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REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



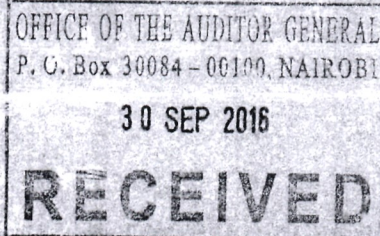
NG-CDF BOARD

National Government Constituencies Development Fund Board
Harambee Plaza, 10th Floor
Junction of Haile Selassie Avenue & Uhuru Highway
P.O Box 46682-00100
Nairobi, Kenya
Tel: 020-2230015/9, 2230027, 2230032 | Cell: 0709894000
Email: info@cdf.go.ke | Website: www.cdf.go.ke

CDF BOARD AUDITOR GENERAL/2016/096

SEPTEMBER 29, 2016

Mr. Edward Ouko, CBS
The Auditor General
P.O Box 30084 - 00100
NAIROBI



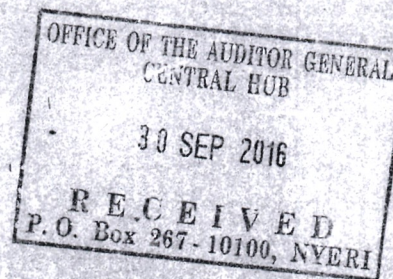
Dear Sir

**RE: NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
FINANCIAL STATEMENTS FOR 2015/2016 FINANCIAL YEAR**

Pursuant to Section 81 of the Public Finance Management Act, 2012 and Section 39 (4) of the National Government Constituencies Development Fund (amendment) Act, 2015, we wish to submit 2015/2016 financial year annual accounts of **Kipipiri Constituency** for your necessary action.

Yours sincerely

YUSUF MBUNO
Ag. CHIEF EXECUTIVE OFFICER





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

30 SEP 2016

RECEIVED



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KIPIPIRI 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 –
KIPIPIRI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

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CONSTITUENCY DEVELOPMENT FUND- KIIPIPIRI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|-----|--------------------|------------------|
| 1. | Accounting Officer | Yusuf Mbuno |
| 2. | A.I.E holder | Caroline Kariuki |
| 3. | Accountant | Patrick Wamunyu |
| 4. | | |

(d) Fiduciary Oversight Arrangements

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

NGCDF Office Building.
P.O. Box 25
Miharati
Kenya

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIIPIRI
CONSTITUENCY

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

(f) KIIPIRI NGCDF Contacts

Telephone: (254) 722 532 682
E-mail: kipipiri@ngcdf.go.ke
Website: www.kipipiri.go.ke

(g) KIIPIRI NGCDF Bankers

1. Equity Bank (Kenya) Limited
Ol kalou Branch
P.O. Box 215
Ol kalou, Kenya

(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- KIPIPIRI
CONSTITUENCY

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

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

Kipipiri NG-CDFC has ensured that most projects initiated this year have been completed or the intended phase is complete.

KEY ACHIEVEMENTS:

- a) All projects have been built upto standard with consultation with relevant government ministries.
- b) Some communities like Kimbo area have access to tap water and other projects are underway.
- c) Bursary applications are so many beyond what we can afford but in 2016/17 we have increased bursary allocation.

IMPLEMENTATION CHALLENGES

The major challenge has been delay by the government to release funds and therefore delay in implementation of projects.

Sign.....*pnobbe*.....

CHAIRMAN NGCDFC

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIIPIRI
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government NGCDF shall prepare financial statements in respect of that NGCDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the Kipipiri 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 Kipipiri 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, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the Kipipiri 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.

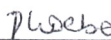
The Accounting Officer in charge of the Kipipiri NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes 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 08/09/2016 2016.



Fund Account Manager



Chairman

KIIPIRI CDF
FUND ACCOUNT MANAGER
P.O. BOX 25-20301 KIHARATI
.....
Sign



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-KIPIPIRI 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-Kipipiri Constituency set out on pages 5 to 26, which comprise the statement of financial assets as at 30 June 2016, 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.

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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

Report of the Auditor-General on the financial statements of National Government Constituencies Development Fund-Kipipiri Constituency for the year ended 30 June 2016

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 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 audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund–Kipipiri Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Overall Budget Performance

During the financial year under review, Kipipiri NG-CDF received a total of Kshs.84,154,807 from the National Government Constituencies Development Fund Board against budgeted amount of Kshs.138,736,047 or 61% of the budget. Further, the total expenditure for the year was Kshs.61,948,113 representing absorption rate of 55% as analyzed below:

| Item | Budget-Kshs | Actual - Kshs. | Budget utilization Difference Kshs | Actual as % of Budget |
|-------------------------------------|--------------------|-------------------|------------------------------------|-----------------------|
| Receipts | 138,736,047 | 84,154,807 | 54,581,240 | 61 |
| Expenditure | | | | |
| Compensation of employees | 2,154,807 | 1,250,648 | 904,159 | 58 |
| Use of goods and services | 11,680,345 | 9,307,683 | 2,372,662 | 80 |
| Transfers to other government units | 33,253,000 | 30,128,160 | 3,124,840 | 91 |
| Other grants and transfers | 91,720,895 | 36,174,443 | 55,546,452 | 39 |
| Total | 138,809,047 | 76,860,934 | 61,948,113 | 55 |

Although the CDF committee attributed the low absorption of budget provisions to the delay by the NG-CDF Board in releasing funds, the management should focus on the priority areas in the budget that will greatly improve service delivery to the residents of Kipipiri constituency.

2. Project Implementation

A review of project implementation reports and related records revealed that during the year under review, Kipipiri CDF had planned to undertake ninety six (96) projects with a total budget allocation of Kshs.124,973,895.

However, an amount of Kshs.66,302,603 was spent on sixty eight (68) projects hence the balance Kshs.58,671,292 of the budget was not utilized as follows:

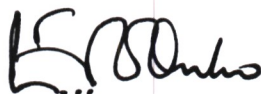
| Project category | 2015/2016 approved budget Kshs. | Actual amount Kshs | Difference Kshs. | No. of approved Projects | Projects Implemented | % level of Implementation |
|---------------------------------|---------------------------------|--------------------|-------------------|--------------------------|----------------------|---------------------------|
| Transfer to government entities | 33,253,000 | 30,128,160 | 3,124,840 | 42 | 37 | 91 |
| Other Grants and Transfers | 91,720,895 | 36,174,443 | 55,546,452 | 54 | 31 | 39 |
| Total | 124,973,895 | 66,302,603 | 58,671,292 | 96 | 68 | 53 |

No explanation was provided for the failure to adhere to budget provisions and slow implementation of projects which affects service delivery to the public.

3. Cash and Cash Equivalents

The statement of assets as at 30 June 2016 reflects bank balance of Kshs.7,366,874. However, scrutiny of the bank reconciliation statement presented for audit verification indicated that as at 30 June 2016, unpresented cheques amounting to Kshs.375,159 were stale and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.7,366,874 as at 30 June 2016 could not be confirmed.



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

Nairobi

7 September 2017

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIPIPIRI
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2015 - 2016 Kshs | 2014 - 2015 Kshs |
|---|------|---------------------|---------------------|
| RECEIPTS | | | |
| Transfers from CDF board-AIEs' Received | 1 | 54,000,000 | 140,796,303 |
| Proceeds from Sale of Assets | 2 | - | |
| Other Receipts | 3 | 73,000 | 1,131,196 |
| TOTAL RECEIPTS | | 54,073,000 | 141,927,499 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 1,250,648 | 1,397,100 |
| Use of goods and services | 5 | 9,307,683 | 11,008,030 |
| Transfers to Other Government Units | 6 | 30,128,160 | 63,369,609 |
| Other grants and transfers | 7 | 36,174,443 | 44,052,259 |
| Acquisition of Assets | 8 | - | 131,160 |
| Other Payments | 9 | - | - |
| TOTAL PAYMENTS | | 76,860,934 | 119,958,158 |
| SURPLUS/DEFICIT | | (22,787,934) | 21,969,341 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kipipiri NGCDF financial statements were approved on 08/09/2015 and signed by:

Phoebe
Chairman - NGCDFC

[Signature]
Fund Account Manager

KIPIPIRI CDF
FUND ACCOUNT MANAGER
P.O. BOX 25-28301 MIHARATI

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIIPIRI
CONSTITUENCY

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

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 | 7,366,874 | 30,154,807 |
| Cash Balances (cash at hand) | 10B | - | 50,000 |
| Outstanding Imprests | 11 | - | |
| TOTAL FINANCIAL ASSETS | | 7,366,874 | 30,204,807 |
| REPRESENTED BY | | | |
| Retention | 12 | | |
| Fund balance b/fwd 1st July... | 13 | 30,154,807 | 8,735,466 |
| Surplus/Deficit for the year | | (22,787,934) | 21,969,341 |
| Prior year adjustments | 14 | - | (500,000) |
| NET LIABILITIES | | 7,366,874 | 30,204,807 |

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

D. W. Oelbe
Chairman - NGCDFC

[Signature]
Fund Account Manager

KIIPIRI NGCDF
FUND ACCOUNT MANAGER
E.O. KIBUKI
TIBI MIHARATI
Date: Sign:

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIPIPIRI
 CONSTITUENCY

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

VI. STATEMENT OF CASHFLOW

| | | 2015 - 2016 | 2014 - 2015 |
|---|----|---------------------|--------------------|
| Receipts for operating income | | | |
| Transfers from CDF Board | 1 | 54,000,000 | 140,796,303 |
| Other Receipts | 3 | 73,000 | 1,131,196 |
| | | 54,073,000 | 141,927,499 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 1,250,648 | 1,397,100 |
| Use of goods and services | 5 | 9,307,683 | 11,008,030 |
| Transfers to Other Government Units | 6 | 30,128,160 | 63,369,609 |
| Other grants and transfers | 7 | 36,174,443 | 44,052,259 |
| Other Payments | 9 | - | - |
| | | 76,860,934 | 119,826,998 |
| Adjusted for: | | | |
| Adjustments during the year | 14 | - | (500,000) |
| Net cash flow from operating activities | | (22,787,934) | 21,600,501 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 9 | - | (131,160) |
| Net cash flows from Investing Activities | | - | (131,160) |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (22,787,934) | 21,469,341 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 30,154,807 | 8,735,466 |
| Cash and cash equivalent at END of the year | | 7,366,874 | 30,154,807 |

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

Phoebe
 Chairman NGCDFC

(Signature)
 Fund Account Manager

KIPIPIRI CDF
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016
 APPROVED AND SIGNED
 ON 08/09/2016

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------------|-----------------|-------------|--------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 108,581,240 | 30,154,807 | 138,736,047 | 84,154,807 | 54,581,240 | 60.7% |
| Proceeds from Sale of Assets | - | | | | | |
| Other Receipts | - | 73,000 | 73,000 | 73,000 | - | |
| TOTAL | 108,581,240 | 30,227,807 | 138,809,047 | 84,227,807 | 54,581,240 | 60.7% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 1,700,000 | 454,807 | 2,154,807 | 1,250,648 | 904,159 | 58.0% |
| Use of goods and services | 7,607,345 | 4,073,000 | 11,680,345 | 9,307,683 | 2,372,663 | 79.7% |
| Transfers to Other Government Units | 27,253,000 | 6,000,000 | 33,253,000 | 30,128,160 | 3,124,840 | 90.6% |
| Other grants and transfers | 72,020,895 | 19,700,000 | 91,720,895 | 36,174,443 | 55,546,452 | 39.4% |
| Acquisition of Assets | | | | | | |
| Other Payments | | | | | | |
| TOTAL | 108,581,240 | 30,227,807 | 138,809,047 | 76,860,934 | 61,948,114 | 55.4% |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIPIPIRI
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]
- i. Xxxx
 - ii. Xxxx
 - iii. Xxxx
 - iv. Xxxx
 - v. Xxxx

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

Phoebe
Chairman NGCDF

[Signature]
Fund Account Manager

KIPIPIRI CDF
ACCOUNT MANAGER
S-20501 MIHARAI
[Signature]

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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 – KIPPIRI
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 | | 2015 - 2016 | 2014 - 2015 |
|-------------------|--------------------|-------------------|--------------------|
| | | Kshs | Kshs |
| Normal allocation | | | |
| | AIE NO. A724106. | 10,000,000.00 | 31,793,546.50 |
| | AIE NO..A724249... | 10,000,000.00 | 4,000,000.00 |
| | AIE NO..A796477.. | 10,000,000.00 | 25,625,689.00 |
| | AIE NO..A820583... | 10,000,000.00 | 14,375,413.40 |
| | AIE NO..A825528 | 14,000,000.00 | 11,250,276.00 |
| | | | 25,625,689.00 |
| | | | 2,500,000.00 |
| | | | 25,625,688.90 |
| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL | | 54,000,000 | 140,796,303 |

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 – KIIPIRI
CONSTITUENCY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

| | 2015 - 2016 Kshs | 2014 - 2015 Kshs |
|---|---------------------|---------------------|
| Interest Received | - | - |
| Rents | - | - |
| Receipts from Sale of tender documents | 73,000 | - |
| Other Receipts Not Classified Elsewhere | - | - |
| Total | 73,000 | - |

4. COMPENSATION OF EMPLOYEES

| Description | 2015 - 2016 Kshs | 2014 - 2015 Kshs |
|---|---------------------|---------------------|
| Basic wages of contractual employees | 1,206,008.00 | 1,291,980.00 |
| 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 | 44,640.00 | 105,120 |
| Total | 1,250,648.00 | 1,397,100 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIIPIPIRI
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 | 2014 - 2015 |
|---|---------------------|-------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 832,850.00 | 820,000 |
| Office rent | - | 57,000 |
| Communication, supplies and services | 96,500.00 | 381,180 |
| Domestic travel and subsistence | 585,800.00 | |
| Printing, advertising and information supplies & services | 1,400,000.00 | 730,000 |
| Rentals of produced assets | - | - |
| Training expenses | 800,000.00 | 60,000 |
| Hospitality supplies and services | 1,000,000.00 | 300,000 |
| Other committee expenses | 1,733,632.50 | 3,000,000 |
| Committee allowance | 1,300,000.00 | 3,291,000 |
| Insurance costs | - | |
| Specialised materials and services | - | 630,820 |
| Office and general supplies and services | 708,900.00 | 518,000 |
| Fuel ,oil & lubricants | 500,000.00 | 500,000 |
| Other operating expenses | | 300,000 |
| Routine maintenance – vehicles and other transport equipment | | |
| Routine maintenance – other assets | 350,000.00 | 420,030 |
| Total | 9,307,682.50 | 11,008,030 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIIPIRI
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 Kshs | 2014 - 2015 Kshs |
|--|----------------------|---------------------|
| Transfers to National Government entities | | |
| Transfers to primary schools (see attached list) | 8,738,160.00 | 10,457,800 |
| Transfers to secondary schools (see attached list) | 19,840,000.00 | 35,400,000 |
| Transfers to tertiary institutions (see attached list) | - | 10,529,050 |
| Transfers to health institutions (see attached list) | 1,550,000.00 | 6,982,759 |
| -TOTAL | 30,128,160.00 | 63,369,609 |

7. OTHER GRANTS AND OTHER PAYMENTS

| | 2015 - 2016 Kshs | 2014 -2015 Kshs |
|---|------------------------|--------------------|
| Bursary – secondary schools (see attached list) | 9,321,377.00 | 9,903,372 |
| Bursary – tertiary institutions (see attached list) | 2,775,655.00 | 5,393,933 |
| Bursary – special schools (see attached list) | - | 129,912 |
| Mock & CAT (see attached list) | - | - |
| Water projects (see attached list) | 15,800,000.00 | 8,566,995 |
| Agriculture projects (see attached list) | - | 5,000,000 |
| Electricity projects (see attached list) | - | 516,000 |
| Security projects (see attached list) | 2,310,000.00 | 3,071,000 |
| Roads projects (see attached list) | - | - |
| Sports projects (see attached list) | 2,508,980.00 | 3,002,852 |
| Environment projects (see attached list) | 3,128,431.00 | 3,544,195 |
| Other Projects (see attached list) | 330,000.00 | - |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIPIPIRI
CONSTITUENCY

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

| | |
|------------------------------|-----------|
| Emergency Projects (specify) | 4,924,000 |
|------------------------------|-----------|

Total

| | |
|----------------------|-------------------|
| <u>36,174,443.00</u> | <u>44,052,259</u> |
|----------------------|-------------------|

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIPPIRI
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 |
|--|---------------------|---------------------|
| 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 | - | - |
| Purchase of ICT Equipment, Software and Other ICT Assets | - | 131,000 |
| Purchase of Specialized Plant, Equipment and Machinery | - | - |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | - | - |
| Acquisition of Land | - | - |
| Acquisition of Intangible Assets | - | - |
| Total | - | 131,000 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIPPIRI
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

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

10A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | 2015 - 2016 | 2014 - 2015 |
|--|--------------|-------------|
| | Kshs | Kshs |
| EQUITY OLKALOU BRANCH 620296398093 | 7,366,873.75 | 30,154,807 |
| | - | - |
| | - | - |
| | 7,366,873.75 | 30,154,807 |
| 10B: CASH IN HAND | | |
| | 2015 - 2016 | 2014 - 2015 |
| | Kshs | Kshs |
| Treasury | | 50,000 |
| Location 2 | | |
| Location 3 | | |
| Other Locations (specify) | | |
| | | |
| Total | | 50,000 |
| [Provide cash count certificates for each] | | |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIIPIPIRI
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

| | 2015 - 2016 Kshs | 2014 - 2015 Kshs |
|---------------|----------------------|---------------------|
| Bank accounts | 30,154,807.25 | 32,340,939 |
| Cash in hand | - | 50,000 |
| Imprest | - | - |
| Total | <u>30,154,807.25</u> | <u>32,390,939</u> |
| | <u>30,154,807.25</u> | <u>32,340,939</u> |

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

| | 2014 - 2015 Kshs | 2013 - 2014 Kshs |
|---------------|---------------------|---------------------|
| Bank accounts | - | (500,000) |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | <u>-</u> | <u>(500,000)</u> |

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 |
| | <u>xxx</u> | <u>xxx</u> |

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 |
| | <u>xxx</u> | <u>xxx</u> |

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 |
| | <u>xxx</u> | <u>xxx</u> |

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount a | Date Contracted b | Amount Paid To-Date c | Outstanding Balance 2015 d=a-c | Outstanding Balance 2014 | Comments |
|------------------------------------|----------------------|----------------------|--------------------------|-----------------------------------|--------------------------|----------|
| 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 A | Date Payable Contracted b | Amount Paid To-Date c | Outstanding Balance 2015 d=a-c | Outstanding Balance 2014 | Comments |
|------------------------------|-----------|----------------------|------------------------------|--------------------------|-----------------------------------|--------------------------|----------|
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| Middle Management | | Sub-Total | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| Unionisable Employees | | Sub-Total | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| Others (specify) | | Sub-Total | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |

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 | | | | | | | |

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 | N/A | N/A |
| Transport equipment | 643,050 | 643,050 |
| Office equipment, furniture and fittings | 667,250 | 667,250 |
| ICT Equipment, Software and Other ICT Assets | 698,380 | 698,380 |
| Other Machinery and Equipment | 348,763 | 348,763 |
| Heritage and cultural assets | N/A | N/A |
| Intangible assets | N/A | N/A |
| Total | 2,357,443 | 2,357,443 |

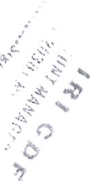
Prepared by:



Caroline Kariki

Fund Account Manager

Kipipiri



| TRIAL BALANCE AS AT 30TH JUNE 2016 | | | |
|------------------------------------|-------------------------------------|-------------------|-------------------|
| | | DR | CR |
| Cash and Cash equivalents | | | |
| | Bank Balances | 7,366,874 | |
| | Cash Balances | - | |
| | Outstanding Imprest | - | |
| Payments | | | |
| | Compensation of Employees | 1,250,648 | |
| | Use of goods and services | 9,307,683 | |
| | Committee Expenses | - | |
| | Transfers to Other Government Units | 30,128,160 | |
| | Other grants and transfers | 36,174,443 | |
| | Social Security Benefits | - | |
| | Acquisition of Assets | - | |
| | Other Payments | - | |
| Receipts | | | |
| | Transfers from the Board | | 54,000,000 |
| | Proceeds from sale of assets | | - |
| | Others receipts | | 73,000 |
| | Prior Year Adjustment | | - |
| | Fund Balance b/f | | 30,154,807 |
| | | | |
| | TOTAL | 84,227,807 | 84,227,807 |

FEDERAL CDF
 ACCOUNT MANAGER
 08/09/16
 SIGNATURE