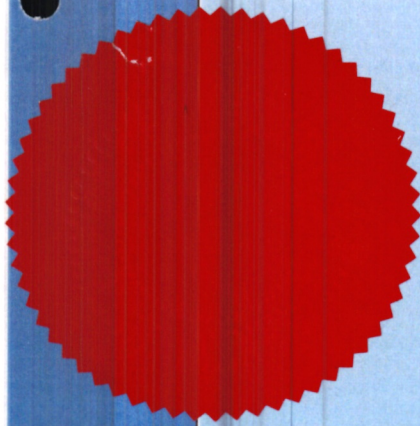


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



*Paper laid by  
Deputy Majority whip  
24/5/2017  
AAA*

REPORT

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OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
MOYALE CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2016



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOYALE  
CONSTITUENCY**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOYALE  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

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**CONSTITUENCY DEVELOPMENT FUND- MOYALE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2003 now repealed by the NGCDF Act, 2015. The Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

**(b) Key Management**

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

- i. Constituencies Development Fund Board (NGCDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Yusuf Dika</b>
3.	Accountant	<b>Nicholus Nyaga</b>

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Moyale Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) Moyale NGCDF Headquarters**

NGCDF Office Building,  
P.O Box 24-60700  
Moyale,  
Moyale Town

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOYALE  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2016**

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**(f) MOYALENGCDF Contacts**

Telephone: (254) 0703 957 387  
E-mail: cdfmoyale@gmail.com  
Website: www.cdfmoyale.go.ke

**(g) MOYALENGCDF Bankers**

1. Equity Bank Limited  
Moyale Branch  
Account No. 1020298992601  
P.O Box  
Moyale

**(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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOYALE  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2016**

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**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY  
DEVELOPMENT FUND COMMITTEE (NGCDFC) MOYALE CONSTITUENCY**

Moyale constituency is among the four constituencies that make up Marsabit County. The constituency is divided into two administrative sub counties (districts): Moyale and Sololo and seven administrative wards (Butiye, Sololo, Hellu/Manyatta, Golbo, Moyale Township, Uran and Obbu). It has a population of 80,650 people as per 2009 census but based on population growth rate of 2.4% the figure is projected at 88,676. Its inhabited mostly by pastoral peoples including: Borana, Gabra, Burji, Garre, Sakuye and others (Smart Survey-August 2013). It has diverse physiographic conditions ranging from plateau hills rising from 800-1200m along the border with Ethiopia in the North to flats low lying plains (500-800m) on its border with Wajir North Constituency in the East, North Horr Constituency in the west and Eldas Constituency in the South.

Since the inception of NG CDF Moyale, Sectors like Education, Health, Water and Security were greatly improved across all the wards of Moyale Constituency. For example, In education sector seven secondary schools were fully funded by NG CDF Moyale.

NG-CDF Moyale has assisted several needy students in the constituency by awarding bursary to all needy students since the inception of NG-CDF.

The major implementation challenges are the vastness of the constituency and frequent tribal clashes i.e. Insecurity.



Chairman - NG CDFC

THE CHAIRMAN  
MOYALE CONSTITUENCY

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOYALE  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

**III. STATEMENT OF NGCDF 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 NGCDF shall prepare financial statements in respect of that NGCDF. 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 MoyaleNGCDF 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, 2016. 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 MoyaleNGCDF 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, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the Moyale NGCDF 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 MoyaleNGCDF 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 NGCDF's financial statements were approved and signed by the Accounting Officer on 2016.

Fund Account Manager



Chairman

30/09/16



# REPUBLIC OF KENYA

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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 THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MOYALE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Moyale Constituency set out on pages 5 to 15, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flow, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

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

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those Standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Moyale Constituency for the year ended 30 June 2016*

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **Basis for Qualified Opinion**

#### **1. Accuracy of the Financial Statements**

The financial statements reflect Other Grants and Transfers balance of Kshs.60,136,601 as at 30 June 2016. However, the supporting schedules provided for audit review reflect a balance of Kshs.60,195,963 resulting in an unexplained and unreconciled variance/understatement of Kshs.59,362.

The understatement of expenditure has resulted into an equivalent overstatement in the surplus for the year as well as the cash and cash equivalents balance at the end of the year.

Further, included in the bank reconciliation for the Fund's bank account No.1020298992601 was a balance of Kshs.5,000 being an error in the bank statement made on 15 January 2016 and which therefore was long outstanding.

Under the circumstances, the accuracy and reliability of the financial statements balances as at 30 June 2016 could not be confirmed.

#### **2. Presentation of the Financial Statements**

According to the International Public Sector Accounting Standards (Cash Basis) financial statements presentation format prescribed by the National Treasury, the management is required to annex to the financial statements, a report on action taken in relation to previous year auditor's recommendations. In the year 2014/2015, Moyale CDF received a qualified audit opinion. However, a report on the progress on follow up of the issues raised in the previous year's audit report has not been included in the financial statements for the year under review.

As a result, the presentation of the financial statements does not comply in all respects with International Public Sector Accounting Standards (Cash Basis) financial reporting format.

### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the

financial position of National Government Constituencies Development Fund - Moyale Constituency as at 30 June 2016, 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 National Government Constituencies Development Fund Act, 2015.

## Other Matter

### 1. Budgetary Control and Performance

During the year under review, Moyale Constituency CDF Board approved a budget of Kshs.184,919,237 which included a sum of Kshs.125,508,772 due for disbursement in 2015/2016 and Kshs.59,410,465 in 2014/2015 exchequer balances. The actual expenditure as at 30 June 2016 was Kshs.106,030,706 (57%) utilized to fund projects in various sectors within the constituency. Therefore the CDF incurred under-expenditure amounting to Kshs.79,775,103 as shown in the following table:

Expenditure Analysis	Original Budget (Kshs.)	Adjustments	Final budget (Kshs.)	Actual (Kshs.)	Variance (Kshs.)	Absorption %
Compensation of Employee	2,617,800		2,617,800	2,608,617	895,755	74%
Use of Goods and services	8,722,986		8,722,986	7,142,957	1,580,029	82
Transfer to Other Government Unit	49,647,792	31,829,723	81,477,515	32,537,931	48,939,584	40
Other Grants and Transfers	59,685,194	25,020,742	84,785,936	60,136,601	24,569,335	71
Other Payments	4,835,000	2,560,000	7,395,000	3,604,600	3,790,400	49
<b>Total</b>	<b>125,508,772</b>	<b>59,410,465</b>	<b>184,919,237</b>	<b>106,030,706</b>	<b>79,775,103</b>	<b>57</b>

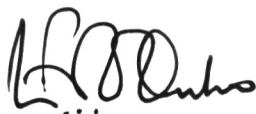
As a result, the residents of Moyale constituency did not receive services valued at Kshs.79,775,103 being the difference between the total budgeted and actual expenditure as at 30 June 2016.

### 2. Project Implementation and Management

Supporting schedules for the financial statements reflect budgetary allocations totaling Kshs.114,902,983 made to CDF projects earmarked for implementation within the constituency as at 30 June 2016. However, analysis of the project implementation status report revealed that only one (1) project totaling to Kshs.5,767,647 had been completed as at 30 June 2016. Further, eight (8) projects costing Kshs.51,872,193 were on going while forty three (43) projects costing Kshs.56,528,144 had not commenced as at the end of the financial year as the detailed analysis of the project implementation indicates:

Sector	Project status	Amount allocated (Kshs.)	Amount Disbursed (Kshs.)	No of Projects
Education	Not started	30,852,792	0	33
	On going	19,530,000	19,530,000	6
	<b>Sub Total</b>	<b>50,382,792</b>	<b>19,530,000</b>	<b>39</b>
Security	On going	1,575,0000	1,575,000	1
	Not started	3,260,000	0	3
	<b>Sub Total</b>	<b>4,835,000</b>	<b>1,575,000</b>	<b>4</b>
Road	Not started	20,415,000	0	8
Others	Completed	5,767,647	5,767,647	1
	Not started	2,000,351	0	2
	On going	31,502,193	31,502,193	1
	<b>Sub Total</b>	<b>39,270,191</b>	<b>37,269,839</b>	
	<b>Grand Total</b>	<b>114,902,983</b>	<b>58,374,840</b>	<b>52</b>

Education and Roads sectors had thirty three (33) and eight (8) Projects respectively costing a total of Kshs.51,267,792 which had not started. No explanation was provided for the delay in commencement of the works.



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

**Nairobi**

**21 April 2017**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOYALE  
CONSTITUENCY**

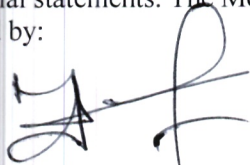
**Reports and Financial Statements**

**For the year ended June 30, 2016**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	122,410,465	100,580,210
<b>TOTAL RECEIPTS</b>		<b>122,410,465</b>	<b>100,580,210</b>
<b>PAYMENTS</b>			
Compensation of employees	2	2,608,617	1,657,429
Use of goods and services	3	7,142,956	10,273,368
Transfers to Other Government Units	4	32,537,931	50,770,588
Other grants and transfers	5	60,136,601	50,265,360
Other Payments	6	3,604,600	4,390,000
<b>TOTAL PAYMENTS</b>		<b>106,030,706</b>	<b>117,356,745</b>
<b>SURPLUS/DEFICIT</b>		<b>16,379,760</b>	<b>(16,776,535)</b>

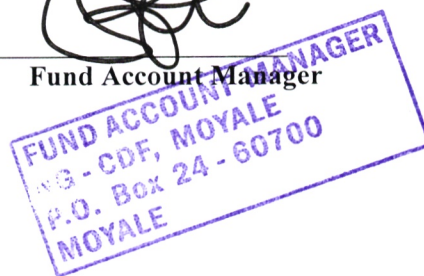
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MoyaleNGCDF financial statements were approved on 30/09/ 2016 and signed by:



Chairman - NGCDFC



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOYALE  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2016**

**V. STATEMENT OF ASSETS**

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	7	27,883,798	11,504,038
Cash Balances (cash at hand)		-	-
Outstanding Imprests		-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>27,883,798</b>	<b>11,504,038</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July 2015	8	11,504,038	28,280,573
Surplus/Deficit for the year		16,379,760	(16,776,535)
<b>NET LIABILITIES</b>		<b>27,883,798</b>	<b>11,504,038</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MoyaleNGCDF financial statements were approved on 30/09/2016 and signed by:

\_\_\_\_\_  
Chairman - NGCDFC

\_\_\_\_\_  
Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOYALE  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2016**

**VI. STATEMENT OF CASHFLOW**

		2015 - 2016	2014 - 2015
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	122,410,465	100,580,210
		<b>122,410,465</b>	<b>100,580,210</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	2	(2,608,617)	(1,657,429)
Use of goods and services	3	(7,142,956)	(10,273,368)
Transfers to Other Government Units	4	(32,537,931)	(50,770,588)
Other grants and transfers	5	( 60,136,601)	( 50,265,360)
Other Payments	6	( 3,604,600 )	( 4,390,000)
		<b>( 106,030,706 )</b>	<b>(117,356,745)</b>
<b>Adjusted for:</b>			
<b>Net cash flow from operating activities</b>		<b>16,379,760</b>	<b>(16,776,535)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>16,379,760</b>	<b>(16,776,535)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	8	<b>11,504,038</b>	<b>28,280,573</b>
<b>Cash and cash equivalent at END of the year</b>	7	<b>27,883,798</b>	<b>11,504,038</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MoyaleNGCDF financial statements were approved on 30/09/16 2016 and signed by:

\_\_\_\_\_  
Chairman NGCDFC

\_\_\_\_\_  
Fund Account Manager

THE CHAIRMAN  
MOYALE CONSTITUENCY  
NATIONAL GOVERNMENT DEVELOPMENT FUND  
P.O. Box 24-60700  
MOYALE

FUND ACCOUNT MANAGER  
NG - CDF, MOYALE  
P.O. Box 24 - 60700  
MOYALE

**CONSTITUENCIES DEVELOPMENT FUND MOYALE CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

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

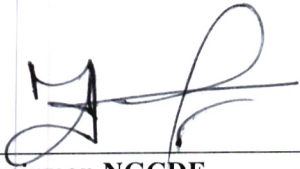
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	125,508,772.00	59,410,465.00	184,919,237.00	122,410,465.00	62,508,772.00	66
Proceeds from Sale of Assets				-	-	
Other Receipts	-			-	-	
<b>TOTAL</b>	<b>125,508,772.00</b>	<b>59,410,465.00</b>	<b>184,919,237.00</b>	<b>122,410,465.00</b>	<b>62,508,772.00</b>	<b>66</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,617,800		2,617,800.00	2,608,617	9,183.00	100
Use of goods and services	8,722,986		8,722,986.00	7,142,956	1,580,030.00	82
Transfers to Other Government Units	49,647,792.00	31,829,723.00	81,477,515.00	32,537,931	48,939,584.00	40
Other grants and transfers	59,685,194.00	25,020,742.00	84,705,936.00	60,136,601	24,569,335.00	71
Other Payments	4,835,000.00	2,560,000.00	7,395,000.00	3,604,600	3,790,400.00	49
<b>TOTAL</b>	<b>125,508,772</b>	<b>59,410,465</b>	<b>184,919,237</b>	<b>106,030,706</b>	<b>78,888,532</b>	



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

**Reports and Financial Statements  
For the year ended June 30, 2016**

---



**Chairman NGCDF**


**Fund Account Manager**

*THE CHAIRMAN  
MOYALE CONSTITUENCY  
DEVELOPMENT FUND*

## **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 NGCDF 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 NGCDF.

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

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

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

In-kind contributions are donations that are made to the NGCDF 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 NGCDF 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.

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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 NGCDF 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 NGCDF'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 NGCDF'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.

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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2015 – 2016	2014 - 2015
		Kshs	Kshs
<b>Normal allocation</b>			
	AIE NO...2014/2015/1273	46,898,978	
	AIE NO...2014/2015/1379	12,511,487	
	AIE NO.....2015/2016/260	10,000,000	
	AIE NO....2015/2016/403	20,000,000	
	AIE NO.....2015/2016/527	20,000,000	
	AIE NO....2015/2016/551	13,000,000	
	A750284-Ref. No. 2013/2014/770		41,169,744.00
	A796503-Ref. No. 2014/2015/312		25,705,233.00
	A796865-Ref. No.2014/2015/631		33,705,233.00
<b>TOTAL</b>		<b>122,410,465</b>	<b>100,580,210</b>

**2. COMPENSATION OF EMPLOYEES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,729,944	1,653,829
Employer contribution to NSSF	21,600	3,600
gratuity	857,073	-
<b>Total</b>	<b>2,608,617</b>	<b>1,657,429</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. USE OF GOODS AND SERVICES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	321,920	252,540
Printing, advertising and information supplies & services	-	77,000
Training expenses	1,400,000	350,000
Other committee expenses	-	958,500
Committee allowance	2,745,600	5,125,500
Fuel ,oil & lubricants	1,626,807	2,111,186
Other operating expenses	51,865	580,152
Routine maintenance – vehicles and other transport equipment	996,764	818,490
<b>Total</b>	<b>7,142,956</b>	<b>10,273,368</b>

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	19,617,931	31,408,022
Transfers to secondary schools	12,920,000	14,365,226
Transfers to health institutions	-	4,997,340
<b>-TOTAL</b>	<b>32,537,931</b>	<b>50,770,588</b>

**5. OTHER GRANTS AND OTHER PAYMENTS**

	2015 – 2016	2014 -2015
	Kshs	Kshs
Bursary – secondary schools	13,740,037	10,143,150
Bursary – tertiary institutions	14,242,000	9,723,000
Mock & CAT	2,070,763	431,430
Water projects	16,430,000	19,213,644
Roads projects	5,478,537	2,019,536
Sports projects	1,703,264	670,000
Environment projects	2,282,000	-

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Emergency Projects	4,190,000	8,064,250
<b>Total</b>	<b>60,136,601</b>	<b>50,265,360</b>

**6. OTHER PAYMENTS**

	2015- 2016	2014- 2015
	Kshs	Kshs
Manyatta Chiefs office	830,000	-
Sololo Makutano Stage Shade(Dhambef Construction co.)	1,199,600	-
Hellu Security Camp	1,575,000	-
Moyale Community Library	-	700,000
Strategic Plan	-	1,800,000
Sign Post	-	40,000
Moyale Township Cementry	-	800,000
Moyale Cdf Office	-	1,050,000
	<b>3,604,600</b>	<b>4,390,000</b>

**7: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
Equity Bank Moyale Branch A/c 1020298992601	27,883,798	11,504,038
	<b>27,883,798</b>	<b>11,504,308</b>

**8. BALANCES BROUGHT FORWARD**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	11,504,038	28,280,573
<b>Total</b>	<b>11,504,038</b>	<b>28,280,573</b>

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	N/A	N/A
Buildings and structures	7,976,000	7,976,000
Transport equipment	4,550,000	4,550,000
Office equipment, furniture and fittings	1,328,750	1,328,750
ICT Equipment, Software and Other ICT Assets	133,500	133,500
<b>Total</b>	<b>13,988,250</b>	<b>13,988,250</b>

Prepared by:

Yusuf Dika

Fund Account Manager

Moyale NGCDF



