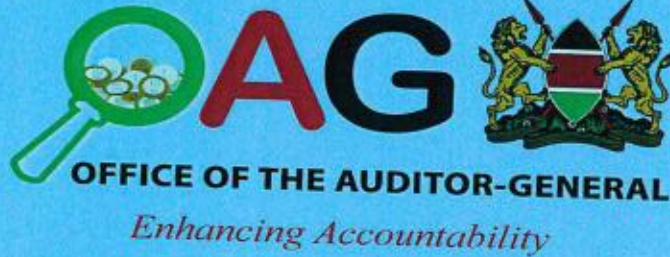


REPUBLIC OF KENYA



REPORT

Stamp: NATIONAL ASSEMBLY
DATE: 10 MAY 2022
DAY: TUESDAY
MAJORITY LEADER
Signature: [Signature]

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -MATHARE CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES Error! Bookmark not defined.	
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	Error!
Bookmark not defined.	
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	13
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- MATHARE CONSTITUENCY</i>	14
VII. STATEMENT OF RECEIPTS AND PAYMENTS	15
VIII.STATEMENT OF ASSETS AND LIABILITIES.....	1
IX. STATEMENT OF CASHFLOW.....	17
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	18
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES	22
XII. SIGNIFICANT ACCOUNTING POLICIES	18
XIII.NOTES TO THE FINANCIAL STATEMENTS	22

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	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) NGCDF MATHARE Constituency Headquarters

P.O. Box 38670-00623
New Deputy County Commissioner in Mabatini Ward
Along Juja Road
Nairobi, KENYA

MATHARE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

(f) NGCDF MATHARE Constituency Contacts

Telephone: (254) 0713951051
E-mail: matharenconstituency@gmail.com
Website: www.matharengcdf.go.ke

(g) NGCDF MATHARE Constituency Bankers

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

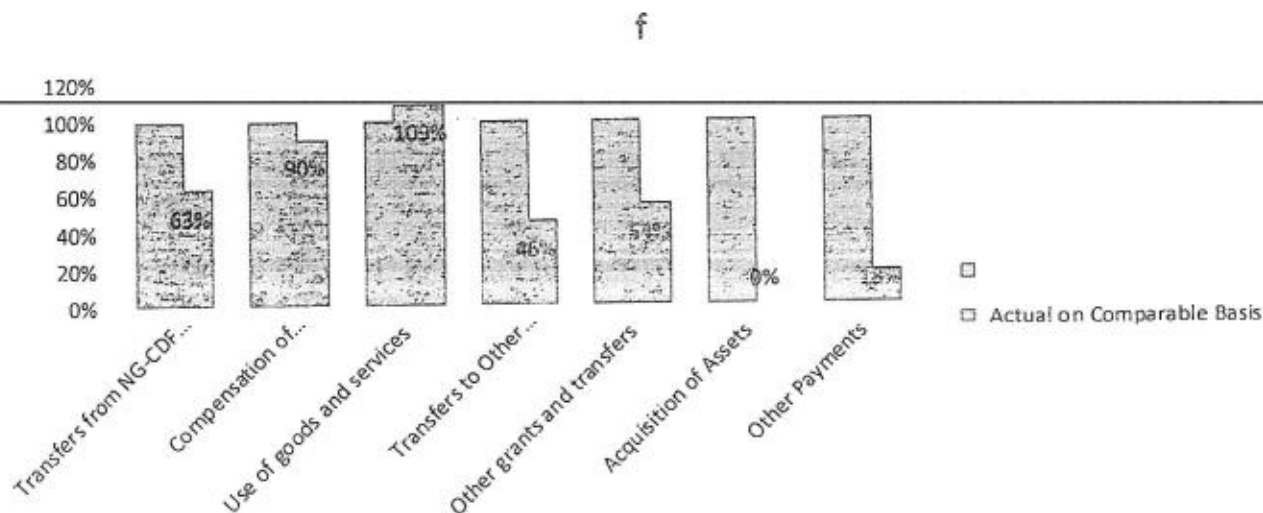
(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Dear stakeholders,

I am pleased to present to you the Mathare NGCDF annual reports and financial statements for financial year 2019/2020. We have received Kenya shillings 109,040,875.50 which was an increase from the previous financial year 2018/2019. The following table was the comparable figure for the two years.



Our key focus during the financial year 2019-2020 was on education owing to the high children population in our constituency.

We have rolled out the following flagship projects as follows:-

1. Construction of new administration block and classrooms at Huruma Mixed Secondary school, besides that we have also rejuvenated wooden classroom blocks in Huruma Secondary school, carried-out electrical works, re-roofing, flooring.
2. Construction of three classrooms at Ndururuno Primary School and renovation works of three classrooms at Huruma Primary School and purchase of Desks to improve learning.
3. Education bursary was disbursed to over 5,600 needy and bright student in both secondary and tertiary institution. In addition, several students have been enrolled in technical schools.
4. Construction of a perimeter wall at Salama Primary School, Construction of a toilet at Huruma Police Station and Fencing of the Deputy County commissioner Office, Roofing, Painting at St. Theresa Primary School.
5. Fencing of the Huruma Police Station and Construction of a modern toilet using emergency Funds.

MATHARE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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.

- Detail key achievements for the entity (*under these section use pictorials to depict successful projects undertaken during the year*)
- *The Mathare Ng-Cdfc has been able to successfully complete the following projects and in use:-*
- *Huruma A.P Camp –Administration Block*



- *Huruma Secondary school-Administration Block and Classrooms 90% complete*
 - *Huruma Police Station- Huruma Police toilet*
 - *Old Mathare Primary- Perimeter wall*
 - *St. Theresa Primary School- Renovation of classroom block*
- List of emerging issues related to the entity,
 - Disbursement of funds for various projects should be prompt and within the financial year for ease of the Audit and absorption of funds.
 - Inadequate funding of the NGCDF Training and staff capacity building.
1. Disbursement of Funds should be done promptly to enable sufficient funding of projects and enhance the completion rate.
To overcome this the Mathare constituency has opted to fund Project Management Committees in full to enable 100% completion of the projects.
 2. Political Interference is one of the challenges faced in Implementation of projects in Mathare Constituency.
To overcome Mathare Constituency has endeavoured to sensitize the public on the role of NGCDF on the functions performed and how operations at the NGCDF office are done and the responsibility of the decisions made.



Sign

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NGCDF-MATHARE Constituency's *2018-2022* plan are to:

- a) To improve Education infrastructure and promote access to education for all.
- b) To ensure adequate security of life and property to Mathare residents and visitors.
- c) To secure a sustainable clean and healthy environment in all the six wards.
- d) To promote sports talent and placement.
- e) To enhance grassroots level empowerment opportunities by facilitating access to Uwezo and women Enterprises
- f) To lobby for provision of affordable primary health care to the Mathare Community.
- g) To lobby for easily accessible and clean water to residents of Mathare.
- h) To lobby for sustainable disaster management and preparedness.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

MATHARE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 19/20 - we increased number of classrooms from 15 to 18 in the following schools/institutions Ndururuno Primary, Kiboro Primary, Huruma Secondary and St. Theresa's Secondary
Security	To ensure adequate security of life and property to Mathare residents and visitors.	Increased security	<ul style="list-style-type: none"> -Number of improved security facilities -Number of beneficiaries of the security facilities 	In the FY 19/20 - we increased police station, sub-county offices.
Environment	To promote waste management	Promote waste management	Construction of Toilets in security and school facilities	In the financial 19/20 Mathare NG-CDF has managed to construct 3 toilets
Sports	To promote sports talent and placement.	Increased talent search and placement	Increased number of participants in sporting tournament	In the f/y 19/20 the funds will be utilised December in the f/y 20/21
Disaster Management	To lobby for sustainable disaster management and preparedness.	Disaster management and mitigation	Mitigation of the Disaster Risks	In the f/y 19/20 the Mathare NG-CDF managed to mitigate risks in Salama Primary School by construction of a Perimeter wall

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – MATHARE Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

The 17 Sustainable Development Goals (SDGs) are part of a wider United Nations (UN) 2030 Agenda for Sustainable Development which build on the Millennium Development Goals (MDGs).

These goals are: End poverty in all its forms everywhere; End hunger, achieve food security and improved nutrition and promote sustainable agriculture; Ensure healthy lives and promote well-being for all at all ages; Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; Achieve gender equality and empower all women and girls; Ensure availability and sustainable management of water and sanitation for all; Ensure access to affordable, reliable, sustainable and modern energy for all; Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; Reduce inequality within and among countries; Make cities and human settlements inclusive, safe, resilient and sustainable; Ensure sustainable consumption and production patterns; Take urgent action to combat climate change and its impacts; Conserve and sustainably use the oceans, seas and marine resources for sustainable development; Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss; Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; and strengthen the means of implementation and revitalize the global partnership for sustainable development.

2. Environmental performance

Mathare NG-CDF works to generate benefits for its stakeholders and those participating or collaborating in its activities. Its conduct is governed by sustainability criteria and the desire to serve society, as Mathare NG-CDF recognizes its role in society's development and progress. All Mathare NG-CDF employees involved in management at any level contribute to sustainability through their commitment to pollution prevention, environmental conservation and the preservation of biodiversity, the promotion of energy efficiency and climate change management, which is formalized through this Environmental Policy.

Mathare NG-CDF leadership aspirations and its Constituency commitment influence, as in other Group activities, environmental actions, an area in which Mathare NG-CDF also aims to be a benchmark.

This Policy is derived from the Mathare NG-CDF Security and Environment Master Plan, which establishes the strategic framework and model for the constituency various initiatives with regard to security and environmental management.

Mathare NG-CDF environmental commitment is based on three fundamental pillars: integrating the environment into the constituency operations, developing environmental management initiatives and promoting environmental responsibility in the constituency.

MATHARE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

- a) Mathare NG-CDF has been able to build toilets in various schools and security facilities to promote environment conservation.
- b) Mathare NG-CDF has also managed to dispose waste such as asbestos roofing material removed from classrooms under renovation. This is disposed according to National Environmental Management Authority (NEMA) requirements as capture in the Bill of quantities.
- c) Mathare NG-CDF strives to conserve the environment by carrying out landscaping on newly constructed buildings in schools and security facilities to comply with the environmental policy.

3. Employee welfare

The Mathare NG-CDF are guided by the public service Act in the hiring process which is adhered to when staff are hired. The gender ratio is guided by the Kenyan Constitution 2010 which requires the gender rule to be two thirds of either gender. Mathare NGCDF has achieved this by having the total number of employees representing half of either gender which complies with the gender ratio. The employees are improved by the frequent on-job training and ear-marked training which is done annually in-different venues. This improves the deliverables and output each employee.

Explain efforts made in improving skills and managing careers, appraisal and reward systems.

Mathare NGCDF Employees skills are improved through annual trainings and on-job trainings. This skills are assessed through questionnaire that are given to the staff to enable Mathare NG-CDF to know the impact of the training ,where to improve on and areas suggested for further training. All staff are subjected to appraisal on renewal of contracts to establish how efficient staff are in every aspect of work in the constituency office. This is done through a pre-determined questionnaire with common objective in the area of operation. The reward System for Mathare NG-CDF office is not yet determined because the constituency has no proper way of accounting for rewards and the budget is constrained to allow for rewards to employees.

The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).
Health and Safety Policy

Mathare NGCDF is committed to the goal of providing and maintaining a healthy and safe working environment, with a view to continuous improvement. This goal is only achievable by adherence to established objectives striving to exceed all obligations under applicable legislation, and by fostering an enthusiastic commitment to health, safety and the environment within Mathare NG-CDF personnel, contractors and visitors.

In particular:

Management, working in cooperation with the Joint Health and Safety Committee, will strive to take all reasonable steps to reduce workplace hazards to as low as reasonably achievable.

Supervisors and managers are held accountable for the health and safety of all employees under their supervision. This includes responsibility for applicable training and instruction, appropriate

MATHARE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

follow up on reported health and safety concerns, and implementation of recommended corrective action. This accountability is integrated into the performance appraisal system.

Supervisors, workers and visitors are expected to perform their duties and responsibilities in a safe and healthful manner, and are accountable for the Health and Safety of themselves and others.

Mathare NG-CDF is committed to providing all necessary training and instruction to ensure that appropriate work practices are followed on the job, and to promote their use off the job.

If necessary, Mathare NG-CDF will take disciplinary action where Individuals fail to work in a healthy and safe manner, or do not comply with applicable legislation or corporate policies and procedures. Health, safety, the environment and loss control in the workplace are everyone's Responsibility.

Mathare NG-CDF expects that everyone will join in our efforts to provide a healthy and safe working environment on a continuous day to day basis. Only through the dedication and efforts of all individuals can Mathare NG-CDF succeed in providing a healthy safe working environment.

4. Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Mathare NGCDF has practiced responsible competition in offering opportunities in procurement of services, Goods and Works .Mathare Ng-CDF has adhered to the laid down law regarding responsible competition practice as required by the Public Procurement Disposal Act, 2015.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

Mathare NG-CDF practices responsible supply chain relations by encouraging all groups as indicated in law to participate in procurement of Goods, Services and Works. This groups include the youth, women and People with Disability.

All these groups are included in the advertisement of tender to encourage fair competition. In the responsible political environment the locals are given first priority in applying for the opportunities available in the provision of services in the various sectors i.e Procurement opportunities, Job Opportunities emanating from NG-CDF Mathare office and works in the projects being undertaken.

Treatment of Supplier by the NG-CDF Mathare responsibility is done through-

Honouring payment promptly- The Mathare NG-CDF honours payment to suppliers upon verification of works done through the technical department reports to enable continuation and completions of projects.

Conducive Work environment – all work sites are secured for the contractor to work without hiccups. Security is provided by the school Project Management Committee through the Deputy County Commissioners office.

Proper Documentation – all suppliers are well documented by the Mathare NG-CDF to enable ease of retrieval of information and proper representation of documentation for suppliers registered by Mathare NG-CDF.

MATHARE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

Mathare NG-CDF practices responsible marketing and advertisements for tenders, job opportunities and other public information by posting adverts in the local dailies and areas designated in the constituency for advertisement.

Records are also kept as evidence for responsible marketing and advertisement for a period of six years for reference as required by law

The efforts to maintain ethical practices by Mathare NGCDF are evidenced by the Reports that are done quarterly to the Authorities.

d) Product stewardship- outline efforts to safeguard consumer rights and interests
Mathare NG-CDF has safeguarded the consumer rights and interest by the following:-

Enlightening consumers on their rights

Mathare NG-CDF has set aside a day where the public can be enlightened on the functions and operations of NG-CDF.

Holding Public Participation once every two years

The law requires participation of the consumers in deciding the projects to be done by the Mathare NGCDF.

Oversight Committee

Mathare NG-CDF has an oversight committee, which represents and protects the consumer rights by guiding the decisions of the NGCDF-Committee on representation and balance of skewed distribution of projects and other interests.

5. Community Engagements-

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community

Mathare NG-CDF participates in community engagements in terms of education and sports. Where bursary cheques are issued to bright and needy students and sports tournament are held to develop talent in the constituency through events organised by Mathare NG-CDF.
Mathare NG-CDF carries out events in the year to identify bright and needy students' together with the sporting talents.

These two events are done at the beginning of the financial year for bursary and mid-year for sporting events. The constituency has also identified the vulnerable old to benefit from the social security fund. This has been done through a policy developed by the NG-CDF Board in conjunction with NHIF to facilitate actualisation on provision of affordable health care as transcended with the presidential agenda.

V. 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-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, 2020. 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, 2020, and of the entity's financial position as at that date. The Accounting Officer in 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 ___ July 2020.


Fund Account Manager
Name: Kevin McAkech


Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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, 2020

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 15 to 61, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows 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 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 National Government Constituencies Development Fund - Mathare Constituency as at 30 June, 2020, 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. Accuracy of the Financial Statements

1.1 Unexplained Differences in Opening Balances

Fund Balance Brought Forward

The statement of assets and liabilities reflects a fund balance brought forward of Kshs.22,663,079 for the financial year 2018/2019. However, the corresponding Note 13 to the financial statements shows a fund balance brought forward of Kshs.5,434,369 for the same year thereby resulting to an unexplained difference of Kshs.17,228,710.

Prior Year Adjustments

The statement of assets and liabilities shows a prior year adjustments opening balance of nil while the corresponding Note 14 to the financial statements reflects Kshs.17,535,030 as the opening balance thus resulting to an unexplained difference of Kshs.17,535,030.

Project Management Committee (PMC) Accounts Balances

Note 17.4 to the financial statements reflects a PMC Account opening balance of Kshs.531,857 while Annex 5 to the financial statements on PMC bank balances shows the financial year 2018/2019 closing balance of Kshs.5,318,576 resulting to an unexplained difference of Kshs.4,786,719.

Unutilized Fund

Note 17.3 to the financial statements reflects closing balance on unutilized fund of Kshs.77,767,569 for the financial year 2018/2019. However, Annex 3 to the financial statements shows of Kshs.77,787,707 as the outstanding balance as at 30 June, 2019 resulting to an unexplained difference of Kshs.20,138.

1.2 Variance between the Financial Statements and Ledger Amounts

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects a compensation of employees amount of Kshs.3,877,526 which includes basic wages of temporary employees amount of Kshs.2,351,988. However, the ledger provided in support of this amount shows an amount of Kshs.2,163,990 thus resulting in an unexplained variance of Kshs.187,998.

Further, as disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects a use of goods and services amount of Kshs.8,618,241 which includes an amount of Kshs.1,666,000 being other committee expenses. However, the ledger provided in support of this amount shows an amount of Kshs.1,511,000 thereby resulting in an unexplained variance of Kshs.155,000.

1.3 Statement of Cashflows

The statement of cashflow shows a cash and cash equivalents balance at the beginning of the year of Kshs.17,535,030 which differs with the cash and cash equivalents balance as at 30 June, 2019 of Kshs.17,837,886 as shown in the statement of assets and liabilities. The resultant difference of Kshs.302,856 has not been explained.

1.4 Summary Statement of Appropriation: Recurrent and Development Combined

The summary statement of appropriation: recurrent and development combined shows a total budget utilization difference of Kshs.108,195,082 on the payments side. However, the recomputed amount is Kshs.104,317,556 thus resulting in an unexplained difference of Kshs.3,877,527.

In the circumstances, the accuracy of the financial statements for the year ended 30 June, 2020 could not be confirmed.

2. Unconfirmed Fixed Assets

As reported previously, Annex 4 to the financial statements reflects a total fixed assets balance of Kshs.53,635,262. However, the annex does not include a summary of fixed assets and comparative information for the previous financial year but instead shows an extract of the fixed assets for the current year which does not disclose the nature, value, status and location of the assets owned by the Fund as at 30 June, 2020.

In the circumstances, it has not been possible to verify the existence of the assets owned by the National Government Constituencies Development Fund - Mathare Constituency.

3. Unsupported Payment of Allowances for Monitoring and Evaluation

The statement of receipts and payments reflects payments of use of goods and services totaling Kshs.8,618,241 for the year ended 30 June, 2020 which includes an amount of Kshs.2,085,000 incurred under committee allowances. During the year under review, the Fund spent an amount of Kshs.1,778,002 under other committee expenses for monitoring and evaluation exercise. However, the invitation letters, agendas, schedule of projects visited, reports, minutes of meetings, photos of the project progress and the committee's recommendations were not provided.

Consequently, the regularity and value for money of the amount of Kshs.1,778,002 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the 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

Budgetary Control and Performance

The summary statement of appropriation: recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.214,505,337 and Kshs.135,498,218 respectively resulting to an under-funding of Kshs.79,007,119 or 37% of the budget. Similarly, the Fund expended Kshs.110,187,781 against an approved

budget of Kshs.214,505,337 resulting to an under-expenditure of Kshs.104,317,556 or 49% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the constituents of Mathare Constituency.

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

Construction of an Administration Block and Classrooms at Huruma Secondary School

During the year under review, the Fund allocated Kshs.3,463,557 to Huruma Secondary school for completion of an administration block and 6 Classrooms which were rolled over from the previous financial year, 2018/2019. A physical verification of the project carried out in the month of February, 2021, revealed that the project had not been completed and the contractor was not on site.

In the circumstances, it was not possible to confirm the value for money for the expenditure of Kshs.3,463,557 incurred during the year ended 30 June, 2020.

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 overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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

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 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, Management is responsible for assessing the Fund's 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 abolish the Fund or to cease operations.

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 Fund's 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 Fund policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable 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 continue 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 to continue 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 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 February, 2022


Reports and Financial Statements


For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	117,935,188	104,250,776
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	28,000	-
TOTAL RECEIPTS		117,963,188	104,250,776
PAYMENTS			
Compensation of employees	4	3,877,526	3,578,405
Use of goods and services	5	8,618,241	9,096,329
Transfers to Other Government Units	6	44,810,248	35,303,965
Other grants and transfers	7	51,381,766	53,851,887
Acquisition of Assets	8	-	4,068,240
Other Payments	9	1,500,000	3,480,000
TOTAL PAYMENTS		110,187,781	109,378,826
SURPLUS/DEFICIT		7,775,407	(5,128,049)

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 ____ July 2020 and signed by:


Fund Account Manager
Name: Kevin McAkech


Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
MATHARE CONSTITUENCY

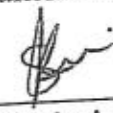
Reports and Financial Statements
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	27,315,743	17,837,886
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		27,315,743	17,837,886
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		27,315,743	17,837,886
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A	-	302,856
Gratuity	12B	-	-
NET FINANCIAL SSETS		27,315,743	17,535,030
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	17,535,030	22,663,079
Surplus/Deficit for the year		7,775,407	(5,128,049)
Prior year adjustments	14	2,005,306	-
NET FINANCIAL POSITION		27,315,743	17,535,030

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 ____ July 2020 and signed by:

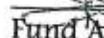

Fund Account Manager
Name: Kevin McAkech

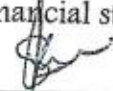

Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496

MATHARE CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2020****IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	117,935,188	104,250,776
Other Receipts	3	28,000	-
		117,963,188	104,250,776
Payments for operating expenses			
Compensation of Employees	4	3,877,526	3,578,405
Use of goods and services	5	8,618,241	9,096,329
Transfers to Other Government Units	6	44,810,248	35,303,965
Other grants and transfers	7	51,381,766	53,851,887
Other Payments	9	1,500,000	3,480,000
		110,187,781	105,310,586
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	2,005,306	-
Net Adjustments		2,005,306	-
Net cash flow from operating activities		9,780,713	(1,059,809)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(4,068,240)
Net cash flows from Investing Activities		-	(4,068,240)
NET INCREASE IN CASH AND CASH EQUIVALENT		9,780,713	(5,128,049)
Cash and cash equivalent at BEGINNING of the year	13	17,535,030	22,663,079
Cash and cash equivalent at END of the year		27,315,743	17,535,030

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 1 July 2020 and signed by:


Fund Account Manager
Name: Kevin McAkech


National Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	77,109,613	214,477,337	135,470,218	79,007,119	63%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts "AIA"	-	28,000	28,000	28,000	-	0%
TOTAL RECEIPTS	137,367,724	77,137,613	214,505,337	135,498,218	79,007,119	63%
PAYMENTS						
Compensation of Employees	3,680,000	865,550	4,545,550	3,877,526	668,024	85%
Use of goods and services	8,683,695	(677,956)	8,005,739	8,618,241	(612,502)	108%
Transfers to Other Government Units	50,491,974	46,846,304	97,338,278	44,810,248	52,528,030	46%
Other grants and transfers	68,863,283	25,461,199	94,324,482	51,321,766	42,942,716	54%
Acquisition of Assets	2,141,001	11,947	2,152,948	-	2,152,948	0%
Other Payments	3,507,770	4,602,569	8,110,339	1,500,000	6,610,339	18%
Unallocated		28,000	28,000		28,000	
TOTAL	137,367,724	77,137,613	214,505,337	110,187,781	108,195,082	51%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

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

i. Receipts from NGCDF Board 63%-Kshs 79,007,119 had not been not received / not disbursed from the NGCDF Board as at 30th June 2020

ii. Transfers to Other Government Units-46%- The following projects had not been implemented as at 30th June 2020

Transfers to Other Government Units-46%- The following projects had not been implemented as at 30th June 2020		
1.	Ndururuno Primary School	Awaiting disbursement of funds from NGCDF Board
2.	Valley Bridge Primary School	Awaiting disbursement of funds from NGCDF Board

Reports and Financial Statements
For the year ended June 30, 2020

MATHARE CONSTITUENCY

3.	Salama Primary School	6,235,861	Awaiting disbursement of funds from NGCDF Board
4.	Huruma Primary School	6,500,000	Awaiting disbursement of funds from NGCDF Board
5.	Daima Primary School	3,200,000	Awaiting disbursement of funds from NGCDF Board
6.	ST. Theresas Primary School	2,000,000	Re-allocation from Huruma Social Hall FY 2018/19 - Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated February 4, 2020. Funds transferred to the PMC Account in July 2020
7.	ST. Theresas Primary School	5,000,000	FY 2018/19 - Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated June 4, 2020. Funds transferred to the PMC Account in July 2020.
8.	Ndururuno Secondary	6,955,328	Awaiting disbursement of funds from NGCDF Board
9.	Old Mathare Primary School	6,330,743	Awaiting disbursement of funds from NGCDF Board
10.	St. Theresa Secondary School	8,330,742	Awaiting disbursement of funds from NGCDF Board
	Sub-Total	52,528,168	

iii.

Other Grants and Transfers -54%- The following projects had not been implemented as at 30th June 2020

1.	DCC Office-Mabatini	2,419,492	Awaiting disbursement of funds from NGCDF Board
2.	DCC Office-Mabatini	3,998	Balance where Funds fully utilized
3.	DCC Office-Mathare	325,000	Re-Allocation from High Mast security lights FY 2018/19 - Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated February 4, 2020. Funds to be utilized in the subsequent financial year.
4.	ACC 1's Office-Mathare	245,000	Re-Allocation from High Mast security lights FY 2018/19 - Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated February 4, 2020. Funds to be utilized in the subsequent financial year.
5.	ACC 2's Office-Mathare	230,000	Re-Allocation from High Mast security lights FY 2018/19 - Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated February 4, 2020. Funds to be utilized in the subsequent financial year.
6.	High Mast Security Lights	1,436,040	Awaiting Re-allocation
7.	Bursary	4,694,618	Balance to be utilized in the subsequent financial year.
8.	Sports	2,749,090	Balance to be utilized in the subsequent financial year.
9.	Environment-St. Theresa Primary	2,419,492	Balance to be utilized in the subsequent financial year.

NATIONAL GOVERNMENT CONSTITUENTS DEVELOPMENT FUND
Reports and Financial Statements
For the year ended June 30, 2020

10.	Environment-Salama Primary	2,180,817	Re-allocation from Daima Primary vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/15 dated January 8, 2020 .Funds transferred to the PMC Account in July 2020.
11.	Environment	232,156	Fy:2017/18 Unspent Balance to be utilized in the subsequent financial year
12.	Emergency	6,808,029	Emergency reserve to be utilized/Re-allocated in the subsequent financial year.
13.	Social Security Programme	19,198,983	Awaiting disbursement of funds from NGCDF Board.
	Sub-Total	42,942,715	

iv. Acquisition of Assets-0%- The following projects had not been implemented as at 30th June 2020

1.	NG-CDF Mathare Office-Mabatini Ward	2,141,001	Awaiting disbursement of funds from NGCDF Board.
2.	NG-CDF Mathare Office	11,947	Fy:2017/18 Unspent Balance
	Sub-Total	2,152,948	

v. Other Payments-19% Due to non- implementation of the following projects as at 30th June 2020


1.	NG-CDF HALL-4B	1,169,257	Awaiting disbursement of funds from NGCDF Board.
2.	DCC OFFICE-MABATINI	1,169,257	Awaiting disbursement of funds from NGCDF Board.
3.	HURUMA SECONDARY SCHOOL	1,169,257	Awaiting disbursement of funds from NGCDF Board.
4.	Strategic Plan	20,000	Fy:2017/18 Unspent Balance after project being fully funded
5.	Mathare DDC Office	59,009	Unspent Balance after project being fully funded
6.	MATHARE SOCIAL HALL	3,023,561	Awaiting NG-CDFB approval on Re-allocation
	Sub-Total	6,610,340	

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-MATHARE Constituency financial statements were approved on 30th July 2020 and signed by:



Fund Account Manager
Name: Kevin McAkech



Sub-County Accountant
Name: Mugo Mbugua
ICPAK Member Number: 14496

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,680,000	865,550	4,545,550	3,877,526	668,024
1.2 Committee allowances	1,600,000	(280,000)	1,320,000.00	2,236,000	(916,000)
1.3 Use of goods and services	2,962,663	(314,462)	2,648,202	4,342,241	(1,694,039)
2.0 Monitoring and evaluation					
2.1 Capacity building	2,500,000	-	2,500,000	-	2,500,000
2.2 Committee allowances	1,112,032	(83,494)	1,028,538	1,331,000	(302,462)
2.3 Use of goods and services	509,000	-	509,000	709,000	(200,000)

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
3.0 Emergency					
3.1 Primary schools	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects - Huruma police station-Toilet	-	447,139	447,139	447,139	-
3.5 Others-Kosovo Storm Water Excavation	390,212	663,788	1,054,000.00	1,054,000	-
3.6 Emergency Reserve	6,808,029	0	6,808,030	-	6,808,030
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	25,000,000	-	25,000,000	22,140,000	2,860,000

4.3 Tertiary Institutions	13,078,703	8,470,914	21,549,618	19,715,000	1,834,618
4.4 Social Security	10,200,000	8,998,983	19,198,983	-	19,198,983
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
5.0 Sports					
5.1	2,747,354	2,231,361	4,978,715	2,229,625	2,749,090
6.0 Environment					
6.1 Balance b / f	-	232,156	232,156	-	232,156
6.2 Daina 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
6.4 ST. Theresa Primary school	2,419,492	-	2,419,492	-	2,419,492
7.0 Primary Schools Projects (List all the Projects)					
7.1 Old Mathare Primary School	1,045,000	-	1,045,000	1,045,000	-
7.2 Ndururuno Primary School	5,200,000	-	5,200,000	-	5,200,000
7.3 Valley Bridge Primary School	3,230,743	-	3,230,743	-	3,230,743
7.4 Salama Primary School	6,235,861	-	6,235,861	-	6,235,861
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
7.5 Huruma Primary School	6,500,000	-	6,500,000	-	6,500,000
7.6 Daina Primary School	3,200,000	-	3,200,000	-	3,200,000

**Reports and Financial Statements
For the year ended June 30, 2020**

7.7 Ndururuno Primary School	-	2,500,000	2,500,000	2,500,000	-
7.8 Old Mathare Primary School	-	500,000	500,000	500,000	-
7.9 Huruma/Ndururuno/Daima /Salama /Valley Bridge/Kiboro/St. Theresa/ Old Mathare /Huruma & St. Theresa Sec	-	7,000,000	7,000,000	7,455,250	(455,250)
7.10 Valley Bridge Primary School	-	(138)	(138)	500,000	5,000,000
7.11 St. Theresa Primary school	-	5,500,000	2,533,708	2,533,708	-
7.12 Kiboro Primary school	-	2,533,708	1,559,009	1,559,009	-
7.13 St. Theresa Primary school	-	1,559,009	1,559,009	1,559,009	-
7.14 Ndururuno Primary school	-	1,559,009	1,559,009	1,559,009	-
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
7.15 Salama Primary school	-	5,400,000	5,400,000	5,400,000	-
7.16 Kiboro Primary school	-	2,894,313	2,894,313	2,894,313	-
7.17 St. Theresa Primary school	-	2,000,000	2,000,000	-	2,000,000
8.0 Secondary Schools Projects (List all the Projects)					
8.1 Huruma Mixed Secondary School	3,463,557	-	3,463,557	3,463,557	-
8.2 Ndururuno Secondary School	6,955,328	-	6,955,328		6,955,328

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

8.3 Old Mathare Mixed Secondary School	6,330,743	-	6,330,743		6,330,743
8.4 St. Theresa Secondary School	8,330,742	-	8,330,742		8,330,742
8.8 Huruma Secondary School	-	15,400,403	15,400,403		15,400,403
3.0 Emergency					-
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
10.0 Security Projects					
10.1 Huruma AP Camp	3,800,000	-	3,800,000	3,800,000	-
10.2 Deputy County Commissioner Office-Mabatini	2,419,492	-	2,419,492	-	2,419,492
10.3 Deputy County Commissioner Office-Mabatini	2,000,000	-	2,000,000	1,996,002	3,998
10.4 Deputy County Commissioner Office-Mathare	-	325,000	325,000	-	325,000
10.5 Assistant County Commissioner 1's Office-Mathare	-	245,000	245,000	-	245,000
10.6 Assistant County Commissioner 2's Office-Mathare	-	230,000	230,000	-	230,000
10.7 High Mast security lights-	-	1,436,040	1,436,040	-	1,436,040
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-

NATIONAL GOVERNMENT CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

11.2 Construction of NG-CDF office	11,947	11,947	11,947	Budget utilization difference
Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs
11.3 Construction of NG-CDF office-Mabatini Ward	2,141,001	-	2,141,001	2,141,001
11.4 Purchase of furniture and equipment	-	-	-	-
11.5 Purchase of computers	-	-	-	-
11.6 Purchase of land	-	-	-	-
12.0 Others	1,169,257	-	1,169,257	1,169,257
12.1 ICT HUBS CDF HALL-4B	1,169,257	-	1,169,257	1,169,257
12.2 Deputy County Commissioner-Office Mabatini	1,169,257	-	1,169,257	1,169,257
12.3 Huruma Secondary School	1,169,257	20,000	20,000	20,000
12.4 Strategic Plan	-	1,559,009	1,559,009	59,009
12.5 Mathare DCC office	-	3,023,561	3,023,561	3,023,561
12.6 Mathare Social hall	-	77,109,614	214,477,338	104,289,556
GRAND TOTALS	137,367,724	77,109,614	214,477,338	110,187,782

which are programme

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

MATHARE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

XII. 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.

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
– MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

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 30th June 2020, 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 Fund

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
– MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

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 2019 for the period 1st July 2019 to 30th June 2020 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 30th June 2020.

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)
– MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
Normal Allocation	AIE NO B 047298	25,404,432	
	AIE NO B 041131	4,000,000	
	AIE NO B 041392	2,000,000	
	AIE NO B 047612	20,000,000	
	AIE NO B 047975	6,000,000	
	AIE NO B 049379	14,000,000	
	AIE NO B 104402	15,000,000	
	AIE NO B 096612	9,000,000	
	AIE NO B 096848	22,530,756	
	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
Conditional Grants	AIE NO...		
	-		-
Receipt from other Constituency			
TOTAL		117,935,188	104,250,776

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
– MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	28,000	-
Other Receipts Not Classified Elsewhere	-	-
Total	28,000	

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,351,988	2,092,281
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	1,469,738	1,455,324
Employer Contributions Compulsory national social security schemes	55,800	30,800
Total	3,877,526	3,578,405

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	-	160,000
Electricity	-	53,500
Office rent	400,000	240,000
Communication, supplies and services	113,490	186,300
Domestic travel and subsistence	169,920	105,286
Printing, advertising and information supplies & services	808,840	440,244
Training expenses	-	3,336,916
Hospitality supplies and services	660,352	377,680
Other committee expenses	1,666,000	1,372,849
Committee allowance	2,085,000	2,156,800
Office and general supplies and services	1,411,141	291,823
Bank service commission and charges	307,328	175,820
Routine maintenance - vehicles and other transport equipment	464,360	90,500
Routine maintenance- other assets	531,810	108,611
TOTAL	8,618,241	9,096,329

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
– MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to primary schools (see attached list)	25,946,288	8,751,965
Transfers to secondary schools (see attached list)	18,863,960	26,552,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	44,810,248	35,303,965

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,140,000	19,435,000
Bursary – tertiary institutions (see attached list)	19,715,000	10,072,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	5,796,002	19,000,000
Sports projects (see attached list)	2,229,625	1,913,250
Environment projects (see attached list)	-	1,731,637
Emergency projects (see attached list)	1,501,139	1,700,000
Total	51,381,766	53,851,887

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**– MATHARE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****NOTES TO THE FINANCIAL STATEMENTS (Continued)****8. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	4,026,240
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	42,000
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	4,068,240

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	3,480,000
MATHARE DCC'S OFFICE	1,500,000	-
Total	1,500,000	3,480,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
– MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank, Four ways Branch. Mathare NG-CDF-Kshs</i>		
<i>A/C no.0020261806785</i>	27,315,743	17,535,030
Total	27,315,743	17,535,030
10B: CASH IN HAND		
Location 1	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
– MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020
NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	-	-	-	-
Total				-

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

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
ZEDEX FABRICATORS LTD	44,714	-
PAMMART HOLDINGS	-	150,150
PAMMART HOLDINGS	-	105,000
PAMMART HOLDINGS	-	47,706
Total	44,714	302,856

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Accrued Gratuity as at 30 th June 2020	224,128	1,217,339
	-	-
	-	-
Total	224,128	1,217,339

NB: These are expensed outstanding gratuity amounts as at 30th June 2020 for the 12 contracted employees from April 2020 and one from (1) January 2020. (See Annex 2)
Retention held for the financial Year was Kshs.44, 714.00
Accrued Gratuity as at 30th June 2020 was Kshs. 224,128.00

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	17,535,030	5,434,369
Cash in hand	-	-
Imprest	-	-
Total	17,535,030	5,434,369

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
– MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	17,535,030	2,005,306	19,540,336
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	17,535,030	2,005,306	19,540,336

NB: These are stale cheques as at 30th June 2019 reversed in the cashbook during the financial year under review.

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 - 2020	2018 – 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	5,660,852	-
Imprest surrendered during the Year (C)	5,660,852	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 – 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	302,856	-
Deposit and Retentions held during the year (B)	268,842	302,856
Deposit and Retentions paid during the Year (C)	302,856	-
Net changes in account receivables D= A+B-C	268,842	302,856

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	224,128	1,217,339
	224,128	1,217,339

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	668,024	865,550
Use of goods and services	-	-
Amounts due to other Government entities (see attached list)	52,528,030	46,846,304
Amounts due to other grants and other transfers (see attached list)	42,942,716	25,461,199
Acquisition of assets	2,152,948	11,947
Others Payments	6,610,341	4,582,569
	104,902,932	77,767,569

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

PMC Account Balances	2019-2020	2018-2019
	Kshs	Kshs
Totals	4,268,304.01	5,318,57.22

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2,020	Outstanding Balance 2,019	Comments
		a	b	c	d=a-c		
NG-CDFC STAFF SALSARIES							
1.		-		-	-	-	
Sub-Total		-			-	-	
NGCDFC SATAFF GRATUITY							
1.Nancy Amboka		207,235	1/2/2015	207,235	-	103,618	
2.Josephine Atieno		108,500	1/2/2015	108,500	-	54,250	
3.Jane Endekwa		108,500	1/2/2015	108,500	-	54,250	
4.Joshua Otieno		189,472	1/2/2015	189,472	-	94,736	
5.Samwel Mundia		101,680	1/2/2015	101,680	-	50,840	
6.George Oduor		177,630	9/4/2015	177,630	-	88,815	
7.Julius Kangethe		83,700	1/10/2015	83,700	-	41,850	
8. Indech Pamela		142,104	1/10/2015	142,104	-	71,052	
9.Anthony Otieno		127,643	1/10/2015	127,643	-	63,821	
10.Wilson Makau		239,076	1/11/2015	239,076	-	119,538	
11.Kelvin Murimi		202,295	1/3/2015	202,295	-	101,147	
12.Leah Muthoni		127,875	1/1/2014	127,875	-	63,938	
13.Nelson Ngugi		186,058	1/3/2014	186,058	-	93,029	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

14. Daniel Morara			304,110	1/1/2014	304,110	-	152,055	
15. Alembi Michael			35,490	1/3/2019	23,400	12,090	5,200	
16. Sophia Moraa			35,490	1/3/2019	23,400	12,090	5,200	
17. Mary Wangui			35,490	1/3/2019	23,400	12,090	5,200	
18. Fumbi Sylvia			30,030	1/3/2019	19,800	10,230	4,400	
19. Jashon Ombado			46,410	1/3/2019	30,600	15,810	6,800	
20. Daniel Otieno Ila			57,330	1/3/2019	37,800	19,530	8,400	
21. Adera Samuel			43,680	1/3/2019	28,800	14,880	6,400	
22. Roselyn Ogutu			32,760	1/3/2019	21,600	11,160	4,800	
23. Millicent Onyango			32,760	1/3/2019	21,600	11,160	4,800	
24. Esther Ngundu			30,030	1/3/2019	19,800	10,230	4,400	
25. Felix Odero			30,030	1/3/2019	19,800	10,230	4,400	
26. Jecinter Otende			30,030	1/3/2019	19,800	10,230	4,400	
27. Lilian Waweru			101,397	1/7/2019	26,999	74,398	-	
Sub-Total			2,846,804		2,622,677	224,128	1,217,339	
Others (specify)								
10.								
Sub-Total			-			-	-	
Grand Total			2,846,804		2,622,677	224,128	1,217,339	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		668,024	865,550	
Use of goods & services		-	-	
Sub-Total		668,024	865,550	
Amounts due to other Government entities				
1.Ndururuno Primary School	pavements(250m) (slabbing) of the whole school walk ways- 2,000,000.00 Painting, tiling, installation of window pales, repair of lower windows, of 8 classrooms 3,200,000.00 all to completion	5,200,000	2,500,000	
2. Valley Bridge Primary School	Tiling, painting, repair of windows, fitting of soft boards, of 8 classrooms and toilets-3,230,743.20 to completion	3,230,743	-	
3.Salama Primary School	Repair of 9 door toilet and urinal; painting, plumbing works, repair of windows and doors, re-connection to sewerline-1,000,000.00, Tiling, Painting, repair of doors and windows, electrical wiring and fittings of 13 Classrooms- 5,235,861.34 to completion	6,235,861	-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

4.Huruma Primary School	Repair of 9 door Toilet: toilet and urinal; painting, plumbing works, repair of windows and doors, re-connection to sewerline-1,000,000.00, Tiling, fitting of soft boards, Painting of 13 Classrooms-5,500,000.00 to completion	6,500,000	-	
5.Daima Primary School	Repair of 8 classrooms; Tiling and Painting, re wiring of electricity, fitting of soft boards-3,200,000.00 to completion	3,200,000		
9.ST.Theresas Primary School	Renovation of 7 classrooms; removal of asbestos from roofs and staircases, roofing, scheming of walls and painting	2,000,000	2,000,000	Re-allocation from social Hall FY 2018/19 -Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated February 4,2020
10.ST.Theresas Primary School	Construction of two classrooms with a slab and staircase to completion	5,000,000	5,500,000	FY 2018/19 -Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated June 4,2020
11.Kiboro Primary School	Purchase of 100 lockers and chairs at @Kshs 5,000 each (Kshs.500,00) and construction of 2 classrooms with a slab; foundation and walling (Kshs.2,033,706.86)	-	2,533,707	FY 2017/18 -Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/18 dated March 3,2020
2. Ndururumo Secondary	Renovation of 12 classrooms tiling, painting - wiring -5,036,897.03, Slabbing of the Parade square with installation of cabro tiles (ZOM*10M)-1,918,430.60 all to completion	6,955,328	-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

3. Old Mathare Primary School	Tiling and Painting, wiring, fitting of window panes, fitting of chipboards 10 classroom-4,330,743.00. paving, Drainage and slabbing of the school walk ways (300M)-2,000,000.00	6,330,743	-	
4. St. Theresa Secondary School	Construction of a cabro road from school gate to Administration Block-(250m) with drainage, pavement and culverts.	8,330,742	-	
3. Huruma Secondary School	Construction of Phase one Huruma secondary school six classrooms, two ablution blocks, administration block, disability ramp, examination room, Machine room, two stair cases, store, Kitchen	-	15,400,403	Re-allocation from security lights
4. Valley Bridge Primary School	Renovation of 5 five classrooms and school path ways	2,900,000		
5. Kiboro Primary School			2,894,313	Re-allocation from social Hall
6. Huruma / Ndururuno / Daina / Salama / Valley Bridge / Kiboro / St. Theresa / Old Mathare / Huruma & St. Theresa Secondary	purchase of 200 lockers and 500 desks @Kshs 5,000	(455,250)	7,000,000	
7. St. Theresa Primary School				
8. Old Mathare Primary School		-	500,000	
9. St. Theresa Primary School	construction of 2 classrooms with a slab		1,559,009	
10. Ndururuno Primary School	construction of 2 classrooms with a slab		1,559,009	
12. Salama Primary School	Construction of a Perimeter wall		5,400,000	Re-allocation from Emergency
Sub-Total		52,528,168	46,846,441	
Amounts due to other grants and other transfers				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

DCC OFFICE-MABATINI	Construction of a Chain-link pillared fence-500metres	2,419,492	-	
DCC OFFICE-MABATINI	Construction of an Administration Block	3,998	-	
DCC OFFICE-MATHARE	Purchase of one coffee table (Kshs. 45,000), 4 executive chairs (Kshs. 140,000), 2 wooden glass cabinets (Kshs. 140,000)	325,000	325,000	Re-Allocation from High Mast security lights FY 2018/19 -Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated February 4,2020
ACC 1's OFFICE-MATHARE	Purchase of one office desk(Kshs.35,000), 2 executive chairs (Kshs. 70,000) ,4 office chairs (Kshs. 60,000) 2 steel metallic cabinet(Kshs. 50,000) and 1 office table (Kshs. 30,000)	245,000	245,000	Re-Allocation from High Mast security lights FY 2018/19 -Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated February 4,2020
ACC 2's OFFICE-MATHARE	Purchase of one office desk(Kshs.35,000), 2 executive chairs (Kshs. 70,000) ,3 office chairs (Kshs. 45,000) 2 steel metallic cabinet(Kshs.50,000) and 1 office table (Kshs. 30,000)	230,000	230,000	Re-Allocation from High Mast security lights FY 2018/19 -Approved by the NG-CDFB vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/33 dated February 4,2020
HIGH MAST SECURITY LIGHTS		1,436,040	1,436,040	
BURSARY		4,694,618	8,470,914	
SPORTS	Constituency sports tournament	2,749,090	2,231,361	
ENVIRONMENT-ST. Theresa Primary	Construction of 10 door flushable toilets, connected to sewer line, tiling to completion	2,419,492	-	
ENVIRONMENT-Daima Primary	Construction of modern 8 door toilet to completion	-	1,090,409	Re-allocated to Salama Primary vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/15 dated January 8,2020

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

ENVIRONMENT-Salama Primary	Construction of 5 door pit latrines	2,180,817	1,090,409	Re-allocation from Daima Primary vide Board Letter Ref: NG-CDF BOARD/MATHARE/VOL.2/15 dated January 8, 2020
ENVIRONMENT	Balance b/f	232,156	232,156	Fy:2017/18 Balance
EMERGENCY	cater for any unforeseen occurrences	6,808,029	1,110,928	
SOCIAL SECURITY PROGRAMME	To cater for the vulnerable in the constituency	19,198,983	8,998,983	
Sub-Total		42,942,715	25,461,199	
Acquisition of assets				
NG-CDF MATHARE OFFICE-Mabatini Ward		2,141,001	-	
NG-CDF MATHARE OFFICE		11,947	11,947	
Sub-Total		2,152,948	11,947	
Others (specify)				
NG-CDF HALL-4B		1,169,257	-	
DCC OFFICE-MABATINI		1,169,257	-	
HURUMA SECONDARY SCHOOL		1,169,257	-	
Strategic Plan		20,000	20,000	
Mathare DDC Office		59,009	1,559,009	
MATHARE SOCIAL HALL		3,023,561	3,023,561	
Sub-Total		6,610,340	4,602,570	
Grand Total		104,902,195	77,787,707	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	-	-	-	-
Buildings and structures	27,550,000	-	-	27,550,000
Motor Vehicle (GK B 808K)	4,650,495	-	-	4,650,495
Office equipment, furniture and fittings	246,631	-	-	246,631
ICT Equipment, Software and Other ICT Assets	298,631	-	-	298,631
Other Machinery and Equipment	20,889,505			20,889,505
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	53,635,262	-	-	53,635,262

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kiboro PMC	Equity Bank	1770277747669	12,677.00	37,797.00
Valley Bridge PMC	Equity Bank	1770277755789	-	25,400.00
Huruma Secondary School PMC	Equity Bank	1770277613205	20,996.79	395,574.50
Ndurumo Primary PMC	Equity Bank	1770278214169	1,044,349.72	144,339.72
Old Mathare PMC	Equity Bank	1770277748538	666.00	537,759.00
Huruma School PMC- St. Theresa PMC	Equity Bank	1770277480671	2,403,552.00	1,091,818.50
Huruma A.P Camp PMC	Equity Bank	1770277747669	3,828.50	2,512,873.50
Huruma Police PMC	Equity Bank	1770278516658	708,314.00	573,014.00
Salama PMC	Equity Bank	1770277755789	73,920.00	-
TOTALS			4,268,304.01	5,318,576.22

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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)
OAG/NGCDF MATHARE/2018 -2019(13)Basis for qualified opinion	1. Unpresented Cheques Examination of the bank reconciliation Statement as at 30th June, 2019 reveal that cheques amounting to Kshs. 1,053,068 were stale since they had not been presented for payment for a period exceeding six (6) months. The cheques represents payments for employees' statutory deductions and also for bursaries to needy students. Failure to reverse these cheques in the books of accounts results in inaccurate cash balance in the financial statements. No explanations was given for failure to cancel these cheques or replace them.	All the stale cheques have been reversed in the cashbook and the cash balance adjusted under the prior year adjustments in the FY 2019/2020 Financial statements The stale bursary cheques had been issued to the respective beneficiaries in time, but they had not presented to the bank for payments. The NGCDF resolved in their meeting held on 26th September 2019 to replace the said cheques in favour of other needy and bright students. See minutes Appendix 10.2(29) The cheques were replaced in the month of November 2019. Attached is the copy of cashbook Extract-Appendix 10.2(30) The statutory deduction cheques have been cancelled and reversed in the cashbook in the month of January 2020 awaiting replacement once the management gets appropriate guidance from the relevant authorities where they are in touch. Copy of the cash book extract- appendix 10.2(3)	Fund Account Manager	Certificate not received from Auditor General	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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)
OAG/NGCDF MATHARE/2018 -2019(13)Basis For Qualified Opinion	<p>2. Irregular Expenditure on Office Rent</p> <p>Examination of records reveals that NG-CDF Mathare Constituency incurred an expenditure of Kshs. 240,000 to pay for office rent during the year under review.</p> <p>However, physical verification carried out at the offices indicate that in unclear circumstances, the offices were being occupied by the staff of National Police Services. There were no correspondences to confirm how the offices were transferred to the National Police Service.</p> <p>In the circumstances, it was not possible to ascertain whether the expenditure was lawful, authorized, effective, efficient, economical and transparent</p>	<p>The Mathare NG-CDF incurred rent expenditure of Kshs.240, 000.00 this was due to the illegal occupation of the offices. The NG-CDF Mathare finished the building (NG-CDF OFFICES) located at the Mathare Depot in Hospital ward and expected to occupy the premise by January 2019, which was not the case. Our projected stay in the rented offices was until 31st December 2018.</p> <p>In a resolution by the NG-CDF Mathare was reached to continue occupying the rented offices until a better solution was sought.</p> <p>We have done the necessary correspondence to the National Board and to the National Police service and even pursued a solution to hand-over the offices as a security facility. This has been done and the board has been notified that the project will now be handed over to the National Police Service as the station that houses the sub-county commander.</p> <p>See Appendix 4(23) correspondences to the Regional County Commissioner and the NG-CDF Board</p>	Fund Account Manager	Certificate not received from Auditor General	Immediately
OAG/NGCDF MATHARE/2018 -2019(13)Basis For Qualified Opinion	<p>3. Unconfirmed Fixed Assets</p> <p>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 instead show a comparative extract of the financial statements for the current and previous year which does</p>	<p>The asset register has been duly updated accordingly</p>	Fund Account Manager	Certificate not received from Auditor General	Immediately

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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)
	not disclose the nature, value, status and location of the assets owned by the NGCDF Mathare Constituency as at 30 th June 2019. 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 failing to include them in the asset schedule. In these circumstances, it has not been possible to verify and confirm the existence of the assets owned by the NGCDF- Mathare Constituency.				
OAG/NGCDF MATHARE/2018-2019(13)Basis For Qualified Opinion	4. Net Financial Position The statement of assets and liabilities as at 30 th June 2019 reflects total financial assets of Kshs.17,537,030 and nil liabilities.However,contrary to the guidelines issued by the Public Sector Accounting Standards Board , Kshs.17,537,030 has been presented as net liabilities instead of net of financial position	Kshs. 17,537,030 presents the net financial position as at 30 th june 2019. The typo has been corrected to reflect net financial position instead of net liabilities.	Fund Account Manager	Certificate not received from Auditor General	Immediately
OAG/NGCDF MATHARE/2018-2019(13)Basis For Conclusion	1. Underutilization of the Budget During the financial year ended 30 th June 2019, the NG-CDF Mathare Constituency had an approved budget of Kshs. 186,488,439. However, the summary statement of appropriation recurrent and development	The Mathare NG-CDF had only received Kshs.109,040,876.00 as disbursements from the National Government Constituencies Development Fund Board (NG-CDF Board) i.e. (Kshs 104,250,776 as normal allocations received during the financial year under review and Kshs 22,663,079 was the bank balance (cash book) as at 1 st July 2018.			

NA. ONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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)
	combined reflected overall expenditure totalling to Kshs. 109,640,876 resulting in an under expenditure amounting to Kshs. 77,109,613.	Late disbursement of funds from the NGCDF Board affected the implementation of projects in the financial year under review resulting to the budget underutilization of Kshs77, 109,613. Kshs 59,574,583 had not been not received / not disbursed from the NG-CDF Board as at 30th June 2019 while Kshs 17,535,030 was the bank balance (cash book) as at 30 th June 2019. Projects amounting to Kshs 36,877,691 relating to the financial year under review were approved by the NG-CDF Board on 9 th April 2019 through the boards letter Ref: NG-CDFB/MATHARE/VOL.1/065 dated May 14, 2019 and AIE NO B 04702 of Kshs 12,000.00 dated May 03 2019. This was a month away to the close of the financial year. See Appendix 1.1(1), Appendix 1.1(2) and Appendix 1.1(3). The amounts due to the constituency from the NG-CDFB as at June 30 th , 2019, have been partially realized in the subsequent financial year 2019/2020 vide AIE No B 047298 Kshs 25,404,432.50. See Appendix (1.1(4) Compensation of employees: The budget was fully utilized with the unspent balance of Kshs 865,550 being utilized for the same purpose in the subsequent financial year 2019/2020 till exhaustion. Transfer to other Government Units: Old Mathare Primary School Kshs 500,000 being utilized for the same purpose in the subsequent financial year			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>2019/2020 in the month of July 2019.</p> <p>Ndururuno Primary School Kshs 2,500,000 being utilized for the same purpose in the subsequent financial year 2019/2020 in the month of July 2019.</p> <p>Huruma, Ndururuno, Daima, Salama, Valley Bridge, kiboro, St. Theresa and Old Mathare Primary Schools (purchase of desks) Kshs 625,000 each, Salama Primary School (Purchase of 100 Lockers @ Kshs 500) and Huruma secondary school (purchase of 200 lockers @ Kshs 5,000) i.e. Kshs 500,000 and Kshs 1,000,000 respectively being utilized for the same purpose in the subsequent financial year 2019/2020 in the month of September and December 2019.</p> <p>St. Theresa and Ndururuno Primary schools Kshs 1,559,009 each being utilized for the same purpose in the subsequent financial year 2019/2020 in the month of November 2019.</p> <p>NB: These were reallocations of funds from innovation hubs FY: 2017/2018 approved by the Board vide their letter Ref NG-CDF BOARD/MATHARE/VOL.2/21 dated February 27, 2019. See Appendix 1.1(5).</p> <p>St. Theresa Primary school 5,500,000 (Kshs 3,000,000 for FY; 2017/18 approved from renovation of classrooms to construction of 3 classrooms vide board letter Ref NG-CDF Board /Mathare/vol.2/21 dated February 2019 and Kshs 2,500,000 for FY; 2018/2019) to be utilized for the same purpose in the subsequent financial year. See Appendix</p>			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1.1(6). Huruma Secondary School (co-funding in purchase of bus) Kshs 2,533,708 funds for FY; 2017/2018 The Amount of Kshs.2, 033,000.00 has been reallocated to Kilboro Primary School for construction of two classrooms with a slab. The National Board is yet to approve the reallocation. The balance of Kshs.500, 000.00 has been reallocated to purchase of desks for Huruma primary. See Appendix 1.1(7).</p> <p>Other grants and Transfers:</p> <p>Kshs 8,470,914 for bursary being utilized for the same purpose in the subsequent financial year 2019/2020 in the months of October, November and December 2019.</p> <p>Kshs 1,982,926 for sports being utilized for the same purpose till exhaustion in the subsequent financial year 2019/2020 in the months of august 2019.</p> <p>Kshs 2,412,973 for Environment being reallocated from Daima primary to Salama primary school. The reallocation was approved vide the boards letter Ref NG-CDF Board /Mathare/ Vol.2/15 dated January 08, 2020.The amounts will be utilized for the approved purpose in the subsequent financial year 2019/2020. The project is at the procurement stage awaiting placement of advert in the star newspaper. See Appendix 1.1(8).</p> <p>Kshs 6,510,927 for Emergency; (Kshs 5,400,000 being reallocated to Salama primary school vide NG-CDFB letter</p>				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Ref: NG-CDF BOARD /MATHARE/VOL.2/15 and the balance being utilized for the same purpose in the subsequent financial year 2019/2020. See Appendix 1.1(9)</p> <p>Social Security programme - Kshs 8,998,983</p> <p>The NG-CDFB approved only Kshs 7,016,057 on 9th April 2019 See Appendix 1.1(9)</p> <p>The balance Kshs 1,982,926 was resubmitted for approval but deferred vide NG-CDFB E-mail dated 27th February 2020 Appendix (1.1(10)).</p> <p>The Mathare NG-CDF committee is awaiting NG-CDFB guidance on implementation of the social security programme vide their correspondences dated 14th June 2019 received by the board on 17th June 2019. See Appendix 1.1(11).</p> <p>Kshs 17,636,443 for High Mast Security Lights had not been approved by the NG-CDFB hence funds not disbursed but the Mathare NG-CDF committee has reallocated an amount of Kshs. 16,836,442.99 for the completion of Huruma Secondary first phase and the Balance of Kshs. 800,000.00 for the purchase of Furniture for the deputy county commissioner office in Mathare Sub-county. The National Board is in the process of approval of the Funds. See Appendix 1.1(12)</p> <p>Acquisition of Assets: The budget was fully utilized with the unspent balance of Kshs 11,947 being utilized in the subsequent financial year.</p> <p>Other Payments:</p>			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Innovation Hub Kshs 1,559,009 FY; 2017/2018</p> <p>Reallocation of funds to Huruma Social hall deferred by the NGCDFB vide board letter- Ref NG-CDF BOARD/MATHARE/VOL.2/21 dated February 27, 2019. See Appendix 1.1 (13) and further reallocation of the same funds to Mathare DCC OFFICE deferred vide board letter REF:NG-CDF BOARD/MATHARE/VOL.2/15 dated January 8,2020. See Appendix 1.1(14)</p> <p>Mathare Social hall-KSHS 7,917,874(Kshs 5,017,874 and Kshs 2,900,000 for FY; 2018/19 and FY 2017/18 respectively had not been disbursed by the board as at 30th June 2019. Reallocation of funds to valley bridge primary school was deferred by the board vide their letter REF:NG-CDF BOARD/MATHARE/VOL.2/15 dated January 8,2020. See Appendix 1.1(14)</p>			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

<p>OAG/NGCDF MATHARE/2018 -2019(13) Basis For Conclusion</p>	<p>2. Stalled project at Huruma Secondary School</p> <p>Examination of records indicate that tender for construction of classrooms and administration block at Huruma Secondary school was awarded to M/s Oris & Sons Contractors Ltd at a contract sum of Kshs. 38,660,400. A copy of the letter of Notification dated 17th 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, 317,287.00 had been incurred on this project. A physical verification carried on 21st January revealed that the project had stalled at the ground floor substructure level. However, the management has not provided documents showing the program of work, level of completion and measures taken against the contractor for failure to meet contractual obligations.</p>	<p>The NG-CDF Mathare has had several meetings with the contractor and the school.</p> <p>The Funding by the National CDF Board has been the challenge. The NG-CDF Mathare has allocated full funds to the project including reallocating funds from unfeasible projects to Huruma Secondary School.</p> <p>The contract as at now is still owed a certificate which has been issued by the public works office but which has not been owned by the Mathare NG-CDF because of lack of funds and an impeding approval from the National Board CDF since October 2019.</p> <p>The Board has so far visited the site, as a requirement (Board resolution) and has promised to work in time to give a report regarding funding, of the remaining section. The drawings as requested by the National Board have been given and every other detail pertaining to the project. Mathare NG-CDF therefor anticipates the speedy resolution of the matter by the National Board for progress with the project to completion.</p> <p>NB: Re-allocation of funds from high mast security lights Kshs 16,836,442.99 has been deferred vide NG-CDF E-mail dated 27th February 2020 Appendix (1.1(10)).</p>	<p>Fund Account Manager</p>	<p>Certificate not received from Auditor General</p>	
--	--	--	-----------------------------	--	--

N.A. IONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

OAG/NGCDF MATHARE/2018 -2019(13)Basis For Conclusion	3. Irregular Recruitment of staff	The management of NG-CDF Mathare confirms that the current number of employed staff is thirteen (13) with effect from March 2018 as annexed. The staff establishment is as tabled in the annex.	Fund Account Manager	Certificate not received from Auditor General	Immediately
	Examination of the records revealed that during the year under review, NG-CDF Mathare Constituency recruited twenty-seven (27) additional officers and incurred an expenditure of Kshs.2, 381,895.00 in remuneration to these new staff. However, the following irregularities were noted;				
	i. The officers were not competitively recruited as the positions were not advertised.	✓ Fourteen (14) were employees who were engaged on contractual basis from 2013 to 2017.			
	ii. There was no evidence that an interview panel was constituted and that interviews were conducted	✓ The employees were paid their outstanding dues in 2018 and 2020- ✓ Attached correspondences with the NG-CDF Board on amounts due to former employees.			
	iii. The necessary academic certificates for the recruited staff were not availed for audit verification.				
	iv. Despite the large workforce, audit verification revealed that there were no properly kept accounting records and also, most projects were not being properly supervised by the clerk of works. Therefore, the justification for recruitment of the above staff could not be confirmed.				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MATHARE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

	In the circumstance, we cannot confirm that there was a need to engage the recruited officers and that they possessed the necessary skills to perform their jobs.			

