

REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

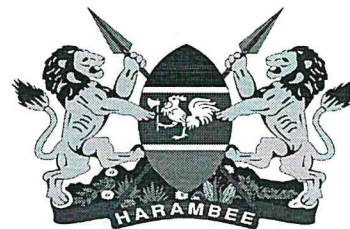
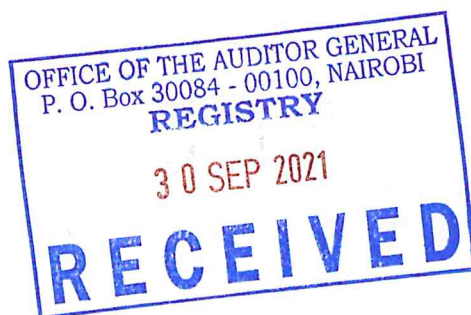
OF	
THE NATIONAL ASSEMBLY	
DATE: 13 OCT 2021	
DAY: WED	
TABLED BY:	MRS. KATEP
CHIEF-AT-THE-TABLE:	SAMUEL KAPUMA

### NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MATHARE CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2019







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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND MATHARE  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019**

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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)**  
**MATHARE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MATHARE 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 Planning, 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)**  
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**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 MATHARE Constituency 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.	Fund Account Manager	Kevin McAkech
2.	Sub-County Accountant	Mugo Mbugua
3.	Chairman NGCDFC	Sarah Omutsayi
4.	Member NGCDFC	Elizabeth Ombetho

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 15917-00100  
Kiamaiko Road  
Nairobi, KENYA



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***MATHARE CONSTITUENCY***  
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**(f) NG-CDF MATHARE Constituency Contacts**

Telephone: (254) 0713951051  
E-mail: matharengcdf.go.ke  
Website: www.matharengcdf.go.ke

**(g) NG-CDF MATHARE Constituency Bankers**

1. Equity bank Limited  
Branch: Four ways  
A/c No.0020261806785

**(h) Independent Auditors**

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

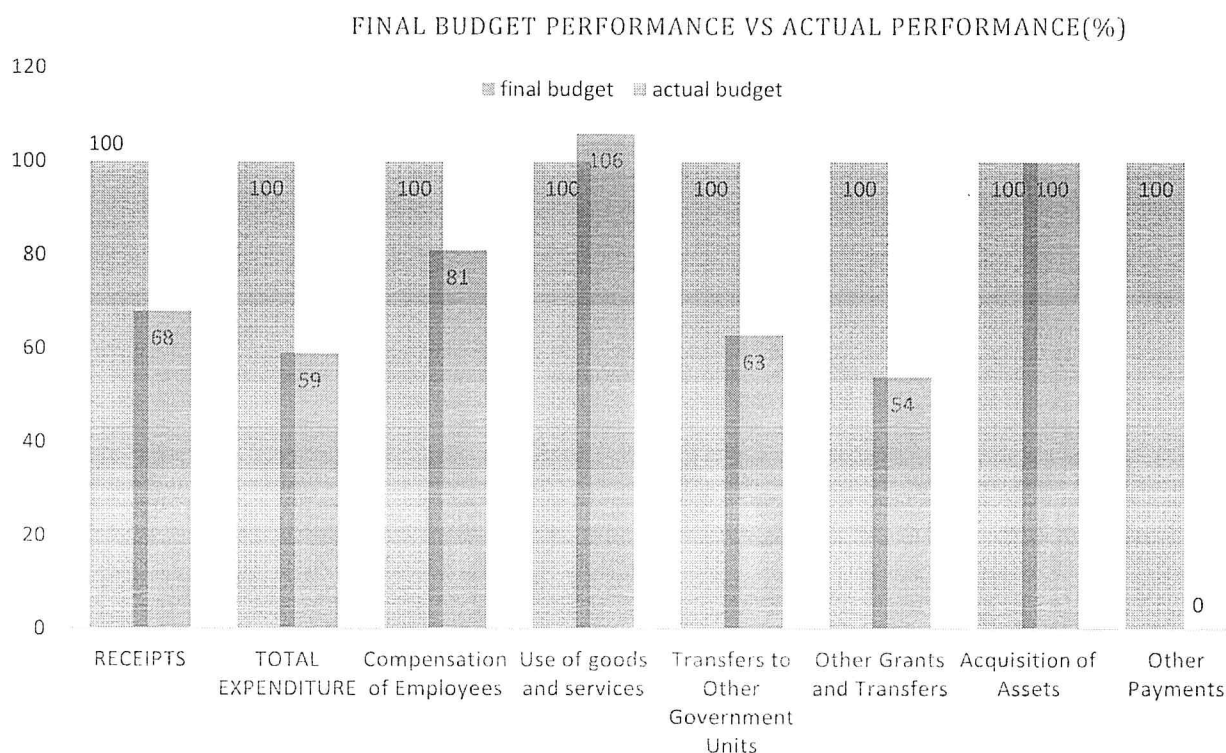
**(i) Principal Legal Adviser**

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

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

In summary, the budget performance against actual amounts for current year based on economic classification and programmes is as depicted here below



Our key focus during F/y 2018/19 as usual was on education owing to the high children population in our constituency. Below is a summary of our achievements;

**Key achievements**

We have rolled out the following flagship projects as follows:

1. Construction of new administration block and classrooms at Huruma Secondary School. Besides that, we have also rejuvenated wooden blocks of two classrooms, carried out electrical works, re-roofing and flooring.
2. Construction of two classrooms at Ndururuno Primary school and renovation works of three classrooms at Huruma Primary School and purchase of desks to enhance learning activities.
3. Purchase of Prefabrications for the revampment of the Mathare and Huruma social hall which also included construction of a Perimeter wall. The project also includes equipping of the gymnasium.
4. Education bursary was disbursed to over 2000 needy students both in secondary and tertiary institutions. In addition to that, several students have also been enrolled to driving schools and salons. This is to cater for needy and bright students.



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

**MATHARE CONSTITUENCY**

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5. Construction of a Perimeter wall at New Huruma A.P Camp, construction of staff houses and refurbishing of three staff houses; reroofing painting and plumbing works. In addition, installation of water tanks.
6. Fencing of the Huruma Police station, construction of two staff houses and installation of water tanks.

**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 NGCDF COMMITTEE**

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

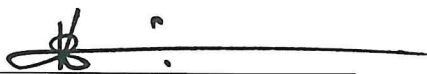
The Accounting Officer in charge of the NGCDF-MATHARE Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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-MATHARE 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, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MATHARE 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-MATHARE 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-MATHARE Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_September 2019.

  
Fund Account Manager  
Name: Kevin McAkech

  
Sub-County Accountant  
Name: Mugo Mbugua  
ICPAK Member Number:





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board	1	104,250,776	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>104,250,776</b>	<b>43,405,172</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,578,405	2,082,429
Use of goods and services	5	12,576,329	3,502,225
Transfers to Other Government Units	6	35,303,965	-
Other grants and transfers	7	53,851,887	15,162,700
Acquisition of Assets	8	4,068,240	-
Other Payments	9		
<b>TOTAL PAYMENTS</b>		<b>109,378,826</b>	<b>20,747,354</b>
<b>SURPLUS/DEFICIT</b>		<b>(5,128,049)</b>	<b>22,657,818</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATHARE Constituency financial statements were approved on \_\_ September 2019 and signed by:

  
Fund Account Manager  
Name: Kevin McAkech

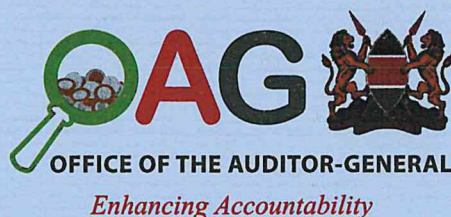
  
Sub-County Accountant  
Name: Mugo Mbugua  
ICPAK Member Number:





# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATHARE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mathare Constituency set out on pages 9 to 39, which comprise the statement of financial assets as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the of National Government Constituencies Development Fund - Mathare Constituency as at 30 June, 2019, 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. Unpresented Cheques**

The statement of financial assets as at 30 June, 2019 reflects bank balances totalling Kshs.17,535,030. However, examination of the bank reconciliation statements for June 2019 balances revealed that cheques amounting to Kshs.1,053,068 were stale, since they had not been presented for payment within six (6) months. The cheques represent payments for employees' statutory deductions and for bursaries to needy



students. Failure to reverse the stale cheques in the books of accounts misrepresents the cash balance in the financial statements. No explanation was given for this anomaly.

## **2. Unwarranted Expenditure on Office Rent**

The statement of receipts and payments reflects expenditure of Kshs.12,618,329 on use of goods and services as disclosed in Note 5 to the financial statements. The expenditure includes Kshs.240,000 incurred on office rent during the year under review. However, available records indicate that the Fund had an office block constructed in the previous years at a cost of Kshs.22,475,900. Further, a total of Kshs.4,038,184 was incurred on renovations, tiling, and partitioning of the said offices during the year under review.

Physical verification carried out at the offices revealed that the offices were being occupied by staff of National Police Service under unclear circumstances, as there was no correspondences to indicate how the offices were allocated to the National Police Service.

In the circumstances, it was not possible to ascertain whether the rent expenditure of Kshs.240,000 was justified.

## **3. Unconfirmed Fixed Assets**

Annex 4 to the financial statements reflects a fixed assets balance of Kshs.36,729,997. However, the annexure does not include a summary of fixed assets but shows a comparative extract of the financial statements for the current and previous year which does not disclose the nature, value, status and location of the assets owned by the Fund.

Further, other machinery and equipment valued at Kshs.20,889,505 at the beginning of the year were not disclosed. No explanation was given for failure to include the opening balances in the assets schedule.

In the circumstances, it has not been possible to confirm the existence of the assets owned Fund as at 30 June, 2019.

## **4. Net Financial Position**

The statement of assets and liabilities as at 30 June, 2019 reflects total financial assets of Kshs.17,535,030 and nil total financial liabilities. However, the statement incorrectly reflects a net liabilities position of Kshs.17,535,030 instead of a net financial position as per the guidelines issued by the Public Sector Accounting Standards Board.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Budget Control and Performance**

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.186,488,438 and Kshs.126,913,855 respectively resulting to an under-funding of Kshs.59,574,583 or 32% of the budget. Similarly, the Fund expended Kshs.109,378,826 against an approved budget of Kshs.186,488,439 resulting to an under-expenditure of Kshs.77,109,613 or 42% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the constituents.

## **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 Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Stalled Project at Huruma Secondary School**

Examination of records at the Fund indicate that a tender for construction of classrooms and administration block at Huruma Secondary School was awarded to a local contactor at a sum of Kshs.38,660,400. A copy of the letter of notification dated 17 August, 2018 indicates that the contract duration was forty-two (42) weeks after the date of possession. As at the time of the audit, expenditure amounting to Kshs.18,317,287 had been paid for executed works. However, a physical verification



carried on 21 January, 2020 revealed that the project had stalled at the ground floor substructure level.

Management did not provide documents showing the program of work, level of completion and measures taken against the contractor for failure to meet contractual obligations.

## **2. Irregular Recruitment of Staff**

During the year under review, National Government Constituencies Development Fund - Mathare Constituency recruited twenty-seven (27) additional officers and incurred an expenditure of Kshs.2,381,895 in remuneration to these new staff. However, no advertisement was made for the new positions and there was no evidence of interviews conducted.

Further, the necessary academic certificates for the recruited staff were not availed for audit verification.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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**

The Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material



misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, the Management is responsible for assessing the ability of National Government Constituencies Development Fund - Mathare Constituency ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations. The 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, the 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 manner.

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 in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management' 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 ability of National Government Constituencies Development Fund - Mathare Constituency to continue as a going concern or 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 Company to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide the 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.



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**17 September, 2021**



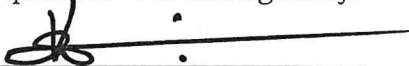


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MATHARE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**


**V. STATEMENT OF FINANCIAL ASSETS**

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	17,535,030	22,663,079
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>17,535,030</b>	<b>22,663,079</b>
Current Receivables			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>17,535,030</b>	<b>22,663,079</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention			-
Gratuity			-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b><u>17,535,030</u></b>	<b><u>22,663,079</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	22,663,079	5,261
Surplus/Deficit for the year		(5,128,049)	22,657,818
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b><u>17,535,030</u></b>	<b><u>22,663,079</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATHARE Constituency financial statements were approved on \_\_\_\_ September 2019 and signed by:

  
Fund Account Manager  
Name: Kevin McAkech



  
Sub-County Accountant  
Name: Mugo Mbugua  
ICPAK Member Number:



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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**VI. STATEMENT OF CASHFLOW**

			2018 - 2019	2017 - 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts				
Transfers from CDF Board	1		104,250,776	43,405,172
Other Receipts	3		-	
<b>Total Receipts</b>			<b>104,250,776</b>	<b>43,405,172</b>
Payments				
Compensation of Employees	4		3,578,405	2,082,429
Use of goods and services	5		12,576,329	3,502,225
Transfers to Other Government Units	6		35,303,965	-
Other grants and transfers	7		53,851,887	15,162,700
Other Payments	9		-	-
<b>Total Payments</b>			<b>105,310,586</b>	<b>20,747,354</b>
<b>Total Receipts Less Total Payments</b>			<b>(1,059,809)</b>	<b>22,657,818</b>
Adjusted for:				
Outstanding Imprest	11	-		
Retention	12A	-		
Gratuity Payable	12B	-		
Prior Year adjustment	14	-		
<b>Net Adjustments</b>			<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>			<b>(1,059,809)</b>	<b>22,657,818</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
Proceeds from Sale of Assets	2		-	-
Acquisition of Assets	8		(4,068,240)	-
<b>Net cash flows from Investing Activities</b>			<b>(4,068,240)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			<b>(5,128,049)</b>	<b>22,657,818</b>
Cash and cash equivalent at BEGINNING of the year	13		22,663,079	5,261
<b>Cash and cash equivalent at END of the year</b>			<b>17,535,030</b>	<b>22,663,079</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MATHARE Constituency financial statements were approved on \_\_\_ September 2019 and signed by:

  
Fund Account Manager  
Name: Kevin McAkech



  
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY**  
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**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,876	77,447,563	186,488,438	126,913,855	59,574,583	68%
Proceeds from Sale of Assets			-		-	
Other Receipts				-	-	
<b>TOTAL RECEIPTS</b>	<b>109,040,876</b>	<b>77,447,563</b>	<b>186,488,438</b>	<b>126,913,855</b>	<b>59,574,583</b>	<b>68%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,830,000	613,955	4,443,955	3,578,405	865,550	81%
Use of goods and services	5,983,679	5,934,695	11,918,374	12,576,329	(657,955)	106%
Transfers to Other Government Units	25,500,000	30,949,552	56,449,552	35,303,965	21,145,587	63%
Other grants and transfers	68,709,323	31,410,165	100,119,488	53,851,887	46,267,601	54%
Acquisition of Assets	-	4,080,187	4,080,187	4,068,240	11,947	100%
Other Payments	5,017,874	4,459,009	9,476,883	-	9,476,883	0%
<b>TOTAL</b>	<b>109,040,876</b>	<b>77,447,563</b>	<b>186,488,439</b>	<b>109,378,826</b>	<b>77,109,613</b>	<b>59%</b>

(a) Below is a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY**  
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*Under-utilization (Receipts from NGCDF Board 68%)*

*Kshs 59,574,583 had not been not received / not disbursed from the NGCDF Board as at 30th June 2019.*

*Under-utilization (Payments- Compensation of employees 81%)*

*The budget was fully utilized with the unspent balance of Kshs 865,550 being utilized for the same purpose for the months of July and August 2019 til exhaustion*


*Underutilization-Transfers to Other Government Units-63%,  
the following projects had not been implemented as at 30th June 2019*

St.Theresa Secondary School	2,533,707	Funds at NGCDFB
Huruma Secondary School	500,000	
Huruma Primary School	1,000,000	
St.Theresa Primary School	5,500,000	
Ndururuno Primary School	2,500,000	Funds transferred to the PMC Account in July 2019
Old Mathare Primary School	500,000	
Salama Primary School	500,000	
Huruma Primary School	625,000	
Ndururuno Primary School	625,000	
Daina Primary School	625,000	
Salama Primary School	625,000	
Valley Bridge Primary School	625,000	
Kiboro Primary School	625,000	
St.Theresa Primary School	625,000	
Old Mathare Primary School	625,000	
St.Theresa Primary School	1,559,009	Funds transferred to the PMC Account in July 2019

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Ndururuno Primary School	1,559,009	Funds transferred to the PMC Account in July 2019
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The NGCDF-MATHARE Constituency financial statements were approved on \_\_\_ September 2019 and signed by:

  
Fund Account Manager  
Name: Kevin McAkech

\_\_\_\_\_  
Sub-County Accountant  
Name: Mugo Mbugua  
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY**  
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**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019	Kshs	2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,830,000	613,955	4,443,955	3,578,405	865,550
1.2 Committee allowances	1,334,800	542,000	1,876,800	2,156,800	(280,000)
1.3 Use of goods and services	1,377,653	302,650	1,680,303	1,994,764	(314,462)
<b>Sub-Total</b>	<b>6,542,453</b>	<b>1,458,605</b>	<b>8,001,058</b>	<b>7,729,969</b>	<b>271,088</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	2,071,226	945,690	3,016,916	3,016,916	0
2.2 Committee allowances	1,200,000	686,355	1,886,355	1,969,849	(83,494)
2.3 Use of goods and services	-	-	-	-	-
<b>Sub-Total</b>	<b>3,271,226</b>	<b>1,632,045</b>	<b>4,903,271</b>	<b>4,986,765</b>	<b>(83,494)</b>
<b>3.0 Emergency</b>					
3.1 Primary Schools(Salama Daima, Ndururuno)		1,624,500	1,624,500	1,624,500	-
3.2 Secondary schools		541,500	541,500	541,500	-
3.3 Tertiary institutions		-	-	-	-
3.4 Security projects -Huruma police station-Toilet		1,200,000	1,200,000	1,200,000	-
3.5 others		500,000	500,000	500,000	-
3.6 Unspent Balance	5,738,993	771,934	6,510,927	-	6,510,927
<b>Sub-Total</b>	<b>5,738,993</b>	<b>4,637,934</b>	<b>10,376,927</b>	<b>3,866,000</b>	<b>6,510,927</b>
<b>4.0 Bursary and Social Security</b>					
4.1 Primary Schools		-	-	-	-
4.2 Secondary Schools	15,486,635	2,170,972	17,657,607	19,435,000	(1,777,393)
4.3 Tertiary Institutions	11,486,635	8,833,673	20,320,308	10,072,000	10,248,308
4.4 Universities	-	-	-	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY**  
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4.5 Social Security	7,016,057		7,016,057	-	7,016,057
4.6 Social Security-Not Approved	1,982,926		1,982,926	-	1,982,926
<b>Sub-Total</b>	<b>35,972,252</b>	<b>11,004,645</b>	<b>46,976,897</b>	<b>29,507,000</b>	<b>17,469,897</b>
5.0 Sports					
5.1 bal b/f		1,963,793	1,963,793	1,913,250	50,543
5.2 Sports Activities	2,180,818		2,180,818	-	2,180,818
<b>Sub-Total</b>	<b>2,180,818</b>	<b>1,963,793</b>	<b>4,144,611</b>	<b>1,913,250</b>	<b>2,231,361</b>
6.0 Environment					
6.1 Balance b/f		1,963,793	1,963,793	1,731,637	232,156
6.2 Daima Primary School	1,090,409		1,090,409	-	1,090,409
6.3 Salama Primary School	1,090,409		1,090,409	-	1,090,409
<b>Sub-Total</b>	<b>2,180,817</b>	<b>1,963,793</b>	<b>4,144,610</b>	<b>1,731,637</b>	<b>2,412,973</b>
7.0 Primary Schools Projects					
7.1 Ndururuno Primary School	2,500,000	2,771,552	5,271,552	2,771,552	2,500,000
7.2 Old Mathare Primary School	3,000,000	3,000,000	6,000,000	5,500,000	500,000
7.3 Huruma Primary School	625,000		625,000		625,000
7.4 Ndururuno Primary School	625,000		625,000		625,000
7.5 Daima Primary School	625,000		625,000		625,000
7.6 Salama Primary School	625,000		625,000		625,000
7.8 Valley Bridge Primary school	625,000		625,000		625,000
7.9 Kiboro Primary school	625,000		625,000		625,000
7.10 St.Theresa Primary school	625,000		625,000		625,000
7.11 Old Mathare Primary School	625,000		625,000		625,000
7.13 Valley Bridge Primary School		1,500,000	1,500,000	1,500,138	(138)
7.14 Kiboro Primary School		1,566,275	1,566,275	1,566,275	-
7.15 Huruma Primary School		1,000,000	1,000,000		1,000,000
7.16 St.Theresa Primary school	5,000,000	3,000,000	8,000,000	2,500,000	5,500,000
7.17 Salama Primary school		500,000	500,000	-	500,000
7.18 St. Theresa Primary school		1,559,009	1,559,009		1,559,009
7.19 Ndururuno Primary school		1,559,009	1,559,009		1,559,009
7.20 retention b/f			-		-
<b>Sub-Total</b>	<b>15,500,000</b>	<b>16,455,845</b>	<b>31,955,845</b>	<b>13,837,965</b>	<b>18,117,880</b>
8.0 Secondary Schools Projects					



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY**  
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**For the year ended June 30, 2019**

8.1 Huruma Secondary School	10,000,000	9,300,000	19,300,000	19,300,000	-
8.3 Huruma Secondary School (co-funding in purchase of bus)		2,533,708	2,533,708	2,533,708	2,533,708
8.4 St. Theresa Secondary School		500,000	500,000	500,000	500,000
8.5 retention b/f			-	-	-
Sub-Total	10,000,000	12,333,708	22,333,708	19,300,000	3,033,708
9.0 Health institutions Projects					
9.1 balances b/f					
10.0 Security Projects					
10.1 Huruma AP Camp	5,000,000	7,000,000	12,000,000	12,000,000	-
10.2 Huruma Police Station		7,000,000	7,000,000	7,000,000	-
10.3 high Mast security lights-Not Approved	17,636,443		17,636,443		17,636,443
10.9 retention b/f			-	-	-
11.0 Acquisition of assets			-	-	-
11.1 Motor Vehicles			-	-	-
11.2 Construction of Mathare NGCDF office		4,038,187	4,038,187	4,026,240	11,947
11.3 Purchase of furniture and equipment			-	-	-
11.4 Purchase of computers			-	-	-
Sub-Total	22,636,443	18,038,187	40,674,630	23,026,240	17,648,390
12.0 ROADS					
12.1	-				
13.0 Others					
13.1 Strategic Plan		3,500,000	3,500,000	3,480,000	20,000
13.2 Innovation Hub		1,559,009	1,559,009	-	1,559,009
13.3 Mathare Social hall	5,017,874	2,900,000	7,917,874		7,917,874
13.4 TIVET					-
Sub-Total	5,017,874	7,959,009	12,976,883	3,480,000	9,496,883
GRAND TOTALS	109,040,876	77,447,563	186,488,439	109,378,826	77,109,614



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**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-MATHARE Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**Transfers from the NGCCF BOARD**

Transfers from the board 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 2019, 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MATHARE CONSTITUENCY  
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For the year ended June 30, 2019**

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**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 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law. 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 2019.

### **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) –  
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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	AIE NO B005328	17,000,000	
	AIE NO	33,250,776	
	AIE NO B030198	10,000,000	
	AIE NO B005403	12,000,000	
	AIE NO B006450	8,000,000	
	AIE NO B042801	12,000,000	
	AIE NO B047029	12,000,000	
	AIE NO A855927		5,500,000
	AIE NO A892896		37,905,172
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
<b>TOTAL</b>		<b>104,250,776</b>	<b>43,405,172</b>

**2. PROCEEDS FROM SALE OF ASSETS**

**3. OTHER RECEPTS**

**4. COMPENSATION OF EMPLOYEES**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	2,092,481	1,959,579
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		-
Transport allowance		-
Leave allowance		
Other personnel payments		74,850
Employer contribution to NSSF	30,800	48,000
Gratuity-Paid	1,455,324	
<b>TOTAL</b>	<b>3,578,405</b>	<b>2,082,429</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	160,000	793,486
Electricity	53,500	-
Water & sewerage charges	-	-
Office rent	240,000	320,000
Communication, supplies and services	186,300	-
Domestic travel and subsistence	105,286	-
Printing, advertising and information supplies & services	440,244	153,624
Rentals of produced assets	-	-
Training expenses	3,336,916	-
Hospitality supplies and services	377,680	-
Other committee expenses	1,372,849	1,234,000
Committee allowance	2,156,800	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	291,823	883,000
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	175,820	68,115
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	90,500	-
Routine maintenance- other assets	108,611	50,000
Strategic Plan	3,480,000	-
<b>TOTAL</b>	<b>12,576,329</b>	<b>3,502,225</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	8,751,965	
Transfers to Secondary schools	26,552,000	
<b>TOTAL</b>	<b>35,303,965</b>	<b>-</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	19,435,000	7,070,000
Bursary -Tertiary	10,072,000	7,592,700
Security	19,000,000	
Sports	1,913,250	
Environment	1,731,637	
Emergency Projects	1,700,000	500,000
<b>TOTAL</b>	<b>53,851,887</b>	<b>15,162,700</b>



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**8. ACQUISITION OF ASSETS**

<u>Non-Financial Assets</u>	2018-2019	2017 - 2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	4,026,240	-
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	42,000	
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b>4,068,240</b>	<b>-</b>

**9. OTHER PAYMENTS**

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

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Equity Bank, Fourways Branch . Mathare NG-CDF</i>	<i>A/C no.0020261806785</i>	17,535,030	22,663,079
<b>10B: CASH IN HAND)</b>			
		2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1		~	~
Other receipts (specify)		~	~
<b>TOTAL</b>		~	~

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**11: OUTSTANDING IMPRESTS**

**12RETENTION**

Supplier/Contractor	PV No.	2018-2019	2017 - 2018
PAMMART HOLDINGS	021	150,150	
PAMMART HOLDINGS	030	105,000	
PAMMART HOLDINGS	036	47,706	-
<b>TOTAL</b>		<b>302,856</b>	<b>-</b>

**12B: ACCRUED GRATUITY**

	2018-2019	2017 - 2018
Gratuity-Accrued	1,217,339	
<b>TOTAL</b>	<b>1,217,339</b>	<b>-</b>

**13. BALANCES BROUGHT FORWARD**

	<i>2018-2019</i>	<i>2017 - 2018</i>
	<i>(1/7/2018</i>	<i>(1/7/2017)</i>
	<i>Kshs</i>	<i>Kshs</i>
<i>Bank accounts</i>	<i>22,663,079</i>	<i>5,261</i>
<i>Cash in hand</i>		<i>-</i>
<i>Imprest</i>		<i>-</i>
<b>TOTAL</b>	<b><i>22,663,079</i></b>	<b><i>5,261</i></b>

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**14. PRIOR YEAR ADJUSTMENTS**

	<b>2018 - 2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts		
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2018 - 2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff	1,217,339	-
Others (specify)	-	-
<b>TOTAL</b>	<b>1,217,339</b>	<b>-</b>

**15.3: UNUTILIZED FUNDS (See Annex 3)**

	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	-	613,955
Use of goods and services		5,976,695
Amounts due to other Government entities	21,145,587	25,671,534
Amounts due to other grants and other transfers	46,267,601	33,570,163
Acquisition of assets	11,947	4,038,187
Others -ICT HUBS	1,559,009	4,677,027
Others (NGCDF Social Hall)	7,917,874	2,900,000
<b>TOTAL</b>	<b>76,902,019</b>	<b>77,447,561</b>



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15.4: PMC account balances (See Annex 5)

	2018- 2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	5,286,000.00	34,071,000.00
	<b>5,286,000.00</b>	<b>34,071,000.00</b>

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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 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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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 2019	Outstanding Balance 2018	Comments
NGCDF Staff salary		a	b	c	d=a-c		
1.							
2.							
3.							
<b>Sub- Total</b>							
NGCDFC Staff gratuity							
former staff		2,305,878.00		1,152,939.00	1,152,939.00	2,305,878.00	
1. Alembi Michael Oboka		5,200.00	MARCH 2019	-	5,200.00	-	
2. Sophia Moraa Mongare		5,200.00	MARCH 2019	-	5,200.00	-	
3. Mary Wangui		5,200.00	MARCH 2019	-	5,200.00	-	
4. Fumbi Sylvia Namalwa		4,400.00	MARCH 2019	-	4,400.00	-	
5. Jashon Ombado Obonyo		6,800.00	MARCH 2019	-	6,800.00	-	
6. Daniel Otieno Ila		8,400.00	MARCH 2019	-	8,400.00	-	
7. Adera Samuel Onyango		6,400.00	MARCH 2019	-	6,400.00	-	
8. Roselyn Ogutu		4,800.00	MARCH 2019	-	4,800.00	-	
9. Millicent Auma Onyango		4,800.00	MARCH 2019	-	4,800.00	-	
10. Esther Ngundu Mutei		4,400.00	MARCH 2019	-	4,400.00	-	
11. Felix Odero Okach		4,400.00	MARCH 2019	-	4,400.00	-	
12. Jecinter Otiende		4,400.00	MARCH 2019	-	4,400.00	-	
<b>Sub- Total</b>		<b>2,370,278.00</b>		<b>1,152,939.00</b>	<b>1,217,339.00</b>	<b>2,305,878.00</b>	
Others ( <i>specify</i> )							
1							
2							
3							
<b>Sub- Total</b>							
<b>Grand Total</b>		<b>2,370,278.00</b>			<b>1,217,339.00</b>	<b>2,305,878.00</b>	

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**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		865,550	613,955	
Use of goods & services			2,476,695	
Use of goods & services-Strategic Plan		-	3,500,000	
Sub-Total		865,550	6,590,650	
Amounts due to other Government entities				
ST.THERESA SECONDARY SCHOOL		2,533,707	2,533,707	
HURUMA SECONDARY SCHOOL			9,300,000	
HURUMA SECONDARY SCHOOL		500,000	500,000	
VALLEY BRIDGE PRIMARY SCHOOL			1,500,000	
KIBORO PRIMARY SCHOOL			1,566,275	
HURUMA PRIMARY SCHOOL	purchase of 200 lockers @Kshs 5,00	1,000,000	1,000,000	
ST.THERESA PRIMARY SCHOOL		5,500,000	3,000,000	
NDURURUNO PRIMARY SCHOOL		2,500,000	2,771,552	
OLD MATHARE PRIMARY SCHOOL		500,000	3,000,000	



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SALAMA PRIMARY SCHOOL	purchase of 100 lockers @Kshs 5,00	500,000	500,000
HURUMA PRIMARY SCHOOL	desks purchase	625,000	
NDURURUNO PRIMARY SCHOOL	108 desks purchase	625,000	
DAIMA PRIMARY SCHOOL	108 desks purchase	625,000	
SALAMA PRIMARY SCHOOL	108 desks purchase	625,000	
VALLEY BRIDGE PRIMARY SCHOOL	108 desks purchase	625,000	
KIBORO PRIMARY SCHOOL	108 desks purchase	625,000	
ST.THERESA PRIMARY SCHOOL	108 desks purchase	625,000	
OLD MATHARE PRIMARY SCHOOL	108 desks purchase	625,000	
ST.THERESA PRIMARY SCHOOL	construction of 2 classrooms	1,559,009	-
NDURURUNO PRIMARY SCHOOL	construction of 2 classrooms	1,559,009	-
Sub-Total		21,151,725	25,671,534
Amounts due to other grants and other transfers			
HURUMA POLICE STATION			7,000,000
HURUMA AP CAMP			7,000,000
HIGH MAST SECURITY LIGHTS		17,636,443	-
BURSARY		8,470,914	11,004,645

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SPORTS					
ENVIRONMENT		constituency sports tournament	2,231,361	1,963,793	
EMERGENCY		construction of 5 door pit latrines	2,412,973	1,963,793	
		cater for any unforeseen occurrences	6,510,927	4,637,932	
SOCIAL SECURITY PROGRAMME			8,998,983	-	
Sub-Total			46,261,601	33,570,163	
Acquisition of assets					
NG-CDF MATHARE OFFICE			11,947	4,038,187	
Sub-Total			11,947	4,038,187	
Others ( <i>specify</i> )					
Constituency Innovation hubs					
			1,559,009	4,677,027	
MATHARE SOCIAL HALL			7,917,874	2,900,000	
Sub-Total			9,476,883	7,577,027	
Grand Total			77,767,706	77,447,561	

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

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
				(Kshs)	2018/19
Land	-	-	-	-	-
Buildings and structures	27,550,000	4,026,240	-	31,576,240	
Transport equipment	4,650,495	-	-	4,650,495	
Office equipment, furniture and fittings	246,631	-	-	246,631	
ICT Equipment, Software and Other ICT Assets	256,631	-	-	256,631	
Other Machinery and Equipment	20,889,505	-	-		
Heritage and cultural assets	-	-	-	-	
Intangible assets	-	-	-	-	
<b>Total</b>	<b>53,593,262</b>	<b>4,026,240</b>	<b>-</b>	<b>36,729,997</b>	

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**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

PMC	BANK	A/C NO	Bank Balance 2018/19 Kshs	Bank Balance 2017/18 Kshs
HURUMA AP CAMP	EQUITY		~	7,000,000.00
HURUMA POLICE STATION	EQUITY		400,000.00	7,000,000.00
KIBORO PRIMARY	EQUITY		~	1,500,000.00
ST THERESA PRIMARY	EQUITY		400,000.00	3,000,000.00
VALLEY BRIDGE PRIMARY	EQUITY			1,500,000.00
NDURURUNO PRIMARY	EQUITY			8,300,000.00
HURUMA SECONDARY SCHOOL	EQUITY		426,000.00	3,000,000.00
OLD MATHARE	EQUITY		4,060,000.00	2,771,000.00
			5,286,000.00	34,071,000.00



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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Presentation and disclosures of the Financial statements.</p> <p>The statement of compliance and basis for preparation indicate that all values are rounded off to the nearest shilling. However, the figures in the financial statements have not been rounded off to the nearest shilling. The financial statements are therefore, not consistent with the basis of preparation and are not fully in conformity with the format prescribed by the Public Sector Accounting Standard Board.</p>	<p>It is true that we did not round off the figures in the financial statements to the nearest shilling. However, the figures presented were the actual payments made. hence no loss of funds risk. We however have noted then need and requirement to round off and will ensure this is implemented going forward.</p>	Certificate not received from the Auditor General		
2.	<p>The following differences have been noted between comparative figures (2014/2015) reflected in the financial statements for the year ended 30 June 2016 and the balances shown in the</p>	<p>There was a compensating difference in the comparative figures which was brought about by change in vote classification. Goods and Services, Committee</p>	Certificate not received from the Auditor General		

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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)
	audited financial statements for 2014/2015; however, the differences have not been explained in respect to these items. In addition, the nature of the errors and respective amounts of the corrections in these comparative figures have similarly not been disclosed in the notes to the financial statements.	Expenses and Social Security were all separate votes in the Previous Financial Year. In the subsequent year in compliance with IPSAS template of PSAB goods and services was combined with committee expenses while social security was merged with compensation of employees.			
3.	The statement of assets reflects bank balance of Kshs. 5,690,138 as at 30 <sup>th</sup> June 2016. A review of the bank reconciliation statement for June 2016 however revealed unrepresented cheques amounting to Kshs. 3,503,120 that were stale and had not been reversed in the cashbook thereby understating the bank balance in the financial statements by the extent of the stale cheques. In the circumstances, the accuracy of the bank balance of Kshs.	The stale cheques were all reversed in the subsequent year as evidenced by the cash book extract and bank reconciliation.	Certificate not received from the Auditor General		

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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)
	5,690,138 as at 30 June 2016 cannot be confirmed.				
4.	During the year under review, Mathare Constituency Fund incurred expenditure totaling Kshs. 147,951,413 against an approved budget of Kshs. 104,736,739 resulting in a net over expenditure of Kshs. 43,214,673.	The over expenditure was not an actual over expenditure. The funds allocated for the financial year was Kshs. 104,736,739. The amount carried forward from the previous year was Kshs. 43,214,673. The funds had all been approved in both financial years.	FAM		