

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

**REPORT**  
THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 08 MAY 2019 DAY: Wednesday

TABLED BY: OF *h m*

CLERK-AT THE TABLE: *Getrude chubet*

**THE AUDITOR-GENERAL**

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ON

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

**FOR THE YEAR ENDED  
30 JUNE 2018**



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KIBRA  
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)



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

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIBRA 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 KIBRA 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	Jimnah Macharia
3.	Sub-County Accountant	Alois Kimuyu
4.	Chairperson NGCDFC	Leah Asego
5.	Member NGCDFC	Ann Ithara

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -KIBRA 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 KIBRA Constituency Headquarters**

P.O. Box 22033-00523  
Kibra DC's Compound  
Kibera Road  
Nairobi, KENYA

**(f) NGCDF KIBRA Constituency Contacts**

Telephone: (254)  
E-mail: [kibracdf@ng-cdf.go.ke](mailto:kibracdf@ng-cdf.go.ke)  
Website: [www.kibracdf.go.ke](http://www.kibracdf.go.ke)

**(g) NGCDF KIBRA Constituency Bankers**

1. Equity Bank,  
Kibra Branch,  
Account No.1170261223145,  
P.O. Box 75104,  
City Square 00200  
Nairobi, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**II.FORWARD BY THE CHAIRPERSON NG CDF COMMITTEE**

**ABOUT KIBRA**

There are approx 2.5 million slum dwellers in about 200 settlements in Nairobi representing 60% of the Nairobi population. Kibra is a home to approximately 350,000-500,000 people. Kibra is the biggest slum in Africa and one of the biggest in the world. The Government owns all the land. 10% of people are shack owners and many of these people own many other shacks and sub-let them. All the rest are tenants with no rights. The average size of a shack in this area is 12ft x 12ft built with mud walls, screened with concrete, a corrugated tin roof, dirt or concrete floor. The cost is about Ksh 700 per Month (£6). These shacks often house up to 8 or more, many sleeping on the floor.

The slum is characterised by a number of social economic and political changes namely, poor housing, high rate of youth unemployment, illegal gangs, drugs and substance abuse among the youth, teenage pregnancy, poor access roads ,illicit businesses, high rate of insecurity, poor hygiene and sanitation among others.

However, all is not lost , the government and other non-state actors are addressing some of the above challenges through various programmes namely, The national Youth Service: theyare currently providing employment opportunity to a number of youths through community service initiatives , Kenya Power And Lightening Company lighting up low income households, non-governmental organisation promoting youth employability skills through vocational skills training and the area member of parliament improving livelihoods of vulnerable households through sustainable initiatives focusing on education programme, water and sanitation programme , infrastructural development, talent cultivation and a management and women and youth empowerment .

These initiatives are not implemented in oblivion but compliment National Development Strategy Papers such as the Kenya Vision 2030, Poverty Reduction Strategy Papers, 2010 National Youth Employment Creation Policy, 2010 Kenya Constitution and the Millennium Development goals focusing on extreme poverty reduction.

**KIBRA CONSTITUENCY PROJECT IMPLEMENTATION CHALLENGES**

Kibra Constituency during project implementation has encountered a number of challenges. This has led to delay in project implementation and failure to realize projects set objectives. For instance, there is delay in disbursement of funds, delay in project approval by the board occasioned by limited stain the line ministries, constant absenteeism of the project management committee from their work station, limited resource allocated to capacity building and monitoring and evaluation which are key to effective and efficient in project implementation. The budget for the two components should be increased from the current 3% to 5%.

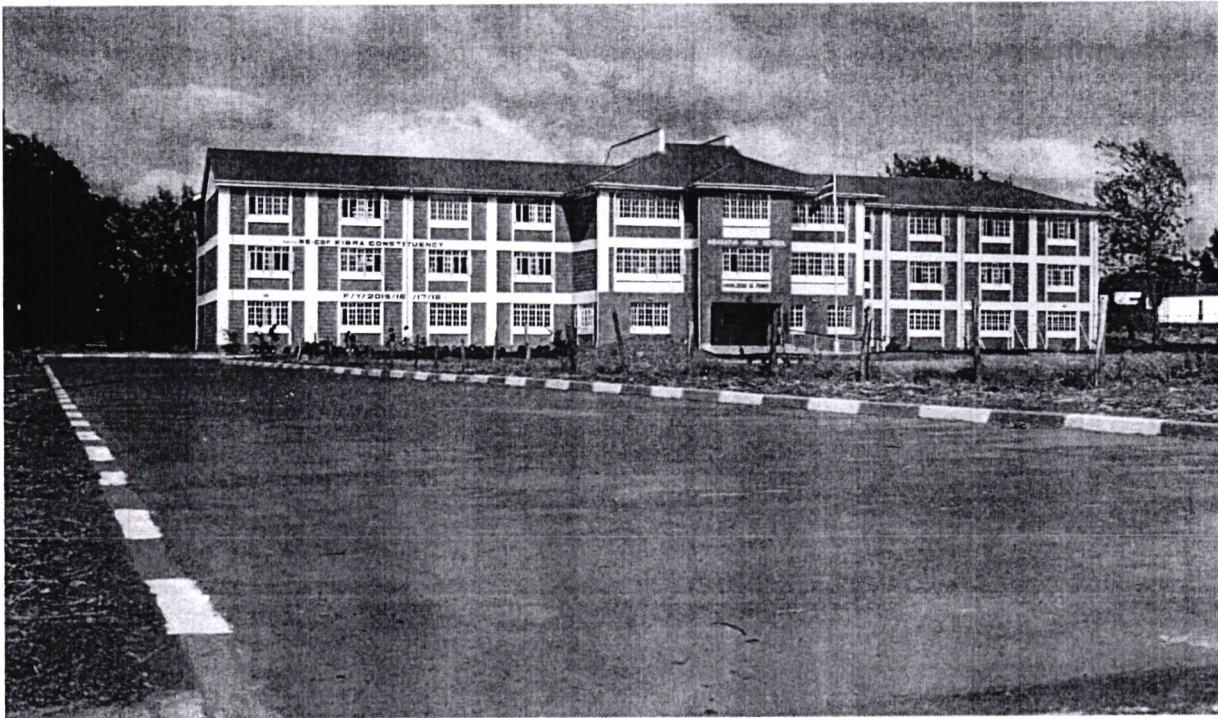
Land is also a contentious issue in Kibra; this is problem is not only unique to Kibra but also other slum settings in Nairobi. Due to lack of land title deeds, some of the community projects have been changed. This is occasioned by the limitation of the NG-CDF Act. For instance, construction projects require land title deeds and government approvals. This has led to disapproval of some projects by the Nairobi County Government.

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

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

**IMPLEMENTED PROJECTS IN KIBRA CONSTITUENCY**

Mbagathi Secondary School in Woodley ward



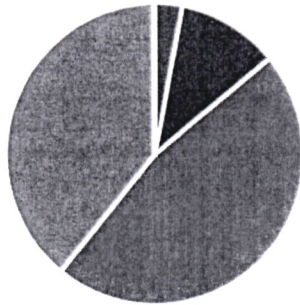
Olympic Primary School bus in Sarang'ombe ward





**GRAPHICAL REPRESENTATION OF KIBRA NG-CDF PERFORMANCE**

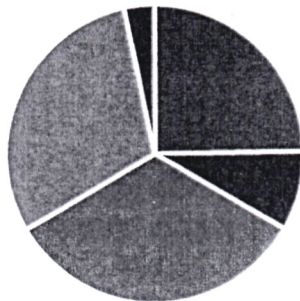
***KIBRA NG-CDF EXPENDITURE ANALYSIS***



- Compensation of Employees
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers
- Acquisition of Assets
- Other Payments

➤ Kibra NG-CDF expenditure analysis.

***RECEIPT ANALYSIS***



- Original Budget
- Adjustments
- Final Budget
- Actual on Comparable Basis
- Budget Utilisation Difference

➤ Receipt analysis for the Kibra NG-CDF analysis.

**FACTORS LEADING TO THE SUCCESSES OF PROJECTS IMPLEMENTATION IN  
KIBRA**

Community Participation: Kibra Constituency understands that community participation in project identification, design, implementation, monitoring and evaluation is essential to project success. In order to enhance project sustainability and scalability, the NG-CDFC involves the community in all stages of project development.

The promulgation of the 2010 constitution: This gave birth to devolution which in return led to economic propensity at the grass-root and the marginalized areas. For instance availability of Youth Entre Price Fund, Women Enterprise Fund, Uwezo Fund, LASDAP among others have led to reduction of extreme poverty levels and equitable development leading to reduced competition for government resources.

Elaborate management structure: Existence of strong management structure with competent human resource has also led to the success of project implementation. Kibra Constituency has able NG-CDFC who are up to the task. This has led to efficient and effective implementation of projects.

Transparency and accountability: Kibra Constituency is the most transparent Constituency in Kenya. This has led to increased community good and smooth implementation of the projects. The community has faith in the office and is in full support in what the office is implementing. This confidence is evidenced in the bursary disbursement and the project tendering process.

Provision of quality education: the office through the support of NG-CDF has been awarding scholarship opportunities to needy and brilliant students in Kibra. This has led to healthy academic competition among Kibra schools leading to improved academic performance. In order to monitor and evaluate academic performance in Kibra, the NG-CDFC formed Kibra educator's forum comprising of 60 pilot schools. These schools are given joint exams dubbed class 7 and class 8 mock exams. This in return has led to improved academic performance in the whole constituency. Through the support of NG-CDF, many classrooms within the public schools have been rehabilitated. This has led to improved learning environment leading to improved academic performance and self esteem of the beneficiary students.

Efficiency and effectiveness in service delivery: Kibra Constituency understands that the customer is the king. To ensure their satisfaction, the office ensures that bursary applicants get their cheques within a period of one month from the time of application. This has led to improved community good will and faith in the bursary application process.

Sign.....

**CHAIRMAN NG-CDFC**

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

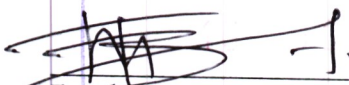
The Accounting Officer in charge of the NGCDF-KIBRA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-KIBRA 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-KIBRA 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-KIBRA 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-KIBRA Constituency financial statements were approved and signed by the Accounting Officer on 15/08/2018 2018.

  
Fund Account Manager  
Name: JIMNAH MACHARIA

  
Sub-County Accountant  
Name: ALOIS KIMUT4  
ICPAK Member Number: 8506

# REPUBLIC OF KENYA

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Website: [www.kenao.go.ke](http://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-KIBRA 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- Kibra Constituency set out on pages 9 to 28, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flow and summary statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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-Kibra 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. Other Grants and Other Payments - Unpresented Bursary Cheques

The statement of receipts and payments for the year ended 30 June 2018 reflects an expenditure of Kshs.27,705,796 against other grants and other payments, which includes Kshs.24,723,987 for bursaries to secondary and tertiary schools. However, no satisfactory explanation was given for failure to present cheques amounting to Kshs.3,285,000 for payments. As a result, the validity of the payments totalling Kshs.3,285,000 could not be confirmed.

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

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

Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Budget Performance**

During the year under review, the CDF management had budgeted to receive from National Government Development Constituencies Fund Board and spend Kshs.116,670,672. However, the Kibra Constituency received Kshs.105,291,361 only or 90% of the budgeted amount in 2017/2018 financial year. The actual expenditure was Kshs.71,069,086 or 67% of the actual total receipts and 61% of the total budget. The overall under expenditure in the year was Kshs.45,601,586 or 39% of the total budget.

Further, development budget was Kshs.104,342,773 but the actual expenditure was Kshs.61,027,446 or 58% of the development budget in the year under review, resulting in under expenditure of Kshs.43,315,327 or 42 % of the budget.

In this regard, the under expenditure implies that all planned activities and projects were not executed fully and thus, resulting in ineffective delivery of services to the constituents.

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- Kibra Constituency to sustain services, disclosing and as applicable matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

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

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

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

**18 April 2019**



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

**KIBRA CONSTITUENCY**

**Reports and Financial Statements**

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


**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

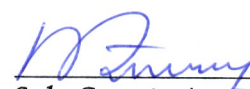
	Note	2017-2018	2016-2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	86,810,345	81,896,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>86,810,345</b>	<b>81,896,552</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,168,634	2,600,944
Use of goods and services	5	7,873,005	6,364,550
Transfers to Other Government Units	6	33,321,650	57,309,973
Other grants and transfers	7	27,705,796	43,914,545
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>71,069,086</b>	<b>110,190,012</b>
<b>SURPLUS/DEFICIT</b>		<b>15,741,259</b>	<b>(28,293,460)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIBRA Constituency financial statements were approved on

15/08/2018 and signed by:

DEVELOPMENT FUND

  
 Fund Account Manager  
 Name: JIMNAH MACHARIA

  
 Sub-County Accountant  
 Name: ALOIS KIMUTU  
 ICPAK Member Number: 8506

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIBRA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

V. STATEMENT OF ASSETS

	Note	2017-2018	2016-2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	34,222,276	18,481,016
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash &amp; Cash equivalent</b>		34,222,276	18,481,016
Accounts Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSET</b>		34,222,276	18,481,016
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12	-	-
<b>NET FINANCIAL ASSETS</b>		34,222,276	18,481,016
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...2017	13	18,481,016	46,774,476
Surplus/Deficit for the year		15,741,259	(28,293,460)
Prior year adjustments	14	-	
<b>NET FINANCIAL POSITION</b>		34,222,276	18,481,016

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIBRA Constituency financial statements were approved on

15/08/2018 and signed by:

Fund Account Manager

Name: JIMNAH MACHARIA

Sub-County Accountant

Name: ALOK KIMUTU

ICPAK Member Number: 8506

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

**KIBRA 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	86,810,345	81,896,552
Other Receipts	3	-	-
		<b>86,810,345</b>	<b>81,896,552</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,168,634	2,600,944
Use of goods and services	5	7,873,005	6,364,550
Transfers to Other Government Units	6	33,321,650	57,309,973
Other grants and transfers	7	27,705,796	43,914,545
Other Payments	9	-	-
<b>Adjusted for:</b>			
Adjustments during the year(retention)		-	-
		<b>71,069,086</b>	<b>110,190,012</b>
<b>Net cash flow from operating activities</b>		<b>15,741,259</b>	<b>(28,293,460)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>15,741,259</b>	<b>(28,293,460)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>12</b>	<b>18,481,016</b>	<b>46,774,476</b>
<b>Cash and cash equivalent at END of the year</b>	<b>10A</b>	<b>34,222,276</b>	<b>18,481,016</b>

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

  
**Fund Account Manager**  
 Name:

  
**Sub-County Accountant**  
 Name:  
 ICPAK Member Number:

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

**KIBRA CONSTITUENCY**


**Reports and Financial Statements**

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


**VI TRIAL BALANCE**

<b>TRIAL BALANCE AS AT 30TH JUNE 2018</b>			
		<b>DR</b>	<b>CR</b>
<b>Cash and Cash equivalents</b>			
	Bank Balances		18,481,016
	Bank Balances		
	Cash Balances	-	
	Outstanding Imprest	-	
<b>Payments</b>			
	Compensation of Employees	2,168,634	
	Use of goods and services	7,873,005	
	Transfers to Other Government Units	33,321,650	
	Other grants and transfers	27,705,796	
	Acquisition of Assets	-	
	Other Payments	-	
<b>Receipts</b>			
	Transfers from the Board		86,810,345
	Proceeds from sale of assets		-
	Others receipts		-
<b>Fund Balance b/f</b>		<b>34,222,276</b>	
<b>TOTAL</b>		<b>105,291,361</b>	<b>105,291,361</b>

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

  
 Fund Account Manager

Name:

  
 Sub-County Accountant

Name:

ICPAK Member Number:


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	29,860,327	116,670,672	105,291,361	11,379,310	90%
Proceeds from Sale of Assets						
Other Receipts		-				
<b>PAYMENTS</b>						
Compensation of Employees	1,594,792	1,360,812	2,955,605	2,168,634	786,970	73.4%
Use of goods and services	8,718,139	654,156	9,372,294	7,873,005	1,499,289	84.0%
Transfers to Other Government Units	35,395,387	8,690,027	44,085,414	33,321,650	10,763,764	75.6%
Other grants and transfers	36,425,000	19,155,332	55,580,332	27,705,796	27,874,536	49.8%
Acquisition of Assets	-	-	-	-	-	0.0%
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0.0%
<b>TOTALS</b>	86,810,345	29,860,327	116,670,672	71,069,086	45,601,586	60.9%

(a) The constituency did not realize any AIA.

(b) In the financial year 2017/2018, KIBRA NG-CDF did not reach 90% in its expenditure due to low disbursement of funds from board. CONSTITUENCY DEVELOPMENT FUND

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

  
Fund Account Manager  
P.O. BOX 34633-00100, NAIRUBI

  
Sub-County Accountant

**VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**2. Reporting Entity**

The financial statements are for the NGCDF-KIBRA 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) –**

**KIBRA CONSTITUENCY**

**Reports and Financial Statements**

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

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES**

Description		2017-2018	2016-2017
		Kshs	Kshs
Normal Allocation	DEP07/2017/2018/100	5,500,000.00	4,094,827.60
	DEP07/2017/2018/188	37,905,172	36,853,449
	DEP07/2017/2018/614	43,405,173	40,948,275
Conditional grants			-
Receipt from other Constituency			-
<b>TOTAL</b>		<b>86,810,345</b>	<b>81,896,552</b>

**2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS**

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

**3 OTHER RECEIPTS**

Description		2017-2018	2016-2017
		Kshs	Kshs
Interest Received		-	
Rents		-	
Sale of tender documents			
Other Receipts Not Classified Elsewhere (Transfer from N. Bank)			-

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

**KIBRA CONSTITUENCY**

**Reports and Financial Statements**

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

<b>Total</b>		-	-
<b>4 COMPENSATION OF EMPLOYEES</b>			
<b>Description</b>		<b>2017-2018</b>	<b>2016-2017</b>
		<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees		2,083,514	2,588,944
Basic wages of casual labour		-	-
<b>Personal allowances paid as part of salary</b>		-	-
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Other personnel payments		-	-
employer contribution to NSSF		85,120	12,000.00
gratuity		-	-
<b>Total</b>		<b>2,168,634</b>	<b>2,600,944</b>
<b>5 USE OF GOODS AND SERVICES</b>			
<b>Description</b>		<b>2017-2018</b>	<b>2016-2017</b>
		<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		1,000	1,500,000
Office rent		-	-
Communication, supplies and services		70,000	-
Domestic travel and subsistence		65,000	-
Printing, advertising and information supplies & services		513,850	-
Rentals of produced assets		-	-
Training expenses		1,449,000	-
Other committee expenses		3,112,000	1,624,550
Committee allowance		1,644,000	2,990,000
Hospitality supplies and services		-	-

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

**KIBRA CONSTITUENCY**

**Reports and Financial Statements**

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

Insurance costs		-	-
Specialised materials and services		-	-
Office and general supplies and services		585,000	-
Fuel ,oil & lubricants		50,000	250,000
Other operating expenses KENAO		-	-
Routine maintenance – vehicles and other transport equipment		-	-
Bank charges		383,155	-
<b>Total</b>		<b>7,873,005</b>	<b>6,364,550</b>

**6 TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to primary schools	900,000	14,030,000
Transfers to secondary schools	32,421,650	43,279,973
Transfers to Tertiary institutions	-	-
Transfers to Health institutions	-	-
<b>TOTAL</b>	<b>33,321,650</b>	<b>57,309,973</b>

**7 OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary -Secondary	20,185,000	19,148,240
Bursary -Tertiary	4,538,987	9,045,000
Bursary-Special schools	-	500,000
Mocks & CAT	-	2,419,100
water/Sewers	-	2,175,000
Agriculture (Markets)	-	-
Electricity projects	-	-
Security	-	-
Roads	-	-
Sports	1,929,200	2,057,600
Environment	-	20,000

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

**Reports and Financial Statements**

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

Emergency Projects (specify)		1,052,609	7,184,605	
Capacity Building		-	1,365,000	
Development - factories/stadiums		-		
<b>Total</b>		<b>27,705,796</b>	<b>43,914,545</b>	

**8 ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>		2017-2018	2016-2017	
		Kshs	Kshs	
Purchase of Buildings		-	-	
Construction of Buildings			-	
Refurbishment of Buildings		-		
Purchase of Vehicles		-		
Purchase of Bicycles & Motorcycles		-		
Overhaul of Vehicles		-		
Purchase of Office furniture and fittings		-	-	
Purchase of computers ,printers and other IT equipments			-	
Purchase of photocopier		-	-	
Purchase of other office equipments		-	-	
strategic plan				
Acquisition of Land		-	-	
<b>Total</b>		<b>-</b>	<b>-</b>	

**9 OTHER PAYMENTS**

		2017-2018	2016-2017	
		Kshs	Kshs	
strategic plan			-	
<b>TOTAL</b>		<b>-</b>	<b>-</b>	

**10A: Bank Balances (cash book bank balance)**

Name of Bank	Account Number	2017-2018	2016-2017	
		Kshs (30/6/2018)	Kshs (30/6/2017)	
Equity Bank		34,222,276	18,481,016	

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

**Reports and Financial Statements**

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

<b>Total</b>		<b>34,222,276</b>	<b>18,481,016</b>	
<b>10B: CASH IN HAND</b>				
		<b>2017-2018</b>	<b>2016-2017</b>	
		<b>Kshs (30/6/2018)</b>	<b>Kshs (30/6/2017)</b>	
Location 1			-	
Location 2		-	-	
Location 3		-	-	
Other receipts (specify)		-	-	
			-	
<b>Total</b>		-	-	
		<i>[Provide cash count certificates for each]</i>		
<b>11: OUTSTANDING IMPRESTS</b>				
<b>Name of Officer</b>	<b>Date imprest taken</b>	<b>Amount Taken</b>	<b>Amount Taken</b>	<b>Balance (30/6/2018)</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-		-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-		-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-		-
<b>Total</b>				-
<b>12 Retention</b>				
		<b>2017 - 2018</b>	<b>2016 - 2017</b>	
<b>Supplier/Contractor</b>	<b>PV No.</b>			
		-	-	
<b>TOTAL</b>		-	-	
<b>13 BALANCES BROUGHT FORWARD</b>				
		<b>2017 - 2018</b>	<b>2016 - 2017</b>	
		<b>Kshs (1/7/2017)</b>	<b>Kshs (1/7/2016)</b>	
<b>Equity Bank</b>		<b>18,481,016</b>	<b>46,774,476</b>	
Cash in hand				
Imprest		-		

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

**Reports and Financial Statements**

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

<b>Total</b>		<b>18,481,016</b>	<b>46,774,476</b>
	<i>[Provide short appropriate explanations as necessary]</i>		
<b>14 PRIOR YEAR ADJUSTMENTS</b>			
		<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
Bank accounts			-
Cash in hand		-	-
Imprest		-	-
		-	-
<b>Total</b>		-	-
<b>15 OTHER IMPORTANT DISCLOSURES</b>			
<b>15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)</b>			
		<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
Construction of buildings		-	
Construction of civil works		-	
Supply of goods		-	
Supply of services		-	
<b>TOTAL</b>		-	
<b>15.2: PENDING STAFF PAYABLES (See Annex 2)</b>			
		<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
Staff Salaries		-	
		-	
Gratuity		-	
		-	
<b>15.3: UNUTILIZED FUNDS (See Annex 3)</b>			
		<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)		10,763,764.00	1,690,027.30
Amounts due to other grants and other transfers (see attached list)		27,874,535.00	15,800,159.28
Others (specify)		4,677,027.00	





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIBRA CONSTITUENCY Reports**

**Financial Statements**

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

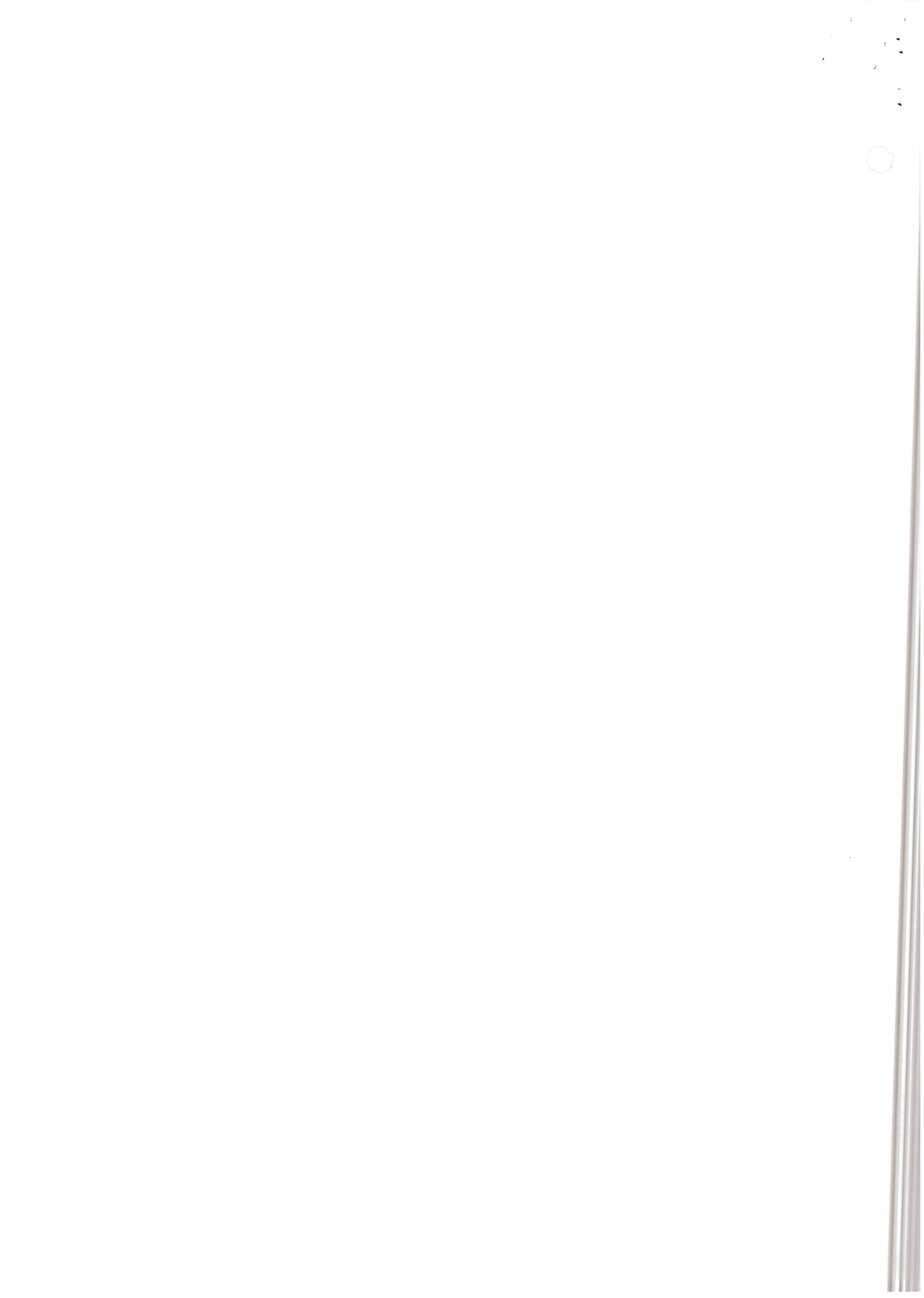
**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIBRA CONSTITUENCY REPORT**  
**Financial Statements**  
**For the year ended June 30, 2018**

**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	11,279,170.00	-	-	11,279,170.00
Transport equipment	4,500,000.00	-	-	4,500,000.00
Office equipment, furniture and fittings	1,550,495.84	-	-	1,550,495.84
ICT Equipment, Software and Other ICT Assets	518,418.40	-	-	518,418.40
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>17,848,084.24</b>	-	-	<b>17,848,084.24</b>



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

**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Mbagathi Secondary School	Equity Bank	1170264883900	1,243,078.70	322,748.70
Kibera Secondary School	Equity Bank	1170270942529	10,007,790.00	9,999,935.00
Raila Educational Centre	Equity Bank	1170266699050	335,074.00	0.00
<b>Total</b>			<b>11,585,942.70</b>	<b>10,322,683.70</b>





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For the year ended June 30, 2018**

**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)
AUDIT REPORT	<p>During the year under review, the Fund budgeted to spend Kshs. 128,671,028. However, overall actual expenditure for the year was Kshs. 110,190,012 resulting to an under expenditure of Kshs. 18,481,016 which is equivalent to about 14% of the total budget. Further analysis of the budget against actual expenditure indicate administration expenses for the year amounted to Kshs. 8,965,494 against a budget of Kshs. 9,956,324 resulting to an under expenditure of Kshs. 990,830. Out of the development budget of Kshs. 118,714,704, Kshs. 101,224,518 was spent resulting to under expenditure of Kshs. 17,490,186, a 15% shortfall. This implies some budgetary provisions and plans were not met which may impact negatively on service delivery by the Fund to the constituents. The under investment was mainly on transfers to other government units at Kshs. 1,690,027, other grants and other grants and transfers at Kshs. 15,800,159. The under expenditure is an indication that approved programs were not fully implemented.</p>	<p>Kibra NG-CDFC accepts that there was an under expenditure of the approved budget as at 30th June, 2017. This can be explained by the fact that we received our funds Kshs 40,948,275.10/= on 8th March, 2017 as per the attached copy of the bank statement in index IV which was only three months to the end of financial. In addition, the political instability in Kibra was high which acted as catalyst to slow implementation of the approved projects. All the projects have already been implemented.</p>	<p>Kibra NG-CDFC have the full responsibility to transfer the funds to the PMC immediately</p>	<p>Resolved. All funds were transferred to the PMC</p>	<p>The funds are to be transferred to other government within two weeks</p>

