficit for the year of Kshs. 23,564,740.90. No explanation has been provided for this anomaly.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance to the audit of the financial statements for the current year. Except for matters described in the Basis for Adverse Opinion and Other Matter sections, I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budget and Budgetary Controls

During the year under review, the fund budgeted expenditure amounted to Kshs.106,817,805.20. However, overall actual expenditure for the year was Kshs.103,468,292.60 resulting in an under expenditure of Kshs.3,349,512.60 which is equivalent to about 3% of the total budget.

Further analysis of the budget against actual expenditure indicate that out of the development budget of Kshs.97,184,745, an amount of Kshs.93,910,027 was spent resulting in under expenditure of Kshs.3,274,718 or 3% of the development budget. This implies that some budgetary provisions and plans were not met which impacted negatively on service delivery to the constituents of Kasarani. The under expenditure was mainly on transfers to other government units - Kshs.2,220,574 and other grants and transfers - Kshs. 1,054,144. The under expenditure is an indication that approved programs were not fully implemented.

2. Environmental Impact Assessment on Njiru Secondary School

During the year, the Fund allocated Kshs.7,500,000 towards construction of Njiru Secondary School. As reported in the previous year, the school is located about 100 metres from the Njiru sewer outfall and almost 200 metres from the Njiru quarry. The phase one construction of the classrooms was about 60 % by the time of audit.

Management did not however present for audit review environmental impact assessment report of the project given its location next to the two facilities. In the absence of the environmental impact assessment report, it is not possible to confirm the extent to which the school will be impacted by the two facilities.

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

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern 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.

Those charged with governance are responsible for overseeing the NG-CDF's financial reporting process.

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

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

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

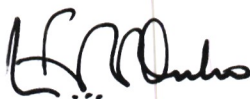
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the fund internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund 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 activities of the fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

20 August 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

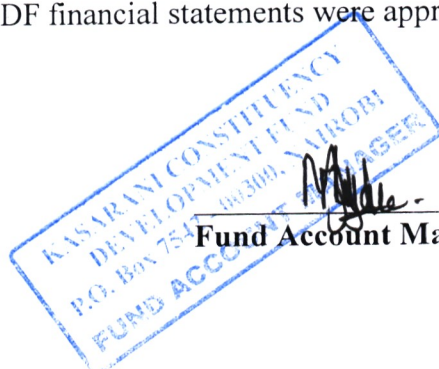
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	79,896,551.70	99,196,554.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	7,000.00	64,000.00
TOTAL RECEIPTS		79,903,551.70	99,260,554.00
PAYMENTS			
Compensation of employees	4	2,217,205.60	2,268,002.80
Use of goods and services	5	7,341,060.00	7,069,314.30
Transfers to Other Government Units	6	24,979,426.00	48,464,125.35
Other grants and transfers	7	68,930,601.00	35,310,545.00
Acquisition of Assets	8	-	3,382,005.00
Other Payments	9	-	-
TOTAL PAYMENTS		103,468,292.60	96,493,992.45
SURPLUS/DEFICIT		(23,564,740.90)	2,766,561.55

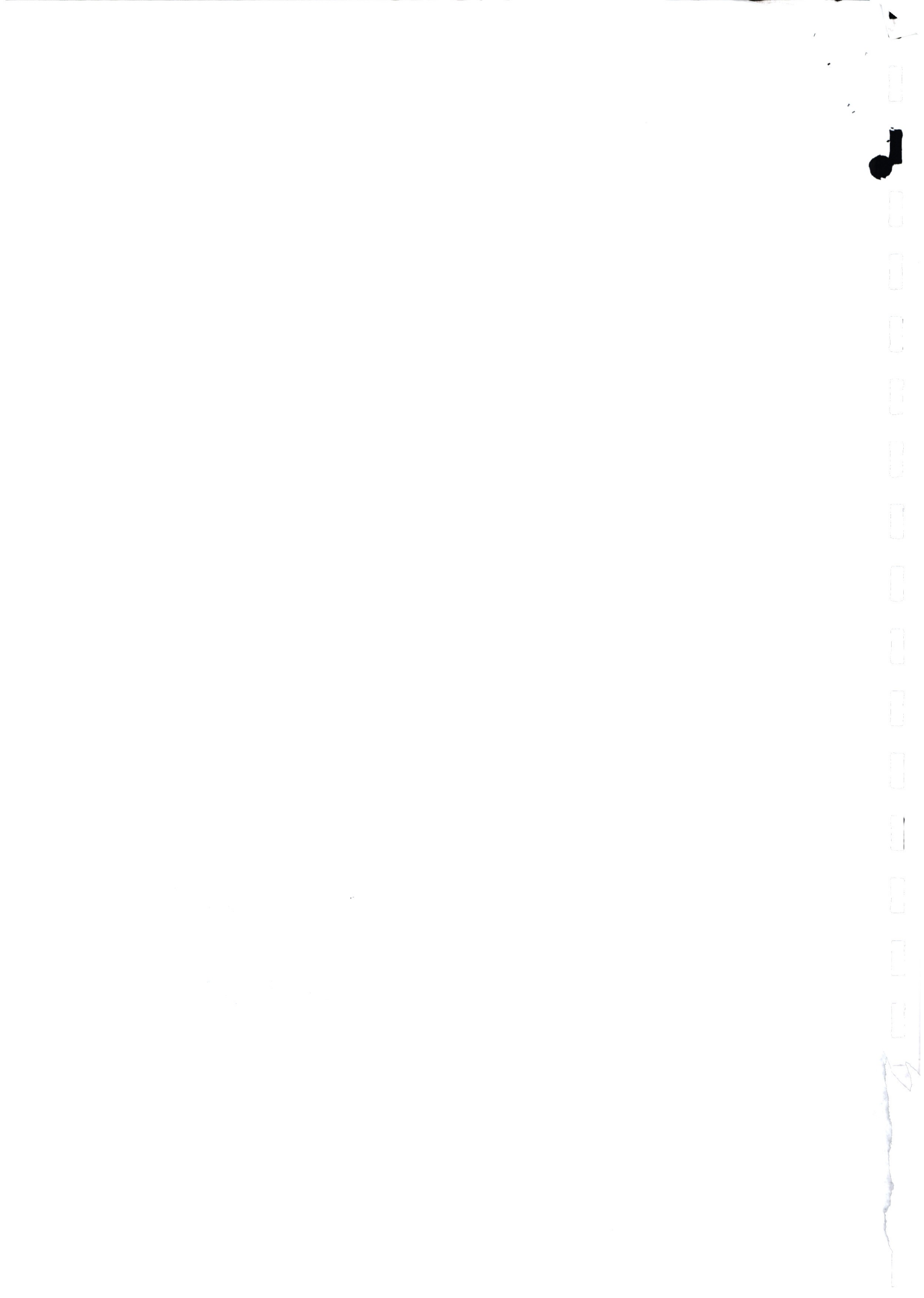
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kasarani NG-CDF financial statements were approved on Sept. 2017 and signed by:



Chairman - CDFC



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

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

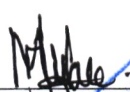
V. STATEMENT OF ASSETS

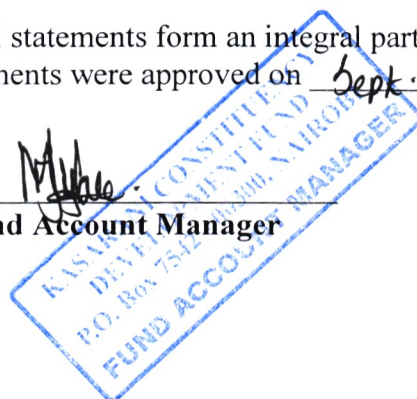
	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,356,512.58	24,921,253.48
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		1,356,512.58	24,921,253.48
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	24,921,253.48	21,654,691.93
Surplus/Deficit for the year		(23,564,740.90)	2,766,561.55
Prior year adjustments	14	-	500,000.00
NET LIABILITIES		1,356,512.58	24,921,253.48

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



Chairman - CDFC


Fund Account Manager





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	79,896,551.70	99,196,554.00
Other Receipts	3	7,000.00	64,000.00
		79,903,551.70	99,260,554.00
Payments for operating expenses			
Compensation of Employees	4	2,217,205.60	2,268,002.80
Use of goods and services	5	7,341,060.00	7,069,314.30
Transfers to Other Government Units	6	24,979,426.00	48,464,125.35
Other grants and transfers	7	68,930,601.00	35,310,545.00
Other Payments	9	-	-
		103,468,292.60	93,111,987.45
Adjusted for:			
Adjustments during the year	14	-	500,000.00
Net cash flow from operating activities		(23,564,740.90)	6,648,566.55
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	3,382,005.00
Net cash flows from Investing Activities		-	(3,382,005.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		(23,564,74 0.90)	3,266,561.55
Cash and cash equivalent at BEGINNING of the year	13	24,921,253.48	21,654,691.93
Cash and cash equivalent at END of the year		1,356,512.58	24,921,253.48

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



Chairman CDFC



Fund Account Manager





NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI CONSTITUENCY

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551.72	24,921,253.48	106,817,805.20	104,817,805.18	2,000,000.02	98%
Proceeds from Sale of Assets			-	-	-	
Other Receipts			-	7,000.00	(7,000.00)	
TOTAL	81,896,551.72	24,921,253.48	106,817,805.20	104,824,805.18	1,993,000.02	98%
PAYMENTS						
Compensation of Employees	2,292,000.00	-	2,292,000.00	2,217,205.60	74,794.40	97%
Use of goods and services	5,078,689.65	2,262,370.35	7,341,060.00	7,341,060.00	-	100%
Transfers to Other Government Units	12,800,000.00	14,400,000.00	27,200,000.00	24,979,426.00	2,220,574.00	92%
Other grants and transfers	61,725,862.07	8,258,883.13	69,984,745.20	68,930,601.00	1,054,144.20	98%
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	-	-	-	-	
TOTAL	81,896,551.72	24,921,253.48	106,817,805.20	103,468,292.60	3,349,512.60	97%

The Kasarani NG-CDF financial statements were approved on 20th 2017 and signed by:

Chairman CDF

M. M. M. M.
KASARANI
Fund Account Manager
DEVELOPMENT AGENCY
P.O. Box 7542 - 00300, NAIROBI
FUND ACCOUNT MANAGER

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

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

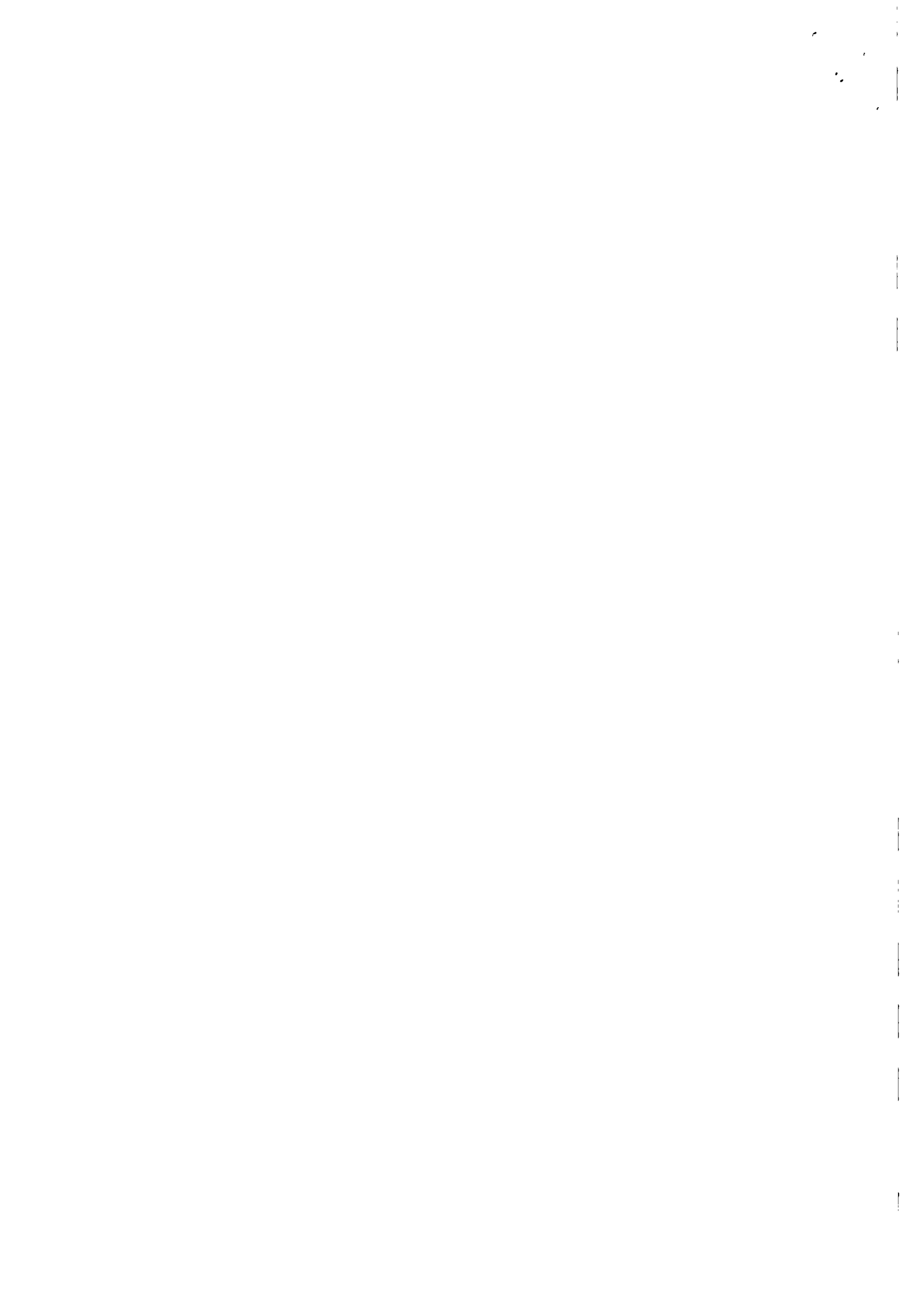
IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 -2016
Normal Allocation	Kshs	Kshs
CDF Board		
AIE NO	4,094,827.60	3,000,000.00
AIE NO	36,853,449.00	10,000,000.00
AIE NO	38,948,275.10	10,000,000.00
	-	28,000,000.00
	-	24,000,000.00
	-	24,196,554.00
Conditional grants		-
	-	-
Receipt from other Constituency	-	-
TOTAL	79,896,551.70	99,196,554.00

2. PROCEEDS FROM SALE OF ASSETS

	2016 - 2017	2015 - 2016
	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 CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
Normal Allocation	Kshs	Kshs
CDF Board		
AIE NO	4,094,827.60	3,000,000.00
AIE NO	36,853,449.00	10,000,000.00
AIE NO	38,948,275.10	10,000,000.00
	-	28,000,000.00
	-	24,000,000.00
	-	24,196,554.00
Conditional grants		-
	-	-
Receipt from other Constituency	-	-
TOTAL	79,896,551.70	99,196,554.00

2. PROCEEDS FROM SALE OF ASSETS

	2016 - 2017	2015 - 2016
	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 CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016-2017	2015 - 2016
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	7,000.00	64,000.00
Total	7,000.00	64,000.00

4. COMPENSATION OF EMPLOYEES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	2,173,205.60	2,039,042.80
Basic wages of casual labour	20,000.00	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport Allowance	-	-
Leave Allowance	-	-
Other Personnel Payments	-	-
Employer Contribution To NSSF	24,000.00	228,960.00
Gratuity	-	-
Total	2,217,205.60	2,268,002.80

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	248,410.00	428,032.50
Office rent	404,000.00	225,000.00
Communication, supplies and services	118,049.00	117,619.00
Domestic travel and subsistence	144,290.00	143,765.00
Printing, advertising and information supplies & services	118,593.00	118,161.00
Rentals of produced assets	-	-
Training expenses	1,094,000.00	1,393,000.00
Hospitality supplies and services	143,426.00	142,904.00
Other committee expenses	1,649,100.00	1,333,000.00
Committee allowance	1,810,000.00	1,753,000.00
Insurance costs	-	-
Specialised materials and services	1,007,000.00	-
Office and general supplies and services	395,642.00	394,200.80
Fuel ,oil & lubricants	100,000.00	100,000.00
Other operating expenses-Website	-	500,000.00
Other operating expenses-Strategic Plan	-	-
Other operating expenses-Audit Fee	-	-
Routine maintenance – vehicles and other transport equipment	-	300,769.00
Routine maintenance – other assets	108,550.00	119,863.00
Total	7,341,060.00	7,069,314.30

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	12,598,290.00	11,525,000.00
Transfers to secondary schools	7,500,000.00	26,500,090.00
Transfers to Tertiary institutions	5,060,965.00	4,939,035.35
Transfers to Health institutions	-	5,500,000.00
TOTAL	25,159,255.00	48,464,125.35

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary -Secondary	11,379,000.00	10,548,000.00
Bursary -Tertiary	7,828,000.00	3,520,000.00
Bursary-Special schools	3,552,000.00	-
Mocks & CAT	-	-
water	500,000.00	2,800,000.00
Agriculture (food security)	-	-
Electricity projects	-	-
Security	35,100,000.00	3,000,000.00
Roads	-	7,898,355.00
Sports	1,636,000.00	2,191,931.00
Environment	1,861,831.00	1,700,000.00
Other capital grants and transfer	-	-
Emergency Projects (Gituamba Water Project)	400,000.00	1,100,259.00
Emergency Projects (Maili Saba Play Ground Levelling)	2,708,310.00	2,552,000.00
Emergency Projects (Hon.Njoroge Secondary School Play Ground Levelling)	3,965,460.00	-
Total	68,930,601.00	35,310,545.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	3,000,000.00
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of Office furniture and fittings	-	382,005.00
Purchase of computers ,printers and other IT equipment's	-	-
Purchase of photocopier	-	-
Purchase of other office equipment's	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
Total	-	3,382,005.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

9 Other Payments	2016 - 2017	2015 - 2016
N/A	-	-
TOTAL	-	-

10A: Bank Accounts (Cash Book Bank Balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs (30/6/2017)	Kshs (30/6/2016)
EQUITY BANK-KASARANI A/C NO.1180261612372	1,356,512.58	24,921,253.48
	-	-
Total	1,356,512.58	24,921,253.48

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2016 - 2017	2015 - 2016
	Kshs (30/6/2017)	Kshs (30/6/2016)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2017)</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
N/A	N/A		-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12: RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

[Provide short appropriate explanations as necessary]

	2016 - 2017	2015 - 2016
	Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts	24,921,253.48	21,654,691.93
Cash in hand	-	-
Imprest		-
Total	24,921,253.48	21,654,691.93

14. PRIOR YEAR ADJUSTMENTS

	2016-2017	2015 - 2016
	Kshs	Kshs
Bank accounts	-	500,000.00
Cash in hand	-	-
Imprest	-	-
	-	500,000.00
Total	-	500,000.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
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Reports and Financial Statements

For the year ended June 30, 2017

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

15.4: PMC ACCOUNT BALANCES (SEE ANNEX 5)

	2016/2017	2015 /2016
PMC account Balances (see attached list)	Kshs	Kshs
	5,525,058.38	10,931,940.03
Total	5,525,058.38	10,931,940.03

**15.5: AMOUNTS DUE FROM NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND BOARD.**

	2016/2017	2015 - 2016
Amounts Due From National Government Constituencies Development Fund Board.(NG-CDFB)	Kshs	Kshs
	2,000,000.00	-
Total	2,000,000.00	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI CONSTITUENCY

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2015	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 CONSTITUENCY DEVELOPMENT FUND – KASARANI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	-	-
Buildings and structures	3,000,000.00	3,000,000.00
Transport equipment	-	-
Office equipment, furniture and fittings	159,617.07	159,617.07
ICT Equipment, Software and Other ICT Assets	370,000.00	370,000.00
Other Machinery and Equipment	-	
Heritage and cultural assets	-	
Intangible assets	-	
Total	3,529,617.07	3,529,617.07

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASARANI
CONSTITUENCY**

Reports and Financial Statements

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

PMC	BANK	Account Number	Bank Balance	Bank Balance
			2016/2017	2015/2016
Athi Primary Toilet Block	EQUITY	1180263490508	321,050.00	1,001,225.00
Cdf Office Block	EQUITY	1180168575635	257,780.25	-
Chokaa Main Road	EQUITY	1180263533160	205.00	205.00
Clay City AP Camp	EQUITY	1180263490538	52,638.00	3,002,840.00
Clay City Secondary School	EQUITY	1180262592131	49,325.70	629,252.80
Gituamba Dan-Bull Road	EQUITY	1180165215699	819.00	819.00
Gituamba Primary School	EQUITY	1180164152377	-	(61.50)
Gituamba Water Project	EQUITY	1180165704251	9,685.40	-
Jehovah Jireh Primary Toilet Block	EQUITY	1180262202348	428.00	428.00
Jehovah Jireh Secondary School	EQUITY	1180262202426	775.00	775.00
John Njoroge Secondary	EQUITY	1180262202314	294,291.37	2,954,782.03
Kamulu Police Post	EQUITY	1180262202293	-	201.00
Kamunyonge AP Camp	EQUITY	1180169313172	30,819.60	-
Kasarani CDF Environment	EQUITY	1180165695393	908.15	-
Kasarani CDF Sports	EQUITY	1180263490469	271.00	271.00
Kasarani CDF Website	EQUITY	1180166034564	10,440.00	10,440.00
Kasarani Equipment Procurement	EQUITY	1180262878467	-	377.07
Kasarani Health Centre	EQUITY	1180263651555	1,095.00	1,095.00
Kasarani Youth Resource Centre Toilet Block	EQUITY	1180262715388	1,016.00	1,016.00
Maili Saba Dispensary	EQUITY	1180164152519	52,550.35	52,550.35
Manyatta Toilet Block	EQUITY	1180262202593	3,349.00	3,349.00
Mlimani-Deliverance Road	EQUITY	1180263533566	1,689.00	1,689.00
Mwengenye Primary School	EQUITY	1180264985673	371,738.00	-
Mwiki Health Centre	EQUITY	1180164152443	900.00	900.00
Mwiki Secondary School	EQUITY	1180262202474	313,617.79	3,268,698.23
New Njiru Secondary School	EQUITY	1180167104061	427,974.07	(597.95)
Njiru Maternity	EQUITY	1180262202533	-	750.00
Red Soil Road	EQUITY	1180266315756	275.00	275.00
Ruai Girls Secondary	EQUITY	1180164152479	-	(61.50)
Ruai Maternity	EQUITY	1180262202656	-	722.50
Kasarani Security Lights	KCB	1202696872	288,126.00	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
 KASARANI CONSTITUENCY
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Mali Saba AP Camp	KCB	1202696694	1,528,968.00	-
Mwiki Police Station	KCB	1202696198	407,116.20	-
St. Dominic Primary School	KCB	1206590076	1,097,207.50	-
Total			5,525,058.38	10,931,940.03

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
KASARANI CONSTITUENCY
Reports and Financial Statements
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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)
CDF/NH/KASARANI/2014/15/7	<p>Budget and Budgetary Controls. The summary Statement of appropriation reflects a total budget of Kshs.114, 332,663 which differs with the project proposal document held by the CDF Board amount of Kshs.90, 906,955 by Kshs.23, 425,698.No reconciliation or explanation has been provided for the difference between the figures reflected in the summary statement of appropriation and records held by the CDF Board.</p>		Ayaan Mahadhi - FAM	Not Resolved	30/09 2017
	<p>Compensation of Employees. The Constituency Development Fund spent Kshs.2, 073,915 towards compensation of employees compared to kshs.584, 200 in 2013/2014 resulting to an increase on compensation of employees by Kshs.1, 489,715or about 72% increase has not been justified explained.</p>	<p>During the FY: 2013/14: i. There were 2 contractual employees in November 2014, where one resigned in December 2014 and one casual employee from November to February 2014. ii. During the month of March 2015 four (4)</p>	Ayaan Mahadhi - FAM	Not Resolved	30/09 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
KASARANI CONSTITUENCY
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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>more employees were recruited and the casual was adopted as a contract employee resulting to a total no. of six (6) staff establishment from March to June 2014.</p> <p>During the FY: 2014/15:</p> <ul style="list-style-type: none"> i. The staff establishment increased in August 2014 to nine (9) employees resulting from additional recruitment of three employees. ii. Zipporah Morah salary was reviewed upwards from Ksh.12, 000 to Kshs.14, 000 in August 2014. iii. Joseph Ogolla who was adopted from the old Kasarani CDF was paid his gratuity amounting to Kshs. 162,000 in December 2014. iv. Kshs. 16,360 and Kshs 3,560 were paid in January 2015 being NHIF and NSSF penalties respectively. 			

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
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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>Cash and cash equivalents:</p> <p>i. The statement of financial assets reflects a closing bank balance of Kshs.21, 654,692 as at 30 June 2015. However and as reported in the year 2013/2014, the Fund did not provide any information on any funds that may have been inherited from the former Kasarani constituency. Consequently, the completeness of the cash and cash equivalents could not be ascertained.</p> <p>ii. The bank reconciliation statement as at 30th June 2015 reflect amount totaling Kshs.785, 462 that includes unsupported amount of Kshs.771, 107.50 described as balance brought forward as payments in bank not recorded in cash. This in effect understated expenditure with the equivalent amount. CDF management has not provided justification for this anomaly. Consequently, the</p>	<p>Kasarani constituency was split from the larger Kasarani and there was no bank account or bank balances left to Kasarani constituency. The constituency opened a new CDF Account A/C No 1180261612372 Name: Kasarani Constituency Development Fund Bank: Equity Bank Limited Branch: Kasarani and the CDF BOARD allocated the constituency the first administrative disbursement of Kshs. 2,000,000 which was effected by the bank on 11th December 2013.</p> <p>The old Kasarani CDF Bank Account was operated at the Co-operative Bank of Kenya -Parliament Road Branch A/C No: 01136007426600. The bank balance as at 20th June 2013 was Kshs. 4,392,982.60/=</p> <p>The Kasarani CDF has written a letter to Co-operative Bank of Kenya -</p>	Mary Wanyika - FAM	Not Resolved	30/09 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
KASARANI CONSTITUENCY
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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)
	cash and cash equivalents of Kshs.21, 654,092 could not be confirmed.	<p>Parliament Road Branch A/C No: 01136007426600 requesting for the bank statement of the account and would appeal for your support by writing to the fore mentioned requesting for the same.</p> <p>The bank reconciliations has been updated and attached is the list of the updated reconciliations. Stale cheques have been cancelled/ reversed in the cash book to reflect the true bank balances. Attached is a copy of the cash book showing all the replaced cheques.</p>			
	<p>Substandard toilet works at Athi Primary School The Constituency allocated and paid Kshs.837, 000 for the proposed construction of toilets at Athi Primary School in Ruai Ward for the period under review. However, a visit to the site revealed that the works were substandard and not commensurate with the amount spent. Consequently, the</p>	Kshs 837,000 was budgeted for Rehabilitation of 8 closet toilets and urinal. The old pit latrines were to be renovated but six new 6 door pit latrine were constructed after deliberations with the school management committee. As at the time of audit the construction works were on-going and now the	Mary Wanyika - FAM	Not Resolved	30/09 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
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	constituents did not get value for money from the expenditure of Kshs 837,000.	toilets are complete, successfully handed over and in use.			
	<p>Inaccuracies of Accounts: As reported in the previous year, Kasarani CDF was divided into additional other electoral areas of Roysambu, Ruaraka and Mathare following the general elections of 2013. Information and records availed indicated that no opening cash balances and assets were inherited and accounted for in the books of account from the original Kasarani constituency. Consequently, the accuracy and propriety of the opening and closing balances of Kshs.23, 425,712 and Kshs.21, 654,691.93 respectively could not be ascertained.</p>	<p>Kasarani constituency was split from the larger Kasarani and there was no bank account or bank balances left to Kasarani constituency. The constituency opened a new CDF Account A/C No 1180261612372 Name: Kasarani Constituency Development Fund Bank: Equity Bank Limited Branch: Kasarani and the CDF BOARD allocated the constituency the first administrative disbursement of Kshs. 2,000,000 which was effected by the bank on 11th December 2013.</p> <p>The old Kasarani CDF Bank Account was operated at the Co-operative Bank of Kenya -Parliament Road Branch A/C No: 01136007426600. The bank balance as at 20th June 2013 was Kshs. 4,392,982.60/=</p>	Ayaan Mahadhi - FAM	Not Resolved	30/09 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
KASARANI CONSTITUENCY
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For the year ended June 30, 2017**

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>The Kasarani CDF has written a letter to Co-operative Bank of Kenya - Parliament Road Branch A/C No: 01136007426600 requesting for the bank statement of the account and would appeal for your support by writing to the fore mentioned requesting for the same.</p>			

