


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPER NO. 10	
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REPORT
OF

THE AUDITOR-GENERAL

ON

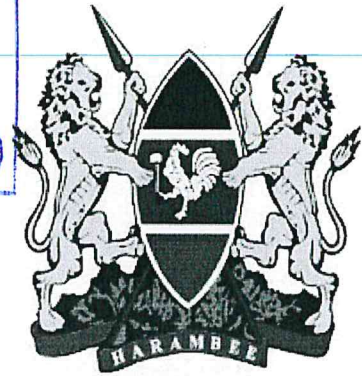
**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KASARANI CONSTITUENCY**

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





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
KASARANI 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)

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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

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- 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

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 KASARANI 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)

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(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	Jane Kariuki
2.	Sub-County Accountant	Prisca Jepchumba
3.	Chairman NGCDFC	Samuel Nyoike
4.	Member NGCDFC	Marriam Gatuma

(d) Fiduciary Oversight Arrangements

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

P.O. Box 50990-00100
Njiru NG-CDF Office Building
Off Kangundo Road
Nairobi, KENYA

(f) NG-CDF KASARANI Constituency Contacts

Telephone: (254) 722270378
E-mail: cdfkasarani@ngcdf.go.ke
Website: www.ngcdf.go.ke

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(g) NGCDF KASARANI Constituency Bankers

Family Bank
017000012562
Kasarani Branch

(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

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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

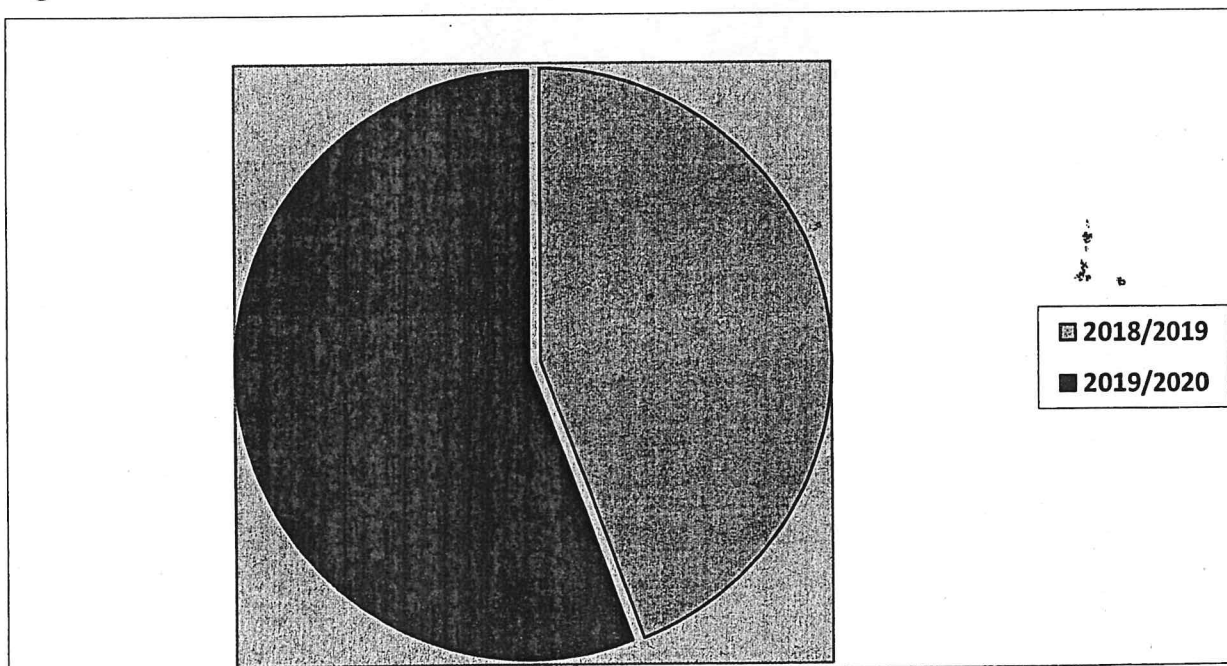
Kasarani NG-CDF is committed in applying strategies through which its Vision for an enlightened, secure and healthy People of Kasarani will be realized through the Promotion of education development, security, infrastructure and socio-economic empowerment. Our core values are summarized as K.A.S.A.R.A.N.I which is an acronym for Knowledge, Accountability, Social responsibility, Achievement, Reliability, Action-orientation, Novelty and Innovation, and Integrity. The Strategic Plan 2018-2022 is our legal development blueprint in the constituency for the five-year period as it reflects the strategic long- and medium-term priorities of the constituency. The constituency undertakes programmes and projects that adds value and transform the lives of people. These projects and programmes includes, among others construction of schools, disbursement of bursaries and security projects. The implementation of these initiatives is undertaken through participatory development structures that have been established from the ward to constituency level.

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

Figure 1.0

Total allocation for FY 018/019	Total allocation for FY 019/020
109,040,876	137,367,724

Figure 1.1



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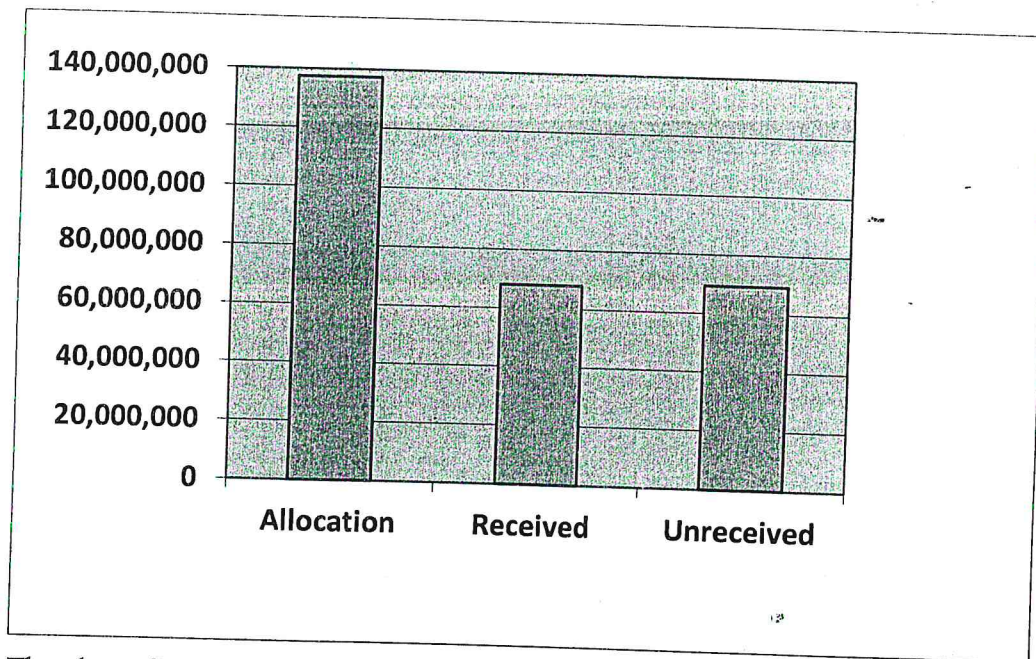
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The above figures shows the total allocation in FY 2018/2019 of Kshs.109,040,876 as compared to FY 2019/2020 allocation of Kshs.137,367,724, translating to 44.3% and 55.7% respectively on comparison basis. The 11.4 % increment in the allocation translates to improved service delivery within the constituency

Figure 2.0

Total allocation for FY 019/020	Total funds received for FY 019/020	Un-received amount
137,367,724	68,000,000	69,367,724

Figure 2.1



The above figures, 2.0 and 2.1 shows the total allocation of funds for the FY 2019/2020, actual funds disbursed for FY 019/020 and the unreceived amount for FY 2019/2020. The received funds for the year accounts for 49.5% while 50.5% is unreceived by the end of the financial year

Figure 3.0

Total budget for the year	Actual funds utilised within the year	Unutilised funds
211,020,200	86,150,907	124,869,293

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Figure 3.1

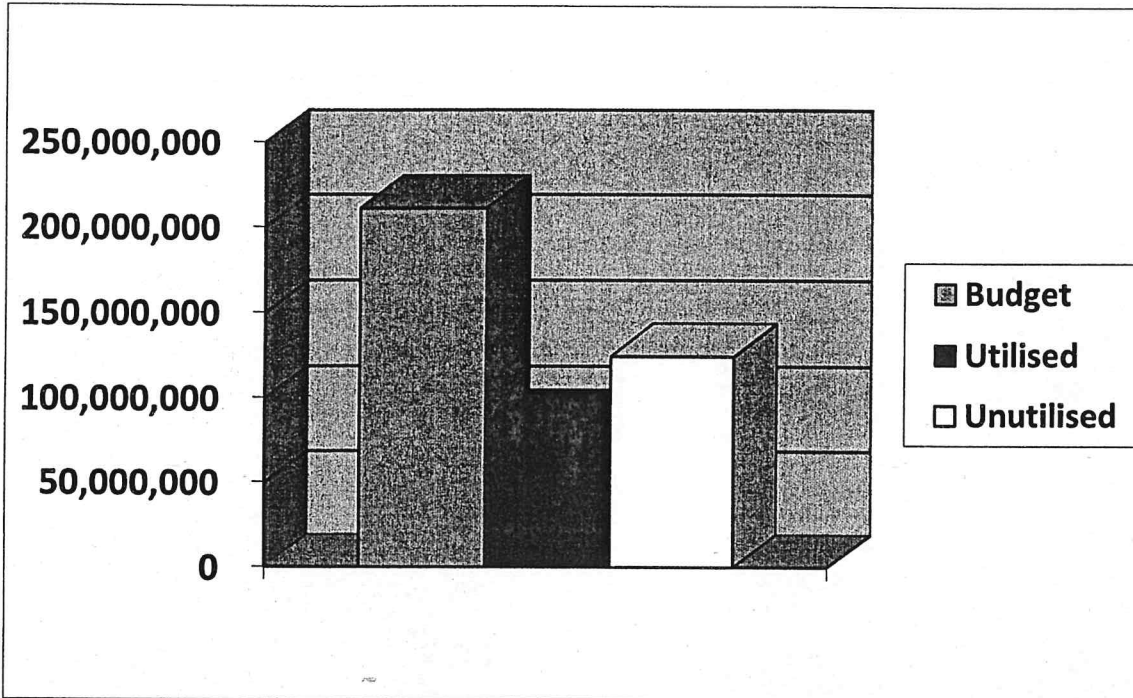
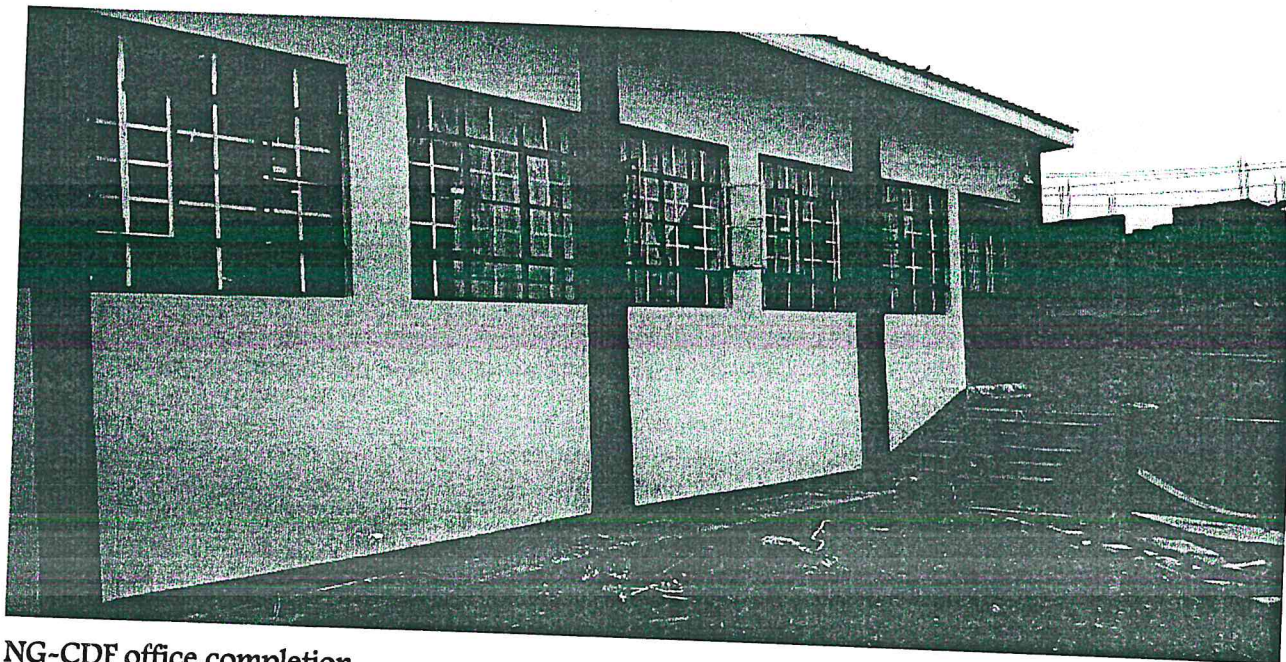


Figure 3.0 and 3.1 shows the total funds available for use compared to actual utilisation within the year, representing 40.8%. The low absorption was due to the fact that an amount of **Kshs.71,367,724** was yet to be received from the Board. The unreceived funds comprise of Kshs. 69,367,724 for FY 2019/2020 and Kshs.2,000,000 for FY 2016/2017.

There was also an unapproved reallocation totalling to **Kshs. 19,695,783** which was submitted to the Board within the year but was not yet approved by the end of the financial year. This amount therefore could not be utilised even though it was in the NG-CDF account

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Key achievements

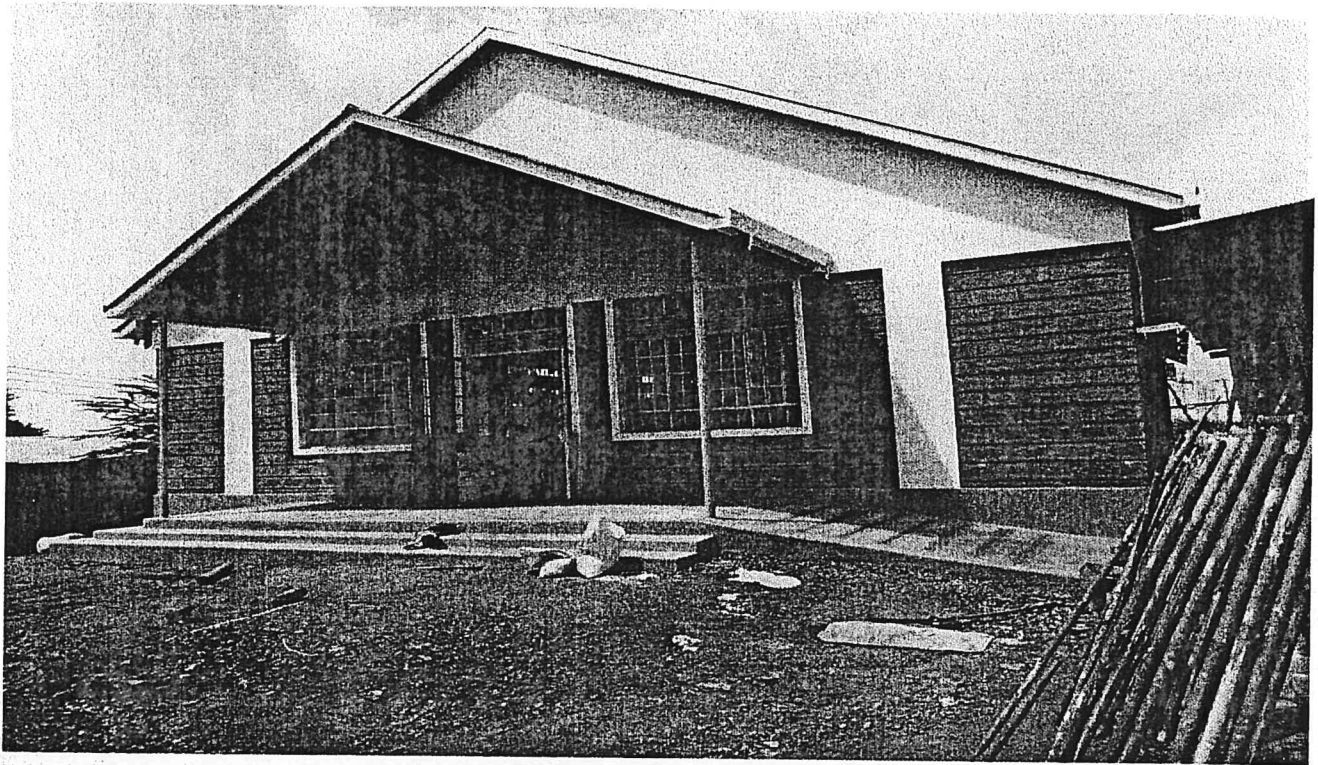


NG-CDF office completion

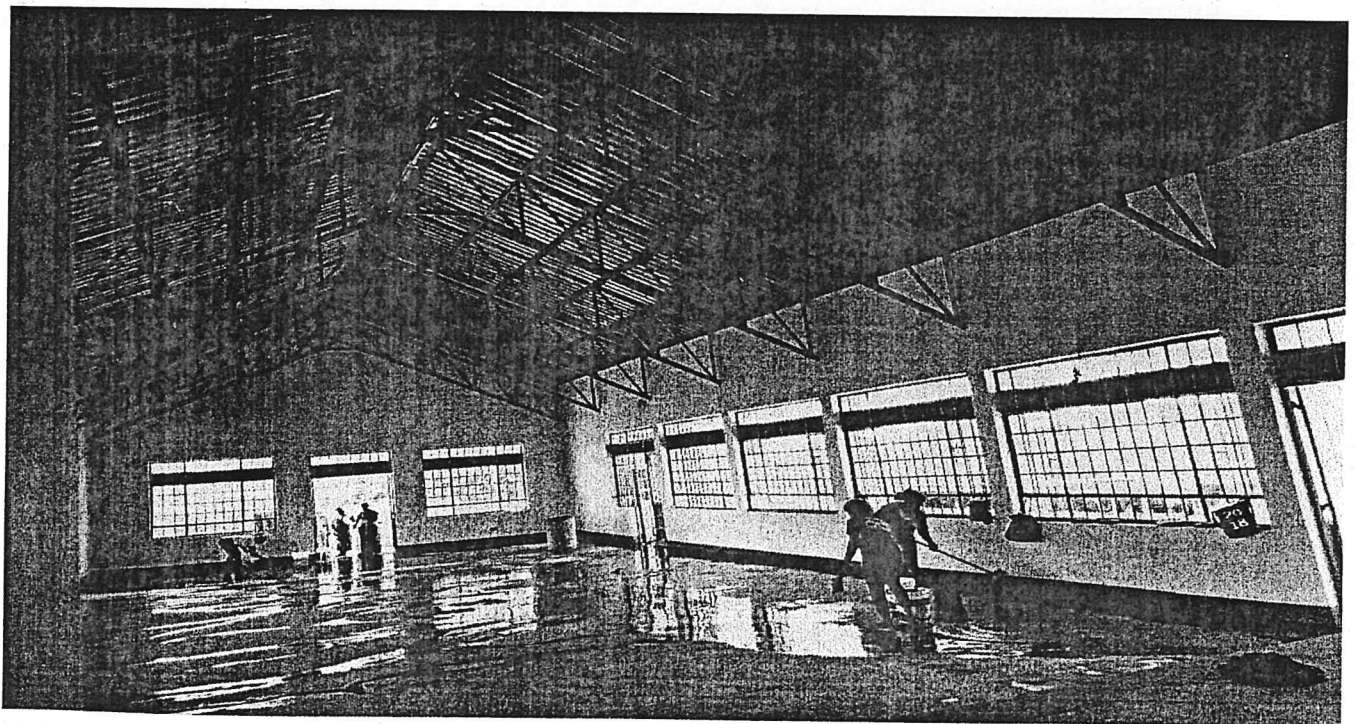


Njiru primary school 3no. classrooms construction

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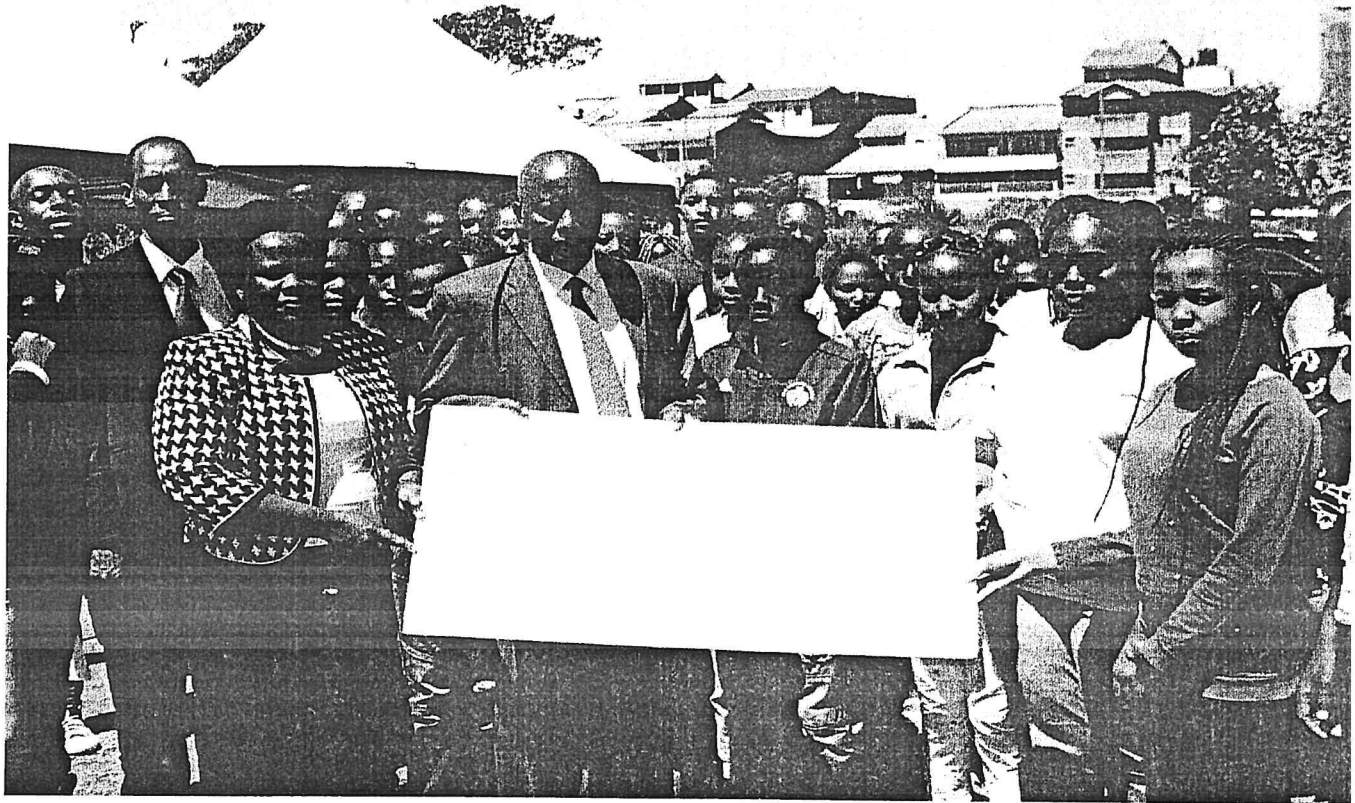


Ruai primary school multi-purpose hall construction- exterior



Ruai primary school multipurpose hall construction- interior

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Award of bursary to fully sponsored students

Implementation challenges

1. Low literacy rate among some of the stake holders entrusted with project implementation
2. Shortage of man power from technical departments
3. Conflict of interest

Way forward

1. Continuous capacity building of the stakeholders
2. Engage technical personnel in the NG-CDF office to assist where applicable
3. Adherence to all the governing laws

Sign

Samuel Nyoike

CHAIRMAN NG-CDF COMMITTEE

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED 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.

Kasarani constituency, in its 2018-2022 strategic plan lays out the strategies and the institutional framework that the constituency has identified as the vehicle to achieve its development goals and objectives. This being the first generation of strategic plans under the amended NG-CDF Act 2015, it is prepared on the basis of constitutional and legislative backing of the Kenya constitution 2010, NG-CDF Act (amendment) 2015 and Financial Management Act 2013. The plan is also designed cognizant of broader policy and development documents that articulate progress at national, regional and global level

The key development objectives of NG-CDF-KASARANI Constituency's 2018-2022 plan are to:

Strategic Pillar 1 - Education Projects

Strategic objective: Ensure access to quality education

Strategic objective: Enhance access to educational facilities

Strategic Pillar 2 - Security Projects

Strategic objective: Improve sanitation and hygiene for security personnel

Strategic objective: Enhance public safety

Strategic Pillar 3 - Youth and Sports Projects

Strategic objective: Increase the level of youth engagement in sports

Strategic objective: Increase access and capacity for utilization of sports fund allocation

Strategic Pillar 4 - Environment Projects

Strategic objective: Achieving a clean

Strategic objective: Improve on dispose of waste Kasarani

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Strategic Pillar 5 - Operations- NG-CDF

Strategic objective: Ensure a secure working environment for NG-CDF staff

Strategic objective: Efficient, citizen-responsive service delivery

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:

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	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursaries beneficiaries at all levels	In FY 19/20 we build to completion 11 classrooms, one multi-purpose hall and renovation of 32 doors ablution block distributed as follows; St Dominic's sec school 4 no. classrooms, Highway Manyatta Pry School 4 no. classrooms', Njiru pry school 3no. classrooms, Ruai primary school multi-purpose hall construction and St. Dominic's pry school 32 doors ablution block renovation.

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				- An amount of Kshs. 9,673,613 was issued as bursary to benefit 550 beneficiaries at all levels
Security	Improved security and reduced crime rate	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built within the constituency and furnishing & equipping of new or existing physical structures	Kasarani Sub County Headquarter was equipped and furnished with office furniture and equipment thus enhancing service delivery
Sports	Nurtured talents and increase in income	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	A sports tournament which attracted eight teams was successfully held within the year. The participating teams were later awarded with sports uniforms
NG-CDF Operations	Transformed quality and efficiency of public service delivery Efficient, citizen-responsive service delivery	Proportion of citizens satisfied with service delivery provided by Kasarani NG-CDF (%)	Building and utilisation of NG-CDF office Fully equipping of NG-CDFC office Training of NG-CDFC and NG-CDF staffs	The NG-CDF office was completed and it's in use All the staffs were provided with furniture and equipments to enable them deliver effectively We have undertaken two trainings for NG-CDFC and one training for the staffs

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – KASARANI 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.

As a way of Corporate Social Responsibility (CSR) we are committed as an organization beyond our core business objectives, as a responsible and ethical participant in the global community. We recognize that as NG-CDF, we have an impact on the world in which we live, and the people we interact with. Our actions impact our employees, suppliers, the communities in which we live and work, and the environment. CSR represents our commitment to operate in an economically, socially, and environmentally sustainable manner, while recognizing the interests of its stakeholders. As a result, CSR is closely linked with the practice of Sustainable Development

1. Sustainability strategy and profile

Kasarani Constituency intends to play a key role in the achievement of Sustainable Developments Goals indirectly as an enabler and directly by integrating the Sustainable Developments Goals into its development planning process. The constituency supports the goals through funding of projects and programmes addressing Sustainable Developments Goals and monitoring and evaluation of key indicators. Kasarani shall achieve this by ensuring effective implementation of its strategic plan, which is anchored on its vision, mission and core values as outline below.

	Model	Definition	Relevance to sustainable strategy
<i>1</i>	<i>Vision</i>	An enlightened, secure and healthy People of Kasarani	This is an aspirational description of what NG-CDF would like to achieve or accomplish in the mid-term or long-term future.

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2	<i>Mission</i>	Promotion of education development, security and socio-economic empowerment	It's a short statement of why the NG-CDF exists, what its overall goal is.
3	<i>Core values</i>	Knowledge Accountability Social responsibility Achievement Reliability Action-oriented Novelty and Innovation Integrity	These are the beliefs that Kasarani NG-CDF holds. They are traits or qualities that are not just worthwhile, but also represent our highest priorities, deeply held beliefs, and core, fundamental driving forces. They are the heart of what Kasarani NG-CDFC and its employees stand for in execution of their duties

2. Environmental performance

Kasarani NG-CDF values the natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities. The constituency follows best practices when disposing of garbage and compost, and seek out working facilities that strive to minimize pollution.

Kasarani NG-CDF environmental policy

1. Provide a safe and healthful workplace and ensure that personnel are properly trained with the appropriate safety and emergency equipment.
2. Be an environmentally responsible in the community where we operate, and correct incidents or conditions that endanger health, safety, or the environment.
3. comply with the laid down environmental legislation, regulations and approved code of practise
4. Conserve natural resources by adopting pollution prevention practices.
5. Develop and improve operations and technologies to minimize waste, and other pollution, minimize health and safety risks, and dispose of waste safely and responsibly.

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2. **Anti-harassment and non-discrimination.** These policies prohibit harassment and discrimination in the workplace.
3. **Employment classifications.** The constituency clearly defines employment classifications, such as full-time, part-time, exempt or non-exempt since an employee's classification can dictate eligibility for benefits and overtime pay.
4. **Leave and time off benefits.** These policies address NG-CDF rules and procedures regarding holidays, vacation, sick, and other types of time off benefits, or leave required by law. All employees are required to submit requests for time off or other types of leave in writing.
5. **Meal and break periods.** A policy on meal and break periods informs employees of the frequency and duration of such breaks as well as any rules or restrictions related to break periods.
6. **Timekeeping and pay.** A timekeeping policy informs employees of the method for recording time worked and the importance of accurately recording their time. A policy on paydays lets employees know the frequency of paydays. Full time employees who are on contractual basis are paid monthly, latest 5th day of each month. Casual workers who might be engaged daily are paid on daily basis.
7. **Safety and health.** Safety policies describe safety and emergency procedures and require employees to report work-related injuries immediately.
8. **Employee conduct, attendance and punctuality.** Attendance policies make it clear that employees must be ready to work at their scheduled start time each day and provide procedures for informing the NG-CDF of an unscheduled absence or late arrival.

4. **Market place practices-**

The main purpose of the fund is to address social economic development of the people at the constituency level in order to reduce poverty and enhance regional equity. In doing so, Kasarani NG-CDF ensures that all business transactions and all operations are legitimate, free of influence and bribery by ensuring the following is achieved;

a) Responsible competition practice.

Implementation of projects is done through transferring funds to the Project Management Committees (PMCs) for each project. The PMCs are thereafter guided on the tendering process, which must be fair and competitive and must be within the law. The constituency ensures that the PMCs are equipped with necessary information by undertaking PMCs trainings

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b) Responsible Supply chain and supplier relations

Payments for any works completed and services received are paid within 14 calendar days provided all the applicable supportive documents are availed.

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

Advertisement for tenders is done as provided for in the Public Procurement and Asset Disposal Act. All interested bidders are allowed to bid with no discrimination or favourism. All bidders are informed of outcome 7 days after the completion of the evaluation process.

d) Product stewardship

The NG-CDF believes that its incumbent to carefully manage all its resources and stake holders in the most effective manner possible. As a tool of ensuring that this is achieved, Kasarani NG-CDF developed and implements its service charter. The charter is located on a strategic place and it clearly communicates the organization vision, mission and core values. Issues to do with bursary applications, tendering process, compliments and complaints handling are clearly addressed in the service charter

5. Community Engagements

Kasarani NG-CDF recognizes an expectation to have a positive impact on our community, and we promote this expectation through service work, volunteering, and effective community service.

The NG-CDF impacts the society and ensures community involvement and engagement directly or indirectly as outlined below

a. Ensuring Public Participation in Project Identification process

In doing so, project ownership by the constituents is guaranteed since the proposal originates from them. This in return ensures there are no ghost projects within the constituency.

b. Full Scholarship Bursary Program

The constituency have also identified 122 needy and deserving students in secondary schools who benefits with full scholarship through bursary allocations. The process of this identification was very involving and entailed the locals, education stakeholders and administration body.

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c. Public awareness

The constituency ensures participation and cooperation with local agencies and creates public awareness among the constituents. The public is usually sensitised on NG-CDF issues, including but not limited to the fundable projects, bursary application process and tendering process.

d. Partnership during the Covid 19 Pandemic

The constituency has indirectly impacted the community during the Covid 19 pandemic by partnering with other agencies.

This has been achieved through engaging in the process of identifying the most needy and deserving cases, in conjunction with the local administration, for distribution of relief food.

The constituency have also provided temporally storage of relief foods, awaiting distribution to the identified families

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V. STATEMENT OF NG-CDF KASARANI CONSTITUENCY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for Kasarani NG-CDF shall prepare financial statements in respect of NG-CDF Kasarani Constituency. 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-KASARANI Constituency is responsible for the preparation and presentation of the NG-CDF Kasarani constituency financial statements, which give a true and fair view of the state of affairs of the Constituency 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 NG-CDF Kasarani constituency; (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 NG-CDF Kasarani Constituency; (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 NG-CDF-KASARANI Constituency accepts responsibility for the constituency'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 NG-CDF Kasarani constituency financial statements give a true and fair view of the state of the constituency's transactions during the financial year ended June 30, 2020, and of the NG-CDF Kasarani constituency financial position as at that date. The Accounting Officer charge of the NGCDF-KASARANI Constituency further confirms the completeness of the accounting records maintained for the NG-CDF Kasarani constituency, which have been relied upon in the preparation of the NG-CDF Kasarani constituency financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NG- CDF KASARANI Constituency confirms that the NG- CDF KASARANI Constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG- CDF KASARANI Constituency 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 NG-CDF KASARANI Constituency financial statements have been prepared in a form that

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complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

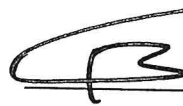
Approval of the financial statements

The NGCDF-KASARANI Constituency financial statements were approved and signed by the Accounting Officer on 30th September 2020.



Fund Account Manager

Name: Jane Kariuki



Sub-County Accountant

Name: Priscah Jepchumba

ICPAK Member Number: 15993

THE NATIONAL
SUB-COUNTY ACCOUNTANT
KASARANI

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 CONSTITUENCIES DEVELOPMENT FUND - KASARANI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kasarani Constituency set out on pages 24 to 54, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows for the year then ended, statement of appropriation - recurrent and development combined, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kasarani 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kasarani 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 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 statement of appropriation - recurrent and development combined for the year ended 30 June, 2020 reflects an approved final budget of Kshs.211,127,948 and actual expenditure of Kshs.86,150,907 resulting to underutilization of Kshs.124,977,041 or 59% under absorption which is an indicator of poor budgeting mechanisms.

Consequently, the under absorption may have impacted negatively on service delivery to the constituents of Kasarani.

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 matter 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

Irregular Payment of Bursaries

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects payments of Kshs.17,983,012 out of which Kshs.9,673,613 relates to disbursement of bursaries to schools in the year under review. However, the disbursements were not supported with acknowledgement letters from the respective recipients Institutions.

In the circumstances, the propriety of the disbursed bursaries could not be ascertained.

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

Responsibilities of Management and those Charged with Governance

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 intentions to terminate 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 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

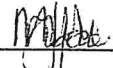
09 February, 2022

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


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	123,040,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	43,000	55,000
TOTAL RECEIPTS		123,083,876	108,839,483
PAYMENTS			
Compensation of employees	4	2,446,957	1,912,164
Use of goods and services	5	7,062,938	6,344,147
Transfers to Other Government Units	6	58,658,000	54,094,027
Other grants and transfers	7	17,983,012	41,134,183
Acquisition of Assets	8	-	2,379,300
Other Payments	9	-	3,190,880
TOTAL PAYMENTS		86,150,907	109,054,701
SURPLUS/DEFICIT		36,932,969	(215,218)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KASARANI Constituency financial statements were approved on 30th September 2020 and signed by:



Fund Account Manager
Name: Jane Kariuki



Sub-County Accountant
Name: Priscah Jepchumba
ICPAK Member Number: 15993

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KASARANI 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	53,609,317	16,568,601
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		53,609,317	16,568,601
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		53,609,317	16,568,601
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A	-	107,459
Gratuity	12B	-	
NET FINANCIAL ASSETS		53,609,317	16,461,142
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	16,568,601	16,602,366
Surplus/Defict for the year		36,932,969	(215,218)
Prior year adjustments- PMCs balance refund	14	107,747	73,994
NET FINANCIAL POSITION		53,609,317	16,461,142

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KASARANI Constituency financial statements were approved on 30th September 2020 and signed by:



Fund Account Manager

Name: Jane Kariuki



Sub-County Accountant

Name: Priscah Jepchumba

ICPAK Member Number: 15993


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

IX. STATEMENT OF CASHFLOW

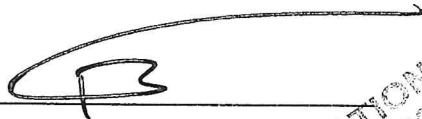
		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	123,040,876	108,784,483
Other Receipts	3	43,000	55,000
		123,083,876	108,839,483
Payments for operating expenses			
Compensation of Employees	4	2,446,957	1,912,164
Use of goods and services	5	7,062,938	6,344,147
Transfers to Other Government Units	6	58,658,000	54,094,027
Other grants and transfers	7	17,983,012	41,134,183
Other Payments	9	-	3,190,880
		86,150,907	106,675,401
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	107,459
Prior year Adjustments- PMC balances refund	14	107,747	73,994
Net Adjustments		107,747	181,453
Net cash flow from operating activities		37,040,715	2,345,535
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	2,379,300
Net cash flows from Investing Activities		-	(2,379,300)
NET INCREASE IN CASH AND CASH EQUIVALENT		37,040,715	(33,765)
Cash and cash equivalent at BEGINNING of the year	13	16,568,601	16,602,366
Cash and cash equivalent at END of the year		53,609,317	16,568,601

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KASARANI Constituency financial statements were approved on 30th September 2020 and signed by:



Fund Account Manager
Name: Jane Kariuki



National Sub-County Accountant
Name: Priscah Jepchumba
ICPAK Member Number: 15993

*THE NATIONAL
SUB-COUNTY ACCOUNTANT
KASARANI*

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Position: 1544

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	73,554,477	210,922,201	139,554,477	71,367,724	66.2%
Other Receipts- Sale of tender documents	55,000	43,000	98,000	98,000	-	100.0%
TOTAL RECEIPTS	137,422,724	73,597,477	211,020,201	139,652,477	71,367,724	66.2%
PAYMENTS						
Compensation of Employees	2,880,000	892,027	3,772,027	2,446,957	1,325,070	64.9%
Use of goods and services	9,488,044	6,270,663	15,758,707	7,062,938	8,695,769	44.8%
Transfers to Other Government Units	64,200,000	56,443,574	120,643,574	58,658,000	61,985,574	48.6%
Other grants and transfers	56,640,890	6,938,530	63,579,421	17,983,012	45,596,409	28.3%
Acquisition of Assets	-	2,996,562	2,996,562	-	2,996,562	0.0%
Other Payments	2,613,790	13,120	2,626,910	-	2,626,910	0.0%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KASARANI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Unapproved Projects	1,600,000		1,600,000	-	1,600,000	0.0%
Unapproved AIA- Sale of tender documents	-	43,000	43,000	-	43,000	0.0%
TOTAL	137,422,724	73,597,477	211,020,201	86,150,907	124,869,294	40.8%

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

NOTE: Other receipts includes revenue realised from sale of tender documents. An amount of Kshs.55,000 was realised in FY018/019 and formed part of the closing cash book balance of Kshs.16,568,601. Thus the balance B/F from FY 018/019 was Kshs.73,609,477 which comprised of cash book balance of Kshs. 16,568,601 and unreceived from the Board of Kshs. 57,040,876. The AIE for the Kshs.55,000 was received in FY 019/020 and the said amount was also budgeted for in the FY19/020 proposals. Thus, this amount is treated as part of the original budget (under other receipts) and reduced the adjustment column accordingly, ie (16,568,601+57,040,875-55,000)

The Kshs.43,000 was realised from the sale of tender documents in the FY 019/020 which shall form part of 2020/2021 budget


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


ITEM	%	EXPLANATION
Compensation to employees	64.9	Kshs.713,790 for compensation to employees was still unreceived by 30 th June 2020
Use of goods and services	44.8	Kshs.6,313,044 for use of goods and services was still unreceived by 30 th June 2020
Transfer to other government entities	48.6	Kshs.26,100,000 for transfer to other government entities was still unreceived by the end of the financial year. There was also unapproved reallocation totalling to 19million.
Other grants and transfers	28.3	Kshs. 7,300,066 was for the emergency that remained unutilised by 30 th June 2020 & kshs.36,240,890 was still unreceived by the end of the financial year
Acquisition of assets	0	This amount is for NG-CDF Office completion, the amount was still in the NG-CDF office though the works was complete awaiting certificate of payment.
Other payments	0	This amount was for NG-CDF office landscaping and tendering was in progress
Unapproved projects	0	Conditional approval was granted
Unapproved AIA	0	AIE for the said amount is not yet granted

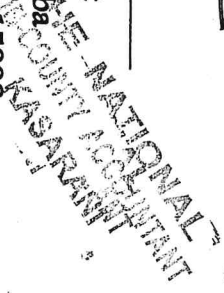
(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported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

The changes between the original and final budget are as a result of unutilized amount brought forward from the previous financial year totaling to Kshs. 73,597,476

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


Fund Account Manager
Name: Jane Kariki


Sub-County Accountant
Name: Priscah Jepchumba
ICPAK Member Number: 15998



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KASARANI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019 Kshs	Kshs	2018/2019 Kshs	2018/2019 Kshs	2018/2019 Kshs
1.0 Administration					
Employees' Salaries	2,800,000	641,537	3,441,537	2,385,857	1,055,680
Goods and Services	1,865,363	1,540,265	3,405,628	1,813,918	1,591,710
Committee Expenses	3,500,000	2,149,300	5,649,300	1,675,270	3,974,030
NHIF	55,000	44,410	99,410	42,300	57,110
NSSF	25,000	206,080	231,080	18,800	212,280
Sub-Total	8,245,363	4,581,593	12,826,956	5,936,145	6,890,811
2.0 Monitoring and Evaluation					
Goods and Services	822,681	6,490	829,171	78,000	751,171
Committee Expenses	1,800,000	1,288,226	3,088,226	2,145,250	942,976
Capacity Building of NG-CDFs/PMCs	1,500,000	1,286,382	2,786,382	1,350,500	1,435,882
Sub-Total	4,122,681	2,581,098	6,703,779	3,573,750	3,130,029
3.0 Emergency					

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

Emergencies	7,198,241	6,165,925	13,364,166			
EDENJO CONTRACTORS AND GENERAL MERCHANTS				5,033,280		
COMMISSIONER OF DOMESTIC TAXES				282,240		
COMMISSIONER OF DOMESTIC TAXES				141,120		
St. Dominic's Primary School				500,000		
Tamata suppliers limited-Retention				35,218		
Penko limited- Retention				35,379		
Jamuba Engineering & construction Ltd-Retention				30,712		
Annera company-Retention				6,150		
Sub-Total	7,198,241	6,165,925	13,364,166	6,064,099		7,300,067
4.0 Bursary and Social Security Programme						-
Bursary secondary school	20,000,000	70	20,000,070	9,014,244		10,985,826
Bursary tertiary institutions	14,355,681		14,355,681	659,369		13,696,312
Social Security Programmes -NHIIF	-		-	-		-
Sub-Total	34,355,681	70	34,355,751	9,673,613		24,682,138
5.0 Sports						-
Sports activities	2,748,454	772,536	3,520,990			

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

BARUCHUI LIMITED				232,612	
COMMISSIONER OF DOMESTIC TAXES				12,688	
Sub-Total	2,748,454	772,536	3,520,990	245,300	3,275,690
7.0 Primary School Projects					-
Ruai pry school	6,100,000		6,100,000	6,100,000	-
Ruai primary school	17,500,000		17,500,000	17,500,000	-
Kasarani Pry School	7,200,000		7,200,000		7,200,000
St dominic primary School	1,000,000		1,000,000		1,000,000
Athi primary school	1,000,000		1,000,000		1,000,000
Kasarani Treeside Special Pry School	1,000,000		1,000,000		1,000,000
Drumvale Primary school	1,500,000		1,500,000		1,500,000
Jehova Jirre Pry school	1,500,000		1,500,000		1,500,000
Gituramba pry school	1,200,000		1,200,000		1,200,000
Ngundu Pry School	1,000,000		1,000,000		1,000,000
Ruai Primary School					
Murema Pry School		12,000,000	12,000,000		12,000,000
Highway Manyatta Primary School		7,100,000	7,100,000		7,100,000
		750,000	750,000	750,000	-

Purchase of 100 lockers and chairs for 10 primary schools		50,000	50,000		50,000
Drumvale Primary school		220,574	220,574		220,574
Mwiki Primary School New School construction		16,100,000	16,100,000	16,100,000	-
Chieko Primary School New School construction		16,100,000	16,100,000	16,100,000	-
Sub-Total	39,000,000	52,320,574	91,320,574	56,550,000	34,770,574
8.0 Secondary School Projects					-
Nile Road Sec School	2,000,000		2,000,000		2,000,000
Mwiki sec school	1,000,000		1,000,000		1,000,000
Kasarani Treeside Sec school for the deaf	1,000,000		1,000,000		1,000,000
Clay City Secondary school	1,000,000		1,000,000		1,000,000
Ruai Girls Sec School	1,300,000		1,300,000		1,300,000
Jehova Jirre sec school	1,000,000		1,000,000		1,000,000
Muhuri Muchiri Sec School	1,200,000		1,200,000		1,200,000
St Georges Athi sec School	1,200,000		1,200,000		1,200,000
Drumvale Sec School	1,000,000		1,000,000		1,000,000
Gitamba Day Sec School-New	14,500,000		14,500,000		14,500,000
St. Dominic Secondary School		1,188,000	1,188,000	1,188,000	-

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

Ruai Girls Secondary School									
St. Dominic Secondary School		7,500		7,500					7,500
St. Dominic Secondary School		7,500		7,500					7,500
Ruai Girls Secondary School		920,000		920,000		920,000			-
Sub-Total		25,200,000		4,123,000		29,323,000		2,108,000	27,215,000
11.0 Acquisitions of Assets									
1. NG-CDF Office completion				2,875,862		2,875,862			2,875,862
2. Purchase of furniture and equipment				120,700		120,700			120,700
Sub-Total		-		2,996,562		2,996,562		-	2,996,562
9.0 Security projects									
Kasarani New DCC office		8,000,000		-		8,000,000		-	8,000,000
Kasarani New DCC office		2,000,000		-		2,000,000		2,000,000	-
Kasarani New DCC office ICT Hub		1,169,257		-		1,169,257		-	1,169,257
Ruai DCC office ICT Hub		1,169,257		-		1,169,257		-	1,169,257
Sub-Total		12,338,514		-		12,338,514		2,000,000	10,338,514
12.0 Others									
NG-CDF Office		2,613,790		-		2,613,790		-	2,613,790
Strategic plan		-		13,120		13,120		-	13,120

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Sub-Total	2,613,790	13,120	2,626,910	-	2,626,910
13.0 Unapproved projects					-
Ruai DCC Office	1,600,000	-	1,600,000	-	1,600,000
Sub-Total	1,600,000	-	1,600,000	-	1,600,000
14.0 unapproved AIA					-
Sale of tender documents	-	43,000	43,000	-	43,000
Sub-Total	-	43,000	43,000	-	43,000
GRAND TOTAL	137,422,724	73,597,477	211,020,201	86,150,907	124,869,294

(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)

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-KASARANI 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)

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SIGNIFICANT ACCOUNTING POLICIES

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.

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.

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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SIGNIFICANT ACCOUNTING POLICIES

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.

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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) –
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Normal Allocation			
	AIE NO.		
	B 047289	22,840,876	
	B047449	4,000,000	
	B047709	5,000,000	
	B041289	18,000,000	
	B096577	11,000,000	
	B104321	15,000,000	
	B049296	15,000,000	
	B041410	32,200,000	
	B005340		54,784,483
	B030068		10,000,000
	B030427		12,000,000
	B006369		8,000,000
	B042760		12,000,000
	B042902		12,000,000
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		123,040,876	108,784,483

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

2. PROCEEDS FROM SALE OF ASSETS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
TOTAL	-	-

3. OTHER RECEIPTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Interest Received		
Rents	-	
Sale of Tender Documents	43,000	55,000
Other Receipts Not Classified Elsewhere (specify)		
TOTAL	43,000	55,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	950,182	1,266,044
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance	356,250	329,500
Transport allowance	188,000	176,000
Leave allowance		
Other personnel payments		
Employer contribution to NSSF	9,400	11,000
Gratuity-contractual employees	943,125	129,620
TOTAL	2,446,957	1,912,164

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	1,707,358	1,494,265
Electricity		
Water & sewerage charges		
Office rent		
Communication, supplies and services		
Domestic travel and subsistence		
Printing, advertising and information supplies & services	63,000	171,006
Rentals of produced assets		
Training expenses	1,350,500	1,213,618
Hospitality supplies and services		
Other committee expenses	2,145,250	1,211,300
Committee allowance	1,675,270	1,853,000
Insurance costs		
Specialized materials and services		
Office and general supplies and services		
Fuel , oil & lubricants		
Other operating expenses		
Bank service commission and charges	121,560	400,959
Other Operating Expenses		
Security operations		
Routine maintenance - vehicles and other transport equipment		
Routine maintenance- other assets		
TOTAL	7,062,938	6,344,147

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	56,550,000	42,077,027
Transfers to Secondary Schools	2,108,000	12,017,000
Transfers to Tertiary Institutions		
Transfers to Health Institutions		
TOTAL	58,658,000	54,094,027

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

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	8,984,244	27,053,358
Bursary -Tertiary	659,369	5,636,000
Bursary- Special Schools	30,000	590,000
Security	2,000,000	
Roads and Bridges		
Sports	245,300	2,043,250
Environment		3,736,620
Emergency Projects		
1. Access to Highway Manyatta pry road	5,456,640	
2. St. Dominic's primary school	500,000	
3. TAMATA SUPPLIERS -Retention	35,218	
4. PENKO LIMITED-Retention	35,379	
5. ANNERA COMPANY- Retention	6,150	
6. JAMUMBA COMPANY- Retention	30,712	
3. Highway Manyatta pry toilet renovation		189,347
4. Mwiki police post roof renovation		148,644
5. Mwiki police post container fabrication		1,228,486
6. Ruai Girls Sec purchase of iron sheets		172,500
7. NG-CDF Office tank plinth and 10,000L tank		335,978
TOTAL	17,983,012	41,134,183

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

8. ACQUISITION OF ASSETS

Non Financial Assets	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of office furniture and fittings		1,357,000
Purchase of computers ,printers and other IT equipments		1,022,300
TOTAL	-	2,379,300

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic Plan		3,190,880
ICT Hubs		
TOTAL	-	3,190,880

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		Kshs	Kshs
		(30/6/2020)	(30/6/2019)
<i>FAMILY BANK-KASARANI BRANCH</i>	<i>17000012562</i>	53,609,317	16,568,601

10B: CASH IN HAND)

	2019 - 2020	2018 - 2019
	Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-

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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>	dd/mm/yy	-	-	-
Total				-

12A. RETENTION

Supplier/Contractor	PV No.	2019 - 2020	2018 - 2019
Tamata suppliers limited	23	-	35,218
Penko limited	25	-	35,379
Jamuba Engineering and construction Ltd	38 & 67	-	30,712
Annera company	68	-	6,150
TOTAL		-	107,459

12 B. Gratuity payable		-	
TOTAL		-	-

12B. GRATUITY DEPOSITS

	2019-2020	2018-2019
	Kshs	Kshs
Name 1	-	-
Add as appropriate		
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2019 - 2020	2018 - 2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	16,568,601	16,602,366
Cash in hand	-	-
Imprest	-	-
TOTAL	16,568,601	16,602,366

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018 - 2019 as per Financial statements	Adjusments	Adjusted balance b/f FY 2018 - 2019
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	16,568,601	107,747	16,676,348
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
TOTAL	16,568,601	107,747	16,676,348

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST'

	2019-2020	2018-2019
	Kshs	Kshs
Outstanding Imprest as at 1st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year ©	-	-
Net changes in accounts receivables (D=A+B-C)	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019-2020	2018-2019
	Kshs	Kshs
Deposits and Retention as at 1st July 2019 (A)	107,459	107,459
Deposits and Retention held during the year (B)	-	
Deposits and Retention paid during the year ©	107,459	
Net changes in accounts payable (D=A+B-C)	-	107,459

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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	2,681,560	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	2,681,560	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	1,766,546	2,420,008
Others (specify)	-	-
TOTAL	1,766,546	2,420,008

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

17.3: UNUTILIZED FUND (See Annex 3)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Compensation to employees	1,325,070	892,027
Use of goods and services	7,259,888	1,546,756
Committee Exp/Capacity Building	1,435,882	4,723,908
Amount due to other government entities	61,985,574	24,243,574
Amount due to other grants and transfer	45,596,408	6,938,530
Acquisition of assets	2,996,562	2,996,562
Others- Strategic Plan	13,120	13,120
Others- NG-CDF Office	2,613,790	-
Sale of tender documents (AIA)	43,000	55,000
Unapproved projects	1,600,000	32,200,000
Prior year adjustment- Refund of PMCs balances	107,747	-
TOTAL	124,977,041	73,609,477

NOTE: There is a variance of Kshs. 107,747 between the total of unutilised funds above and the amount shown in the summary of appropriation, recurrent and development combined under budget utilisation difference since prior year adjustment (Refunds from PMCs) of Kshs. 107,747 is excluded in the summary of appropriation.

17.4: PMC account balances (See Annex 5)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
PMCs accounts	68,574,221	21,792,247

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KASARANI CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid T-o-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
Construction of buildings		1				
1. Dowline Construction Limited	2,681,560	3rd January 2020	-	2,681,560	0	
2.						
3.						
Sub-Total	2,681,560			2,681,560		
Grand Total	2,681,560			2,681,560		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KASARANI CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/2020	Outstanding Balance 2018/2019	Comments
NGCDFC Staff gratuity			a b	c	d=a-c		
JOSEPH OGOLLA		254,820	Mar-14	68,200	* 186,620	254,820	
LILIAN WAWERU		445,780	Mar-14	86,800	358,980	445,780	
BONIFACE NGUNGU		210,180	Mar-14	55,800	154,380	210,180	
SAMUEL MWIRIGI		167,400	Mar-14	46,500	120,900	167,400	
JOSEPH NGANGA		167,400	Mar-14	46,500	120,900	167,400	
ZIPPORAH MORAA		156,240	Mar-14	43,400	112,840	156,240	
BENSON KEGA		279,930	Aug-14	35,650	244,280	279,930	
SOPHIA WANGARI		141,670	Aug-14	18,600	123,070	141,670	
JAMES GATHENGE		167,400	Aug-14	23,250	144,150	167,400	
COLLETA GITAU		116,250	Jul-15	-	116,250	116,250	
BENSON NGANGA	J	122,324	Mar-18	183,485	32,110	122,324	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)- KASARANI CONSTITUENCY

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EMMANUEL BAHATI	H	95,842	Mar-18	138,869	25,158	95,842	
MARY KIHU	G	82,792	Mar-18	124,188	21,733	82,792	
VALENTINE ASORO	H	11,980	May-19	71,882	-	11,980	
MARY WOKABI	G	5,175	Jun-20	-	5,175		
Grand Total		2,420,008		943,125	1,766,546	2,420,008	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KASARANI CONSTITUENCY

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/2020	Outstanding Balance 2018/19	Comments
Compensation of employees		1,325,070	892,027	
Use of goods & services		7,259,888	1,546,756	
Committee Exp/Capacity Building		1,435,882	4,723,908	
Amounts due to other Government entities				
Nile Road Sec School		2,000,000		
Mwiki sec school		1,000,000		
Kasarani Treeside Sec school for the deaf		1,000,000		
Clay City Secondary school		1,000,000		
Ruai Girls Sec School		1,300,000		
Jehova Jirre sec school		1,000,000		
Muhuri Muchiri Sec School		1,200,000		
St Georges Afhi sec School		1,200,000		
Drumvale Sec School		1,000,000		
Gituamba Day Sec School-New		14,500,000		
Kasarani Pry School		7,200,000		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KASARANI CONSTITUENCY
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St Dominic primary School		1,000,000		
Athi primary school		1,000,000		
Kasarani Treeside Special Pry School		1,000,000		
Drumvale Primary school		1,500,000		
Jehova Jirre Pry school		1,500,000		
Gituamba pry school		1,200,000		
Ngundu Pry School		1,000,000		
RUAI PRY SCHOOL BUS PURCHASE		12,000,000		12,000,000
MUREMA PRY SCHOOL BUS PURCHASE		7,100,000		7,100,000
ST DOMINIC SEC TOILET CONSTRUCTION		-		920,000
ST DOMINIC SEC CLASSES CONSTRUCTION (BALANCE)		-		1,188,000
HIGHWAY MANYATTA PRY CLASSES CONSTRUCTION(BALANCE)		-		750,000
PURCHASE OF SCHOOLS LOCKERS &CHAIRS (BALANCE)		65,000		65,000
DRUMVALLE PRY SCHOOL (BALANCE 016/017)		220,574		220,574
RUAI SEC SCHOOL CLASSES COMPLETION		2,000,000		2,000,000
Sub-Total		61,985,574		24,243,574

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KASARANI CONSTITUENCY
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Amounts due to other grants and other transfers				
Kasarani New DCC office		8,000,000		
Kasarani New DCC office ICT Hub		1,169,257		
Ruai DCC office ICT Hub		1,169,257		
EMERGENCY	7,300,066.23	7,300,066	6,058,465	
EMERGENCY - RETENTION			107,459	
BURSARY		24,682,138	70	
SPORTS		3,275,690	772,536	
Sub-Total		45,596,408	6,938,530	
Acquisition of assets				
NG-CDF OFFICE FURNITURE & EQUIPMENT		120,700	120,700	
NG-CDF OFFICE COMPLETION		2,875,862	2,875,862	
Sub-Total		2,996,562	2,996,562	
Others (specify)				
NG-CDF Office		2,613,790		
Strategic plan		13,120	13,120	
Sub-Total		2,626,910	13,120	
Unapproved projects				

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Ruai DCC Office				
MWIKI PRY SCHOOL CONSTRUCTION		1,600,000		
CHIEKO PRY CONSTRUCTION			16,100,000	
			16,100,000	
Sub-Total		1,600,000	32,200,000	
Others				
Sale of tender documents (AIA)		43,000	55,000	
Sub-Total		43,000	55,000	
Refunds from PMCs		107,747		
Sub-Total		107,747	-	
Grand Total		124,977,041	73,609,477	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f/		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
	(Kshs)	2018/019			(Kshs)	2019/20
Buildings and structures		3,105,000	-	-	3,105,000	
Transport equipment		2,995,000	-	-	2,995,000	
Office equipment, furniture and fittings		1,516,617	-	-	1,516,617	
ICT Equipment, Software and Other ICT Assets		1,392,300	-	96,000	1,296,300	
Total		9,008,917	-	96,000	8,912,917	

NOTE: The disposal during the year of Kshs. 96,000 represents loss of Nikon Camera, D5300

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

PMC	Bank	Account number	Bank	Bank
			Balance	Balance
			2019/2020	2018/2019
CHIEKO PRIMARY SCHOOL	EQUITY	1180279813977	16,097,943	-
MWIKI PRIMARY SCHOOL	EQUITY	1180279831933	16,097,943	-
KASARANI DCCS OFFICE	EQUITY	1180279696891	1,958,074	-
KASARANI PRIMARY SCHOOL	EQUITY	1180278982078	486,224	-
ST. DOMINIC PRIMARY SCHOOL	EQUITY	1440279495073	15,745	-
JEHOVAH JIREH PRIMARY SCHOOL	EQUITY	1440278971019	474,956	-
RUAI PRIMARY SCHOOL	EQUITY	1440278971690	22,654,425	-
NJIRU PRY SCHOOL	EQUITY	1440278979155	467,757	-
ST DOMINIC SECONDARY SCHOOL	EQUITY	1180278575240	4,185,839	2,177,199
MUREMA PRIMARY SCHOOL	EQUITY	1180278576415	2,707,763	7,797,950
HIGHWAY MANYATTA PRIMARY SCHOOL	EQUITY	1440278572278	2,470,270	7,050,000
NILE ROAD SEC SPECIAL SCHOOL	EQUITY	1440278611298	615,335	3,920,000
ATHI PRIMARY SCHOOL	EQUITY	1440278930974	1,508	500,000
ENVIRONMENT PMC	FAMILY	17000013017	340,439	347,098
	TOTAL		68,574,221	21,792,247

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve issue and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1. Under Utilization of Budgeted Funds</p> <p>Examination of the statement of appropriation: recurrent and development Combined indicates that Kasarani NG-CDF had an original budget of Kshs. 109,040,876. The Fund also had prior year funds brought forward totalling Kshs. 73,441,849</p>	<p>By the closure of the year, an amount of Kshs. 57,040,875.52 was still unreleased from the Board. Ksh. 55,040,875.52 was later released in the current year while Kshs.2,000,000 is yet to be released.</p> <p>Thus, an amount of Kshs. 16,387,148 was the unutilised amount in the cash book. Out of this, Kshs. 9,706,863 was for various</p>	National Treasury	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>resulting in an overall final budget of Kshs. 182,482,725. However, Budget utilization during the year amounted to Kshs. 109,054,701 resulting in a budget under-utilization of Kshs. 73,428,023 equivalents to 40.24% of the overall budget.</p>	<p>projects whose procurement process was ongoing, an amount of Kshs. 3,436,711 was unused balance in administration and M/E & capacity building votes and Kshs 3,243,574 was savings from PMCs allocation which shall be reallocated in case of no variation/extra works.</p>			
<p>2. Non-Implementation of Projects Examination of the statement of appropriation: recurrent and development combined revealed that Kasarani NG-CDF had budgeted to spend Kshs. 78,337,601 on Transfers to Other Government Entities. These transfers were intended to fund approved projects. However, physical inspection revealed that projects worth Kshs.</p>		<p>The delay in implementation of projects was due to the delay of release of funds by the end of the financial year. An amount of Kshs. 21,100,000 which was meant to implement education projects was not yet received by then. This amount was for Ruai primary school bus purchase Kshs. 12,000,000, Murema primary school bus</p>	<p>National Treasury</p>	<p>Resolved</p>	<p>N/A</p>