

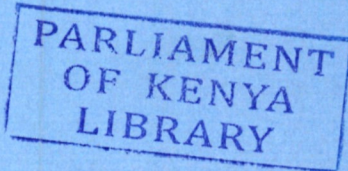
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

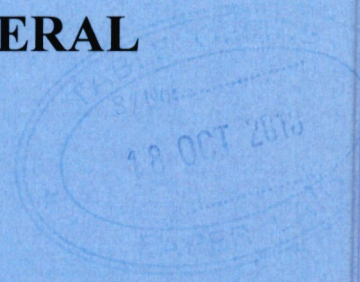


OF

*Paper laid by
hon. on 18/10/18 (pm)*

THE AUDITOR-GENERAL

ON



THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KONOIN CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
KONOIN CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017



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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

Table of Contents	Page
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	6
VII.SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	9
VIII.SIGNIFICANT ACCOUNTING POLICIES.....	11
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26

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Development Fund (*CDF*) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act 2013. In 2015 the CDF Act was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund, 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 Konoin Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Laboso Chepogeno
3.	Accountant	John C. Ngeno

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG- CDF Board provide overall fiduciary oversight on the activities of KONOIN Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the 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) Konoin NG-CDF Headquarters

P.O Box 64-20403
Mogogosiek-Kenya

(f) Konoin NG-CDF Contacts

Konoin @cdf.go.ke
Website :www.ng-cdf.go.ke

(g) Konoin NG-CDF Banker

Kenya Commercial Bank
P.O. Box 64 20403,
Mogogosiek

(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
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. FORWARD BY THE CHAIRMAN KONOIN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

The *Konoin NG* constituency development fund in the financial year 2016/17 was allocated kshs.81,896,555.73. Eighty-One Million Eight Hundred and ninety-six thousand Five Hundred and fifty-five and seventy-three cents. During the financial year kshs: 111,533,225.60. One hundred and eleven million five hundred and thirty-three thousand two hundred and twenty-five and sixty cents was disbursed to the constituency by end of June 2017. Inclusive of this disbursement was kshs. 59,584,949.00.00 for financial year 2015/2016, this fund was used to finance projects that were earlier approved by the board. A balance of kshs. 32,092,420.60.00 are funds due to the constituency from the NG- CDF Board to fund the various projects as per our budget. Our budget therefore has been funded 60%. In the year ended transfers to other government entities took kshs 96,295,492.00 accounting for 70% of the disbursement.

For the year ended some of the projects on budget had not received funds due to the delay of release of funds by the NG-CDF Board. The board should try to release funds in two instalments of 50% each before end of the financial year to enable the CDF implement its projects as budgeted within the financial year.

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

.....
CHAIRMAN CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

III. STATEMENT OF KONOIN NG 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 Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Fund Account Manager in charge of KONOIN NG-CDF is responsible for the preparation and presentation of the constituency's financial statements, which give a true and fair view of the state of affairs of the constituency as at the end of the financial year 2016/2017 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of KONOIN NG-CDF accepts responsibility for 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 Fund Account Manager is of the opinion that the constituency's financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2017, and of the constituency's financial position as at that date. The Fund Account Manager in charge of KONOIN NG-CDF further confirms the completeness of the accounting records maintained for the constituency which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

The Fund Account Manager in-charge of KONOIN NG-CDF confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Fund Account Manager in charge of KONOIN NG-CDF confirms that the 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 KONOIN NG-CDF financial statements were approved and signed on

18th June 2018

Erick Kirui
Chairman NCG-CDFC

Edwin Karani
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: 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 - KONOIN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Konoin Constituency set out on pages 5 to 27, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015 and Section 11 of the National Government Constituency Development 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 - Konoin Constituency as at June 30, 2017, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis).

In addition, as required by Article 229 (6) of the Constitution, except for the matter described in the Qualified Opinion section of my report based on the procedures performed, I confirm that, nothing else 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. Bank Reconciliation

The bank reconciliation statement as at 30 June 2017 reflects receipts in bank statement not yet recorded in cash book of Kshs.20,000. The transaction is described as Appropriation in Aid (AIA) and it was therefore not clear why the amount was not recognized as other receipts in the statement of receipts and payments for the year ended 30 June 2017.

In addition, the bank reconciliation statement discloses unrepresented cheques of Kshs.5,544,133. Out of this amount, cheques amounting to Kshs.109,288 drawn in favor of various payees were stale. It was not clear why the stale cheques were not written back to cash book or validated.

In the circumstances, it was not possible to confirm the accuracy of the reported cash and cash equivalents balance of Kshs.144,141.47 in the statement of assets.

2. Non acknowledgment of Bursary

An expenditure of Kshs.35,777,875 was incurred on other grants and other payments during the period under review. Out of this amount, an expenditure of Kshs.14,775,600 was incurred on bursary to Tertiary Institutions. However, no acknowledgement letters/receipts were produced for audit for audit examination and it therefore not possible to ascertain whether the funds were disbursed to and received by beneficiary Institutions.

In the circumstances, it was not possible to confirm the disbursed funds reached the intended beneficiaries.

3. Stalled Project

Chebangang Chief's Office Project Management Committee (PMC) was allocated Kshs.500,000 through payment voucher number 109 and cheque No.6840 dated 6 November 2016 for construction of the Chef's Office. However, examination of the project file revealed that no expenditure returns or bank statements had been filed by the PMC and it was therefore not possible to certain the expenditure incurred on the project as at 30 June 2017.

Physical verification of the project on 24 May 2018 revealed the construction had been done up to roofing level but the project had stalled. No explanation was given for the PMC for failure to complete the project.

4. Non implementation of Project

Kapleleito Primary School PMC was allocated Kshs.900,000 for construction of two class rooms through cheque number 7280 dated 16 March 2017. According to the work plan, the project was to commence immediately and be implemented in seven weeks. However, the project was not implemented and no expenditure returns were provided for audit examination or bank statements produced to confirm that the unspent balance was safely in the bank account.

In the circumstances, the propriety of the expenditure of Kshs.900,000 could not be confirmed.

5. Unaccounted for Expenditure

Konoin CDFC allocated Cheloino Primary School Kshs.2,100,000 for the construction of classrooms. However, the parcel of land on which the school is built lacks ownership documents and it was not clear why the CDFC allowed the project to be implemented on the land whose ownership could not be confirmed.

A site visit to the school on 24 May 2018 revealed that four classrooms had been constructed but were incomplete. Further, no expenditure returns or bank statement were produced for audit examination.

In the absence of bank statements and expenditure records, it was not possible to ascertain whether the four classrooms were constructed using the amount allocated to the school or from the other sources.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Konoin 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 Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, there were no other 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 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 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 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.

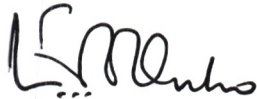
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 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 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 Fund's ability to continue sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

15 August 2018

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-17 Kshs	2015-16 Kshs
RECEIPTS			
Transfer from CDF Board -AIE's Received	1	111,533,225.60	113,466,473.00
Proceeds from sale of Assets	2		
Other receipts	3		
TOTAL RECEIPTS		111,533,225.60	113,466,473.00
PAYMENTS			
Compensation of employees	4	1,822,080.00	1,520,880.00
Use of goods and services	5	3,943,523.00	2,101,123.00
Committee Expenses	6	5,449,610.00	1,960,660.00
Transfer to other government units	7	96,048,540.00	56,691,979.59
Other grants and transfers	8	35,777,875.60	29,678,338.00
Acquisition of Assets	10	529,460.00	393,000.00
Other payments	11		
TOTAL PAYMENTS		143,571,088.60	92,345,980.59
SURPLUS		(32,037,863.00)	21,120,492.41

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Konoin* CDF financial statements were approved on 18th June 2018 and signed by:

ERICK KIRUI
 Chairman NG -CDFC

EDWIN KARANI
 Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

V. STATEMENT OF ASSETS

	Note	2016-17 Kshs	2015-16 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank balances (as per the Cash Book)	10A	144,141.46	32,182,004.47
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		144,141.46	32,182,004.47
REPRESENTED BY:	12		
Fund balance B/Fwd 1 st July.....	13	32,182,004.47	11,061,512.06
Surplus /Deficit for the year		(32,037,863.00)	21,120,492.41
Prior year adjustments	14		
NET LIABILITIES		144,141.47	32,182,004.47

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Konoin NG-CDF* financial statements were approved on 18th June 2018 and signed by:

ERICK KIRUI
Chairman NG -CDFC

EDWIN KARANI
Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016-17 Kshs	2015-16 Kshs
Transfers from CDF Board	1	111,533,225.60	113,466,473.00
Other Receipts	3	0.00	0.00
		111,533,225.60	113,466,473.00
Payments for operating expenses			
Compensation of Employees	4	1,822,080.00	1,452,000.00
Use of goods and services	5	3,943,523.00	2,101,123.00
Committee Expenses	6	5,449,610.00	1,960,660.00
Transfers to Other Government Units	7	96,048,540.00	56,691,979.59
Other grants and transfers	8	35,777,875.60	29,678,338.00
Social Security Benefits	9		68,880.00
Other Payments	11		0.00
Adjusted for:			
Adjustments during the year			0.00
		143,041,628.60	91,952,980.59
Net cash flow from operating activities		-31,508,403	21,513,492.41
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		0.00
Acquisition of Assets	10	529,460.00	393,000.00
Net cash flows from Investing Activities		-529,460.00	-393,000.00
NET INCREASE IN CASH AND CASH EQUIVALENT		-32,037,863.00	21,120,492.41
PRIOR YEAR ADJUSTMENTS			
Cash and cash equivalent at BEGINNING of the year	13	32,182,004.47	11,061,512.06
Cash and cash equivalent at END of the year	14	144,141.47	32,182,004.47

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Konoin NG- CDF financial statements were approved on 18th June 2018.

And signed by:

ERICK KIRUI
Chairman CDFC

EDWIN KARANI
Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
 COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,555.73	93,766,953.47	175,663,509.20	143,715,230	31,948,279.00	82
Proceeds from Sale of Assets						
Other Receipts						
TOTALS	81,896,555.73	93,766,953.47	175,663,509.20	143,715,230.00	31,948,279.00	
PAYMENTS						
Compensation of Employees	2,400,000.00	2,903,768.84	5,303,768.84	1,822,080.00	3,481,688.84	34
Use of goods and services	1,491,724.13	3,050,585.70	4,542,309.83	3,943,523.00	598,786.83	87
Committee Expenses	1,660,000.00	4,862,400.00	6,522,400.00	5,449,610.00	1,072,790.00	84
Transfers to Other Government Units	51,450,004.00	68,350,198.93	119,800,202.93	96,048,540.00	23,504,710.93	80
Other grants and transfers	24,894,827.60	14,600,000.00	39,494,827.60	35,777,875.60	3,963,904.00	90
Social Security Benefits						
Acquisition of Assets				529,460.00	(529,460.00)	100
Other Payments						
TOTALS	81,896,555.73	93,766,953.47	175,663,509.20	143,571,088.60	32,092,420.60	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

(a) During the year the only receipts were from the Cdf Board vide AIEs. We did not have any AIA Item.

The Konoin NG-CDF financial statements were approved on 18th June 2018 and signed by:

ERICK KIRUI
Chairman NG-CDFC

EDWIN KARANI
Fund Account Manager

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 *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 *CDF*.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *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 *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 11 of 30

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

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 *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 *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 *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, 2016.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN 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 Kshs	2015-2016 Kshs
Normal Allocation	AIE NO 839732	9,000,000.00	48,000,000.00
	AIE NO 855614	36,853,449.00	10,000,000.00
	AIE NO 829628	4,094,827.60	55,466,473.00
	AIE NO 839558	59,584,949.00	
	AIE NO 796180	2,000,000.00	
Conditional grants			
Receipt from other Constituency			
TOTAL		111,533,225.60	113,466,473.00

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF NON –FINANACIAL ASSETS

Description	2016-2017 Kshs	2015 – 2016 Kshs
Receipts from the Sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Receipts from the Sale of office and general equipment	0	0
	0	0
		-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

1.1.1.1.1.1.3 OTHER RECEIPTS

Description	2016-2017 Kshs	2015-2016 Kshs
Interest Received	-	
Rents	-	
Sale of tender documents	-	
Other Receipts Not Classified Elsewhere	-	
TOTAL	-	

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

Description	2016-2017 Kshs	2015-2016 Kshs
Basic wages of contractual employees	1,822,080.00	1,452,000.00
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
gratuity		
TOTAL	1,822,080.00	1,452,000.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.1.5 USE OF GOODS AND SERVICES

Description	2016-2017 Kshs	2015-2016 Kshs
Utilities, supplies and services	10,650.00	22,568.00
Office rent		-
Communication, supplies and services	119,000.00	190,850.00
Domestic travel and subsistence	52,800.00	
Printing, advertising and information supplies & services	136,181.00	35,672.00
Rentals of produced assets		-
Training expenses	1,408,500.00	-
Hospitality supplies and services	13,000.00	83,850.00
Insurance costs		-
Specialized materials and services		-
Office and general supplies and services	652,522.00	383,284.00
Fuel ,oil & lubricants	800,000.00	400,000.00
Other operating expenses	238,820.00	189,625.00
Routine maintenance – vehicles and other transport equipment	363,750.00	795,234.00
Routine maintenance – other assets	148,300.00	-
Total	3,943,523.00	2,101,123.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

1.1.1.1.1.1.6 COMMITTEE EXPENSES

Description	2016-2017	2015-2016
	Kshs	Kshs
Other committee expenses		809,660.00
Committee allowance	5,449,610.00	1,151,000.00
TOTAL	5,449,610.00	1,960,660.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN 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

Description	2016-2017	2015-2016
	Kshs	Kshs
Transfers to primary schools	41,348,540.00	25,091,979.59
Transfers to secondary schools	43,100,000.00	30,200,000.00
Transfers to Tertiary institutions	10,000,000.00	0.00
Transfers to Health institutions	1,600,000.00	1,400,000.00
TOTAL	96,048,540.00	56,691,979.59

1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS

Description	2016-2017	2015-2016
	Kshs	Kshs
Bursary -Secondary	6,052,500.00	5,000,000.00
Bursary -Tertiary	14,775,600.00	14,651,000.00
Bursary-Special schools		-
Mocks & CAT		-
water		-
Agriculture (food security)	1,720,000.00	2,400,000.00
Electricity projects		-
Security	3,246,952.00	-
Roads	4,859,293.60	999,990.00
Sports		-
Environment	871,775.00	1,364,318.00
Emergency Projects (specify)	4,251,755.00	5,263,030.00
Total	35,777,875.60	29,678,338.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS

	2016-2017 Kshs	2015-2016 Kshs
Employer contribution to NSSF		68,880.00
TOTAL		68,880.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN 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

<u>Non-Financial Assets</u>	2016-2017 Kshs	2015-2016 Kshs
Purchase of Buildings		
Construction of Buildings		-
Refurbishment of Buildings		
Purchase of Vehicles		
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles		
Purchase of Office furniture and fittings	519,200.00	
Purchase of computers ,printers and other IT equipment		393,000.00
Purchase of photocopier		
Purchase of other office equipment	10,260.00	
Purchase of soft ware		
Acquisition of Land		
Total	529,460.00	393,000.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN 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

Specify	
Specify	
Specify	
TOTAL	

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016-2017 Kshs	2015-2016 Kshs
	30/06/2017	30/06/2016
<i>Kenya Commercial Bank, Sotik Branch A/C No.</i>	144,141.46	32,182,004.47
Total	144,141.46	32,182,004.47

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

	2016-2017 Kshs	2015-2016 Kshs
Location 1		-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-
	<i>[Provide cash count certificates for each]</i>	

12C: OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Amount Taken Kshs</i>	<i>Amount Surrendered Kshs</i>	<i>Balance (30/6/2017) Kshs</i>
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
Total				

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016-2017 Kshs	2015-2016 Kshs
Bank accounts	32,182,004.47	11,061,512.06
Cash in hand		
Imprest		
Total	32,182,004.47	11,061,512.06
<i>[Provide short appropriate explanations as necessary]</i>		

14. PRIOR YEAR ADJUSTMENTS

		2016-2017 Kshs	2015-2016 Kshs
Bank accounts			
Cash in hand			
Imprest			
Total			

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2016-2017 Kshs	2015-2016 Kshs
Senior management	-	-
Middle management	-	-
Union sable employees	-	-
Others (<i>specify</i>)	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

	2016-2017 Kshs	2015-2016 Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (<i>specify</i>)	-	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

15.4 PENDING RECEIVABLES FROM THE CDF BOARD (See statement of appropriation)
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding Balance 2016 d=a-c	Outstanding Balance 2015	Comments
Construction of buildings	a	b	c			
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017 d=a-c	Outstanding Balance 2016	Comments
Amounts due to other Government entities		a	b	c	d=a-c		
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
Sub-Total							

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

ASSET CLASS	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	0.00	0.00
Building and structures	7,900,000.00	7,900,000.00
Transport equipment	4,969,342.00	4,969,342.00
Office equipment, furniture and fittings	1,931,760.00	1,402,300.00
ICT Equipment , Software and other ICT Assets		
Other machinery and equipment		
Heritage and cultural assets		
Intangible assets		
TOTAL	14,801,102.00	14,271,642.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017
