

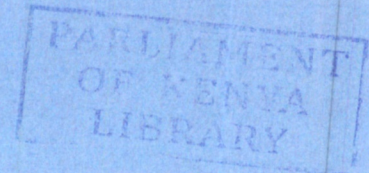
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 27 MAR 2019	DAY: WEDNESDAY
TABLED BY: Hon. Aden Duale Speaker & Majority Party	
CLERK AT THE TABLE: Moses Leming	

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
MATHARE CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- MATHARE
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 –
MATHARE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHARE
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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 MATHARE Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Kevin Mcakech
3.	Accountant	C.O. Oyaro
4.		

(d) Fiduciary Oversight Arrangements

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

(e) MATHARE NGCDF Headquarters

NG-CDF Office Building,
P.O. Box 38670 – 00623,
Parklands,
Nairobi.
Kenya.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHARE
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

(f) MATHARE NGCDF Contacts

Telephone: (254) 721617053

E-mail: mathare@cdf.go.ke

Website: www.cdf.go.ke

(g) MATHARE NGCDF Bankers

Equity Bank

Account number: 0020261806785

Four ways Branch

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084-00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112-00200

Nairobi, Kenya.

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND COMMITTEE (NGCDFC)**

Our key focus during Fy 2016/17 as usual was on education owing to the high children population in our constituency. Below is a summary of our achievements;

Key achievements

1. Constructions of Kosovo bridge a key connection route between hospital ward and mlango kubwa ward easing movement.
2. A revamp and construction of five social halls across Mathare.
3. Education bursary was disbursed to over 1,800 needy students.
4. Construction of sewer lines which were a health hazard as well as making roads inaccessible.
5. Construction and revamp of toilets

Implementation challenges.

The Board still has delays in disbursing funds. My recommendation still stands that the board should strive to disburse the funds in two tranches in every financial year.

Sign. .....
CHAIRMAN NGCDFC

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF NGCDF 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 NGCDF shall prepare financial statements in respect of that NGCDF. 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.

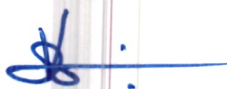
The Accounting Officer in charge of the MATHARE NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility 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 NGCDF; (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 NGCDF; (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 MATHARE NGCDF accepts responsibility for the NGCDF'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 NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the MATHARE NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the MATHARE NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF'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 NGCDF'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's financial statements were approved and signed by the Accounting Officer on _____ 2017.



Fund Account Manager



Chairman

REPUBLIC OF KENYA

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

P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Mathare Constituency set out on pages 5 to 26, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Mathare Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Other Matter section of my report, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund- Mathare Constituency management 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 opinion.

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

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 Other Matter section, I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Branding of Projects

Site visit and verification of projects implemented by the fund in the financial year under review revealed that the following projects had not been branded.

	Project Name	Nature of Works
1	Ndururuno Primary School	Renovation of 3 Classrooms
2	Ndururuno Secondary School	Construction of 4 classroom story building
3	Kiboro Primary School	Renovation of 3 classrooms
4	Road Connecting Kosovo and Old Mathare Primary School	Cabro road construction

Failure to brand projects is contrary to Section 36 (4) (a) of the Constituency Development Fund Act, 2015 which require all projects and other property funded to bear the name and number of the Constituency as delineated by the Independent Electoral and Boundaries Commission.

2. Irregular Occupation of Offices

The contract for proposed construction of NGCDF-Mathare office was awarded to Emphyrean Ventures Limited at a contract sum of Kshs.22, 475,900. The total payments for the works done as at 30 June 2017 stood at Kshs. 20,000,000. Physical verification on 25 April 2018 revealed that the office was almost complete but was occupied by unauthorized persons from the Mathare Police Post. No reason or documentation was provided as to how the police were occupying the building without authority from the fund. Under the circumstances, it is not clear whether the constituents of Mathare obtained value for money as regards the construction of the CDF office.

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

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

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

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

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

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

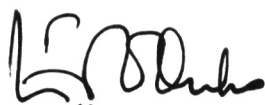
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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

23 August 2018

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHARE
CONSTITUENCY

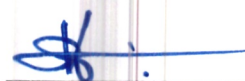
Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from Other Government Entities	1	81,896,552	152,473,641
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		81,896,552	152,473,641
PAYMENTS			
Compensation of Employees	4	3,804,374	2,858,802
Use of goods and services	5	8,509,928	10,800,672
Transfers to Other Government Units	6	10,655,136	7,485,281
Other grants and transfers	7	59,111,991	112,006,657
Acquisition of Assets	8	5,500,000	14,800,000
Other Payments	9		
TOTAL PAYMENTS		87,581,429	147,951,412
SURPLUS/DEFICIT		(5,684,878)	4,522,228

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MATHARE NGCDF financial statements were approved on _____ 2017 and signed by:


Chairman - NGCDFC

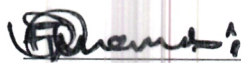

Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHARE
 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 cash book)	10A	5,261	5,690,139
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		5,261	5,690,139
REPRESENTED BY			
Retention	12		
Fund balance b/fwd	13	5,690,139	1,167,911
Surplus/Deficit for the year		(5,684,878)	4,522,228
Prior year adjustments	14	0	-
NET FINANCIAL POSITION		5,261	5,690,139

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MATHARE NGCDF financial statements were approved on _____ 2017 and signed by:


 Chairman - NGCDFC


 Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHARE
CONSTITUENCY

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

VI. STATEMENT OF CASHFLOW

		2016 – 2017	2015 - 2016
Receipts for operating income			
Transfers from NGCDF Board	1	81,896,552	152,473,641
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	3,804,374	2,858,802
Use of goods and services	5	8,509,928	10,800,672
Transfers to Other Government Units	6	10,655,136	7,485,281
Other grants and transfers	7	59,111,991.05	112,006,657
Other Payments	9	-	-
Adjusted for:			
Adjustments during the year	14	0	-
Net cash flow from operating activities		(184,878)	19,322,228
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	5,500,000	14,800,000
Net cash flows from Investing Activities		(5,500,000)	(14,800,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(5,684,878)	4,522,228
Cash and cash equivalent at BEGINNING of the year	13	5,690,139	1,167,911
Cash and cash equivalent at END of the year		5,261	5,690,139

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MATHARE NGCDF financial statements were approved on _____ 2017 and signed by:

Chairman NGCDFC



Fund Account Manager

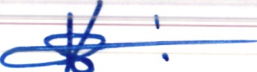
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

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	81,896,552	5,690,139	87,586,691	87,586,690	0	100%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTALS	81,896,552	5,690,139	87,586,691	87,586,690	0	100%
PAYMENTS						
compensation of employees	1,839,000	1,854,246	3,693,246	3,804,374	(111,128)	103%
Use of goods and services	9,585,828	2,886,733	12,472,561	8,509,928	3,962,633	68%
Transfers to Other Government Units	10,997,586.20	-	10,997,586	10,655,136	342,450	97%
Other grants and transfers	53,974,138	949,160	54,923,298	59,111,991	(4,188,693)	
Acquisition of Assets						0%
TOTALS	81,896,552	5,690,139	87,586,691	87,581,429	5,262	100%

The MATHARE NGCDF financial statements were approved on 30th Sept 2017 and signed by:

Chairman NGCDF



Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –MATHARE
 CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

TRIAL BALANCE AS AT 30TH JUNE 2017

		DR	CR
Cash and Cash equivalents			
	Bank Balances	5,261	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	3,804,374	
	Use of goods and services	8,509,928	
	Transfers to Other Government Units	10,655,136	
	Other grants and transfers	59,111,991	
	Acquisition of Assets	5,500,000	
	Other Payments	-	
Receipts			
	Transfers from the Board		81,896,552
	Proceeds from sale of assets		-
	Others receipts		-
	Prior Year Adjustment		-
	Fund Balance b/f		5,690,139
TOTAL		87,586,691	87,586,691

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 NGCDF and all values are rounded to the nearest shilling. 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 NGCDF.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the NGCDF 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 NGCDF 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.

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 NGCDF 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 NGCDF'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 NGCDF'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 –MATHARE
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
		Kshs	Kshs
Normal allocation			
	AIE NO.A825511		26,000,000.00
	AIE No.A820845		21,000,000.00
	AIE No.A820613		10,000,000.00
	AIE No.A796440		20,000,000.00
	AIE NO.A724029		2,200,000.00
	AIE NO.A790759		46,704,812.50
	AIE No.A825678		26,568,828.00
	AIE No.A	4,094,827.60	
	AIE No.A	36,853,449.00	
	AIE No.A	40,948,275.10	
TOTAL		81,896,551.70	152,473,640.50

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	-	-

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	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	3,741,574.00	2,801,202.00
Basic wages of casual wages		
Employee contribution NSSF	62800.00	57,600.00
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity		
Other personnel payments		
Total	3,804,374	2,858,802

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –MATHARE
CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Utilities, supplies and services	480,000	
Office rent		480,000.00
Communication, supplies and services	-	545,818.00
Domestic travel and subsistence	-	410,000.00
Printing, advertising and information supplies & services	1,565,606	2,305,901.00
Rentals of produced assets		
Training expenses	1,064,000	1,795,000.00
Committee Allowance	3,567,000	2,087,370.00
Other Allowance Expense		1,760,000.00
Hospitality supplies and services	473,247	
Insurance costs		
Specialised materials and services		-
Office and general supplies and services	0	638,408.00
Fuel ,oil & lubricants	900,000	
Other operating expenses	349,575	610,000.00
Routine maintenance – vehicles and other transport equipment	110,500	168,175.00
Routine maintenance –other assets		
TOTAL	8,509,928	10,800,672

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools (see attached list)	3,177,550.00	3,485,281.40
Transfers to secondary schools (see attached list)	7,477,586.20	4,000,000.00
Transfers to tertiary institutions (see attached list)		
Transfers to health institutions (see attached list)		
-TOTAL	10,655,136	7,485,281

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015 -2016
	Kshs	Kshs
Bursary -Secondary	10,575,775	10,950,000
Bursary -Tertiary	10,000,000	10,064,000
Bursary-Special schools	-	1,026,000.00
Mocks & CAT		-
water		23,669,000
Agriculture (food security)	-	18,000,000.00
Electricity projects		5,463,675
Security	2,448,459	7,000,000
Roads	29,000,000	6,200,000
Sports	1,598,457	3,736,029.00
Other capital grants and transfer		17,979,811
Environment Projects	1,398,600	-
Emergency Projects (specify)	4,090,700	7,918,142
Total	59,111,991	112,006,657

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	5,500,000	14,800,000.00
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	5,500,000	14,800,000

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9. OTHER PAYMENTS

	2016 – 2017 Kshs	2015 - 2016 Kshs
Specify	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
Equity Bank A/c 0020261806785	5,261	5,690,138.50
	5,261	5,690,139

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2016 - 2017 Kshs	2015 – 2016 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (specify)	-	-
Total	-	-

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
		-	-	-
				-

12: RETENTION

	2016 - 2017 Kshs	2015 - 2016 Kshs
Unpaid Retentions	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	5,690,139	1,167,911
Cash in hand	-	-
Imprest	-	-
Total	5,690,139	1,167,911

14. PRIOR YEAR ADJUSTMENTS

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

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017 Kshs	2015 - 2016 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	-	-
Union sable employees	-	-
Others (specify)	-	-
	-	-

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 (specify)	-	-
	-	-

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	13,728.36	-
	13,728.36	-

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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 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. Supply of drinking water	-					
8.						
9.						
Sub-Total	-					
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total	5261					

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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 2015	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							

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	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							

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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	27,550,000	22,050,000.00
Transport equipment	4,650,495.00	4,650,495.00
Office equipment, furniture and fittings	246,286.00	246,286.00
ICT Equipment, Software and Other ICT Assets	256,631.30	256,631.30
Other Machinery and Equipment	20,889,505.00	20,889,505.00
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	53,592,917	48,092,917

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

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
MATHARE HALLS AND OFFICES	EQUITY	1001785029002	1,495.80	
MATHARE BRIDGES	EQUITY	1001785021002	1,378.00	
MATHARE ROADS AND INFRASTRUCTURE	EQUITY	1001785023002	5,713	
MATHARE WATER & SANITATION	EQUITY	1001785028002	5,553.00	
MATHARE TOILETS	EQUITY	1001785028002	17,084.00	
TOTAL			29,845.49	

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.	It was observed that there were stale cheques amounting to Kshs. 3,503,120.7 not adjusted on the cash book.	The stale cheques were reversed in the month of August and a policy put in place to ensure stale cheques are reversed immediately they go Stale. Attached is a copy of the cashbook	Job Tuta-FAM	Resolved	Resolved

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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)
		reflecting the same.			
2.	It was observed that budget utilization was at 96% hence an underutilization of 4%.	This was the case entirely due to late disbursement of funds by the NG CDF Board as well as lengthy procurement procedures.	Job Tuta-FAM	Resolved	Resolved
3.	<p>i) Transfer to Other Government Entities It was noted that there was an under expenditure of Kshs 6,428,488 from a budgeted expenditure of Kshs. 13,913,769.</p> <p>ii) Other Grants and Transfers It was also noted that there</p>	The under expenditures above were attributed to late disbursement of funds from the NG CDF Board as well as lengthy procurement	Job Tuta-FAM	Resolved	Resolved

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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)
	was an under expenditure of Kshs. 9,886,729 from a budgeted amount of Kshs. 121,893,385	procedures.			

Prepared by:



KEVIN MCAKECH
FUND ACCOUNT MANAGER
MATHARE