

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2019	DAY: Wednesday
TABLED BY: Hon. Aden Duale MP (Lom)	
CLERK OF THE TABLE: Hon. Aden Duale MP	

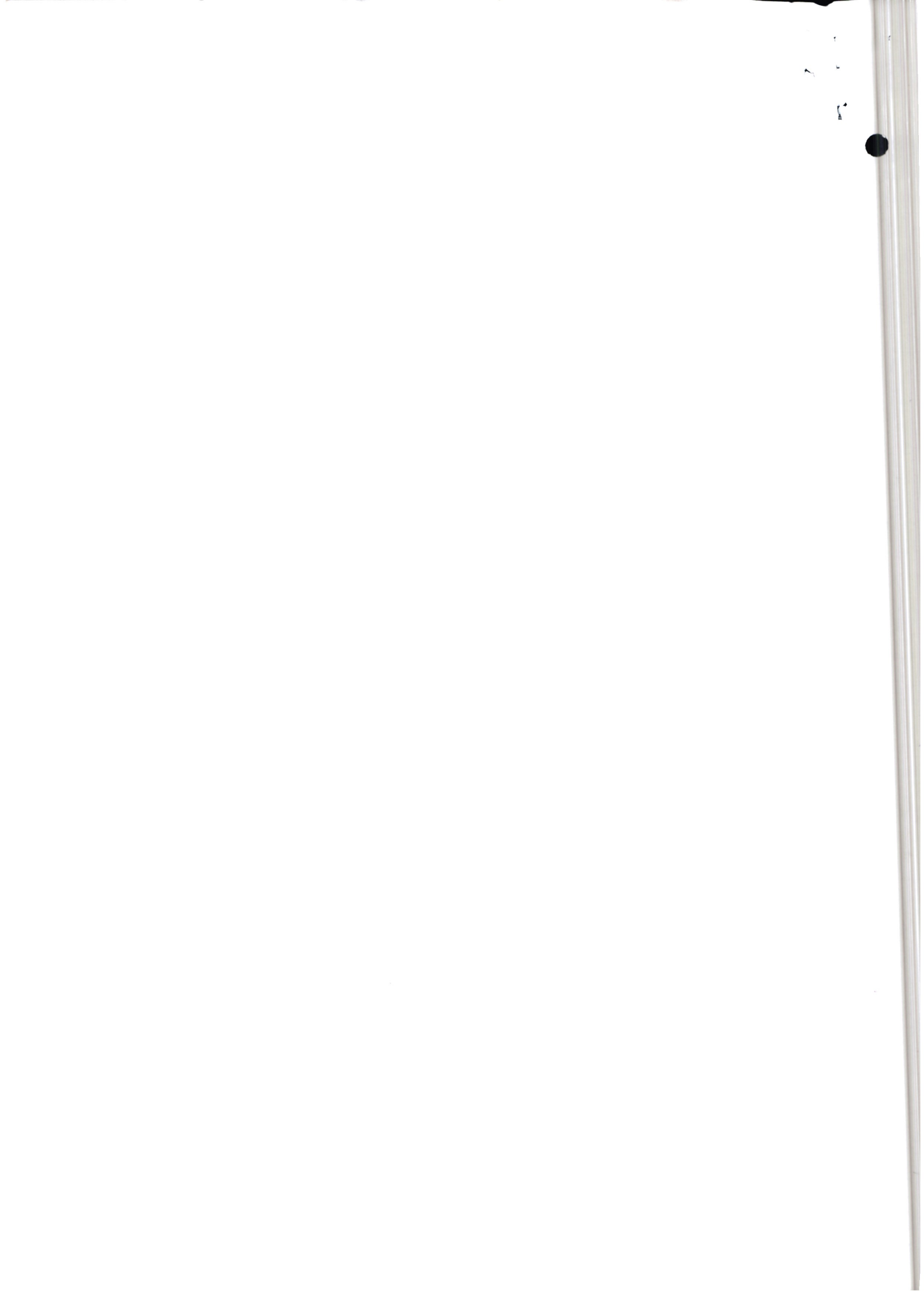
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**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – MAKADARA  
CONSTITUENCY**

**FOR THE YEAR  
ENDED 30 JUNE 2018**





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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND MAKADARA  
CONSTITUENCY**

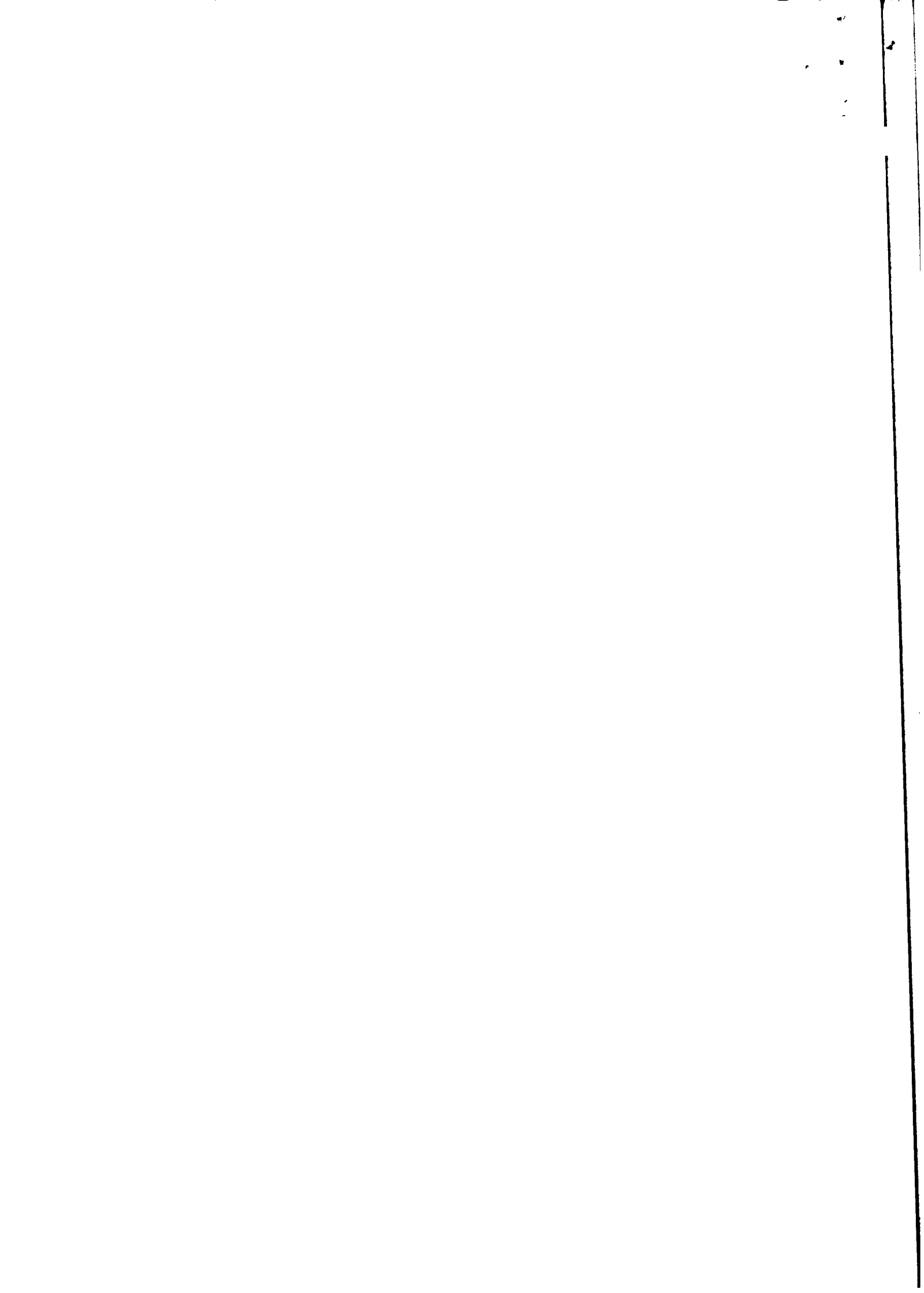
**REPORTS AND FINANCIAL STATEMENTS**

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

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

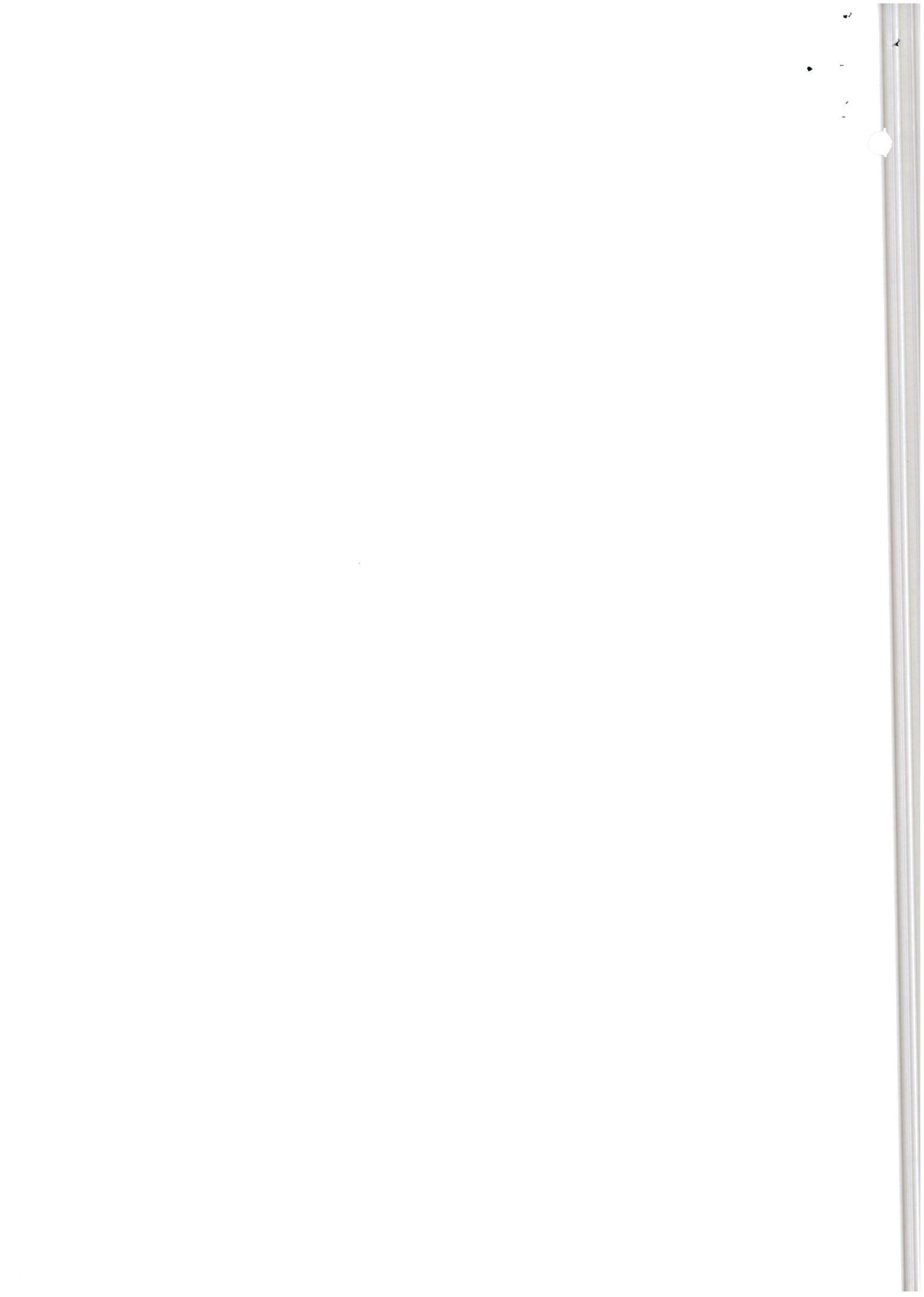
**MAKADARA NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
P. U. Box 618-00515, BURUBURU**



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

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**MAKADARA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018****I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT****(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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





**MAKADARA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**Core Values**

1. Patriotism – we uphold the national pride of all Kenyans through our work
2. Participation of the people- We involve citizens in making decisions about programmes we fund
3. Timeliness – we adhere to prompt delivery of service
4. Good governance – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. Sustainable development – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

**(b) Key Management**

The NGCDF MAKADARA 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 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

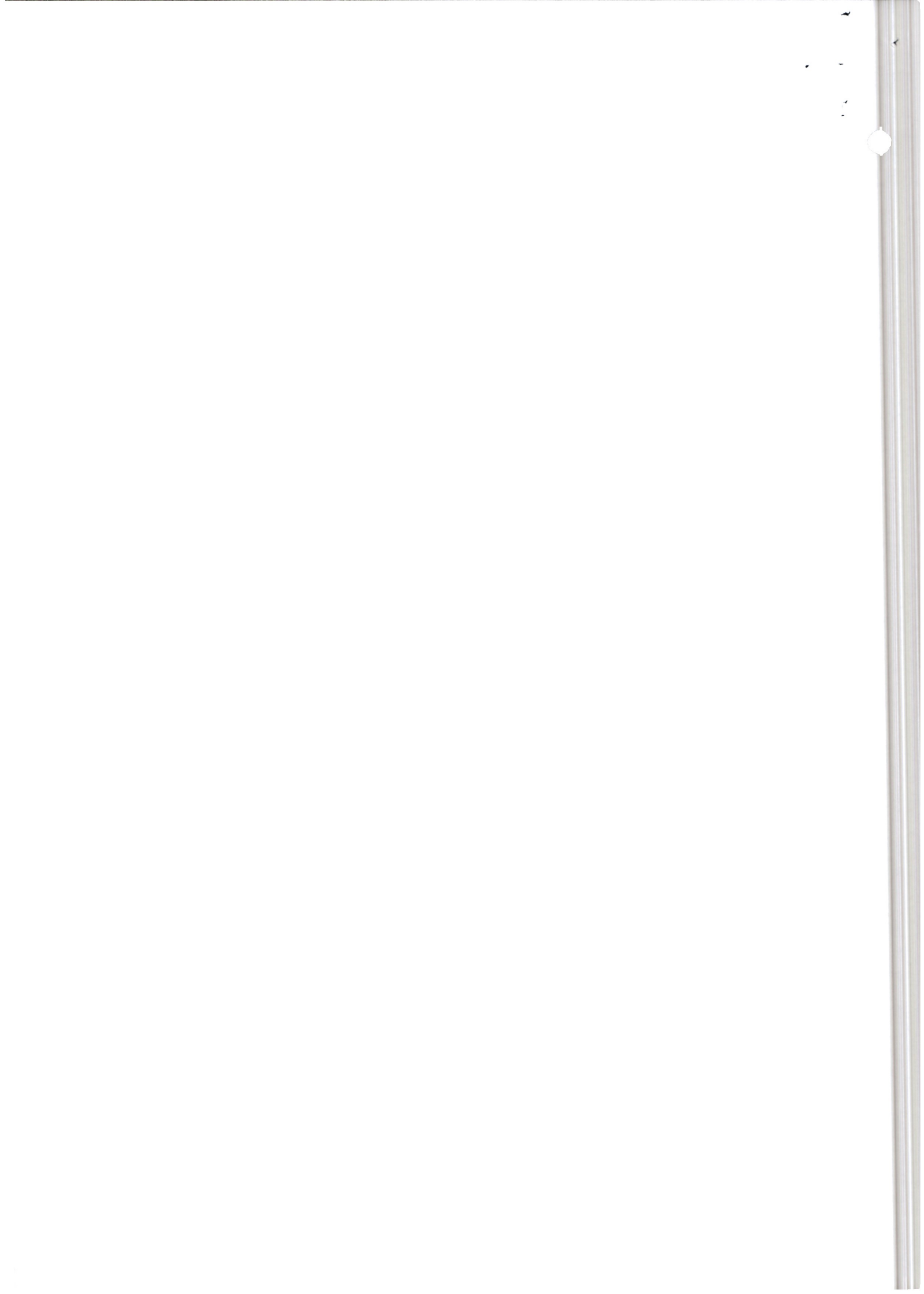
No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Job Munyi
3.	Sub-County Accountant	Alois Kimuyu
4.	Chairman NGCDFC	Ronald Milare
5.	Member NGCDFC	Catherine Nzilani

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF MAKADARA Constituency Headquarters**

KCB Building, 6<sup>th</sup> Floor  
 Jogoo Road Opposite Uchumi supermarket  
 P.O Box 618-00515  
 Nairobi, Kenya



**MAKADARA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

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**(f) NGCDF MAKADARA Constituency Contacts**

Telephone: (254) 724870038

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

Website: [www.cdf.go.ke](http://www.cdf.go.ke)

**(g) NGCDF MAKADARA Constituency Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

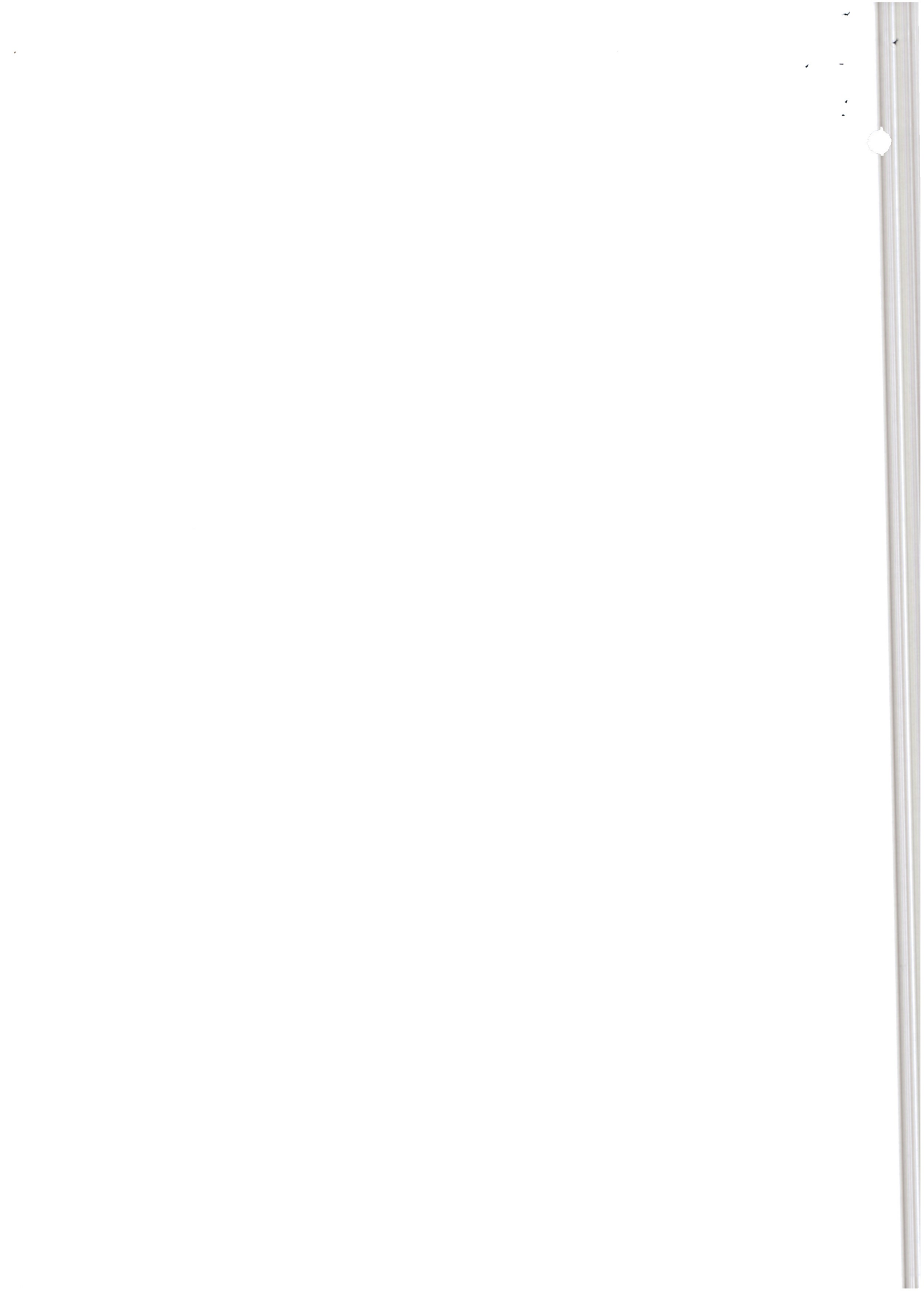
2. Equity Bank  
Buru Buru branch  
P.O BOX 75104  
Nairobi

**(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 NGCDF COMMITTEE**

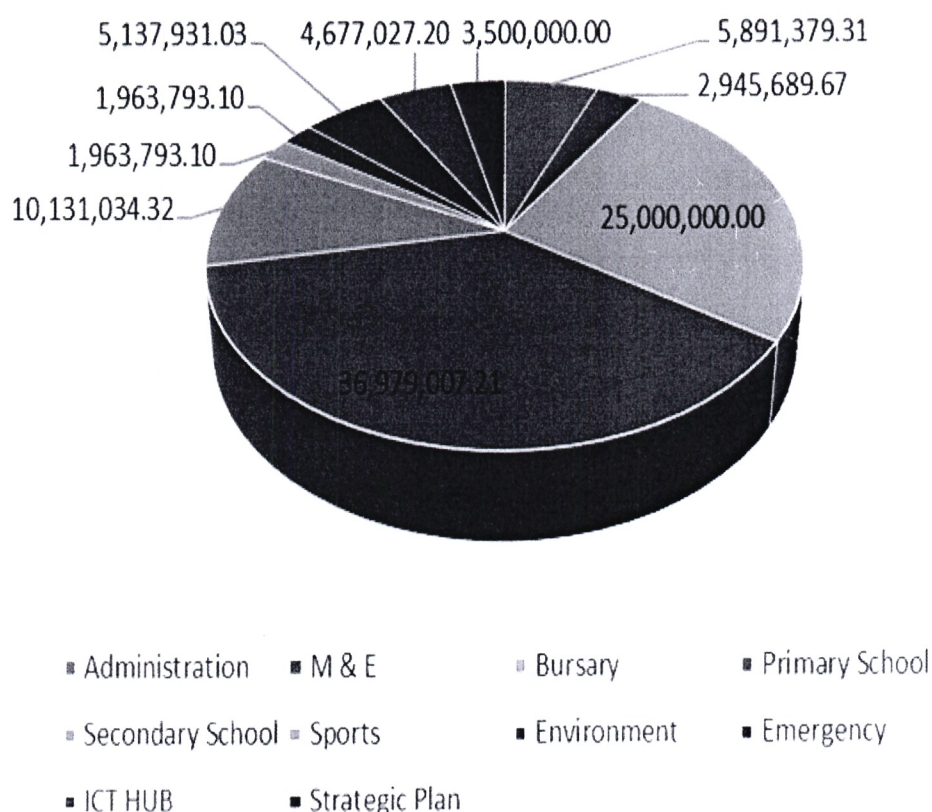
The Makadara Constituency NG-CDF total disbursement for the financial year 2017/2018 was Ksh 76,810,345 down from Kshs 83,988,522. This was caused by the transitions caused by the change of guard in the political helm and the re-constitution of New NG-CDF committee in Makadara .

Our key focus during the financial year was awarding bursary to the needy students in various institutions. We also focused our efforts on primary school and secondary school in order to facilitate good learning environment and ample space to the increasing rate of enrolment of pupils in primary school and secondary schools

Table 1.1 Showing allocation on Comparative Basis

Financial Year	Allocation	Disbursement within the Year	Difference
2016/2017	81,896,552	83,988,522	
2017/2018	98,189,655	76,810,345	21,379,310
Difference	16,293,103		

Figure 1.1 Showing Fund Distribution F/Y 2017/2018





**MAKADARA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

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Key Achievements

- Bursaries were disbursed to over 2,500 needy students at secondary school, colleges and Universities,
- We completed the rehabilitation of Dr. Living Stone Primary School giving it a new face which has improved the morale of teachers and students in the school.
- Construction of new 30classroom at Star of Hope have also started.

Challenges

- Inadequate awareness of NG-CDF functions
- High number of vulnerable population
- Limited funding against many competing needs from different institutions.
- Transitional challenges
- Some Projects may require along span of implementation creating difference between initial budget and the actual cost during implementation

Solutions

- Collaboration with other Government institutions
- Ensuring we have capable NG-CDF committee to spear head the NG-CDF proposed projects.
- Public participation in project implementation.
- NG-CDF Board need be flexible in funds disbursement for project implementation.

Emerging Issues

- Shortage of land to implement new projects such as Police post, Chief's Camp and schools.
- High level of unemployment leading to high dependency levels. The Government should consider increasing the NG-CDF Kitty to gap unemployment.

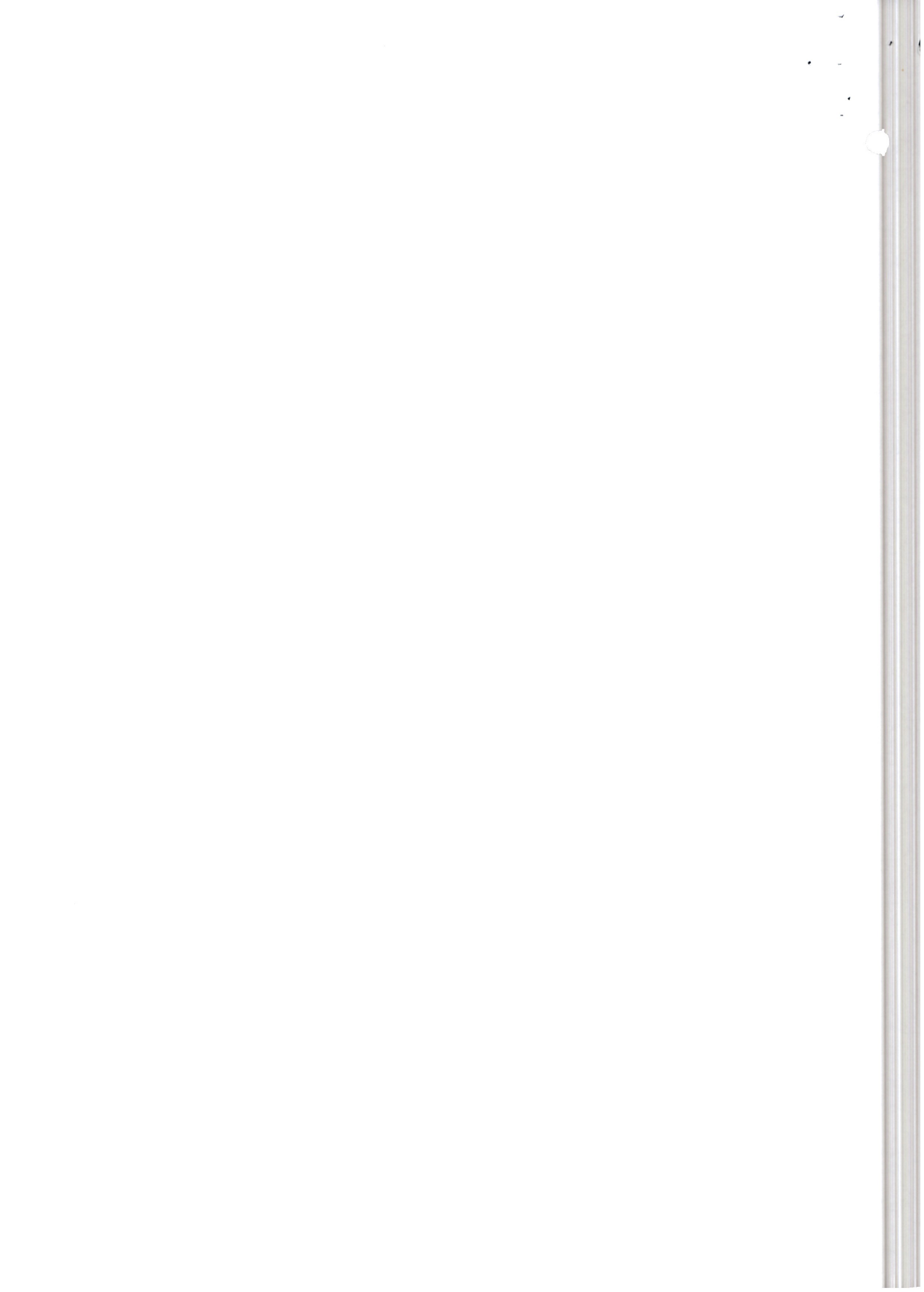




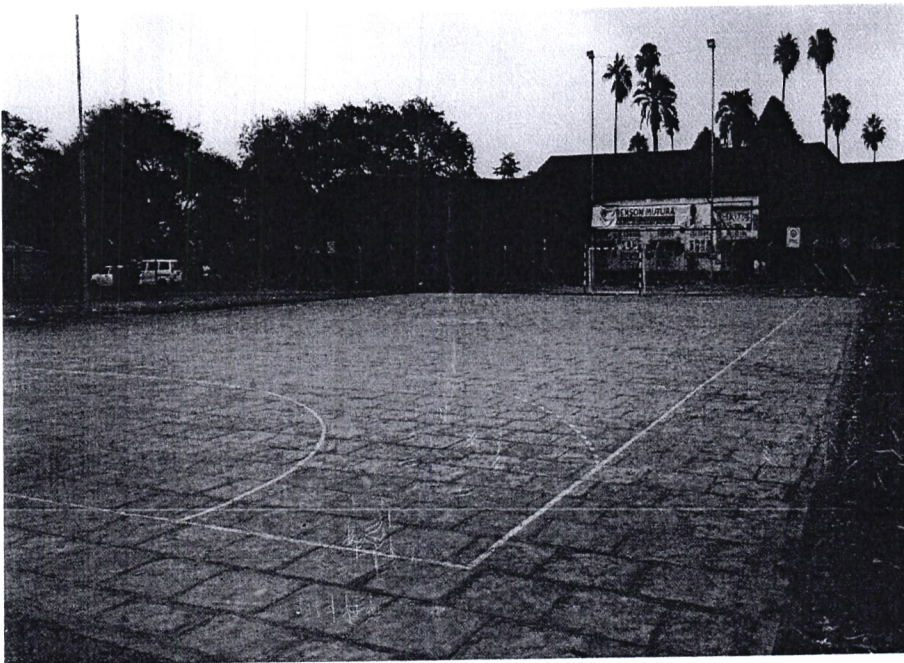
Photo Gallery

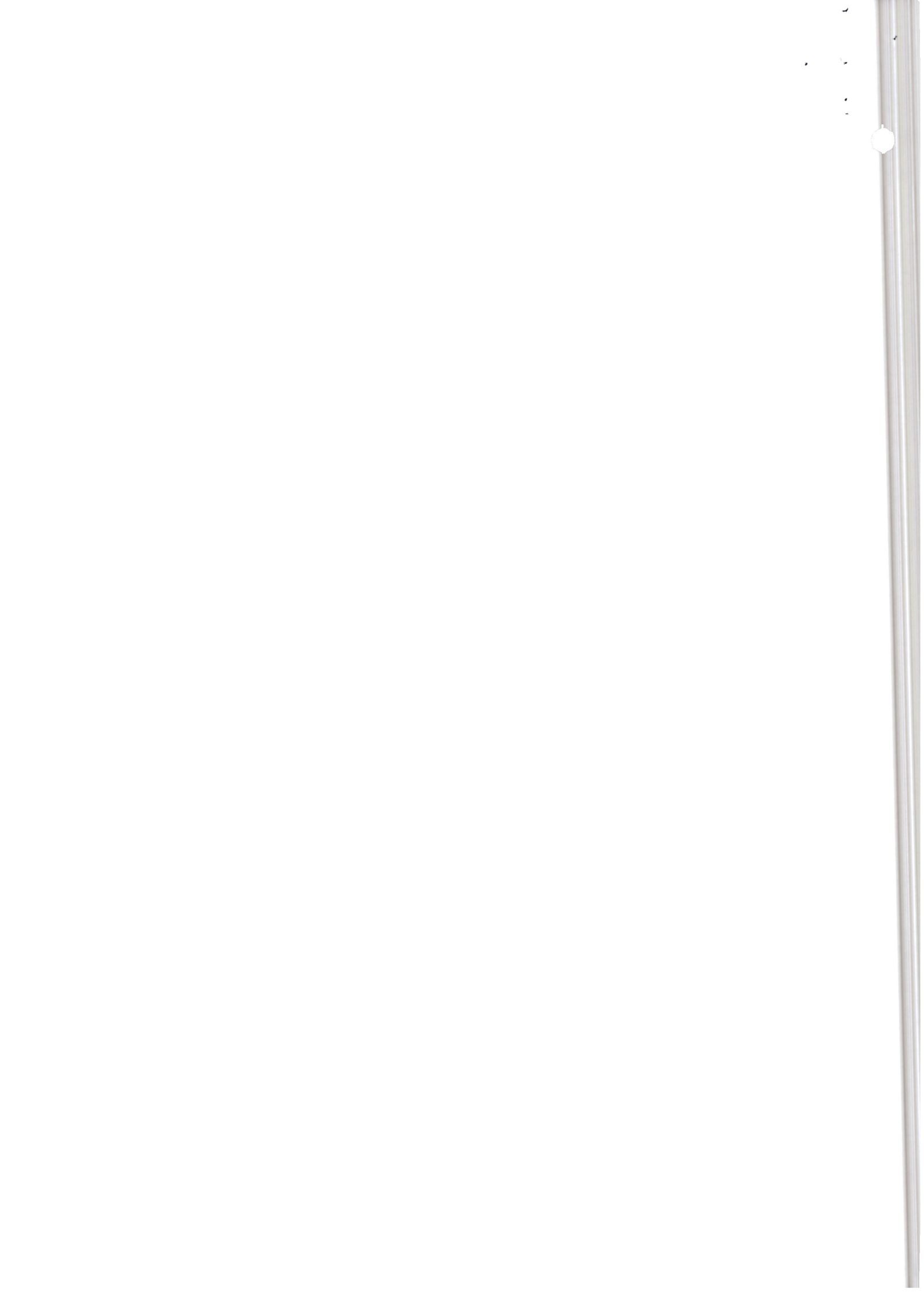
Below are some of the successfully completed projects in the year.

Dr. Livingstone primary school renovation of 5 classrooms



Kaloleni Handball Pitch





Star of Hope Secondary school borehole



Ronald Milare  
CHAIRMAN NGCDF COMMITTEE

MAKADARA NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
P. U. Box 618-00515, BURUBURU



**MAKADARA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the NGCDF-MAKADARA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MAKADARA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MAKADARA Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

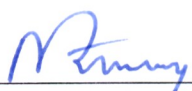
The Accounting Officer in charge of the NGCDF-MAKADARA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible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

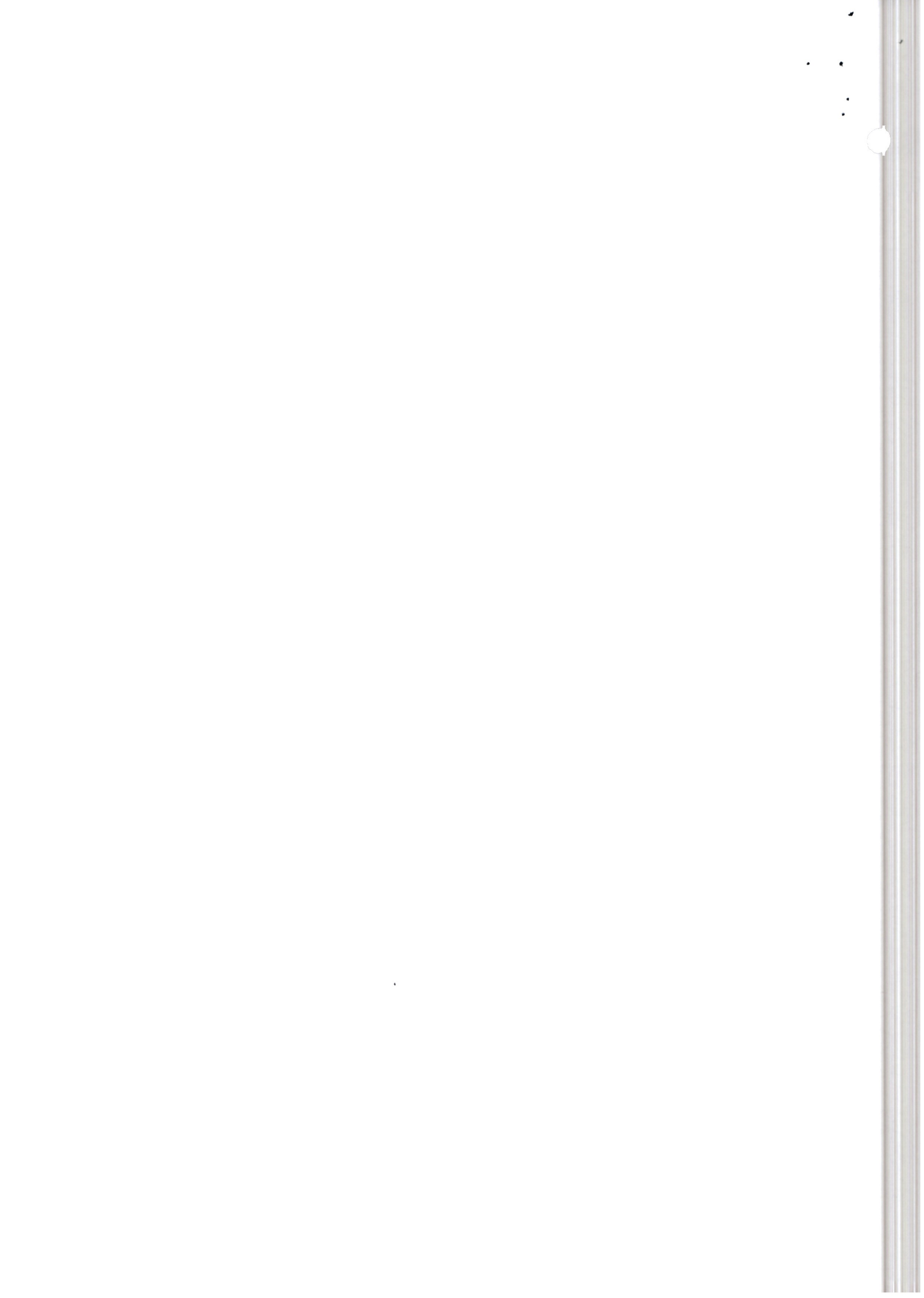
**Approval of the financial statements**

The NGCDF-MAKADARA Constituency financial statements were approved and signed by the Accounting Officer on 15-07-2018.

  
Fund Account Manager  
Name: Job Munyi

**MAKADARA NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
P. U. Box 618-00515, BURUBURU**

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



# REPUBLIC OF KENYA

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



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MAKADARA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018.

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Makadara Constituency set out on pages 9 to 30, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flow and summary statement of appropriation 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Makadara Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

#### Basis for Qualified Opinion

##### 1. Purchase of Uniforms

Disclosed in Note 7 to the financial statements under other grants and payments is an expenditure of Kshs.1,692,000 on sports. The amount includes Kshs.1,102,000 spent on purchase of sports uniforms for Makadara teams. However, documents in support the expenditure were not provided for audit review. As a result, the propriety of the expenditure of Kshs.1,102,000 could not be confirmed.

In addition, verification of the uniforms undertaken on 14 March 2019 revealed that they were delivered on undisclosed date but had not been distributed.

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

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

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

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Budget Performance - Under Absorption of the Expenditure Budget**

During the year under review, the fund's budgeted expenditure amounted to Kshs.100,720,691. However, overall actual expenditure for the year was Kshs.53,996,966, resulting in an under expenditure of Kshs.46,723,725, which is equivalent to about 46% of the total budget. The under expenditure was mainly on transfers to other government units - Kshs. 32,565,542, other grants and transfers - Kshs.7,088,329 and other payments - Kshs.4,677,027.

Further analysis of the budget against actual expenditure indicate that out of the development budget of Kshs.87,253,398, an amount of Kshs.42,922,500 was spent resulting in an under expenditure of Kshs.44,330,898 or 51% of the development budget. This implies that some development budgetary provisions and plans were not met which impacted negatively on service delivery to the constituents.

#### **2. Unconfirmed Supply of Furniture to Schools**

As previously reported, information available at the Fund's constituency office indicate that some merchants claimed to have supplied furniture to schools within the constituency between July 2009 and December 2012 at a cost of Kshs.47,428,765,52 without adequate documentation and instructions. It is not clear how the contracts were awarded and on what basis the items were supplied to the public schools in Makadara Constituency.



A letter by the Fund Manager to thirty-three schools dated 4 January 2016 requesting confirmation of receipt of the furniture had only twelve schools responding. The remaining twenty-one schools did not respond on whether they were supplied with the furniture or not. The Makadara District Education Officer through a letter Ref: MAK/EDU/5/10/11 of 28 November 2011 gave details of the lockers and chairs supplied to Makadara public schools. However, the letter was not supported by delivery notes, inspection and acceptance committee reports, Contract documents, tender documents, and LPOs/LSOs. Therefore, its authenticity could not be ascertained.

Further information indicates that there was no budget provided or allocated for the supplies in the respective financial years when the contracts were purportedly awarded. It was further noted that several court suits have since been filed against the Fund by the merchants on the matter and even a Garnishee Order Nisi issued against the Fund's bank Account No.0950262163417 at Equity Bank –Buru Buru Branch.

### **3. Failure to Account for Stadium Hire Charges-Camp Toyoyo**

The Makadara NG-CDF spent over Kshs.72,246,842 to construct and rehabilitate Camp Toyoyo Stadium between financial years 2013 to 2017. The facility was handed over to the local Community-based management (CBM) called Camp Toyoyo Project Management Committee after its completion. This was done to enable the local people deal with the unique social, political and economic issues within the Constituency. The Camp Toyoyo Project Management Committee was to hire the facility for practice sessions or full matches to various teams at a fee. The rates were fixed at Kshs.10,000 per match and or practice sessions for division one or premier league teams and Kshs.5,000 for other teams. All Makadara based teams play or practice for free.

The fee was to be used for maintaining the facility to make it be in a good working condition for the users. The management opened a bank account (Camp Toyoyo Project Management Committee Equity Bank Account No 0950166457342 domiciled at Buru Buru Branch). However, even though several teams have hired and used the facility since its handover, no bank records were produced for audit review.

The incomes and expenses for the period January 2016 to October 2017(22 months) amounted to Kshs.3,994,000 and Kshs.3,171,664, respectively. This translates to an average collection of Kshs.182,000 per month. Documents to account for revenue and expenditure for the period November 2017 to March 2019 were not been presented for audit review and this translates to approximately Kshs.3,094,000 not being accounted for.

The management did not also present for audit review various correspondences between the Camp Toyoyo Project Management Committee, the Makadara NG-CDF and the Ministry of Labor, Social Security and Services under which the facility is registered.

Consequently, it could not be ascertained whether the facility was during the year under review being managed professionally with the aim of sustaining itself from the collections and charges.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and Those Charged with Governance**

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance

with the authorities which govern them, and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

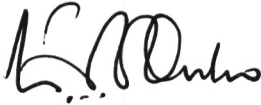
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund - Makadara Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

**12 April 2019**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**MAKADARA CONSTITUENCY**


**Reports and Financial Statements**

**For the year ended June 30, 2018**


**.IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017-2018	2016-2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	76,810,345	83,988,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>76,810,345</b>	<b>83,988,552</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,511,143	2,422,520
Use of goods and services	5	8,563,323	4,533,834
Transfers to Other Government Units	6	14,544,500	52,855,422
Other grants and transfers	7	28,378,000	41,096,855
Acquisition of Assets	8	-	-
Other Payments	9	-	5,560,166
<b>TOTAL PAYMENTS</b>		<b>53,996,966</b>	<b>106,468,797</b>
<b>SURPLUS/DEFICIT</b>		<b>22,813,379</b>	<b>(22,480,245)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAKADARA Constituency financial statements were approved on 15-08-2018 and signed by:

  
Fund Account Manager  
Name: Job Munyi

MAKADARA NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
P. U. Box 618-00515, BURUBURU

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





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAKADARA CONSTITUENCY**

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

**V. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2017-2018 Kshs	2016 - 2017 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	25,344,415.00	2,531,036.00
Cash Balances (cash at hand)	10B	-	-
Total cash and cash equivalent		25,344,415.00	2,531,036.00
Current receivables - Outstanding Imprest	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<u>25,344,415.00</u>	<u>2,531,036.00</u>
<b>FINANCIAL LIABILITES</b>			
Accounts payable - Retention	12	-	-
<b>NET FINANCIAL ASSETS</b>		<u>25,344,415.00</u>	2,531,036.00
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	2,531,036.00	25,011,280.00
Surplus/Defict for the year		22,813,379.00	(22,480,245.00)
Prior year adjustments	14	-	-
<b>NET FINANCIAL POSITION</b>		<u>25,344,415.00</u>	<u>2,531,035.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAKADARA Constituency financial statements were approved on 15-08-2018 and signed by:



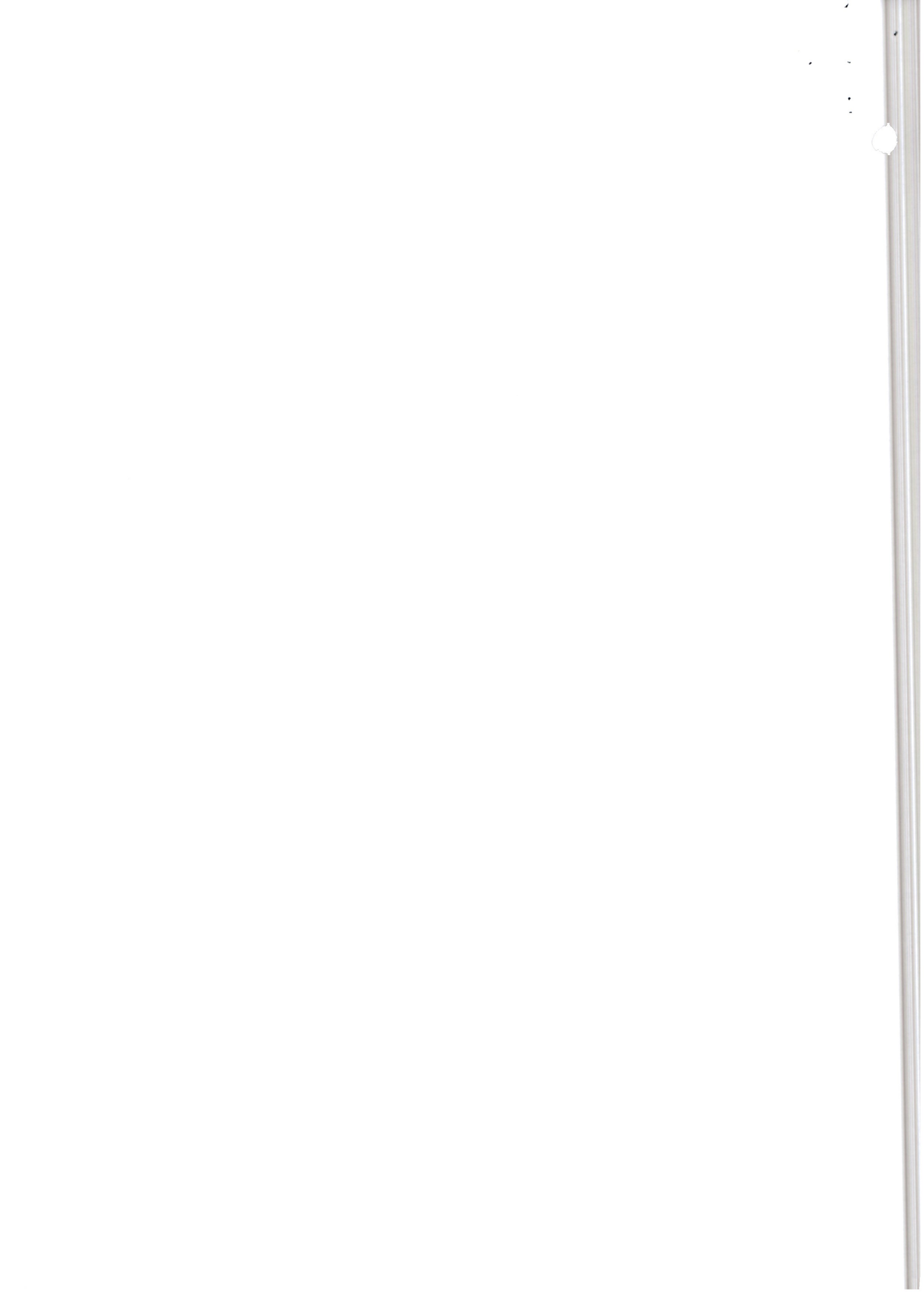
Fund Account Manager  
Name: Job Munyi

**MAKADARA NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
P. U. Box 618-00515, BURUBURU**



Sub-County Accountant  
Name: Alois Kimuyu

ICPAK Member Number: 8506



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAKADARA CONSTITUENCY**

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


**VI. STATEMENT OF CASHFLOW**

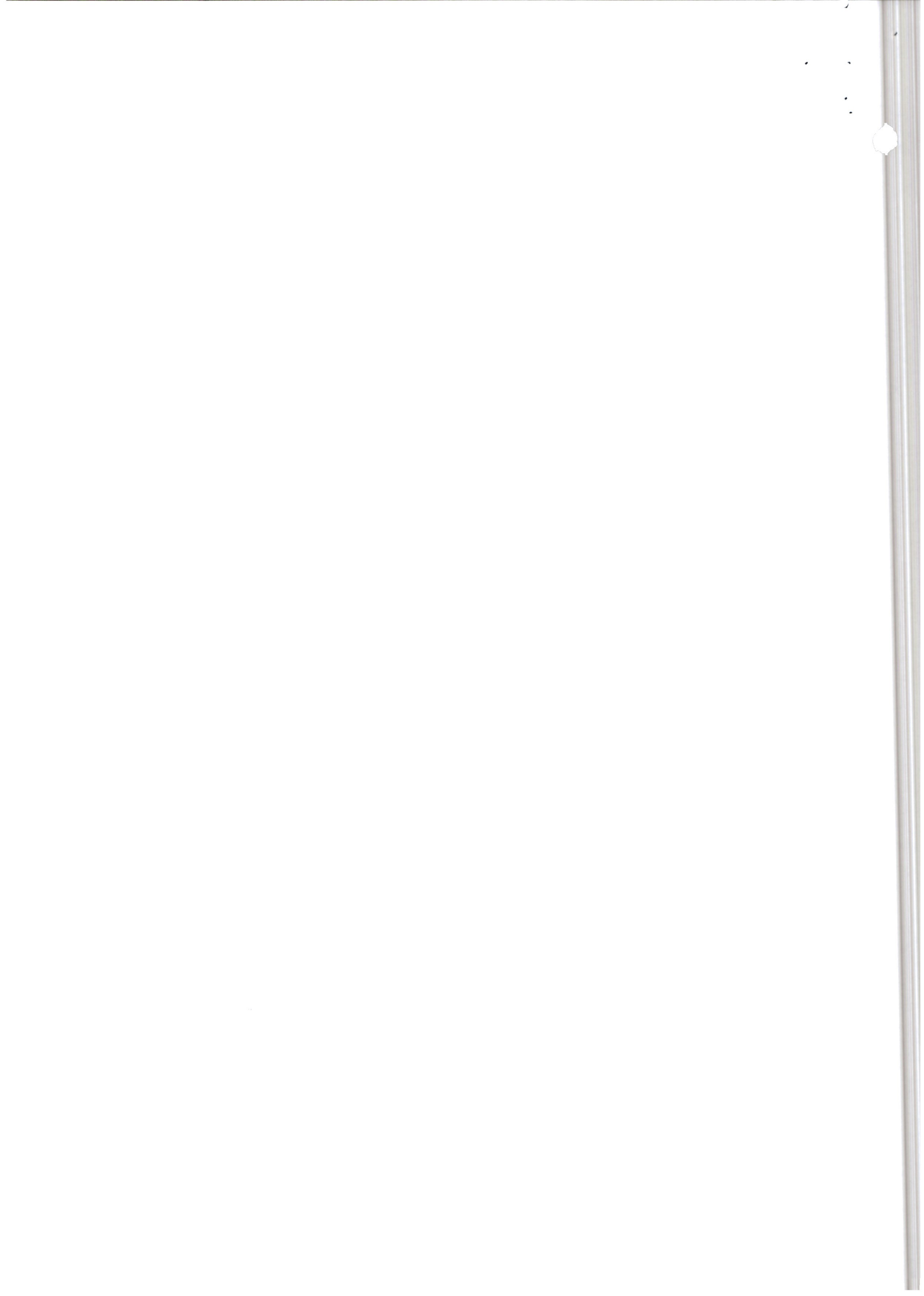
<b>Receipts for operating income</b>		<b>2017-2018</b>	<b>2016 - 2017</b>
Transfers from CDF Board	1	76,810,345.00	83,988,552.00
Proceed from sale of Non-financials		-	-
Other Receipts	3	-	-
		<b>76,810,345.00</b>	<b>83,988,552.00</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,511,143.00	2,422,520.00
Use of goods and services	5	8,563,323.00	4,533,834.00
Transfers to Other Government Units	6	14,544,500.00	52,855,422.00
Other grants and transfers	7	28,378,000.00	41,096,855.00
Other Payments	9	-	5,560,166.00
		<b>53,996,966.00</b>	<b>106,468,797.00</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>22,813,379.00</b>	<b>(22,480,245.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>22,813,379.00</b>	<b>(22,480,245.00)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>2,531,036.00</b>	<b>25,011,280.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b>25,344,415.00</b>	<b>2,531,035.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAKADARA Constituency financial statements were approved on 15-08 2018 and signed by:

Fund Account Manager  
Name: Job Munyi

**MAKADARA NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND**  
P. U. Box 618-00515, BURUBURU

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




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MAKADARA CONSTITUENCY**

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

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT  
COMBINED**

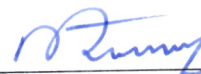
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	86,810,345.00	13,910,346.00	100,720,691.00	79,341,381.00	21,379,310.00	78.8%
Proceeds from Sale of Assets	-			-	-	
Other Receipts	-			-	-	
<b>TOTAL</b>	<b>86,810,345.00</b>	<b>13,910,346.00</b>	<b>100,720,691.00</b>	<b>79,341,381.00</b>	<b>21,379,310.00</b>	<b>78.8%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,308,621.00	344,922.00	3,653,543.00	2,511,143.00	1,142,400.00	68.7%
Use of goods and services	8,004,310.00	1,809,440.00	9,813,750.00	8,563,323.00	1,250,427.00	87.3%
Transfers to Other Government Units	39,779,008.00	7,331,034.00	47,110,042.00	14,544,500.00	32,565,542.00	30.9%
Other grants and transfers	31,041,379.00	4,424,950.00	35,466,329.00	28,378,000.00	7,088,329.00	80.0%
Acquisition of Assets			-	-	-	
Other Payments	4,677,027.00	-	4,677,027.00		4,677,027.00	0.0%
<b>TOTAL</b>	<b>86,810,345.00</b>	<b>13,910,346.00</b>	<b>100,720,691.00</b>	<b>53,996,966.00</b>	<b>46,723,725.00</b>	<b>53.6%</b>

The NGCDF-MAKADARA Constituency financial statements were approved on 15-08-2018 and signed by:

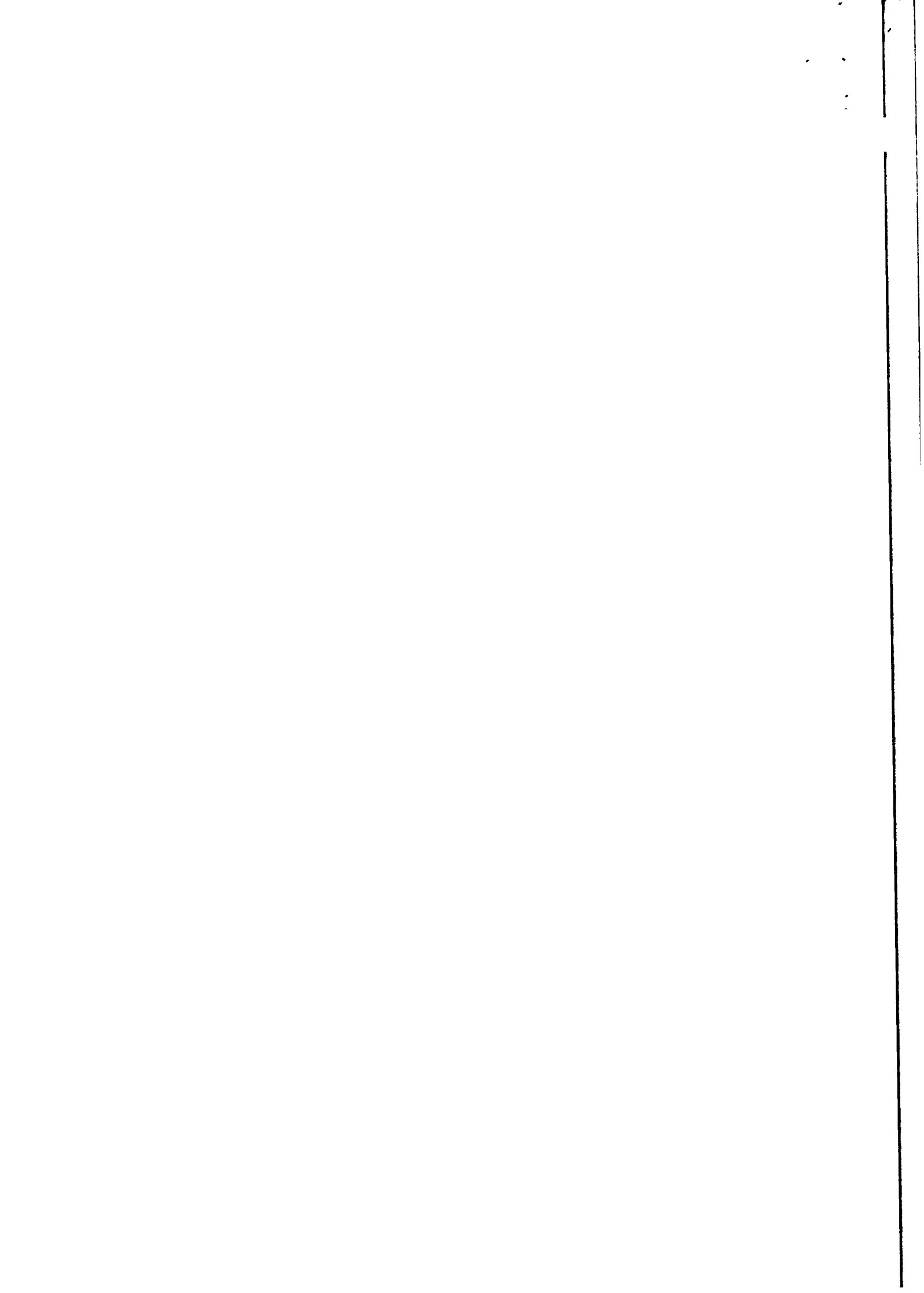


Fund Account Manager  
Name: Job Munyi

MAKADARA NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
P.O. Box 618-00515, BURUBURU



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



## **SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

### **2. Reporting Entity**

The financial statements are for the NGCDF-MAKADARA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

### **4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

#### **a) Recognition of Receipts**

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

#### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

#### **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.





## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

## **b) Recognition of payments**

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

### **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

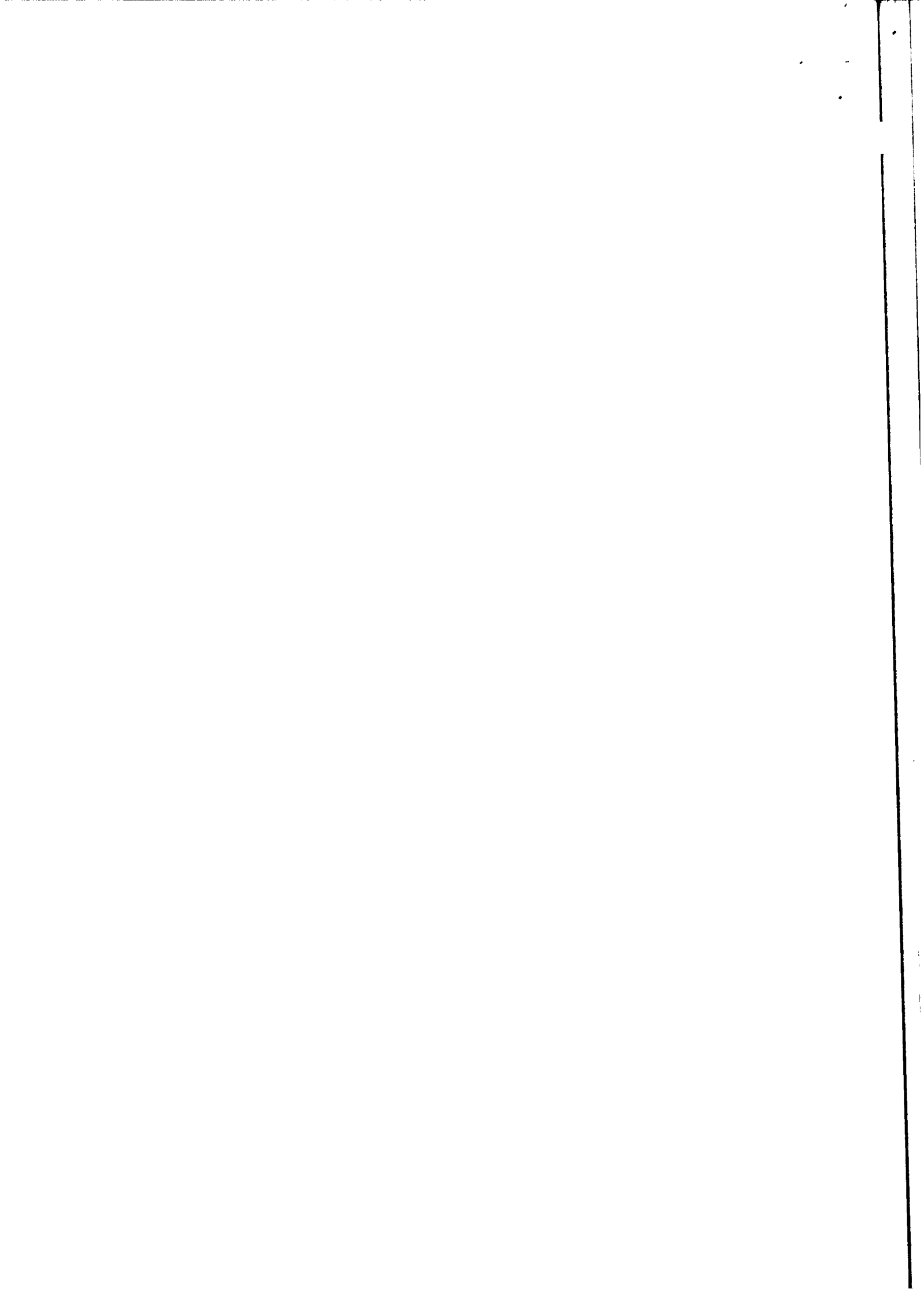
### **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

### **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.



**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

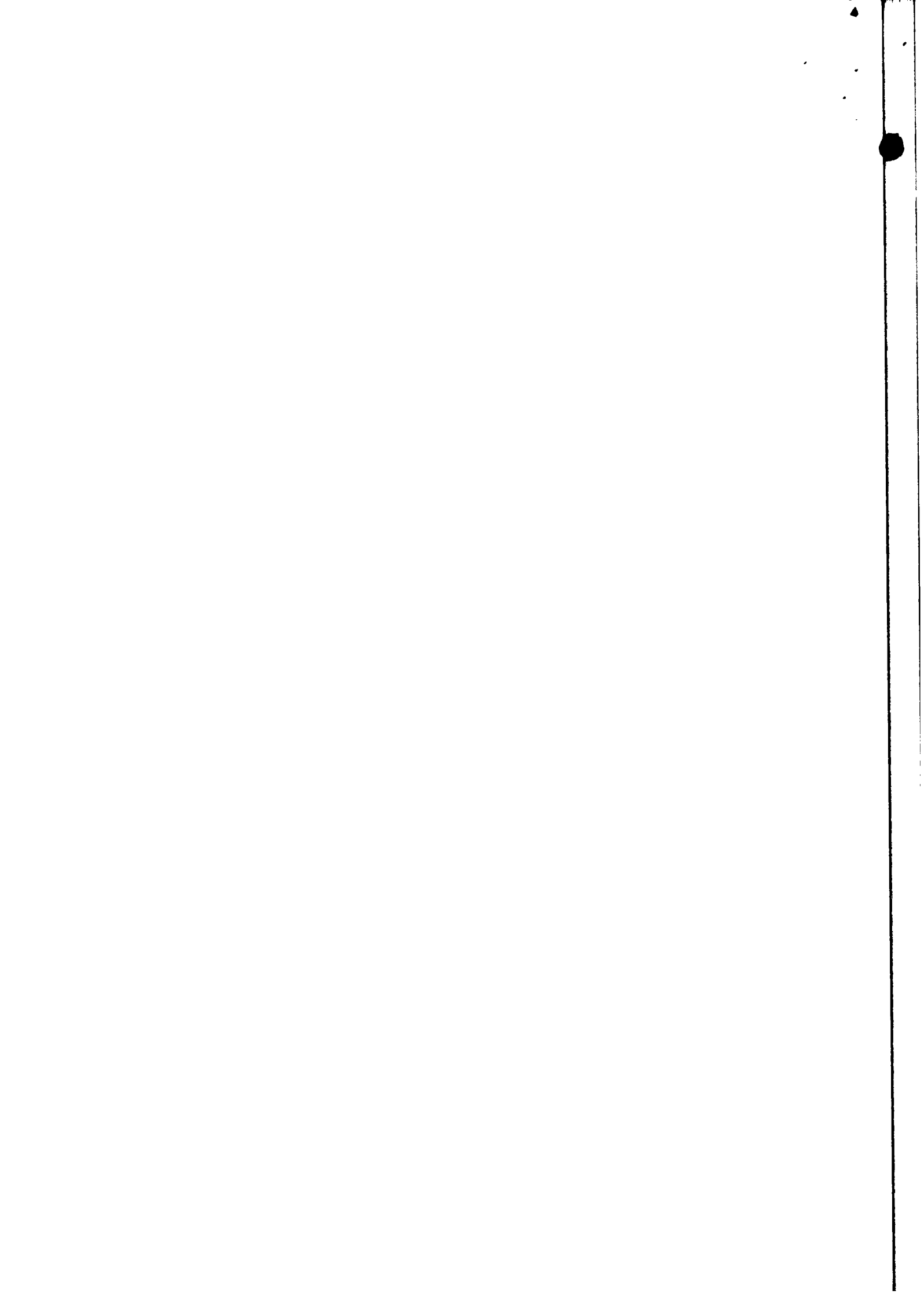
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

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

**10. Unutilized Funds**

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



## **SIGNIFICANT ACCOUNTING POLICIES**

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

### **12. Comparative Figures**

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

### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2018.

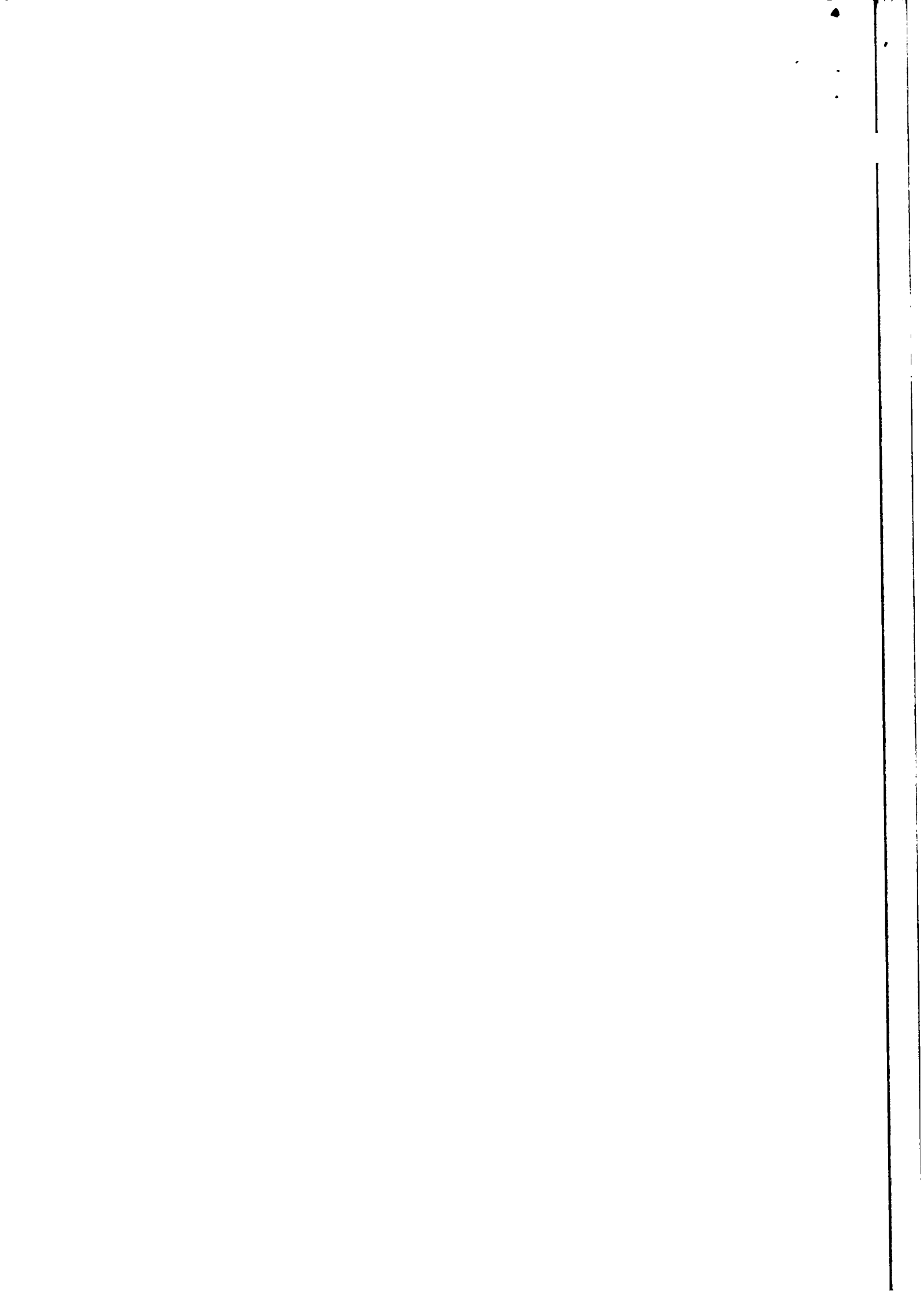
### **14. Errors**

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

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

### **15. Related Party Transactions**

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



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

**VIII. NOTES TO THE FINANCIAL STATEMENTS**

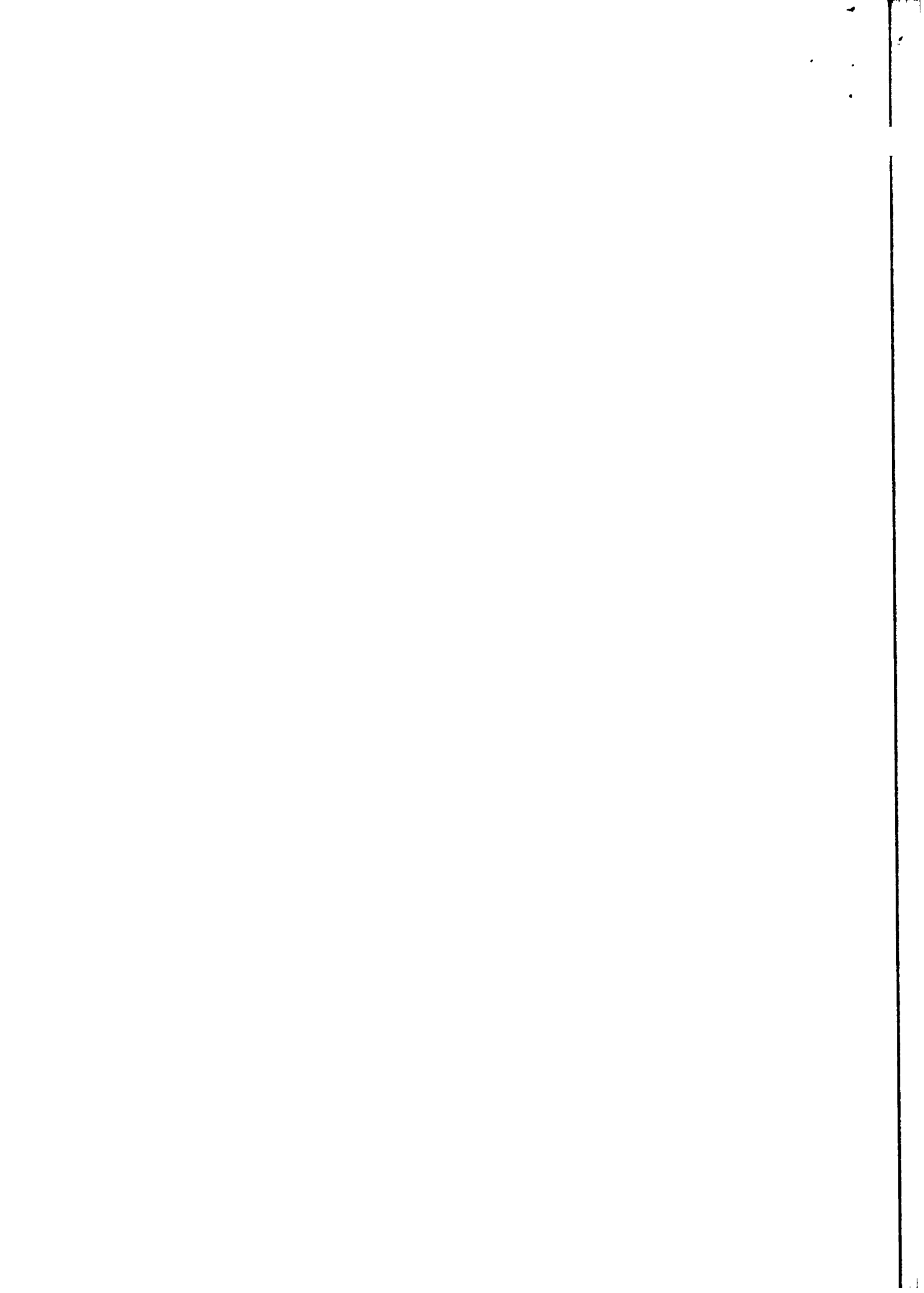
**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2017-2018	2016-2017
		Kshs	Kshs
Normal Allocation	A855913	5,500,000.00	
	A896766	37,905,172.00	
	A896891	33,405,172.80	
	825907		2,000,000
	829905		4,094,828
	839608		36,953,449
	855511		24,440,275
	855729		9,500,000
			7,000,000
Conditional grants	AIE NO...		-
Receipt from other Constituency			-
<b>TOTAL</b>		<b>76,810,345</b>	<b>83,988,552</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

MAKADARA NATIONAL GOVERNMENT  
 CONSTITUENCY DEVELOPMENT FUND  
 P. O. Box 618-00515, BURUBURU





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

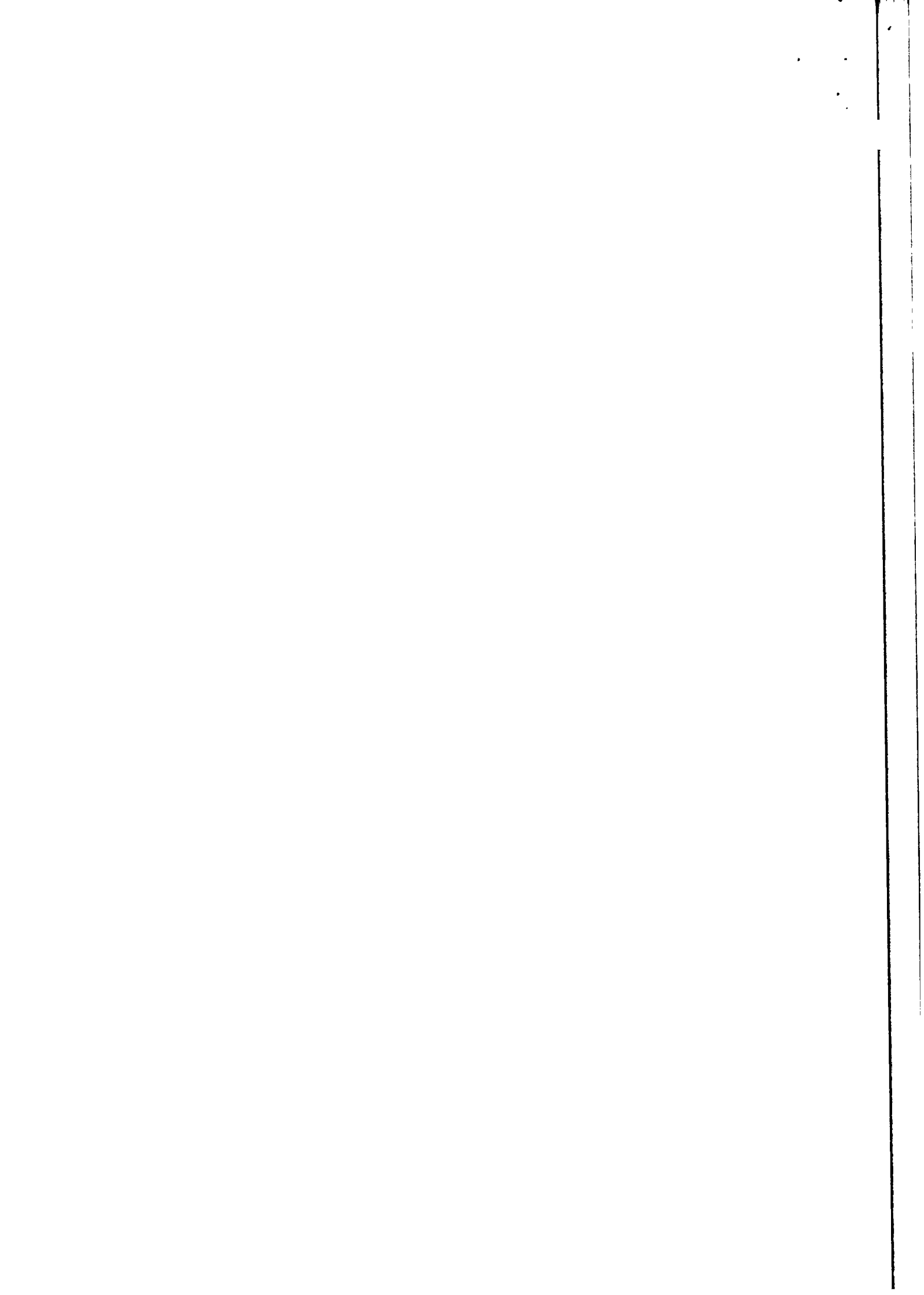
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

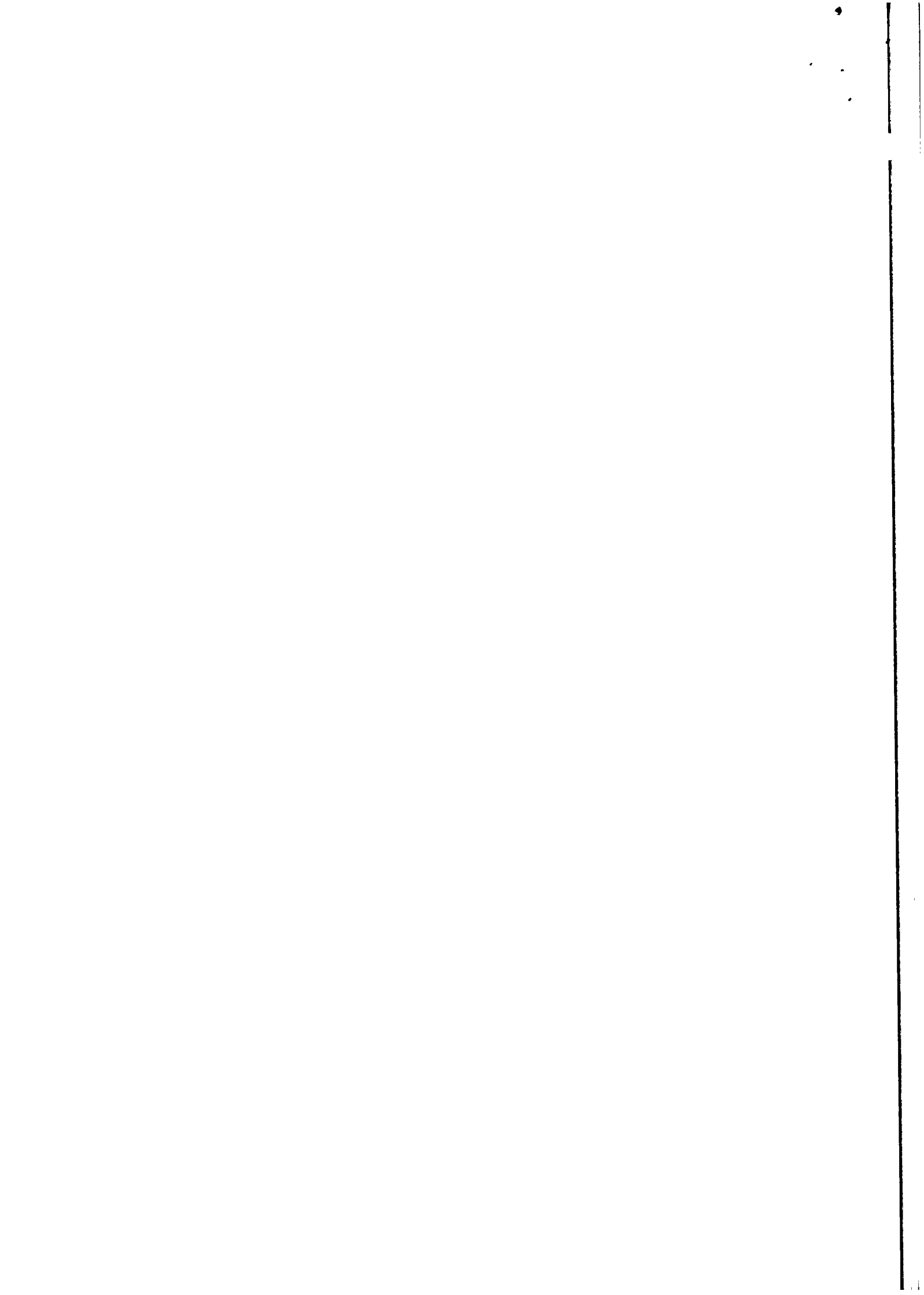
<b>Description</b>	<b>2017-2018 Kshs</b>	<b>2016-2017 Kshs</b>
Basic wages of contractual employees	867,731	2,229,872
Basic wages of casual labour		
<b>Personal allowances paid as part of salary</b>		
House allowance	230,000	
Transport allowance	184,000	
Leave allowance		
Other personnel payments		
Employer contribution to NSSF	9,200	192,648
Gratuity-contractual employees	1,220,212	
<b>TOTAL</b>	<b>2,511,143</b>	<b>2,422,520</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –****MAKADARA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018***NOTES TO THE FINANCIAL STATEMENTS (Continued)*

## 5. USE OF GOODS AND SERVICES

<b>Description</b>		<b>2017-2018</b>	<b>2016 - 2017</b>
		Kshs	Kshs
Utilities, supplies and services		175,064.00	168,700.00
Office rent		739,852.00	-
Communication, supplies and services		138,020.00	-
Domestic travel and subsistence		453,291.00	503,694.00
Printing, advertising and information supplies & services		368,730.00	105,300.00
Rentals of produced assets		-	150,000.00
Training expenses		1,500,000.00	231,140.00
Hospitality supplies and services		87,000.00	
Other committee expenses		396,000.00	1,700,000.00
Committee allowance		1,525,000.00	-
Insurance costs		-	399,000.00
Specialised materials and services		3,105,000	1,276,000.00
Office and general supplies and services		75,366.00	-
<b>Total</b>		<b>8,563,323.00</b>	<b>4,533,834.00</b>

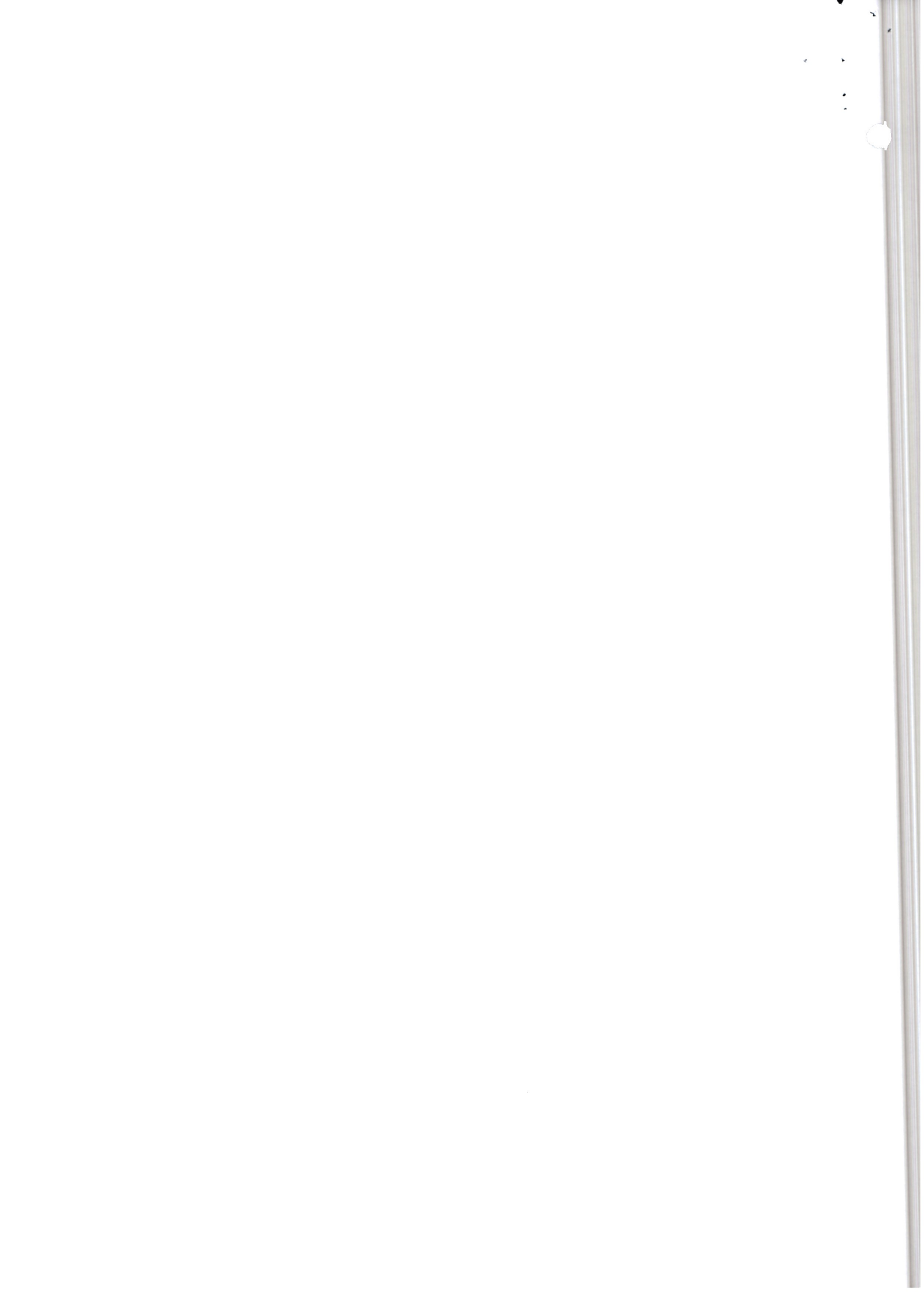


6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
Transfers to Primary schools		7,585,279.00	19,569,432
Transfers to Secondary schools		5,022,705.00	17,501,664
Transfers to Tertiary institutions		1,936,516.00	14,661,817
Transfers to Health institutions		-	122,509
Transfers to Other institutions			1,000,000
<b>TOTAL</b>		<b>14,544,500.00</b>	<b>52,855,422</b>

7. OTHER GRANTS AND OTHER PAYMENTS

Description		2017-2018	2016-2017
		Kshs	Kshs
Bursary -Secondary		16,896,000	23,723,100
Bursary -Tertiary		4,510,000	10,657,540
Bursary-Special schools		680,000	
Mocks & CAT			
Water		-	
Food security		-	
Electricity		-	
Security			
Roads and Bridges		-	952,535
Sports		1,692,000	1,267,800
Environment		-	645,880
Cultural Projects			
Agriculture			
<b>Emergency Projects</b>		<b>4,600,000</b>	<b>3,850,000</b>
<b>TOTAL</b>		<b>28,378,000</b>	<b>41,096,855</b>

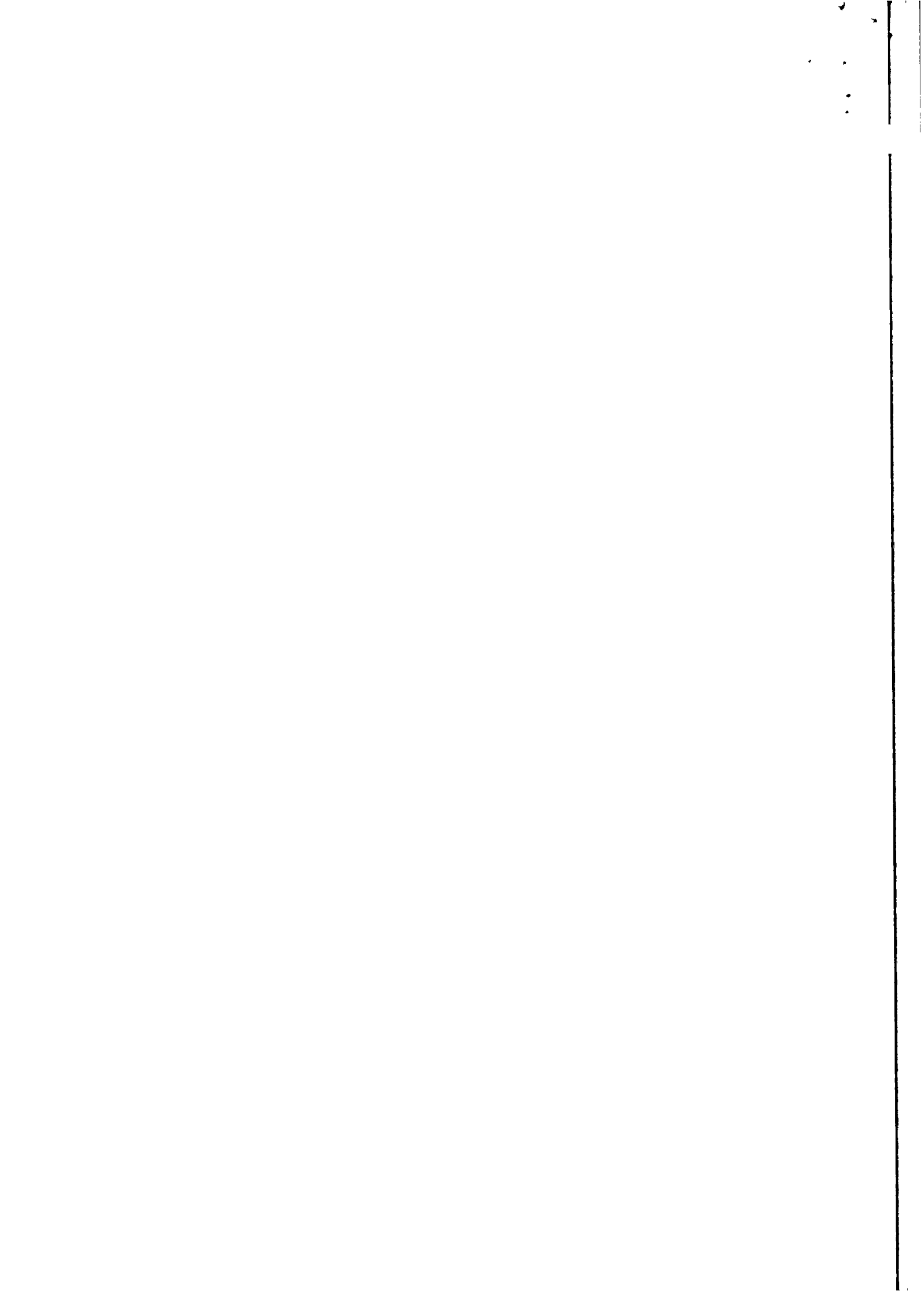


8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	XX	XX
Construction of Buildings	XX	XX
Refurbishment of Buildings	XX	XX
Purchase of Vehicles and Other Transport Equipment	XX	XX
Overhaul of Vehicles and Other Transport Equipment	XX	XX
Purchase of Household Furniture and Institutional Equipment	XX	XX
Purchase of Office Furniture and General Equipment	XX	XX
Purchase of ICT Equipment, Software and Other ICT Assets	XX	XX
Purchase of Specialised Plant, Equipment and Machinery	XX	XX
Rehabilitation and Renovation of Plant, Machinery and Equip.	XX	XX
Acquisition of Land	XX	XX
Acquisition of Intangible Assets	XX	XX
<b>Total</b>	<b>XX</b>	<b>XX</b>

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub	XX	XX
TIVET	XX	XX
Gurnishee order		5,560,166
	00.00	5,560,166





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**

**MAKADARA CONSTITUENCY**

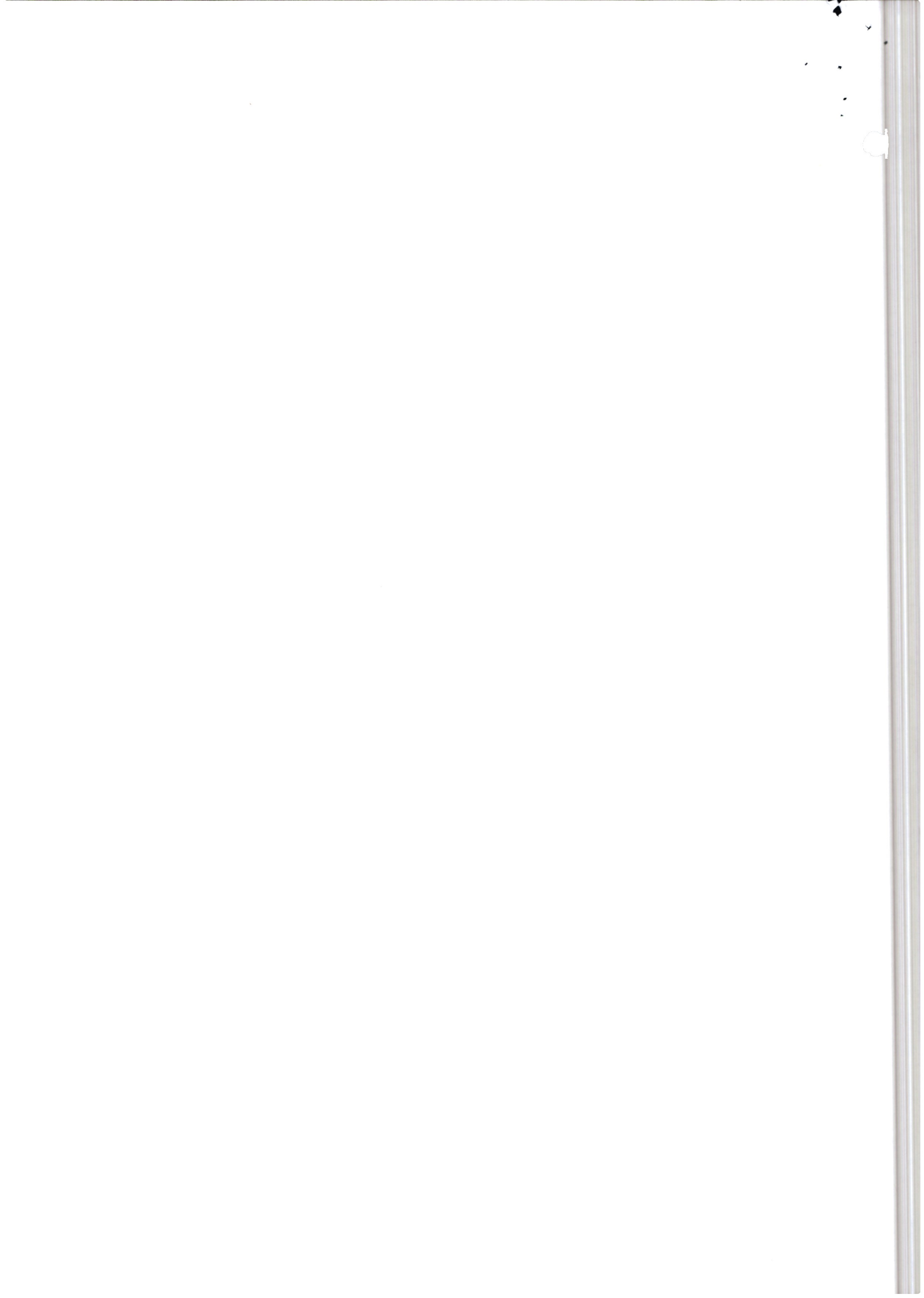
**Reports and Financial Statements**

**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017 )
<i>MAKADARA NGCDF Equity bank buruburu</i>	<i>A/C no.0950262163417</i>	25,344,415	2,531,036
<b>10B: CASH IN HAND)</b>			
		2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017 )
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
<b>TOTAL</b>		-	-



MAKADARA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12 RETENTION

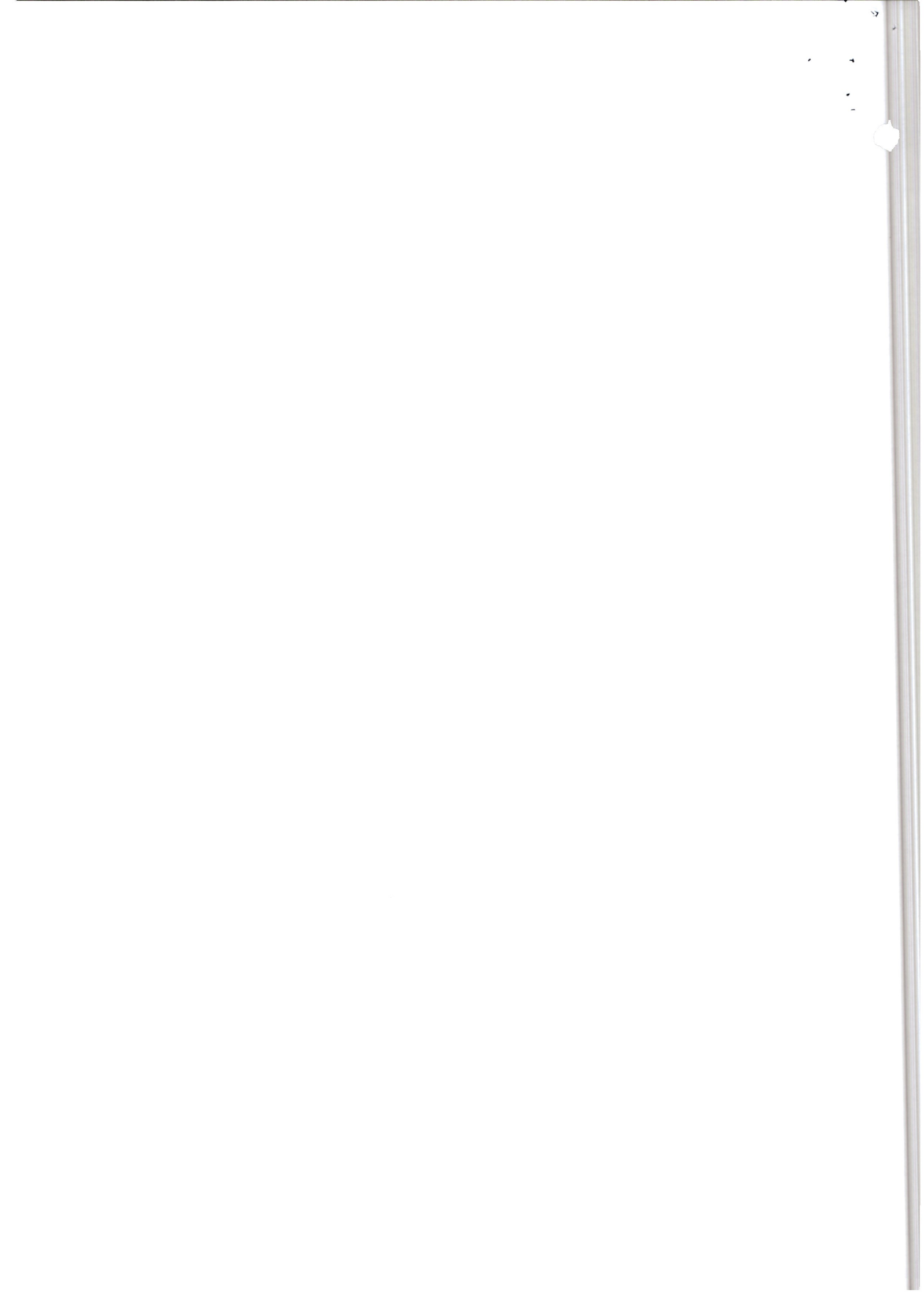
	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1	xx	xx
Supplier 2	xx	xx
Supplier 3	xx	xx
<b>Total</b>	<b>xx</b>	<b>xx</b>

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs (1/7/2018)	2016-2017 Kshs (1/7/2017)
Balance B/F	2,531,036	25,011,280
Surplus/Deficit For The Year	22,813,379	(22,480,245)
Imprests	-	-
<b>TOTAL</b>	<b>25,344,415</b>	<b>2,531,035</b>

[Provide short appropriate explanations as necessary]



14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	XX	XX
Cash in hand	XX	XX
Imprest	XX	XX
<b>Total</b>	<b>XX</b>	<b>XX</b>

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	XX	XX
Construction of civil works	XX	XX
Supply of goods	XX	XX
Supply of services	XX	XX
	<b>XX</b>	<b>XX</b>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	XX	XXX
Middle management	XX	XXX
Unionisable employees	XX	XXX
Others ( <i>specify</i> )	XX	XXX
	<b>XX</b>	<b>XXX</b>

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,142,400	XX
Use of goods and services	1,250,427	XX
Amounts due to other Government entities (see attached list)	32,565,542	XX
Amounts due to other grants and other transfers (see attached list)	7,088,329	XX
Acquisition of assets	-	XX
Others ( <i>specify</i> ) ICT HUB	4,677,027	XX
	<b>46,723,725</b>	<b>XXX</b>

1  
1  
1

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MAKADARA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	xxx	xxx
	xxx	xxx





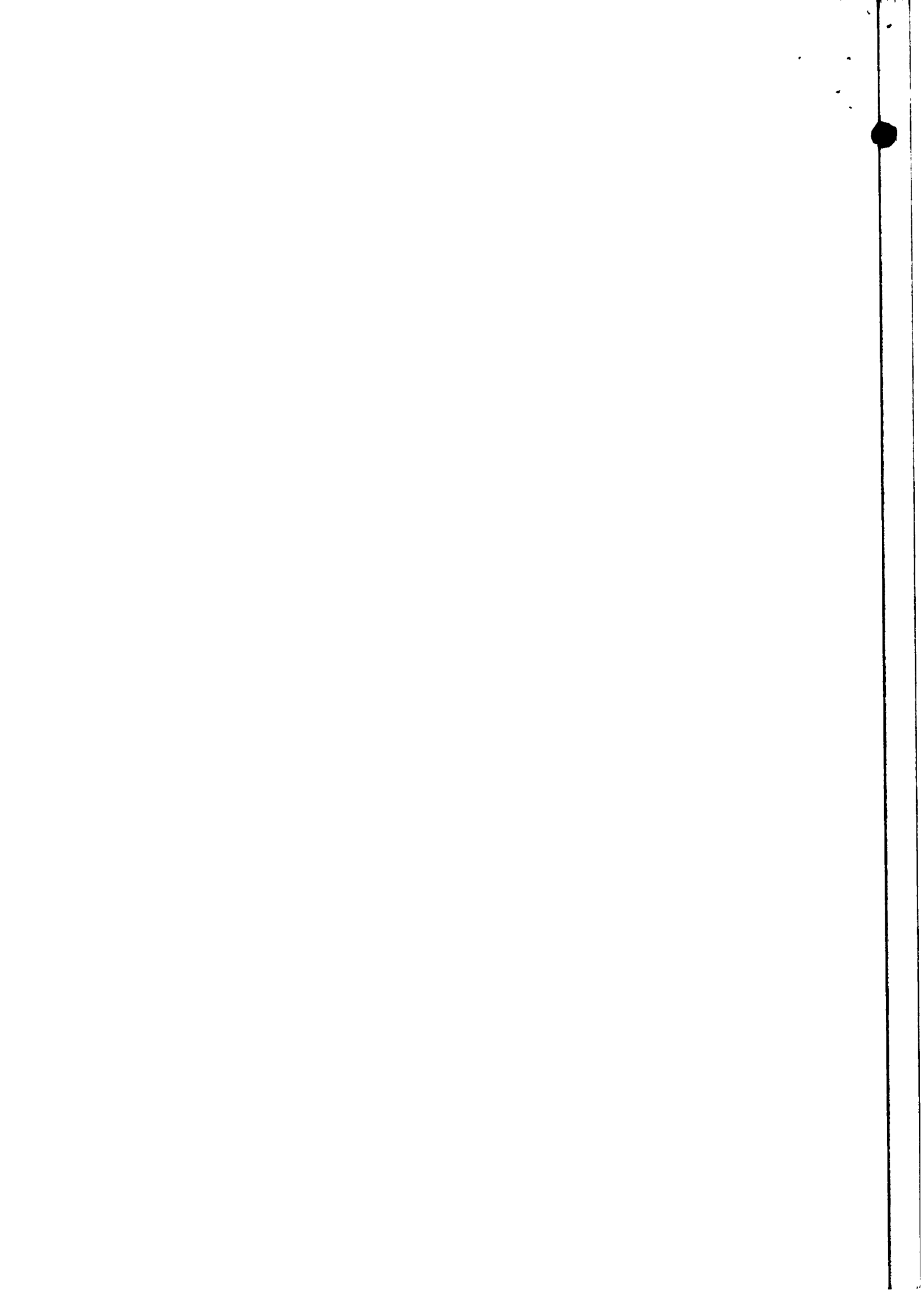
**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**

**Reports and Financial Statements**

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

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

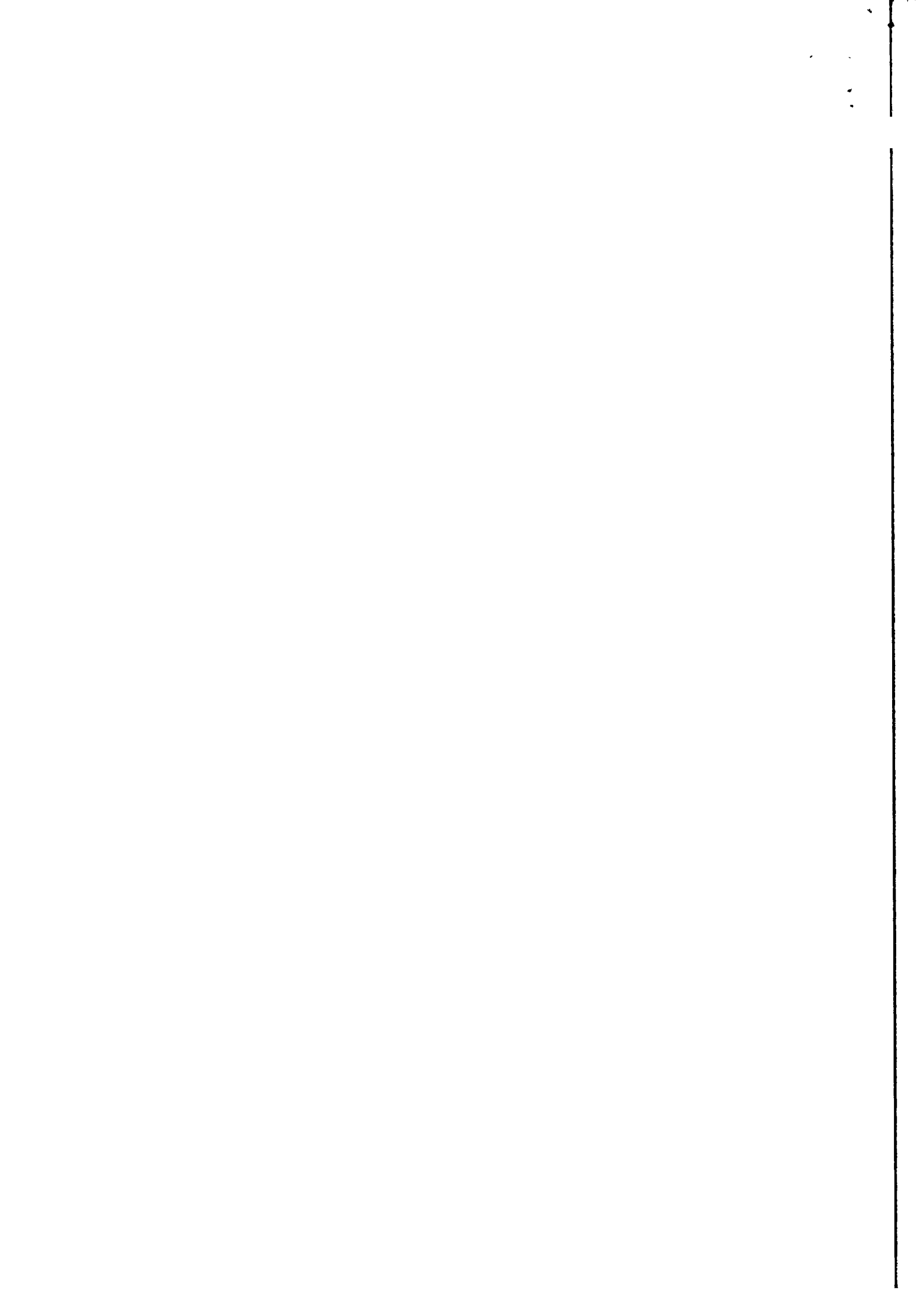
Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



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

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
	<b>Sub-Total</b>						
<b>Middle Management</b>							
4.							
5.							
6.							
	<b>Sub-Total</b>						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
10.							
11.							
12.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						



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

**ANNEX 3 – UNUTILIZED FUNDS**

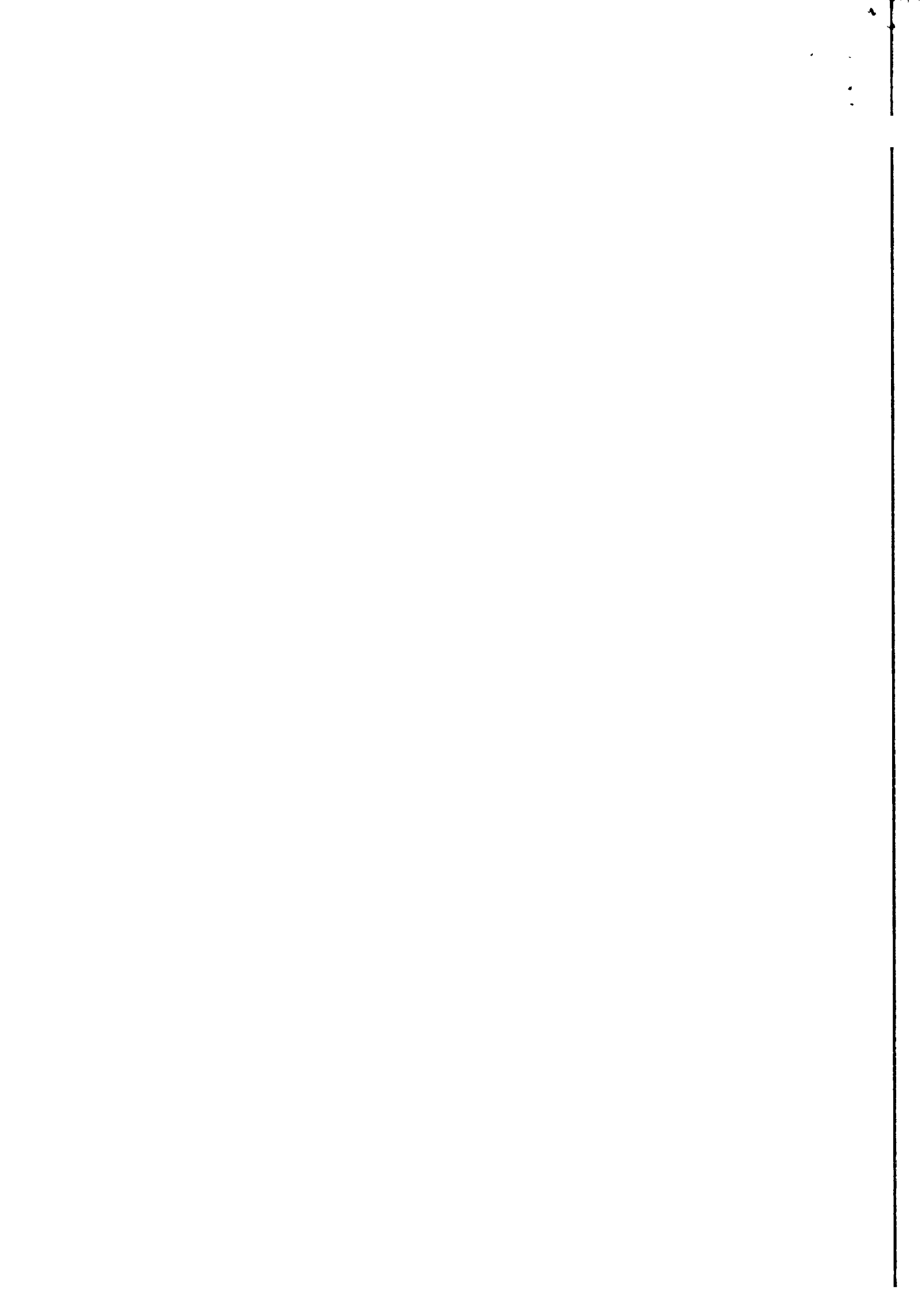
Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of Employees		1,142,400	0	
Use of Goods and Services		1,250,427	0	
<b>Amounts due to other Government entities</b>				
Various Primary School	Purchase of Desks	10,000,000		
Star of Hope Primary School		6,400,000		
Joseph Apondo Primary School		3,756,672		
Kaloleni Primary School		700,000		
St Pauls Primary School		2,550,000		
Baraka Primary School		3,300,000		
Star of Hope Secondary School		4,858,870		
Buruburu Girls Secondary School		1,000,000		
<b>Sub-Total</b>		<b>32,565,542</b>		
<b>Amounts due to other grants and other transfers</b>				
Sports		683,721		
Environment		2,457,044		
Bursary		3,409,632		
Emergency		537,931		
<b>Sub-Total</b>		<b>7,088,329</b>		
<b>Acquisition of assets</b>				
Others (Specify) ICT HUB				
Makongeni Secondary School		1,169,257		
Makadara NG-CDF office		1,169,257		
Star of Hope Secondary School		1,169,257		
Harambee Primary School		1,169,257		
<b>Sub-Total</b>		<b>4,677,027</b>		
<b>Grand Total</b>		<b>46,723,725</b>		



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

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f(Kshs)2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	-			
Buildings and structures	-			
Transport equipment	-			
Office equipment, furniture and fittings	1,358,476.00			1,358,476.00
ICT Equipment, Software and Other ICT Assets	669,650.00			669,650.00
Other Machinery and Equipment	-			
Heritage and cultural assets	-			
Intangible assets				
<b>Total</b>	<b>2,028,126.00</b>			<b>2,028,126.00</b>









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

Reports and Financial Statements

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Unexplained Amended Comparative figures	The difference was brought about by change of vote classification where Kshs 2,683,000 previously under committee expenses in 2014/2015 audited balances has been reclassified to fall under use of goods and Services further social security benefits Kshs 16,800 is now under compensation of employee as opposed to an independent item as reported in 2014/2015. This is in adherence to new format issued by the National treasury.	Job Munyi-FAM	Resolved	
1.2	Budget Performance: Under Expenditure, The Budget did not fully meet intended objectives of improving delivery of services to the residents of Makadara.	The reason for the underutilization is the late disbursement of Funds of Kshs 40,042,358 from the board which occurred on 3 <sup>rd</sup> May 2016.	Job Munyi-FAM	Revolved	
1.3	Other Grants and Transfers Under expenditure of Kshs 17,482,582.	The following were the reasons: Mutindwa Market- the project was resubmitted to Rabai Primary School Perimeter Fences since it fell under the county government jurisdiction and was on the road reserve. Market Shed-The amount remains unspent to date and the committee will reallocate it in the current	Job Munyi-FAM	Revolved	



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

Reports and Financial Statements

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		financial year. Shimo la tewa bridge-The contract balance due to the contractor of Kshs 1,010,144.30 was reallocated and balance of Kshs 952,535.20 paid to the Contractor. High mast street Lighting –this amount related to retention held for project of installation of High mast streets Lighting which the contractor had not yet claimed.			
1.4	Bursaries to Students: Unpresented cheques of Kshs 397,000	The unpresented cheques had been issued late in the financial year (May 2016) and were in the hands of various beneficiary students and or institutions as at the time audit. The most cheques were later presented in July.	Job Munyi-FAM	Resolved	

MAKADARA NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND  
P. U. Box 618-00515, BURUBURU

