

REPUBLIC OF KENYA



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REPORT

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ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
BURA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**

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

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

Table of Contents

KEY CONSTITUENCY INFORMATION AND MANAGEMENT 2

I. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NGCDFC) 4

CHAIRMAN NGCDFC..... 4

II. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES..... 5

III. STATEMENT OF RECEIPTS AND PAYMENTS 6

IV. STATEMENT OF ASSETS 7

V. STATEMENT OF CASHFLOW..... 8

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED..... 9

VII. SIGNIFICANT ACCOUNTING POLICIES 11

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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, 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 Bura Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Peter M.Katoni
3.	Accountant	Reuben Mose

(d) Fiduciary Oversight Arrangements

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

NGCDF Office Building
P.O Box 100-70104
Hola-Garissa Road
Bura-Tana

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017**

(f) BURA NGCDF Contacts

Telephone: (254) 0712 449205
E-mail: cdfbura@ngcdf.go.ke
Website: www.cdf.go.ke

(g) BURANGCDF Bankers

1. Kenya Commercial Bank, Garissa Branch
P.O. Box 100-70100
Garissa

(h) Independent Auditors

Auditor General
Office of the Auditor - General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

The NGCDFC wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the education infrastructures of Bura constituency and initiated several water projects.

However there have been emerging issues like political and legal challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the slow pace of the Project Management Committees in filing both financial and narrative reports relating to their NGCDF funded projects. This fact emanates mostly from low literacy levels amongst the PMCs. Water availability was also a challenge to both the contractors as well as the community. Poor road network within the constituency was a big challenge to the contractors when it came to ferrying building materials to the various sites.

More intervention in the area of roads grading, provision of water and capacity building needs to be given attention by all the stakeholders.

Sign.....

CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

II. 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.

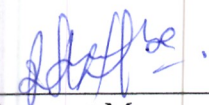
The Accounting Officer in charge of the Bura NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility 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 Bura NGCDF 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 charge of the BuraNGCDF 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 Bura NGCDF 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 03/08 2017.



Fund Account Manager



Chairman

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
CONSTITUENCY

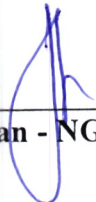
Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	99,694,156.00	113,307,738.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	65,000.00
TOTAL RECEIPTS		99,694,156.00	113,372,738
PAYMENTS			
Employee compensation	4	2,157,140.00	1,123,530.00
Use of goods and services	5	10,409,882.30	4,162,085.20
Transfers to Other Government Units	6	70,563,468.95	30,905,034.15
Other grants and transfers	7	44,278,634.80	41,515,280.00
Acquisition of Assets	8	2,900,000.00	8,011,000.00
Other Payments	9	-	-
TOTAL PAYMENTS		130,309,126.05	85,716,929.35
SURPLUS/DEFICIT		(30,614,970.05)	27,655,808.65

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bura NGCDF financial statements were approved on 23.08.17 2017 and signed by:


Chairman - NGCDFC


Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - BURA 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- Bura Constituency set out on pages 6 to 25, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and a summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Bura Constituency as at 30 June 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) and comply with the National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229 (6) of the Constitution, except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, 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. Presentation of financial statements

The financial statements for the year ended 30 June 2017 presented for audit had the following anomalies:-

- i. Page 20 has not been numbered and the subsequent pages are not numbered in order.

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

- ii. The statement of receipts and payment reflects nil balance for other receipts, while Note 3 reflects a balance of Kshs.29,000.

In the circumstances, the financial statements presented for the year ended 30 June 2017 do not comply with International Public Sector Accounting Standards (Cash Basis) No.1 on presentation of financial statements as prescribed by the Public Sector Accounting Standards Board.

2. Cash and cash equivalent

2.1 Bank Balance

Note 10A to the financial statement reflects bank balance of Kshs.430,201 as at 30 June 2017. However, the bank reconciliation statement as at 30 June 2017 reflects payments in cash book not in bank statement (un-presented cheques) amounting to Kshs.4,103,489.45. Included in the un-presented cheques are stale cheques amounting to Kshs.2,592,873.45 which should have been reversed in the cash book. No explanation has been provided by the management why the cheques were not reversed while subsequent bank statements were not availed to confirm when the unrepresented cheques were cleared.

In addition, included in the bank reconciliation statement are payment in the bank not recorded in the cash book of Kshs.917,000 which have been long outstanding. Management have not explained the failure not to record the transactions in the cash book. Further, bank charges of Kshs.64,696 were reflected in the bank reconciliation statement instead of being expensed and therefore excluded in these financial statements.

Further, the bank reconciliation statement as at 30 June 2017 reflects balance as per bank certificate of Kshs.5,385,993.99 while the actual certificate of bank balance as at 30 June 2017 reflects a balance of Kshs.6,530,903.49 resulting to unexplained nor reconciled variance of Kshs.1,144,929.50.

Consequently, the accuracy, completeness and validity of cash and cash equivalent balance of Kshs.430,200.65 as at 30 June 2017 could not be Confirmed.

2.2 Cash Balance

The statement of assets as at 30 June 2017 reflects a nil balance. However, board of survey certificate on cash was not availed for audit review.

As a result, the accuracy of the nil balance as at 30 June 2017 could not be confirmed.

3. Outstanding Imprest

The statement of assets reflects outstanding imprest balance of Kshs.233,794 as at 30 June 2017. However, the imprest balance have been outstanding for more than

six months contrary to Section 92(5) of The Public Finance Management (National Government) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

Consequently, Bura CDF is in breach of the law and the accuracy and completeness of outstanding imprest balance of Kshs.233,794 as at 30 June 2017 could not be confirmed.

4. Transfers to Other Government Entities

Note 6 to the financial statements reflects transfers to other government entities balance of Kshs.70,563,469 for the year ended 30 June 2017. Included in this balance is Kshs.57,559,471.60 in respect to transfers to primary school. Out of this, the Constituency Development Fund Committee (CDFC) transferred Kshs.7,000,000 to Koti Primary School to facilitate the purchase of 2 acres parcel of land in Bangale ward. However, a scrutiny of the payment documents indicated that the school management fully paid for the land but ownership document was not availed for audit review.

Consequently, the propriety of the payment and ownership of the land, valued at Kshs.7,000,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund- Bura 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 matters described in the Basis for Qualified Opinion and Other Matter sections of my report, I have determined that there were no other Key Audit Matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriations: recurrent and development combined reflects final expenditure budget of Kshs.171,921,397 while the actual expenditure

was Kshs.130,309,126 resulting in under absorption of Kshs.41,612,271 or 24% of the funds allocated as detailed below:

Expenditure Item	Final Budget (Kshs)	Actual Expenditure (Kshs)	Budget Utilization Difference (Kshs)	% Budget Utilization
Compensation of Employees	2,661,890.00	2,157,140.00	504,750.00	19
Use of Goods and Services	14,591,679.15	10,409,882.30	4,181,796.85	29
Transfers to Other Government Units	93,285,400.00	70,563,468.95	22,721,931.05	24
Other Grants and Transfers	58,482,427.52	44,278,634.80	14,203,792.72	24
Acquisition of Assets	2,900,000.00	2,900,000.00	-	0
Total	171,921,396.67	130,309,126.05	41,612,270.62	24

The underutilization of Kshs.41,612,271 or 24% indicate that the residents of Bura Constituency did not receive the planned goods and services.

2.0 Project Implementation

According to the project implementation status report as at 30 June 2017, Kshs.81,896,551.72 was allocated for forty one (41) projects while disbursements to these projects amounted to Kshs.40,948,276 resulting in an absorption rate of 50%. Out of the 41 projects 11 projects amounting to Kshs.28,612,069 were not completed during the year under review and 3 projects amounting to Kshs.2,188,965.12 had not been started as detailed table 1 and 2 below;

1. Projects Ongoing as at 30 June 2017

Project No.	Project Name	Activity	Project Costs (Amount spent)	Status as at 30 June 2017	Current Status as at time of Audit
1	Bursary Secondary Schools	Payment of bursary to needy students	11,000,000.00	Ongoing	Complete
2	Bursary Tertiary Institutions	Payment of bursary to needy students	9,474,138.00	Ongoing	Complete

3	Bura Environ. Activities Project	For environmental conservation activities (purchase and planting of tree seedlings) in Bura NGCDF Office Kshs.400,000.00; Huruma Primary School Kshs.206,321.00; Balenegha Primary School Kshs.206,321.00; Bula Sukele Primary School Kshs.206,321.00; Mororo Primary School Kshs.206,321.00; Maramtu Primary School Kshs.206,323.50 and Madogo, Secondary School Kshs.206,323.50	1,637,931.00	Ongoing	Complete
4	Maramtu Primary School	Purchase of 40 No. desks	200,000.00	Ongoing	Complete
5	Kamaguru Primary School	Purchase of 40 No. desks	200,000.00	Ongoing	Complete
6	Sala Primary School	Purchase of 40 No. desks	200,000.00	Ongoing	Complete
7	Kuriti Primary School	Purchase of 40 No. desks	200,000.00	Ongoing	Complete
8	Tula Primary School	Purchase of 40 No. desks	200,000.00	Ongoing	Complete
9	Bura DEO's Office	Purchase of printing machine for mock examinations in the constituency	500,000.00	Ongoing	Ongoing

10	Huruma Secondary School	Completion works of a laboratory (walling, painting, roofing, plastering)	2,000,000.00	Ongoing	Complete
11	Madogo Police Station	Construction of an administration block to completion	3,000,000.00	Ongoing	Complete
	Total		28,612,069.00		

2. PROJECT NOT YET STARTED AS AT 30 JUNE 2017

Project No.	Project Name	Activity	Project Costs	Status as at 30 June 2017	Current Status as at Time of Audit
1	Constituency sports tournament	Carry out Constituency Sports tournament and the winning teams/schools to be awarded with trophies, balls, and games kits	1,588,965.12	Not yet started	Complete
2	Wolesonrea Primary School	Renovation of 8 No. classrooms (flooring, fixing of door & windows, plastering and painting)	1,500,000.00	Not yet started	Complete
3	Bula Sukele Primary School	Construction of 2 No. toilets to completion	600,000.00	Not yet started	Complete
	Total		3,688,965.12		

None implementation of development projects affects delivery of goods and service to the public and the intended purpose of the project may not be realized. It also casts doubt on the effectiveness of the project monitoring and evaluation carried out by the Constituency Development Fund Committee (CDFC).

Project Inspection

A total of seven (7) were inspected in the month of May 2018. However, two (2) projects with a budget of Kshs.2,600,000.00 were not fully complete. The following state of affairs was noted;

	Project Name	Project Activity	Project Costs	Observations
1	Bula Sukele Primary School	Construction of 2 No. toilets to completion	600,000.00	Though the project status indicate the project has not yet started, the project was observed to be complete but its not in use and has not been handed over to the school. Further it was observed that branding has not been done
2	Huruma Secondary School	Completion works of a laboratory (walling, painting, roofing, plastering)	2,000,000.00	Though the project is complete and in use no branding and handing over was done
	Total		2,600,000.00	

Failure to complete project in time is an indication of lack of proper planning and implementation of projects by the Constituency Development Fund Committee.

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 National Government Constituencies Development Fund – Bura Constituency's ability to continue as a going concern, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting.

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 National Government Constituencies Development Fund – Bura Constituency'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.

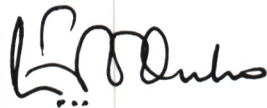
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 the National Government Constituencies Development Fund – Bura Constituency's ability to continue as a going concern or 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 National Government Constituencies Development Fund – Bura Constituency to cease to continue as a going concern or 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 National Government Constituencies Development Fund – Bura Constituency 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

06 July 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017**

IV. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	430,200.65	30,599,051.95
Cash Balances (cash at hand)	10B	-	-
Outstanding imprests	11	233,794.00	679,913.00
TOTAL FINANCIAL ASSETS		663,994.65	31,278,964.95
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	31,278,964.95	3,623,156.30
Surplus/Deficit for the year		(30,614,970.05)	27,655,808.65
Prior year adjustments	14	-	-
NET LIABILITIES		663,994.90	31,278,964.95

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BuraNGCDF financial statements were approved on 05.08.17 2017 and signed by:

Chairman - NGCDFC

Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016 Restated
Receipts for operating income			
Transfers from CDF Board	1	99,694,156.00	113,307,738.00
Other Receipts	3	-	65,000.00
		99,694,156.00	113,372,738.00
Payments for operating expenses			
Compensation of Employees	4	2,157,140.00	1,123,530.00
Use of goods and services	5	10,409,882.30	4,162,085.00
Transfers to Other Government Units	6	70,563,468.95	30,905,034.15
Other grants and transfers	7	44,278,634.80	41,515,280.00
Other Payments	9	-	-
		127,409,126.05	77,705,929.15
Adjusted for:			
Adjustments during the year	14	-	-
Outstanding Imprest		-	-
Net cash flow from operating activities		(27,714,970.05)	35,666,808.85
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(2,900,000.00)	(8,011,000.00)
Net cash flows from Investing Activities		(2,900,000.00)	(8,011,000.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		(30,614,970.05)	27,655,808.85
Cash and cash equivalent at BEGINNING of the year	13	31,278,965.15	3,623,156.30
Cash and cash equivalent at END of the year		663,995.10	31,278,965.15

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
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 BuraNGCDF financial statements were approved on 03.08.2017 2017 and signed by:



Chairman NGCDFC



Fund Account Manager

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

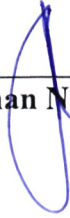
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551.72	58,745,880.00	140,642,431.72	99,694,156.00	40,948,275.72	71%
Proceeds from Sale of Assets			-	-	-	
Cash balance from previous year	-	31,278,964.95	31,278,964.95	31,278,964.95	-	100%
Other Receipts			-	-	-	
TOTAL	81,896,551.72	90,024,844.95	171,921,396.67	130,973,120.95	40,948,275.72	76%
PAYMENTS						
Compensation of Employees	1,674,000.00	987,890.00	2,661,890.00	2,157,140.00	504,750.00	81%
Use of goods and services	5,696,690.00	8,894,989.15	14,591,679.15	10,409,882.30	4,181,796.85	71%
Transfers to Other Government Units	40,430,000.00	52,855,400.00	93,285,400.00	70,563,468.95	22,721,931.05	76%
Other grants and transfers	34,095,861.72	24,386,565.80	58,482,427.52	44,278,634.80	14,203,792.72	76%
Acquisition of Assets	-	2,900,000.00	2,900,000.00	2,900,000.00	-	100%
Other Payments	-	-	-	-	-	
TOTAL	81,896,551.72	90,024,844.95	171,921,396.67	130,309,126.05	41,612,270.62	76%

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

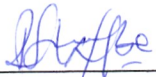
**Reports and Financial Statements
For the year ended June 30, 2017**

- (a) The allocation for 2016-17 disbursed was only 71% due to unutilized funds for previous year which were disbursed this year
- (b) The total budget allocation during the year was Kshs. 140,652,431, however the CDF Board disbursed only Kshs. 99,684,156 resulting to receipts receivables of Kshs. 40,948,275.72 which was not disbursed during the year.

The BURANGCDF financial statements were approved on 03.08. 2017 and signed by:



Chairman NGCDF



Fund Account Manager

VII. 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. 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BURA
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 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.

(i) Restatement of Cash flow

The 2016/2017 Financial Statement has been restated on the comparative figure as follows:

Outstanding imprest figure of Kshs. 679,913 captured in the statement of cash flow which was not supposed to be captured in the statement of cash flow as per IPSAS – Cash Basis. This led to the decrease in cash and cash equivalent at the end of the year 30 June 2016.

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, 2017.

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

Reports and Financial Statements

For the year ended June 30, 2017

VIII. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Normal allocation			
	A829517	4,094,827.00	27,653,869.00
	A839557	58,745,880.00	27,653,869.00
	A855536	36,853,449.00	28,000,000.00
			10,000,000.00
			20,000,000.00
TOTAL		99,694,156.0	113,307,738.00

2. PROCEEDS FROM SALE OF ASSETS

	2016-2017	2015 - 2016
	Kshs	Kshs
Receipts from sale of Buildings	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00
Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.00
Total	0.00	0.00

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016 – 2017 Kshs	2015 – 2016 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	29,000	65,000
Other Receipts Not Classified Elsewhere	-	-
Total	29,000.00	65,000.00

4. COMPENSATION OF EMPLOYEES

Description	2016-17		2015 - 2016
	Kshs	Kshs	
Basic wages of contractual employees	1,316,300.0		1,123,530.0
Basic wages of casual labour	-		-
Personal allowances paid as part of salary	-		-
House allowance	-		-
Transport allowance	-		-
Leave allowance	-		-
Other personnel payments	15,000.0		-
Employer contribution to NSSF gratuity	825,840.0		-
Total	2,157,140.0		1,123,530.0

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

**Reports and Financial Statements
For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016-17 Kshs	2015 - 2016 Kshs
Utilities, supplies and services	-	9,000.00
Office rent	-	-
Communication, supplies and services	17,920.0	160,000.00
Domestic travel and subsistence	336,250.0	810,300.00
Printing, advertising and information supplies & services	89,932.0	290,646.80
Rentals of produced assets	246,119.0	0.00
Training expenses	-	2,600.00
Hospitality supplies and services	20,000.0	77,650.00
Other committee expenses	2,809,665.0	18,000.00
Committee allowance	3,216,152.0	2,451,600.00
Insurance costs	-	46,092.00
Specialised materials and services	-	-
Office and general supplies and services	148,170.0	73,370.00
Fuel ,oil & lubricants	1,141,418.3	186,426.20
Other operating expenses-Bank Charges	501,657.0	-
Other operating expenses-	1,256,592.0	-
Other operating expenses-Audit Fee	-	-
Routine maintenance – vehicles and other transport equipment	626,007.00	29,400.00
Routine maintenance – other assets	-	7,000.00
Total	10,409,882.3	4,162,085.0

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	57,559,471.6	13,313,985.00
Transfers to secondary schools (see attached list)	10,766,243.8	5,089,366.80
Transfers to tertiary institutions (see attached list)	2,000,000.0	8,000,000.00
Transfers to health institutions (see attached list)	237,753.6	4,501,682.35
TOTAL	70,563,469.0	30,905,034.15

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2016-17	2015 - 2016
	Kshs	Kshs
Bursary -Secondary	14,665,200.0	7,706,500.0
Bursary -Tertiary	20,369,000.0	8,609,000.0
Bursary-Special schools	-	
Mocks & CAT	-	
water		15,987,780.0
Agriculture (food security)		
Electricity projects	-	
Security	300,000.0	200,000.0
Roads	-	
Sports	1,626,103.8	
Environment	2,837,931.00	122,000.00
Other capital grants and transfer	-	
Emergency Projects	4,480,400.00	8,890,000.00
	-	
Total	44,278,634.8	41,515,280.0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BURA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016 Kshs	2015 - 2016 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	2,900,000	-
Purchase of Vehicles and Other Transport Equipment	-	7,000,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	790,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	221,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	2,900,000	8,011,000

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

Specify	2016 - 2017 Kshs	2015 - 2016 Kshs
---------	---------------------	---------------------

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016-17 Kshs (30/6/2017)	2015 - 2016 Kshs (30/6/2016)
Kenya Commercial Bank A/c 1107773164	430,200.65	30,599,051.95
	-	-
	430,200.65	30,599,051.95
10B: CASH IN HAND		
	2016-17 Kshs	2015 - 2016 Kshs
Location 1	0.00	0.00
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Peter Katoni		233,794.0		233,794.0
				<u>233,794.0</u>

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

12 Retention			
Supplier/Contractor	PV No.	2016-2017	2015 - 2016
		Kshs	Kshs
		0.00	0.00
TOTAL			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BURA
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 (1//7/2015)	2015 - 2016 Kshs (1/7/2014)
Bank accounts	30,599,051.95	3,219,404.30
Cash in hand	-	
Imprest	679,913.00	403,752.00
Total	31,278,964.95	3,623,156.30

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

20

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BURA
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 (1/7/2015)	2015 - 2016 Kshs (1/7/2014)
Bank accounts	30,599,051.95	3,219,404.30
Cash in hand	-	
Imprest	679,913.00	403,752.00
Total	31,278,964.95	3,623,156.30

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BURA
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	-	-
	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-
	-	-
	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (specify)	-	-
	-	-
	-	-

15.4

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND, BURA 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		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND, BURA 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		
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, BURU 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 a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2015 d=a-c	Outstanding Balance 2014	Comments
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND, BURA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	3,770,550.00	3,770,550.00
Buildings and structures	8,025,000.00	5,125,000.00
Transport equipment	12,000,000.00	12,000,000.00
Office equipment, furniture and fittings	790,000.00	790,000.00
ICT Equipment, Software and Other ICT Assets	221,000.00	221,000.00
Other Machinery and Equipment	40,000.00	40,000.00
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	24,846,550.00	21,946,550.00

Prepared by: 
RONALD W. JEMBE
Fund Account Manager
Bura Constituency