

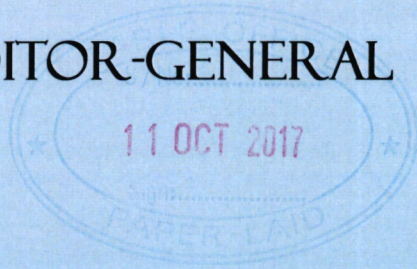
REPUBLIC OF KENYA



*paper laid by Com
Wednesday
14/10/17
Afternoon
Sitting*



OFFICE OF THE AUDITOR-GENERAL



PARLIAMENT
OF KENYA
LIBRARY

REPORT

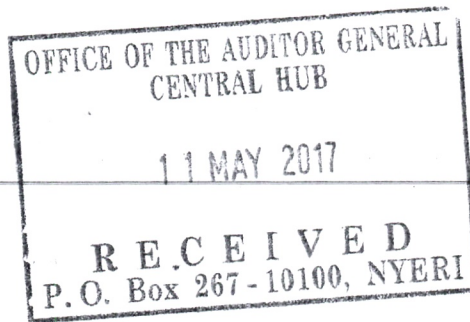
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
- GICHUGU CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
GICHUGU CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

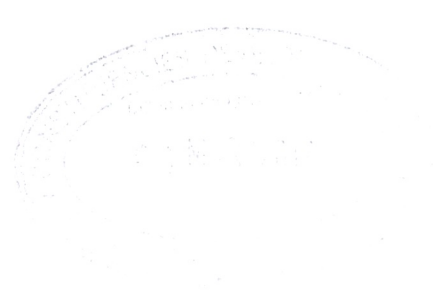


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
GICHUGU CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
GICHUGU CONSTITUENCY**

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

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



I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Key Management

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

- i. National 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 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Margaret Rugiri
3.	Accountant	Washington Magiri

(d) Fiduciary Oversight Arrangements

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

NG-CDF Office Building,
P.O Bo 234-10301
Kianyaga



(f) GICHUGU NGCDF Contacts

Telephone: (254) 705 011 807
E-mail: gichugucdf@NGCDF.go.ke
Website: www.gichugucdf.go.ke

(g) GICHUGU NGCDF Bankers

Equity Bank of Kenya
P.O BOX 1056
Kerugoya

(h) Independent Auditors

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

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

During the Financial Year 2015-2016, Gichugu Constituency managed to disburse a substantial amount of money towards priority projects that formed the bulk part of the Monies disbursed.

Majority of the larger allocations went to Education facilities, Road projects, Bursaries, electricity and Security Projects.

During the same financial year, Gichugu Constituency was also earmarked as a key beneficiary of funds from the National Government meant to construct a Modern Technical Training Institute within Kianyaga Town. However, the NG-CDF Board delayed in disbursing funds to Gichugu CDF thus the late transmission of funds to the Mentoring Institution.

Despite the successes, the Financial Year has not been without challenges. These challenges included late disbursement of funds from the NG-CDF Board, delayed reallocation approvals as well as delayed disbursement of funds to projects which was occasioned by the transition from the Old CDF Act of 2013 to the new enacted NG-CDF Act of 2015.

Sign.....*[Signature]*.....

CHAIRMAN GICHUGU NG-CDFC



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 by the Public Sector Accounting Standards Board of Kenya from time to time.

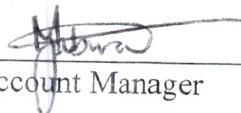
The Accounting Officer in charge of the Gichugu NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility 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 Gichugu 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, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer in-charge of the Gichugu 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 Gichugu 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 _____ 2016.



Fund Account Manager



Chairman



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GICHUGU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gichugu Constituency set out on pages 5 to 24, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, 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.

Management's Responsibility 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.

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 judgment, 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 and fair presentation of the financial statements in order to design audit procedures that

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

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

1.0 Transfers to Other Government Units

Note 6 to the financial statements, transfer to other government units, includes transfer to primary schools balance of Kshs.7,200,000 for the year ended 30 June 2016. Included in the balance is Kshs.800,000 and Kshs.500,000 totaling Kshs.1,300,000 being transfers to Kariru Primary school and Gatugura Primary school respectively which was not supported. Consequently, the accuracy of transfers to other government units balance of Kshs.34,897,195 for the year ended 30 June 2016 could not be confirmed.

2.0 Bursary Awards and Disbursements

Note 7 to the financial statements, other grants and other payments includes Kshs.1,704,000 and Kshs.3,273,000 for bursary-secondary school and bursary-tertiary institutions respectively totaling Kshs.4,977,000 which was awarded to various beneficiaries in various learning institutions as bursaries to needy students. However, no acknowledgement letters/receipts from the tertiary institutions who received total of Kshs.4,727,000 to confirm the bursaries was received and accounted for. In addition, the corresponding minutes from vetting committees confirming the awards were not availed for audit verification.

Further, documents availed for audit reflected bursary expenditure of Kshs.5,340,600 resulting to a variance of Kshs.363,000 which was not explained or reconciled. In the circumstances, the propriety of the bursary expenditure of Kshs.4,977,000 for the year ended 30 June 2016 could not be confirmed.

3.0 Cash and Cash Equivalents

Statement of financial assets as at 30 June 2016 reflects bank balances (as per the cashbook) of Kshs.52,763,575. However, the following observations were made:

3.1 Payments in Bank Statement not in Cash Book

Excluded from the bank balances (as per the cashbook) of Kshs.52,763,575 were payments in bank statement of Kshs.129,186 which had not been recorded in cash book as a reconciling item. Further, the amounts relates to bank charges some dating

back to the year 2013/2014. No explanation has been provided as to why these payments had not been posted into the cashbook.

3.2 Long Outstanding Reconciling Items

A review of the bank reconciliation statement, indicates that un-presented cheques totaling to Ksh.389,706 were already stale as at 30 June 2016 and could not be presented in the bank for payment. No reason was provided for the failure to reverse the cheques into the cashbook.

Consequently the accuracy of bank balances of Kshs.52,763,575 as at 30 June 2016 could be confirmed.

Qualified Opinion

In my opinion, except for effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statement present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Gichugu Constituency as at 30 June 2016, and of its financial performance and its cash flows for the 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

1.0 Overall Budget Performance

Review of summary statement of appropriation revealed 65% and 65% overall budget utilization on receipts and expenditure respectively as follows:

Item	Budgeted 2015/2016 (Kshs)	Actual 2015/2016 (Kshs)	Absorption rate %
Receipts	149,445,250	96,681,675	65
Expenditure	149,445,250	96,681,675	65

The above table indicates that although the NG-CDF was to receive Kshs.149,445,250, it received Kshs.124,403,417. The Fund's actual expenditure was Kshs.96,681,675 resulting into under expenditure of Kshs.27,721,742 and overall underutilization of the budget by Kshs.52,763,575. No reason was provided for the underutilization of budget.

2.0 Grading and Gravelling of Various Roads and Boda Boda Sheds

During the year under review, the CDF spent Kshs.17,617,895 for murrarming, gravelling and bush clearing of roads in various wards in the constituency. However, no completion certificate and inspection reports from the Ministry of Works to confirm the work was done and completed before the payments were made were availed for audit.

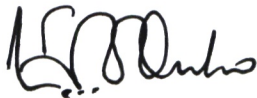
Consequently, the value for money of Kshs.17,617,895 spent on road projects could not be ascertained.

3.0 Payments to Rural Electrification Authority (REA)

The Gichugu Constituency Development Fund Committee entered into an arrangement with Rural Electrification Authority to finance electrification of various wards in the Constituency. The Fund was to raise Ksh13.51million of which Kshs.5.5M was paid in the previous year with a remainder of Kshs.8.51M paid during the year under audit and a similar amount ought to have been given out by Rural Electrification Authority to fund the same project. However, the following observations were made.

- i. The documents to show the type of agreement, arrangement or terms of engagement entered into between Rural Electrification Authority were not made available for audit.
- ii. There were no clear timelines set for commencement and completion of the projects.
- iii. There were no joint reports or correspondences between REA and the CDF to confirm the position of the projects hence physical verification was not possible.

In the foregoing circumstances, Gichugu NG-CDF funds have been tied with no indication as to when the projects would be implemented by Rural Electrification Authority or the current position reports on the same. Consequently, the value for money of the expenditure of Kshs.13.51million could not be ascertained.



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

Nairobi

07 September 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	124,403,417	110,445,854
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		124,403,417	110,445,854
PAYMENTS			
Compensation of employees	4	2,903,859	1,523,144
Use of goods and services	5	13,523,659	5,894,264
Transfers to Other Government Units	6	34,897,195	31,083,650
Other grants and transfers	7	45,356,962	61,907,826
Acquisition of Assets	8	-	600,000
Other Payments	9	-	-
TOTAL PAYMENTS		96,681,675	101,008,883
SURPLUS/DEFICIT		27,721,742	9,436,971

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Gichugu NGCDF financial statements were approved on 08/09/ 2016 and signed by:

[Signature]

Chairman - NGCDFC

[Signature]

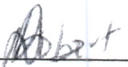
Fund Account Manager



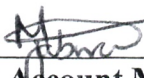
V. STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	52,763,575	25,041,833
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		52,763,575	25,041,833
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	25,041,833	15,604,861
Surplus/Defict for the year		27,721,742	9,436,971
Prior year adjustments	14	-	-
NET LIABILITIES		52,763,575	25,041,833

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Gichugu NGCDF financial statements were approved on 08/09/ 2016 and signed by:



Chairman - NGCDFC



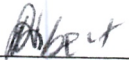
Fund Account Manager




VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	124,403,417	110,445,854
Other Receipts	3	-	-
		124,403,417	110,445,854
Payments for operating expenses			
Compensation of Employees	4	(2,903,859)	(1,523,144)
Use of goods and services	5	(13,523,659)	(5,894,264)
Transfers to Other Government Units	6	(34,897,195)	(31,083,650)
Other grants and transfers	7	(45,356,962)	(61,907,826)
Other Payments	9	-	-
		(96,681,675)	(100,408,883)
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		27,721,742	10,036,971
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(600,000)
Net cash flows from Investing Activities		-	(600,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		27,721,742	9,436,971
Cash and cash equivalent at BEGINNING of the year	13	25,041,833	15,604,862
Cash and cash equivalent at END of the year		52,763,575	25,041,833

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Gichugu NGCDF financial statements were approved on 08/09 2016 and signed by:


 Chairman NGCDF


 Fund Account Manager



VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

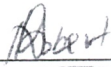
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	100,447,550	25,041,833	125,489,383	96,681,675	28,807,708	-
Receipts For FY 14-15		23,955,867	23,955,867	-	23,955,867	
Other Receipts	-			-		
TOTAL	100,447,550	48,997,700	149,445,250	96,681,675	52,763,575	64.7%
PAYMENTS						
Compensation of Employees	2,211,876	1,451,930	3,663,806	2,903,859	759,947	79.3%
Use of goods and services	6,918,404	6,907,339	13,825,743	13,523,659	302,084	97.8%
Transfers to Other Government Units	44,221,721	17,600,000	61,821,721	34,897,195	26,924,526	56.4%
Other grants and transfers	41,327,902	23,038,431	64,366,333	45,356,962	19,009,371	71.1%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	5,767,647		5,767,647		5,767,647	
TOTAL	100,447,550	48,997,700	149,445,250	96,681,675	52,763,575	64.7%

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

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

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

The GICHUGU NGCDF financial statements were approved on 08/09/ 2016 and signed
by:



Chairman NGCDF



Fund Account Manager



VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

Reports and Financial Statements

For the year ended June 30, 2016

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.

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

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	AIE NO.	2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal allocation			
	A796037	23,955,867	33,589,200
	A820727	20,000,000	25,955,867
	A796418	20,000,000	21,955,867
	A820960	10,000,000	1,400,000
	A825786	50,447,550	3,589,054
			23,955,867
TOTAL			

2. PROCEEDS FROM SALE OF ASSETS

	2015 – 2016	2014 – 2015
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total		



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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	2,903,859	1,493,944
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF gratuity	-	29,200
Total	2,903,859	1,523,144



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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Utilities, supplies and services	3,907,485	3,394,264
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	3,569,784	-
Hospitality supplies and services	-	-
Other committee expenses	-	-
Committee allowance	3,789,521	2,500,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	652,153	-
Fuel, oil & lubricants	-	-
Other operating expenses	815,192	-
Routine maintenance – vehicles and other transport equipment	789,524	-
Routine maintenance – other assets	-	-
Total	13,523,659	5,894,264



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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	7,200,000	5,873,900
Transfers to secondary schools (see attached list)	24,600,000	18,999,750
Transfers to tertiary institutions (see attached list)	2,097,195	6,210,000
Transfers to health institutions (see attached list)	1,000,000	-
-TOTAL	34,897,195	31,083,650

7. OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools (see attached list)	1,704,000	7,936,200
Bursary – tertiary institutions (see attached list)	3,273,000	1,468,500
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	3,998,985	4,522,386
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	8,510,000	8,814,657
Security projects (see attached list)	4,456,070	-
Roads projects (see attached list)	17,617,895	10,706,854
Sports projects (see attached list)	1,981,600	-
Environment projects (see attached list)	-	-
Other Capital grants and transfers (see attached list)	3,815,412	9,518,427
Emergency Projects (specify)	-	18,908,802
Total	45,356,962	61,907,826



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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016 Kshs	2014 - 2015 Kshs	2
Purchase of Buildings	-	-	
Construction of Buildings	-	-	
Refurbishment of Buildings	-	-	
Purchase of Vehicles and Other Transport Equipment	-	-	
Overhaul of Vehicles and Other Transport Equipment	-	-	
Purchase of Household Furniture and Institutional Equipment	-	-	
Purchase of Office Furniture and General Equipment	-	600,000	
Purchase of ICT Equipment, Software and Other ICT Assets	-	-	
Purchase of Specialized Plant, Equipment and Machinery	-	-	
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-	
Acquisition of Land	-	-	
Acquisition of Intangible Assets	-	-	
Total	-	600,000	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GICHUGU
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

Specify	2015 - 2016 Kshs	2014 - 2015 Kshs
---------	---------------------	---------------------

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
EQUITY BANK – KERUGOYA A/C 100293447917	52,763,575	25,041,833
	-	-
	-	-
	-	-
	52,763,575	25,041,833
10B: CASH IN HAND		
	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		



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

Reports and Financial Statements

For the year ended June 30, 2016

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

0

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

12 Retention			
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
		Kshs	Kshs
TOTAL			



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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	25,041,833	15,604,862
Cash in hand		
Imprest		
Total	<u>25,041,833</u>	<u>15,604,862</u>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	<u>-</u>	<u>501,642</u>



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

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016 Kshs	2014 - 2015 Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: OTHER PENDING PAYABLES (See Annex 3)

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



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						



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					



For the year ended June 30, 2017

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.	SECONDARY SCHOOLS	9,100,000			9,100,000		
2.	PRIMARY SCHOOLS	7,200,000			7,200,000		
3.	TERTIARY INSTITUTIONS	10,000,000			10,000,000		
Sub-Total		26,300,000			26,300,000		
Amounts due to other grants and other transfers							
4.	BURSARY	16,000,000			16,000,000		
5.	HEALTH	150,000			150,000		
6.	SECURITY	750,000			750,000		
7.	OTHER TRANSFERS	3,350,000			3,350,000		
Sub-Total		20,250,000			20,250,000		
Sub-Total							
Others (specify)							
8.							
9.							
10.							
Sub-Total							
Grand Total		46,550,000			46,550,000		



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	-	-
Transport equipment	4,994,637.99	4,994,637.99
Office equipment, furniture and fittings	918,000	918,000
ICT Equipment, Software and Other ICT Assets	182,000	182,000
Other Machinery and Equipment	56,300	56,300
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	5,550,937.99	5,550,937.99

Prepared by:

Margaret Rugiri
Fund Account Manager
Gichugu

