

REPUBLIC OF KENYA



*Paper laid*  
*By the HDM*  
*on Wednesday*  
*17/10/2018*  
*W. Njiru*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
EMURUA DIKIRR CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2017**



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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND  
EMURUA DIKIRR CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2017



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

<b>Table of Contents</b>	<b>Page</b>
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE CABINET SECRETARY.....	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES.....	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
V. STATEMENT OF ASSETS.....	6
VI. STATEMENT OF CASHFLOW.....	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	8
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	10
IX. NOTES TO THE FINANCIAL STATEMENTS.....	12

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.

In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning.

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

**(b) Key Management**

The Emurua dikirr Constituency's day-to-day management is under the following key organs:

- i. Ng-Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Moses Karakacha
3.	Accountant	Tony Oringo
4.		

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Emurua dikirr Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the Ng-Constituency Development Fund Committee (NG-CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) EMURUA DIKIRR NG-CDF Headquarters**

P.O. Box 119 CHEBUNYO  
Sub County Commissioner Trans Mara East Building  
EMURUA DIKIRR

**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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**(f) EMURUA DIKIRR NG-CDF Contacts**

Telephone: (254) 723896642  
E-mail: [cdfemuruadikirr@cdf.go.ke](mailto:cdfemuruadikirr@cdf.go.ke)  
Website: [www.ng-cdf.go.ke](http://www.ng-cdf.go.ke)

**(g) Emurua Dikirr Ng-Cdf Bankers**

Equity bank  
Kilgoris branch  
A/c number 1230261760486  
P.o.box 203  
Kilgoris

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**


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

**II. FORWARD BY THE CHAIRMAN EMURUA DIKIRR NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)**


The Emurua Dikirr Ng-constituency development fund in the financial year 2016/17 was allocated kshs 81,896,551.70 eighty one million eight hundred ninety six thousand five hundred fifty one shillings by the ng-cdf board. During the financial year kshs 137,809,606.70 was disbursed to the constituency by end of June 2017. The constituency received all funds allocated during the financial year including balances carried forward from previous years of kshs 55,913,055. Our budgets therefore have been funded 100%. In the year ended transfers to other government entities took kshs 75,600,000.00 accounting for 54.9% of funds available. Other grants took ksh 39,981,103.00 accounting for 29 % of funds available. The ng-cdfc was able to disburse the funds to the project management committees as soon as the funds were available. The projects implemented by the PMCs are at various stages of completion. The bursary for the financial year has been paid 100% of its allocation as at end of the financial year. The project management committee is the model used in the constituency for the implementation of projects. In the year ended most of the projects reported inadequacy of funds allocated for the completion of their projects this could be attributed to inadequate allocations and /or increasing costs for the various projects materials and labour. Cases of misappropriation may also not be ruled out.

We wish to thank the board for having released all the funds due to the constituency during the financial year.

We look forward to better performance in the next financial year 2017/18.



Richard Ng'eno  
CHAIRMAN NG-CDFC



FUND ACCOUNT MANAGER  
EMURUA DIKIRR CONSTITUENCY  
P.O. Box 119-20401  
CHEBBUNYO.

**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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**III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government CDF shall prepare financial statements in respect of that NG-CDF. 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.

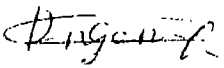
The Accounting Officer in charge of the *Emurua dikirr Ng-cdf* is responsible for the preparation and presentation of the *NGCDF's* financial statements, which give a true and fair view of the state of affairs of the *NGCDF* for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *NGCDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *NGCDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *Emurua dikirr ng-cdf* accepts responsibility for the *NGCDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NGCDF's* financial statements give a true and fair view of the state of *NGCDF's* transactions during the financial year ended June 30, 2017, and of the *NGCDF's* financial position as at that date. The Accounting Officer in charge of the *Emurua dikirr ng-cdf* further confirms the completeness of the accounting records maintained for the *NGCDF*, which have been relied upon in the preparation of the *NGCDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *Emurua dikirr Ng-cdf* confirms that the *NGCDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *NGCDF's* funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *NGCDF's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The *Emurua dikirr NGCDF's* financial statements were approved and signed by the Accounting Officer on 4/07/2017 2017.

  
Richard Ng'eno  
Chairman NG-Cdfc

**FUND ACCOUNT MANAGER**  
**EMURUA DIKIRR CONSTITUENCY**  
P.O. Box 119-20401  
CHEBUNYO.

  
Moses Karakacha  
Fund Account Manager

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)

P.O. Box 30084-00100  
NAIROBI



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Emurua Dikirr Constituency set out on pages 5 to 34, which comprise the Statement of Financial Position as at 30 June 2017, and the statement of Receipts and Payments, statement of Financial Assets, statement of Cash flows and Summary statement of Appropriation for the period 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the Financial Statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Emurua Dikirr Constituency as at 30 June, 2017 and (of) its financial performance and its cash flows for the year ended, in accordance with International Public Sector Accounting Standards (Cash Basis)

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

#### Basis for Qualified Opinion

##### 1. Transfer to Other Government Entities

The Statement of Receipts and Payments reports transfers to other government entities of Kshs.75,600,000 which includes Kshs.4,000,000 transferred to Simotwet Secondary school for construction of two classrooms. However the two classrooms were none existent at the close of the financial year and therefore the effectiveness of the expenditure could not be confirmed.

Further, included in the amount is Kshs.35,000,000 transferred to Tertiary Institutions as disclosed in note 7 to the financial statements for the construction of Kurungurik Medical Training College which incurred an expenditure of Kshs.5,817,408 leaving unspent balances of Kshs.29,682,592 at the close of the year which is not supported by bank

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



balance certificate or bank statement and therefore its accuracy, existence and completeness could not be confirmed.

## **2. Other Grants and Transfers**

The Statement of Receipts and Payments reports other grants and transfers of Kshs.39,981,103 which include bursary to tertiary institutions of kshs.8,210,000 which are not supported by college fees receipts, letters of admissions, fee balance statements or vetting reports and therefore its accuracy and completeness could not be confirmed.

Further, the amount also includes unauthorized expenditure of Kshs.5,317,705 incurred in excess of the budgetary allocations on bursary to secondary schools, environmental activities and emergency activities. The fund did not obtain relevant approvals from the Accounting Officer or Board in accordance with the provisions of the Constituency Development Fund Act, 2015 to support over expenditure. It was therefore not possible to confirm whether the grants and transfers were applied in a lawful and effective manner.

## **3. Statement of Cash flow**

The statement of Cash flow reports acquisition of Assets of Kshs.5,817,408 as disclosed in note 10 to the financial statements which is part of transfers to other government entities. The money however, has been used to construct a building at Kurungurik Medical Training College. The expenditure therefore does not constitute acquisition because the college is an independent entity which will take over the building and use it. In addition, the construction was not supported by approved building plans, budget, contract documents, National Environment Management Authority (Nema) approvals or architectural certificates certifying the cost of work done and therefore its accuracy and valuation could not be confirmed.

## **4. Other Pending Payables**

The Financial Statements reports other payables of Kshs.12,496,142.88 as disclosed under note 15.3 which are not supported by vendor documents or supply contracts and therefore its accuracy, existence and completeness could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Emurua Dikirr Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no key audit matters to communicate in my report.

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

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the **Fund's** financial reporting process.

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

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

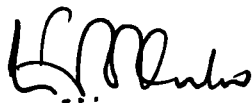
As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements.

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

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

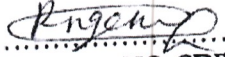
**09 August 2018**

**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2016-2017 Kshs	2015-2016 Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1	137,809,606.70	79,937,433.95
Proceeds from Sale of Assets	2	0	-
Other Receipts	3	15,000.00	10,000.00
<b>TOTAL RECEIPTS</b>		<b>137,824,606.70</b>	<b>79,947,433.95</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	1,870,207.32	1,091,040.20
Use of goods and services	5	8,182,846.22	7,379,978.10
Committee Expenses	6		
Transfers to Other Government Units	7	75,600,000.00	47,650,000.00
Other grants and transfers	8	39,981,103.00	24,579,643.65
Social Security Benefits	9	19,440.00	31,760.00
Acquisition of Assets	10	5,817,408.00	600,000.00
Other Payments	11	12,546.19	33,185.40
<b>TOTAL PAYMENTS</b>		<b>131,483,550.73</b>	<b>81,365,607.35</b>
<b>SURPLUS/DEFICIT (Balance c/d)</b>		<b>6,341,055.97</b>	<b>(1,418,173.40)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMURUA DIKIRR NG-CDF financial statements were approved on 4/07/2017 and signed by:

  
 Chairman NG-CDF

**FUND ACCOUNT MANAGER**  
**EMURUA DIKIRR CONSTITUENCY**  
 P.O. Box 119-20401  
 CHEBUNYO.

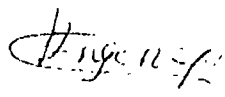
  
 Fund Account Manager

**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**V. STATEMENT OF ASSETS**

	Note	2016-2017	2015-2016
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	12,496,142.88	6,155,086.91
Cash Balances (cash at hand)	12B	0	-
Outstanding Imprests	12C	0	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>12,496,142.88</b>	<b>6,155,086.91</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd.		6,155,086.91	7,573,260.31
Surplus/Deficit for the year	13	6,341,055.97	- 1,418,173.40
Prior year adjustments		0	-
<b>NET FINANCIAL POSITION</b>	<b>14</b>	<b>12,496,142.88</b>	<b>6,155,086.91</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMURUA DIKIRR NG-CDF financial statements were approved on ... 4.07 ... 2017 and signed by:

  
 Chairman NG-CDFC

**FUND ACCOUNT MANAGER**  
**EMURUA DIKIRR CONSTITUENCY**  
 P.O. Box 119-20401  
 CHEBUNYO.

  
 Fund Account Manager

**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**

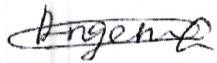
**Reports and Financial Statements**

**For the year ended June 30, 2017**

**VI. STATEMENT OF CASHFLOW**

Receipts for operating income		2016-2017	2015 - 2016
Transfers from CDF Board	1	137,809,606.70	79,937,433.95
Other Receipts	3	15,000.00	10,000.00
		<b>137,824,606.70</b>	<b>79,947,433.95</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,870,207.32	1,091,040.20
Use of goods and services	5	8,182,846.22	7,379,978.10
Committee Expenses	6		
Transfers to Other Government Units	7 *	75,600,000.00	47,650,000.00
Other grants and transfers	8	39,981,103.00	24,579,643.65
Social Security Benefits	9	19,440.00	31,760.00
Other Payments	11	12,546.19	33,185.40
<b>Adjusted for:</b>			
Adjustments during the year		00	-
		<b>125,666,142.73</b>	<b>80,765,607.35</b>
<b>Net cash flow from operating activities</b>		<b>12,158,463.97</b>	<b>(818,173.40)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	00	-
Acquisition of Assets	10	5,817,408.00	600,000.00
<b>Net cash flows from Investing Activities</b>		<b>5,817,408.00</b>	<b>600,000.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>6,341,055.97</b>	<b>(1,418,173.40)</b>
Cash and cash equivalent at BEGINNING of the year	15	6,155,086.91	7,573,260.31
Cash and cash equivalent at END of the year	16	12,496,142.88	6,155,086.91

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMURUA DIKIRR NG-CDF financial statements were approved on .....4/07/..... 2017 and signed by:

  
Chairman NG-CDFC

**FUND ACCOUNT MANAGER**  
**EMURUA DIKIRR CONSTITUENCY**  
P.O. Box 119-20401  
CHEBUNYO.

  
Fund Account Manager

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

**EMURUA DIKIRR NG-CONSTITUENCY DEV FUND**

**SUMMARY STATEMENT OF APPROPRIATION: RECURRENT & DEVELOPMENT**

**FINANCIAL YEAR 2016-2017 ENDED 30TH JUNE 2017**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation (Variance)
	a	b	c=a+b	d	c=d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,551.70	55,928,055.00	137,824,606.70	137,824,606.70	-	100
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts (balance b/d)	-	-	-	-	-	
<b>PAYMENTS</b>						
Compensation of Employees	1,528,800.00	400,000.00	1,928,800.00	1,889,647.32	39,152.68	98
Use of goods and services	5,841,889.10	3,136,146.90	8,978,036.00	8,182,846.22	795,189.78	91
Transfers to Other Government Units	35,600,000.00	40,000,000.00	75,600,000.00	75,600,000.00	-	100
Other grants and transfers	32,370,689.59	8,878,908.10	41,249,597.69	39,981,103.00	1,268,494.69	97
Acquisition of Assets	6,555,173.01	3,500,000.00	10,055,173.01	5,817,408.00	4,237,765.01	58
Other Payments		13,000.00	13,000.00	12,546.19	453.81	97
<b>TOTALS</b>	<b>81,896,551.70</b>	<b>55,928,055.00</b>	<b>137,824,606.70</b>	<b>131,483,550.73</b>	<b>6,341,055.97</b>	<b>95</b>

(a) The budget items performed well as per budget except for the acquisition of assets (office construction) where work is over 90% complete. The contractor is on site and final payment on certificate shall be done when work is 100% complete.

(b) The constituency received all the budgeted funds from the national board

The EMURUA DIKIRR NG-CDF financial statements were approved on 4/07/.....2017 and signed by:

*Ngũgĩ*  
**Chairman NGCDF**

**FUND ACCOUNT MANAGER**  
**EMURUA DIKIRR CONSTITUENCY**  
 P.O. Box 119-20401  
**CHEBUNYO**

*Ngũgĩ*  
**Fund Account Manager**

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**EMURUA DIKIRR NG-CONSTITUENCY DEV FUND**

**TRIAL BALANCE**

**FINANCIAL YEAR 2016-2017 ENDED 30TH JUNE 2017**

		<b>KSHS</b>	<b>KSHS</b>
		<b>DR</b>	<b>CR</b>
<b>Cash and Cash equivalents</b>			
	Bank Balances	12,496,143	
	Cash Balances	-	
	Outstanding Imprest	-	
<b>Payments</b>			
	Compensation of Employees	1,870,207.32	
	Social security benefits	19,440	
	Use of goods and services	8,182,846	
	Transfers to Other Government Units	75,600,000	
	Other grants and transfers	39,981,103	
	Acquisition of Assets	5,817,408	
	Other Payments	12,546	
<b>Receipts</b>			
	Transfers from the Board		137,809,607
	Proceeds from sale of assets		-
	Others receipts		15,000
<b>Fund Balance b/f</b>			6,155,087
<b>TOTAL</b>		<b>143,979,694</b>	<b>143,979,694</b>



## **VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NG-*CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NG-*CDF*.

### **2. Recognition of revenue and expenses**

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

### **3. In-kind contributions**

In-kind contributions are donations that are made to the NG-*CDF* 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 NG-*CDF* includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

### **4. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year. Page 25 of 26

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**5. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the NG-*CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG-*CDF*'s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NG-*CDF*'s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**8. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2016-2017	2015-2016
		Kshs	Kshs
Normal Allocation			
	A796206		15,937,433.95
	A724045		10,000,000.00
	A724075		10,000,000.00
	A724213		10,000,000.00
	A820548		10,000,000.00
	A820876		24,000,000.00
	A825846	40,413,055.00	
	A829542	4,094,827.60	
	A839650	36,853,449.00	
	A856667	15,500,000.00	
	A855732	40,948,275.10	
Conditional grants			
Receipt from other Constituency			
<b>TOTAL</b>		<b>137,809,606.70</b>	<b>79,937,433.95</b>

**1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
	0	-
Receipts from sale of Buildings	0	-
Receipts from the Sale of Vehicles and Transport Equipment	0	-
Receipts from sale of office and general equipment	0	-
Receipts from the Sale Plant Machinery and Equipment	0	-
	0	-
<b>Total</b>	<b>0</b>	<b>0</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2017***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.3 OTHER RECEIPTS**

	2016-2017	2015-2016
	Kshs	Kshs
Interest Received	0	-
Rents	0	-
Receipts from Sale of tender documents	15,000.00	10,000
Other Receipts Not Classified Elsewhere	0	-
<b>Total</b>	<b>15,000.00</b>	<b>10,000.00</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.1.1.1.1.1.5 USE OF GOODS AND SERVICES**

	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		0
Office rent		0
Communication, supplies and services		0
Domestic travel and subsistence		0
Printing, advertising and information supplies & services		0
Rentals of produced assets		0
Training expenses	1,000,000.00	755,000.00
Hospitality supplies and services		0
Insurance costs		0
Specialised materials and services		0
Office and general supplies and services	1,205,942.22	412,383.10
Office and general supplies and services	1,004,640.00	
Fuel ,oil & lubricants	690,000.00	485,700.00
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	777,678.00	1,159,007.00
Routine maintenance – other assets		
Other committee expenses	1,371,586.00	1,755,500.00
Committee allowance	2,133,000.00	2,812,388.00
<b>Total</b>	<b>8,182,846.22</b>	<b>7,379,978.10</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

1.1.1.1.1.1.1.6 COMMITTEE EXPENSES

	2016-2017	2015-2016
	Kshs	Kshs
Committee allowances		
Other committee expenses		
<b>Total</b>		

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to National Government entities:		
Transfers to primary schools (see attached list)	34,700,000.00	26,750,000.00
Transfers to secondary schools (see attached list)	5,900,000.00	10,900,000.00
Transfers to tertiary institutions (see attached list)	35,000,000.00	10,000,000.00
Transfers to health institutions (see attached list)	0	0
<b>TOTAL</b>	<b>75,600,000.00</b>	<b>47,650,000.00</b>



**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**1.1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS**

	2016-2017	2015-2016
	Kshs	Kshs
Bursary -Secondary	2,447,000.00	7,265,500.00
Bursary –Secondary	11,675,500.00	
Bursary -Tertiary	718,000.00	6,572,495.81
Bursary -Tertiary	7,492,000.00	
Bursary-Special schools	0	33,000.00
Mocks & CAT	3,000,000.00	-
Water	0	-
Agriculture (food security)	0	-
Electricity projects	0	-
Security	0	-
Roads	0	800,000.00
Sports	5,720,640.00	1,540,000.00
Environment	2,499,000.00	-
Health	0	2,798,647.84
Emergency Projects (specify)	6,428,963.00	5,570,000.00
<b>TOTAL</b>	<b>39,981,103.00</b>	<b>24,579,643.65</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS**

	2016-2017	2015-2016
	Kshs	Kshs
Employer contribution to NSSF	19,440.00	31,760.00
<b>Total</b>	<b>19,440.00</b>	<b>31,760.00</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.1.1.1.1.1.1.10 ACQUISITION OF ASSETS**

<b>Non-Financial Assets</b>	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings		-
Construction of Buildings	5,817,408.00	-
Refurbishment of Buildings		-
Purchase of Vehicles		-
Purchase of Bicycles & Motorcycles		-
Overhaul of Vehicles		-
Purchase of Office furniture and fittings		-
Purchase of computers ,printers and other IT equipment		-
Purchase of photocopier		-
Purchase of other office equipment		
Purchase of soft ware		
Acquisition of Land		600,000.00
<b>Total</b>	<b>5,817,408.00</b>	<b>600,000.00</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.1.1.1.1.1.11 OTHER PAYMENTS**

	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Charges	12,546.19	33,185.40
Office administration		
<b>TOTAL</b>	<b>12,546.19</b>	<b>33,185.40</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

12A: Bank Accounts (cash book bank balance)

	2016-2017	2015-2016
<b>Name of Bank, Account No. &amp; currency</b>		
	<b>Kshs</b>	<b>Kshs</b>
Equity Bank,Kilgoris,A/C Number 1230261760486	12,496,142.88	6,155,086.91
<b>Total</b>	<b>12,496,142.88</b>	<b>6,155,086.91</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12B: CASH IN HAND**

	2016-2017	2015-2016
	Kshs	Kshs
Cashier	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

*[Provide cash count certificates for each]*



**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**13. BALANCES BROUGHT FORWARD**

	2016-2017	2015-2016
	Kshs	Kshs
Bank accounts	6,155,086.91	7,473,260.31
Cash in hand		-
Imprest	0	100,000.00
<b>Total</b>	<b>6,155,086.91</b>	<b>7,573,260.31</b>

*[Provide short appropriate explanations as necessary]*



14. PRIOR YEAR ADJUSTMENTS

	2016-2017	2015-2016
	Kshs	Kshs
Bank accounts	00	00
Cash in hand	00	00
Imprest	00	00
<b>Total</b>	<b>00</b>	<b>00</b>



15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016-2017	2015-2016
	Kshs	Kshs
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
	00	00

**15. OTHER IMPORTANT DISCLOSURES**

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

	2016-2017	2015-2016
	Kshs	Kshs
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
	00	00

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**15.4 PENDING RECEIVABLES FROM THE CDF BOARD (See statement of appropriation)**

<b>FINANCIAL YEAR</b>	<b>KSHS</b>
2015/16	000
2016/2017	00
<b>TOTAL</b>	<b>00</b>

**NATIONAL GOVERNMENT ENTITY - EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**NATIONAL GOVERNMENT ENTITY –EMURUA DIKIRR CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017 (Kshs)**

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
	<b>Sub-Total</b>						
<b>Middle Management</b>							
4.							
5.							
6.							
	<b>Sub-Total</b>						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
10.							
11.							
12.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						

**NATIONAL GOVERNMENT ENTITY – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016/2017	Outstanding Balance 2015/2016	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1.	Primary schools grants	0			0	0	
2.	Secondary schools grants	0			0	0	
3.	Tertiary institutions grants					40,000,000	
	<b>Sub-Total</b>	<b>00</b>			<b>00</b>	<b>40,000,000</b>	
<b>Amounts due to other grants and other transfers</b>							
4.	Agriculture	0			0	0	
5.	Water	0			0	0	
6.	Emergency	00			00	2,267,647.00	
7.	Bursary	00			00	1,400,000	
8.	Environment	2,713,863.85			2,713,863.85	2,198,000.00	
	<b>Sub-Total</b>	<b>2,713,863.85</b>			<b>2,713,863.85</b>	<b>5,865,647</b>	
<b>Others (specify)</b>							
9.	Office construction	7,227,106			7,227,106	3,000,000	
10.	Social security	1,000,000			1,000,000		
11.	Goods & services	000			000	4,349,146.90	
12.	Assets acquisition	1,555,173.03			1,555,173.03		
	<b>Sub-Total</b>	<b>9,782,279.03</b>			<b>9,782,279.03</b>		
	<b>Grand Total</b>	<b>12,496,142.88</b>			<b>12,496,142.88</b>	<b>55,913,055</b>	



**NATIONAL GOVERNMENT ENTITY – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

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

Asset class	Item Description	Serial no. /Registration	Year of Purchase	Historical cost 2015/16(kshs)	Historical cost 2016/17(kshs)
ICT Equipment, Software and Other ICT Assets	Monitor	CN-07CR4-72872-33P-FFCL	2013	Supplied by cdf board	Supplied by cdf board
ICT Equipment, Software and Other ICT Assets	Back ups	3B1304X12214	2013	Supplied by cdf board	Supplied by cdf board
ICT Equipment, Software and Other ICT Assets	CPU	161246/90	2013	Supplied by cdf board	Supplied by cdf board
ICT Equipment, Software and Other ICT Assets	Scanjet 5590	CN2CAVHOCVX	2013	Supplied by cdf board	Supplied by cdf board
ICT Equipment, Software and Other ICT Assets	Camera	AGHZCNKDB00025	2013	7,000	0
ICT Equipment, Software and Other ICT Assets	Photocopier		2014	156,078	78,000.00
ICT Equipment, Software and Other ICT Assets	Stapler- Kangaroo	ST-0795 DS210	2013	433.55	216.70
Office equipment, furniture and fittings	Laserjet 401DN Printer	VNH6726421	2014	27,599.80	13,799.90
ICT Equipment, Software and Other ICT Assets	Deskjet1000 Printer	CN35R18J8S	2014	4,269	2,134.50
ICT Equipment, Software and Other ICT Assets	Office Point Heavy –Duty Stapler		2014	2,601.30	1,300.65
Office equipment, furniture and fittings	Self-Inking rubber stamp		2013	1,667.50	833.75
Office equipment, furniture and fittings	Self-Inking rubber stamp		2014	3,001.50	1500.75
Office equipment, furniture and fittings	Office table	WML-254	2014	7,937.30	3,968.65
Office equipment, furniture and fittings	High back ergonomic leather chair		2014	32,016	16,008.00
Transport equipment	Motor vehicle	GK B 074F	2014	3,450,000	2,587,500.00
Office equipment, furniture and fittings	Office furniture		2014	442,101.60	221,050.80
Office equipment, furniture and fittings	Office furniture	4 file cabinets	2015	83,996	55,997.33
Construction of office building				600,000	5,817,408.00
<b>TOTAL</b>				<b>4,818,701.55</b>	<b>8,799,719.03</b>

1. The depreciation rate applied on Office equipment, furniture and fittings and ICT Equipment, Software and Other ICT Assets is 33.333% per annum
2. The depreciation rate applied on the Transport equipment is 25% per annum