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REPORT

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CLERK-AT THE-TABLE:	

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
LARI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



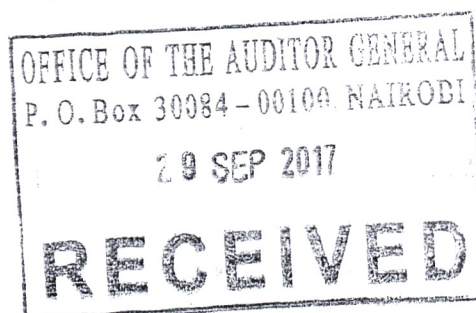
**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND -
LARI CONSTITUENCY**

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 – LARI
CONSTITUENCY**

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

(b) Key Management

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

- i. Constituencies Development Fund Board (NG - CDFB)
- ii. national government - constituency development fund committee (NG - CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Ayaan Mahadhi
3.	Accountant	Peter Mwangi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 71 – 00221
NG - CDF Office Building
Lari Sub County Headquarters
Kimende – Kagwe Road
Kimende, KENYA

(f) LARI NG - CDF Contacts

Telephone: lariNG - CDF office

E-mail: NG - CDFlari.go.ke

Website: www.NG - CDF.go.ke

(g) LARI NG - CDF Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

2. Equity Bank

Kimende Branch

P.O Box 75104 – 00200

Nairobi, Kenya

(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 NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG - CDFC)

INTRODUCTION

Lari Constituency is one of the twelve constituencies of Kiambu County in the republic of Kenya. The Constituency has a population of over 200,000 people, the main economic activity being farming majorly horticulture, tea and dairy farming. Due to the high population and predominantly wet and cold weather condition, the Constituency has a number of challenges which the NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND committee has to deal with.

BUDGET PERFORMANCE

During the collection of the budget proposal meetings from the members of the public a large number of projects were presented to the committee but only a few were included in the final proposal to the Board due to limitation of funds. Some of the Major needs presented to the committee were; Roads repairs, renovation of classrooms for primary and secondary schools, construction of new classrooms due to the increased number of students, upgrading of police lines and chiefs offices, upgrading/construction of health facilities among others.

MAJOR ACHIEVEMENTS

In the year under review, Lari NG - CDFC has awarded bursaries worth over Kshs. 20 M which has gone a long way in ensuring that both secondary and college students remain in class without being sent home for fees. In addition, NG - CDFC has completed new classrooms and renovated others in various schools like Matathia primary school, Muthaini primary school, Sulmac primary school, Ngechu primary school to mention but a few. Some completed and others ongoing. NG - CDFC also completed expansion and modernization of the NG - CDF office creating ample office space with IT facilities as well as a spacious board room for meetings. The NG - CDFC has also invested in security and health completing a number of dispensaries, Chief's offices and APs houses with some still ongoing. Environmental awareness has also received attention through environmental days involving tree planting and environmental clean ups in major trading centres. Sports especially soccer has also been a key achievement in organization of a well coordinated constituency tournament which has gone a long way in nurturing youth talents in sport and utilizing the gatherings to sensitize the youth on a number of issues like the drug abuse menace.

IMPLEMENTATION CHALLENGES

We have more needs and less funding thus the need for increasing of the allocation to NG - CDF though it is a policy issue. Lack of capacity amongst the project management committees who are responsible for implementation of the projects has also been an issue though the NG - CDFC has tried organizing a number of capacity building workshops in light of limited finances.

CONCLUSION

2015/16 has been a fairly good year for Lari NG - CDFC with a number of flagship projects implemented to completion, some of which have earned the honour of being commissioned by His Excellency the Deputy President. NG - CDF is a noble idea and needs to be supported by all. This fund also needs to be controlled from the National Government for realisation of the country's developmental goals as envisioned in Kenya's Vision 2030.

Signed



Isaac Njoka
CHAIRPERSON, LARI NG - CDFC

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

The Accounting Officer in charge of Lari NG - CDF is responsible for the preparation and presentation of Lari NG - CDF's financial statements, which give a true and fair view of the state of affairs of Lari NG - CDF 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 Lari NG - CDF; (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 Lari NG - CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

The Accounting Officer in charge of Lari NG - CDF confirms that Lari NG - CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Lari NG - CDF'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 Lari NG - CDF'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 Lari NG - CDF's financial statements were approved and signed by the Accounting Officer on 3rd August 2017.



Ayaan Mahadhi
Fund Account Manager, Lari



Isaac Njoka
Chairperson, Lari NG - CDFC

REPUBLIC OF KENYA

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NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND–LARI 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–Lari Constituency set out on pages 7 to 21, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and 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–Lari 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 National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Basis for 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. Unsupported Payments

The statement of receipts and payments reflects payments amounting to Kshs.137,257,815 for the year ended 30 June 2017. Included in the balance are payments totaling to Kshs.70,037,966 which were not supported by relevant documentations such as invoices, tender opening and evaluation minutes, or authority as analyzed below:

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

Item	Amount-Kshs.	Observations
Use of goods and services-various items	2,421,700	Missing Payment Vouchers
Hire of public address System	1,116,954	Lack of procurement records and list of events and activities carried out.
Committee Allowances/expenses	1,733,000	Lack of supporting documents e.g. work plans and progress reports on projects visited during the period.
Printing, advertising and supplies	733,100	Lack of procurement and store records. Further, the expenditure appeared excessive for the level of NGCDF activities.
Environment Projects	3,743,931	Lack of stores records and distribution schedules
Security Projects	26,806,035	-Lack of procurement records and project files with payment completion certificates and the payment vouchers.
Sports-Purchase of Uniforms	2,843,931	Lack of stores ledgers and signed distribution schedules for the beneficiaries. Unauthorized projects expenditure of Kshs.2,175,000
		Lack of supporting procurement documents on how the suppliers of school accessories of Kshs.2,252,800 were identified. Further, the signed distribution schedules were not provided for audit verification.
Bursary Funds	25,269,715	Lack of supporting documents (acknowledgement letters, receipts)
Total	70,037,966	

In the circumstances, the regularity of the payments of Kshs.70,037,966 could not be confirmed as a correct charge to public funds.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the

Basis for Qualified Opinion section, I have determined that there are no other Key Audit Matters to communicate in my report.

Other matter

1. Procurement of Works-Primary Schools' Projects

Review of records revealed that included in transfer to other government entities balance of Kshs.54,600,000 are disbursements amounting to Kshs.2,000,000 and Kshs.3,000,000 towards the construction of classrooms in Kagwe Township and Lare primary schools respectively. Records indicates that contracts for the works valued at Kshs.6,728,982 and Kshs.4,096,390 for Kagwe township and Lare respectively were awarded through request for quotations procurement method. However, the contracts sums for the two projects exceeded the maximum threshold of Kshs.4,000,000 for request for quotations stipulated in the First Schedule of the Public Procurement and Disposal Regulations, 2013 and therefore national open tender method should have been used.

No justification was provided for the non-compliance with the procurement law.

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 the Fund or to cease operations, or have no realistic alternative but to do so.

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

17 October 2018

NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - LARI
 CONSTITUENCY

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	135,219,153.70	76,862,921.20
Proceeds from Sale of Assets	2		-
Other Receipts	3		-
TOTAL RECEIPTS		135,219,153.70	76,862,921.20
PAYMENTS			
Compensation of employees	4	2,547,741.00	2,029,793.00
Use of goods and services	5	10,795,495.00	6,892,072.00
Transfers to Other Government Units	6	54,600,000.00	32,057,000.00
Other grants and transfers	7	69,314,579.00	45,608,010.00
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		137,257,815.00	86,586,875.00
SURPLUS/DEFICIT		(2,038,661.30)	(9,723,953.80)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The LARI NG - CDF financial statements were approved on 30 August 2017 and signed by:



Isaac Njoka
 Chairperson, Lari NG - CDFC



Ayaan Mahadhi
 Fund Account Manager, Lari

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - LARI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF ASSETS

	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	167,334.15	2,205,995.45
Cash Balances (cash at hand)	10B		
Outstanding Imprests	10C		
TOTAL FINANCIAL ASSETS		167,334.15	2,205,995.45
REPRESENTED BY			
Fund balance b/fwd 1st July...2017	11	2,205,995.45	11,929,949.25
Surplus/Deficit for the year		(2,038,661.30)	(9,723,953.80)
Prior year adjustments	12		
NET LIABILITIES		167,334.15	2,205,995.45

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The LARI NG - CDF financial statements were approved on 3rd August 2017 and signed by:



Isaac Njoka
Chairperson, Lari NG - CDFC



Ayaan Mahadhi
Fund Account Manager, Lari

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - LARI
CONSTITUENCY**

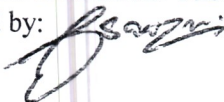
Reports and Financial Statements

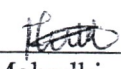
For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016-2017	2015-2016
Transfers from CDF Board	1	135,219,153.70	76,862,921.20
Other Receipts	3	-	-
TOTAL		135,219,153.70	76,862,921.20
Payments for operating expenses			
Compensation of Employees	4	2,547,741.00	2,029,793.00
Use of goods and services	5	10,795,495.00	6,892,072.00
Transfers to Other Government Units	6	54,600,000.00	32,057,000.00
Other grants and transfers	7	69,314,579.00	45,608,010.00
Other Payments	8	-	-
Adjusted for:			
Adjustments during the year		-	-
		137,257,815.00	86,586,875.00
Net cash flow from operating activities		(2,038,661.30)	(9,723,953.80)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities (2 - 10)			
NET INCREASE IN CASH AND CASH EQUIVALENT (a + b)		(2,038,661.30)	(9,723,953.80)
Cash and cash equivalent at BEGINNING of the year	11	2,205,995.45	11,929,949.25
Cash and cash equivalent at END of the year	10A	167,334.15	2,205,995.45

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The LARI NG - CDF financial statements were approved on 3rd August 2017 and signed by:



Isaac Njoka
Chairperson, Lari NG - CDFC



Ayaan Mahadhi
Fund Account Manager, Lari

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551.70	55,528,597.45	137,425,149.15	137,425,149.15	0	100%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
	81,896,551.70	55,528,597.45	137,425,149.15	135,219,153.70	2,205,995.45	98.39%
Compensation of Employees	2,238,133.20	400,000.00	2,638,133.20	2,547,741.00	90,392.20	96.57%
Use of goods and services	5,132,556.50	5,700,000.00	10,832,556.50	10,795,495.00	37,061.50	99.66%
Transfers to Other Government Units	22,950,000.00	31,650,000.00	54,600,000.00	54,600,000.00	-	100.00%
Other grants and transfers	51,575,862.00	17,778,597.45	69,354,459.45	69,314,579.00	39,880.45	99.94%
Acquisition of Assets						
Other Payments						
TOTALS	81,896,551.70	55,528,597.45	137,425,149.15	137,257,815.00	167,334.15	99.88%

The LARI NG - CDF financial statements were approved on 3rd August 2017 and signed by:


Isaac Njoka
Chairperson, Lari NG - CDFC


Ayaan Mahadhi
Fund Account Manager, Lari

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 Lari NG - CDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *NG - CDF* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *NG - CDF* includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial

NATIONAL GOVERNMENT ENTITY - LARI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

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.

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND – LARI
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

I. NOTES TO THE FINANCIAL STATEMENTS				
GFS CODES				
1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2015-2017	2015-2016
			Kshs	Kshs
1330407	Normal Allocation	AIE NO...	53,322,602.00	24,862,921.20
		AIE NO...	4,094,827.60	20,000,000.00
		AIE NO...	36,853,449.00	20,000,000.00
			40,948,275.10	12,000,000.00
1330408	Conditional grants	AIE NO...	-	-
		AIE NO...	-	-
1330409	Receipt from other Constituency			
	TOTAL		135,219,153.70	76,862,921.20
2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
3510000	Description		2016-2017	2015-2016
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings			
3510601	Receipts from the Sale of Vehicles and Transport Equipment			
3510801	Receipts from the Sale Plant Machinery and Equipment			
3510803	Receipts from the Sale of office and general equipment			
		Total	-	
3 OTHER RECEIPTS				
1400000	Description		2016-2017	2015-2016
			Kshs	Kshs
1410107	Interest Received		-	

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1410405	Rents		-	
1420601	Sale of tender documents		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	
	Total		-	-
2110000	4 COMPENSATION OF EMPLOYEES			
	Description		2016-2017	2015-2016
			Kshs	Kshs
2110201	Basic wages of contractual employees		1,478,093.00	2,000,393.00
2110202	Basic wages of casual labour		-	
	Personal allowances paid as part of salary			
2110301	House allowance		-	
2110314	Transport allowance		-	
2110320	Leave allowance			
2110320	Employer contribution to NSSF			29,400.00
2110326	Other personnel payments		-	
2710120	gratuity		1,069,648.00	
	Total		2,547,741.00	2,029,793.00
2200000	5 USE OF GOODS AND SERVICES			
	Description		2016-2017	2015-2016
			Kshs	Kshs
2210100	Utilities, supplies and services		350,000.00	150,000.00
2210104	Office rent		-	-
2210200	Communication, supplies and services		450,000.00	300,000.00
2210300	Domestic travel and subsistence		550,000.00	200,000.00
2210500	Printing, advertising and information supplies & services		850,000.00	823,200.00

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2210600	Rentals of produced assets			-
2210700	Training expenses		519,000.00	500,000.00
2210802	Other committee expenses		3,779,100.00	3,045,882.00
2210809	Committee allowance		3,017,200.00	1,368,000.00
2210800	Hospitality supplies and services		-	
2210900	Insurance costs		-	
2211000	Specialised materials and services		-	
2211100	Office and general supplies and services		680,000.00	300,000.00
2211200	Fuel ,oil & lubricants		335,000.00	
2211300	Other operating expenses- Bank charges		165,495.00	204,990.00
2220100	Routine maintenance – vehicles and other transport equipment		99,700.00	
2220200	Routine maintenance – other assets			
	Total		10,795,495.00	6,892,072.00
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
	Description		2016-2017	2015-2016
			Kshs	Kshs
2630204	Transfers to primary schools		45,200,000.00	16,257,000.00
2630205	Transfers to secondary schools		8,900,000.00	12,500,000.00
2630206	Transfers to Tertiary institutions			
2630207	Transfers to Health institutions		500,000.00	3,300,000.00
	TOTAL		54,600,000.00	32,057,000.00
2640000	7 OTHER GRANTS AND OTHER PAYMENTS			
	Description		2016-2017	2015-2016
			Kshs	Kshs

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2640101	Bursary -Secondary		12,634,858.00	12,088,120.00
2640102	Bursary -Tertiary		12,634,857.00	12,088,120.00
2640104	Bursary-Special schools			
2640105	Mocks & CAT			2,100,000.00
2640504	water/Sewers		2,200,000.00	2,700,000.00
2640505	Electricity Projects			
2640506	Security		26,806,035.00	2,925,000.00
2640507	Roads		3,082,367.00	9,672,000.00
2640508	Sports		2,843,931.00	940,000.00
2640510	Environment		3,743,931.00	89,000.00
2640200	Emergency Projects (specify)		5,368,600.00	1,205,770.00
2640511	Development - factories/stadiums			1,800,000.00
	Total		69,314,579.00	45,608,010.00

3100000 **8 ACQUISITION OF ASSETS**

Non Financial Assets			2016-2017	2015-2016
			Kshs	Kshs
3110102	Purchase of Buildings		-	
3110202	Construction of Buildings			-
3110302	Refurbishment of Buildings			
3110701	Purchase of Vehicles		-	
3110704	Purchase of Bicycles & Motorcycles		-	
3110801	Overhaul of Vehicles		-	
3111001	Purchase of Office furniture and fittings		-	
3111002	Purchase of computers ,printers and other IT equipments		-	
3111005	Purchase of photocopier			
3111009	Purchase of other office equipments			
3111112	Purchase of soft ware			
3130101	Acquisition of Land			
	Total		-	-

9 OTHER PAYMENTS

			2016-2017	2015-2016
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			Kshs	Kshs
	specify		-	
	specify		-	
	TOTAL		-	
10A: Bank Balances (cash book bank balance)				
	Name of Bank	Account Number	2016-2017	2015-2016
			Kshs (30/6/2017)	Kshs (30/6/2016)
	Equity Bank Kimende No. 1110295360924 KSHS		167,334.15	2,205,995.45
			-	
			-	
	Total		167,334.15	2,205,995.45
10B: CASH IN HAND				
			2016-2017	2015-2016
			Kshs (30/6/2017)	Kshs (30/6/2016)
	Location 1		-	
	Location 2		-	
	Location 3		-	
	Other receipts (specify)		-	
	Total		-	
<i>Provide cash count certificates for each</i>				
10C: OUTSTANDING IMPRESTS				
	Name of Officer	Date imprest taken	Amount Taken	Amount Taken
			Kshs	Kshs
	Name of Officer	dd/mm/yy	-	
	Name of Officer	dd/mm/yy	-	
	Name of Officer	dd/mm/yy	-	
	Name of Officer	dd/mm/yy	-	
	Name of Officer	dd/mm/yy	-	
	Name of Officer	dd/mm/yy	-	

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	Total		
11 BALANCES BROUGHT FORWARD			
		2016-2017	2015-2016
		Kshs (1//7/2016)	Kshs (1//7/2015)
	Bank accounts	2,205,995.45	11,929,949.25
	Cash in hand	-	
	Imprest	-	
	Total	2,205,995.45	11,929,949.25
		<i>[Provide short appropriate explanations as necessary]</i>	
12 PRIOR YEAR ADJUSTMENTS			
		2016-2017	2015-2016
		Kshs	Kshs
	Bank accounts		
	Cash in hand	-	-
	Imprest	-	
		-	
	Total	-	-
13 OTHER IMPORTANT DISCLOSURES			
13.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
		2016-2017	2015-2016
		Kshs	Kshs
	Construction of buildings	-	
	Construction of civil works	-	
	Supply of goods	-	
	Supply of services	-	
	TOTAL	-	
13.2: PENDING STAFF PAYABLES (See Annex 2)			
		2016-2017	2015-2016
		Kshs	Kshs
	Senior management	-	550,565.58
	Middle management	-	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date
	a	b	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			

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted
		a	b
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			

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted
		a	
Amounts due to other Government entities			
1.			
2.			
3.			
Sub-Total			

PMC	Bank Account number	Bank Balance
		2016/17

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)