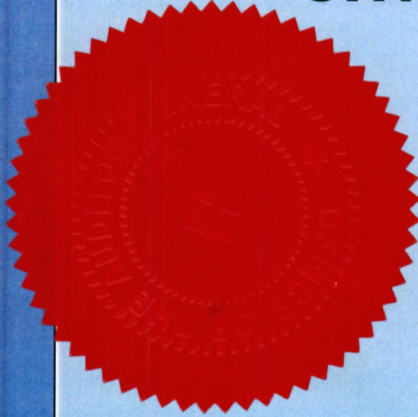


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*Paper laid by
the Leader of
Majority on
14/09/2017
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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KIRINYAGA CENTRAL CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**





**CONSTITUENCY DEVELOPMENT FUND- KIRINYAGA CENTRAL
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)

OFFICE OF THE AUDITOR GENERAL
CENTRAL HUB
03 MAY 2017
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P. O. Box 267 - 10100, NYERI

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituency Development Fund (NG-CDF) was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015.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

(b) Key Management

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

- i. National Government Constituency 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	Kenneth Karuki
3.	Accountant	Charles M. Mutisya

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Kirinyaga Central Constituency. The reports and recommendation of ARMC when adopted by the 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) KIRINYAGA CENTRAL NG-CDF Headquarters

P.O. Box 753-10300
 Mbuti studio Building
 Close to Kerugoya/Kagumo Road
 Kerugoya Town.

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

(f) KIRINYAGA CENTRAL NG-CDF Contacts

Telephone: (254)
E-mail: cdfkirinyagacentral@gmail.com
Website: www.go.ke

(g) KIRINYAGA CENTRAL NG-CDF Bankers

1. Co-operative bank- Kerugoya Branch
P.O. Box 635-10300
Kerugoya.
Tel: 0722-207576

(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

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

II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)

I the chairman of Kirinyaga central constituency development fund would like to forward the financial statements for this constituency to your office as contained in this report. It is my confirmation to you that this statement gives the Kirinyaga Central NG-CDF status as at 30/6/2016.

INTRODUCTION

Kirinyaga Central Constituency is one of the four constituencies of Kirinyaga County in the republic of Kenya. The other Constituencies are: Mwea, Gichugu and Ndia. The Constituency has a population of over 200,000 people, the main economic activity being farming, in all its form, e.g. Subsistence farming, dairy farming, Horticulture, Tea, Coffee and Rice farming in swampy areas of Kanyekiini Ward. Due to the high population, the Constituency has a number of challenges which the Constituency Development committee has to deal with.

BUDGET PERFORMANCE

During the collection of the budget proposal meetings from the members of the public a lot of needs were presented to the committee. Unfortunately only a few needs could be included in the budget proposals to the CDF board due the funds allocated for the Kirinyaga Central CDF. Some of the Major needs presented to the committee were: Roads gravelling, Renovation of classrooms for both Primary and secondary schools, construction of new classrooms due to the increased number of students and many others, to mention just a few. Given that the needs are too high compared to the allocated funds, the board needs to increase the funding allocation for our constituency.

MAJOR ACHIEVEMENTS

In the year under review, Kirinyaga Central NG-CDFC has awarded bursaries worth over Kshs.25M. This has gone a long way in ensuring that both secondary and college students has stayed in class, without being sent home to collect school fees. In addition to the bursaries the NG-CDFC has done roads, renovated classrooms for both Primary and secondary Schools, and built new ones. The NG-CDFC has also Constructed Chief's and Assistant Chief's offices at the same time renovating those found to be in bad shape like the Kerugoya Ward Chief's Office. Environmental awareness has also received attention through the planting of trees by the youth and the women groups in various primary schools. Publicity awareness has also received a boost through distributions of branded sports kits to various sports teams, which included women volleyball teams and also calendars.

EMERGING ISSUES

The amount allocating as NG-CDF funding is like a drop in the Ocean since the needs are quite overwhelming. It is my view that funding needs be increased in order to cater for the increased community needs.

The number of meetings by the NG-CDFC needs be increased from 24 meetings per year to 34 so that the committee will have more time to deliberate on the community needs. Also the facilitation for the committee needs be increased through increased allowances to improve the motivation of the members.

Proper policies also needs be developed, in such a way that they define various responsibilities to be Undertaken by different stake holders who may include government departs, community, etc.

IMPLEMENTATION CHALLENGES

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

We have more needs and less funding. This means that the percentage given to the National Government Constituency Development Fund (NG-CDF) for all the constituencies needs to be increased from the current 2.5% to about 5%. Noting that the only visible development in the country is through the CDF, this request needs some attention. We are experiencing poor performance by the technical departments resulting to delays in project implementation. We are also experiencing political interferences, where the County government is not approving construction sites or its officers not giving the necessary assistance to the NG-CDFC.

CONCLUSION

The 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 the country's developmental goals to be achieved.



MORRIS N. NJIRAINI

NG-CDF Chairman -Kirinyaga Central Constituency.

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

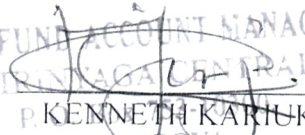
The Accounting Officer in charge of the (*Kirinyaga Central NG-CDF*) accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2016, and of the NG-CDF's financial position as at that date. The Accounting Officer in charge of the (*Kirinyaga Central NG-CDF*) further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the (*Kirinyaga Central NG-CDF*) confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the 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 the 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 NG-CDF's financial statements were approved and signed by the Accounting Officer on 6/9/2016.


MORRIS N. NJIRAINI-- Chairman- NG-CDFC


CDF FUND ACCOUNT MANAGER
KIRINYAGA CENTRAL
P. KENNETH KARIUKI
Fund Account Manager



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIRINYAGA CENTRAL 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 – Kirinyaga Central Constituency set out on pages 6 to 23, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flow and statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds 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 Other Grants and transfers

Note 7 to the financial statements, other grants and other payments includes amounts of Kshs.9,118,987 and Kshs.3,396,003 in respect of bursary-secondary school and bursary-tertiary institutions respectively totaling Kshs.12,514,990 awarded to various beneficiaries in various learning institutions as bursaries to needy students. However, bursaries to tertiary institution amounting to Kshs.8,017,857 were not supported by acknowledgement letters/receipts to confirm the bursaries were received in these institutions.

Further, documents availed for audit reflected total bursary expenditure of Kshs.12,499,990 resulting to a variance of Kshs.15,000 which was not explained or reconciled. In the circumstances, the propriety of the bursary expenditure of Kshs.12,514,990 could not be confirmed.

2.0 Cash and Cash Equivalents

Statement of assets as at 30 June 2016 reflects bank balances (as per the cashbook) of Kshs.10,968,281.35. However, the following observations were made:

(i) Items in bank statement not in cashbook

Excluded from the bank balances as per the cashbook of Kshs.10,968,281.35 are receipts in bank statement of Kshs.1,110,170 which has not been reconciled.

Further, bank charges amounting to Kshs.156,999 dating back to the year 2010/2011 have not been posted in the cash book to date. No explanation has been provided as to why these payments had not been posted into the cashbook as at 30 June 2016.

(ii) Long Outstanding Reconciling Items

A review of the bank reconciliation statement, indicates that un-presented cheques totaling to Ksh.1,159,391 with some of the Cheques dating back to the financial year 2010/2011 and were already stale as at 30 June 2016 had not been reversed. No reason was provided for the failure to reverse the cheques into the cashbook.

Consequently the accuracy of bank balances of Kshs.10,968,281.35 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–Kirinyaga Central 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 Budget Performance Analysis

1.1 Overall Budget Analysis

Review of statement of budget appropriation revealed 69% and 63 % overall budget utilization on receipts and expenditure respectively. Details are as follows:

	Budget	Actual	Difference	% of Budget Utilization
Receipts	165,005,430	114,310,766	50,694,664	69%
Expenditure	165,005,430	103,342,528	61,662,901	63%

The above analysis, reflects that the CDF underspent the budgeted funds by Kshs.61,662,901 or 37% of the approved budget of Kshs.165,005,430. No reason was provided for the underutilization of budget.

1.2 Under and Over Expenditure on Development Projects

Development projects recorded significant under expenditure during the year under review as follows:

Development Project	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Under Expenditure	Over statement	% Difference
Sports	2,000,000	1,696,000	304,000		15.2
Bursary	25,000,000	12,415,090	12,584,910		50
Security	2,750,000	20,721,409		17,971,409	653.5
Road and Bridges	30,800,000	17,575,441	13,224,559		42.9
Water	2,500,000	16,750,000		14,250,000	570
Emergency	5,767,647		5,767,647		100
Agriculture		200,000		200,000	100

From the analysis above, bursary awarded to students recorded 50% under expenditure while security, water, and agriculture projects recorded over expenditure. The reason for the under expenditures observed was not explained.

1.3 Development Projects Implementation

During the financial year 2015/2016, Kirinyaga Central NG-CDF budgeted to implement 22 projects in secondary schools. As at 30 June 2016, six (6) projects were complete and 17

others were on going representing budget performance on implementation of 27% and 73% respectively. In addition, Kshs.15,300,000 was budgeted for transfers to secondary schools, however, Kshs.16,712,269 was actual transferred amount representing a budget over expenditure of Kshs.1,412,269 or 9.23%.

It was not explained how the over expenditure was financed as all the reallocations were confirmed and did not include the Kshs.1,412,269. In view of the budget over expenditure, projects in secondary schools may not have been implemented as per the approved proposal by the National Government Constituency Development Fund Board (NG-CDFB)

2.0 Water Projects

Kirinyaga Central NG-CDF procured and awarded contract for construction of eleven (11) 50,000 litres masonry tanks at a cost Kshs.1,500,000 each totaling to Kshs.16,500,000 in 11 villages namely; Kiamucuku water project, Kiaga water project, Kanyei water project, Kathare water project, Kianjege water project, Ngaru water project, Nduini water project, Kaguyu water project, Kaitheri water project, Kimandi water project and Ndimi water project. These were community projects and should be built in public land. However, there were no documentations or evidence to show whether these masonry tanks were built in public or private land. Further, it was not clear whether due diligence was followed to ensure legal process was undertaken before the commencement of the construction of these masonry tanks on the specific locations. As a result, failure to perform due diligence could lead to loss of public funds.

3.0 Purchase of computers, printers and UPS

During the year, Kirinyaga CDF awarded investment company for supply of computers, printers and UPS for chiefs and assistant chiefs offices in the constituency at a cost of Kshs.1,010,000. However, the following observations were made:

- (i) Most of the offices were not connected to electricity and therefore the computers could not be used.
- (ii) Physical verification established that the computers were not in use in the offices, but the chiefs and assistant chiefs had kept them in their homes.
- (iii) There was no record to show how the equipment were received by the recipients and if there were recorded in their asset registers.

Consequently, value for money for expenditure of Kshs.1,010,000 could not be ascertained.



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

Nairobi

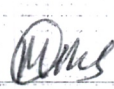
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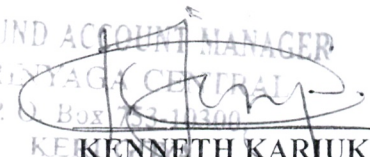
CONSTITUENCY DEVELOPMENT FUND- KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	96 559 270.00	83 916 230.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3		
TOTAL RECEIPTS		96 559 270.00	83 916 230.00
PAYMENTS			
Compensation of employees	4	1 328 031.00	878 420.00
Use of goods and services	5	5 213 457.45	7 143 074.00
Transfers to Other Government Units	6	26 391 600.00	28 392 470.00
Other grants and transfers	7	69 457 840.35	67 267 385.85
Acquisition of Assets	8	95 200.00	499 000.00
Other Payments (Construction of Kagumo stage shades and CDF Website)	9	856 400.00	1 547 610.00
TOTAL PAYMENTS		103 342 528.80	105 727 959.85
SURPLUS/DEFICIT		(6 783 258.80)	(21 811 729.85)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIRINYAGA CENTRAL NG-CDF financial statements were approved on 6/9/2016 2016 and signed by:


MORRIS N. NJIRAINI
 Chairman - NG-CDFC


CDF FUND ACCOUNT MANAGER
KIRINYAGA CENTRAL
 P. O. Box 753-10300

KENNETH KARIUKI
 Fund Account Manager

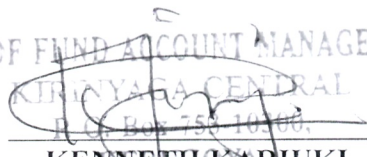
CONSTITUENCY DEVELOPMENT FUND- KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements For the year ended June 30, 2016

V. STATEMENT OF FINANCIAL ASSETS

	Note	2015-2016	2014-2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	10 968 281.35	17 260 452.15
Cash Balances (cash at hand)	10B	-	50 000.00
TOAL		10 968 281.35	17 310 452.15
Outstanding Imprests	11	-	441 044.00
			-
TOTAL FINANCIAL ASSETS		10 968 281.35	17 751 496.15
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July 2015	13	17 751 496.15	39 563 226.00
Surplus/Defict for the year		(6 783 258.80)	(21 811 729.85)
Prior year adjustments- Cashbook overcast	14	44.00	
NET LIABILITIES		10 968 281.35	17 751 496.15

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIRINYAGA CENTRAL NG-CDF financial statements were approved on 6/9/2016 and signed by:


MORRIS N. NJIRAINI
 Chairman - NG-CDFC

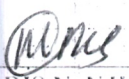

KENNETH KARIUKI
 Fund Account Manager

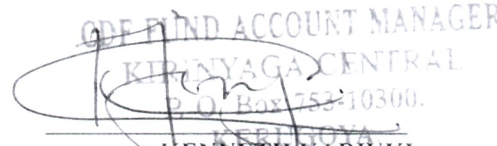
CONSTITUENCY DEVELOPMENT FUND- KIRINYAGA CENTRAL CONSTITUENCY
Reports and Financial Statements For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

Receipts for operating income	Note	2015 - 2016	2014 - 2015
Transfers from CDF Board	1	96 559 270.00	82 915 824.00
Other Receipts	3		1 000 406.00
		96 559 270.00	83 916 230.00
Payments for operating expenses			
Compensation of Employees	4	1 328 031.00	878 420.00
Use of goods and services	5	5 213 457.45	7 143 074.00
Transfers to Other Government Units	7	26 391 600.00	28 392 470.00
Other grants and transfers	8	69 457 840.35	67 267 385.85
Other Payments	9	856 400.00	1 547 610.00
Adjusted for:			
Adjustments during the year		44.00	
Net cash flow from operating activities		103 247 328.80	105 228 959.85
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0.00	0.00
Acquisition of Assets	8	95 200.00	499 000.00
Net cash flows from Investing Activities		(95 200.00)	(499 000.00)
Net cash flows from Operating Activities		103 342 528.80	105 727 959.85
NET INCREASE IN CASH AND CASH EQUIVALENT		(6 783 258.80)	(21 811 729.85)
Cash and cash equivalent at BEGINNING of the year	15	17 751 496.15	39 563 226.00
Cash and cash equivalent at END of the year	16	10 968 281.35	17 751 495.55

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIRINYAGA CENTRAL NG-CDF financial statements were approved on 6/9/2016 and signed by:


MORRIS N. NJIRAINI
 Chairman NG-CDFC


KIRINYAGA CENTRAL
 P.O. Box 753/10300.
KENNETH KARIUKI
 Fund Account Manager

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

VII. TRIAL BALANCE AS AT 30TH JUNE 2015			
		DR	CR
Cash and Cash equivalents			
	Bank Balances		17 260 452.15
	Cash Balances		50 000.00
	Outstanding Imprest		441 044.00
	Prior year adjustment-Cash deposit		44.00
Payments			
	Compensation of Employees	1 328 031.00	
	Use of goods and services	5 213 457.45	
	Transfers to Other Government Units	26 391 600.00	
	Other grants and transfers	69 457 840.35	
	Acquisition of Assets	95 200.00	
	Other Payments	856 400.00	
Receipts			
	Transfers from the Board		96 559 270.00
	Proceeds from sale of assets		0.00
	Others receipts		
	Fund Balance b/f	10 968 281.35	
	TOTAL	114 310 810.15	114 310 810.15

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIRINYAGA CENTRAL NG-CDF financial statements were approved on

6/9/2016 and signed by:



MORRIS N. NJIRANI
 KARIUKI
 Chairman NG-CDFC
 Manager

CDF FUND ACCOUNT MANAGER
 KIRINYAGA CENTRAL
 P.O. Box 753-10100
 KERUGUENETH

Fund Account

VIII - 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	100 694 664.00	64 310 766.15	165 005 430.15	114 310 766.15	50 694 664.00	69
Proceeds from Sale of Assets	0.00	0.00	0.00	-	-	
Other Receipts	0.00	0.00	0.00	-	-	
	100 694 664.00	64 310 766.15	165 005 430.15	114 310 766.15	50 694 664.00	69
PAYMENTS						
Compensation of Employees	1 469 160.00	400 000.00	1 869 160.00	1 328 031.00	541 129.00	71
Use of goods and services	5 250 840.00	4 699 567.15	9 950 407.15	5 213 457.45	4 736 949.70	52
Transfers to Other Government Units	24 300 000.00	4 922 205.00	29 222 205.00	26 391 600.00	2 830 605.00	90
Other grants and transfers	68 817 647.00	53 182 053.00	121 999 700.00	69 457 840.35	52 541 859.65	57
Acquisition of Assets	100 000.00	6 941.00	106 941.00	95 200.00	11 741.00	89
Other Payments	757 017.00	1 100 000.00	1 857 017.00	856 400.00	1 000 617.00	46
TOTALS	100 694 664.00	64 310 766.15	165 005 430.15	103 342 528.80	61 662 901.35	63

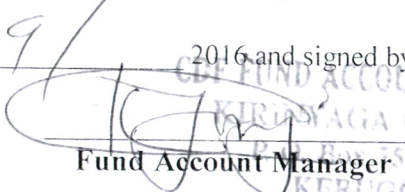
(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. The utilisation of the other payment vote was below 50% because some projects meant to be implemented had hindering issues that have resulted to the delay in their implementation. This included the kshs 1,000,000 audit fee which we had no guidelines from the NG-CDF on how the fund was to be spent at first, this resulted to the delay. The audit fee covers over 99% of the unutilized fund from the kitty.

The KIRINYAGA CENTRAL NG-CDF financial statements were approved on _____


Chairman CDF

6/9/2016 and signed by:

Fund Account Manager
KIRINYAGA CENTRAL NG-CDF
KIRINYAGA

IX. 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 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 statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the 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, 2016.

NATIONAL GOVERNMENT ENTITY-(KIRINYAGA CENTRAL CONSTITUENCY DEVT
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X. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES				
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
1330407	Normal Allocation	AIE NO. A 750223	46 559 270.00	2 000 000.00
		AIE NO. A 759657	30 000 000.00	33 356 554.00
		AIE NO. A797000	20 000 000.00	23 779 635.00
		AIE NO. A797132		23 779 635.00
		CASHBOOK		1 000 406.00
		UNDERCAST		
1330408	Conditional grants	AIE NO...		
		AIE NO...	-	-
1330409	Receipt from other Constituency		-	-
	TOTAL		96 559 270.00	83 916 230.00
	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
3510000				
	Description		2015- 2016	2014 - 2015
			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			

NATIONAL GOVERNMENT ENTITY-(KIRINYAGA CENTRAL CONSTITUENCY DEVT
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For the year ended June 30, 2016 (Kshs'000)

		Total			
				-	-
	3 OTHER RECEIPTS				
1400000					
	Description		2015 - 2016	2014- 2015	
			Kshs	Kshs	
1410107	Interest Received		-	-	
1410405	Rents		-	-	
1420601	Sale of tender documents		-	-	
1450207	Cashbook Overcast				
	Total				
	4- COMPENSATION OF EMPLOYEES				
2110000					
	Description	2015 - 2016	2015 - 2016 CORRECTED	2014- 2015	
			Kshs	Kshs	
2110201	Basic wages of contractual employees	1 328 031.00	757 891.00	878 420.00	
2110202	Basic wages of casual labour		96 000.00	-	
2110202	Personal allowances paid as part of salary				
2110301	House allowance		164 000.00	-	
2110314	Transport allowance		132 000.00	-	
2110320	Leave allowance			-	
2110326	Other personnel payments			-	
2120000	Social security benefit				
2120101	Employer contribution to NSSF		6 400.00	-	
2710120	gratuity		171 740.00		
	Total	1 328 031.00	1 328 031.00	878 420.00	
	5 USE OF GOODS AND SERVICES				
2200000					
			2015 - 2016	2014 - 2015	

NATIONAL GOVERNMENT ENTITY-(KIRINYAGA CENTRAL CONSTITUENCY DEVT FUND)

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

	Description			Kshs	Kshs
2210100	Utilities, supplies and services			520 512.00	396 120.00
2210104	Office rent			72 000.00	144 000.00
2210200	Communication, supplies and services				-
2210300	Domestic travel and subsistence				
2210500	Printing, advertising and information supplies & services			540 000.00	66 095.00
2210600	Rentals of produced assets			-	-
2210700	Training expenses				570 000.00
2210800	Hospitality supplies and services				
2210802	Other committee expenses			504 660.00	54 340.00
2210809	Committee allowance			2 993 000.00	3 767 000.00
	Previous year committee allowances			441 044.00	2 123 000.00
2210900	Insurance costs			-	-
2211000	Specialised materials and services				
2211100	Office and general supplies and services (office partitioning)			110 200.00	-
2211200	Fuel, oil & lubricants			-	-
2211300	Other operating expenses-Electricity bills			32 041.45	22 519.00
2220100	Routine maintenance – vehicles and other transport equipment			-	-
2220200	Routine maintenance – other assets			-	-
				-	-
	Total			5 213 457.45	7 143 074.00
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES				
				2015 - 2016	2014 - 2015

NATIONAL GOVERNMENT ENTITY-(KIRINYAGA CENTRAL CONSTITUENCY DEVT FUND)

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

	Description		Kshs	Kshs
2630204	Transfers to primary schools		9 697 331.00	12 708 000.00
2630205	Transfers to secondary schools		16 512 269.00	9 372 371.00
2630206	Transfers to Tertiary institutions		-	
2630207	Transfers to Health institutions		182 000.00	6 312 099.00
	TOTAL		26 391 600.00	28 392 470.00
	7 OTHER GRANTS AND OTHER PAYMENTS			
2640000			2015 - 2016	2014- 2015
	Description		Kshs	Kshs
2640101	Bursary -Secondary		9 118 987.00	18 648 900.00
2640102	Bursary -Tertiary		3 396 003.00	7 295 260.00
2640104	Bursary -Special schools		-	-
2640105	Mocks & CAT		-	-
2640504	water		16 750 000.00	1 300 000.00
2640505	Agriculture (food security)		200 000.00	9 100 000.00
2640506	Electricity projects		-	-
2640507	Security		20 721 409.35	10 627 229.85
2640508	Roads		17 575 441.00	16 324 760.00
2640509	Sports		1 696 000.00	1 238 640.00
2640510	Environment		-	1 244 606.00
2640200	Emergency Projects (ROAD REHABILITATION)		-	1 487 990.00
	Total		69 457 840.35	67 267 385.85
	8 ACQUISITION OF ASSETS			
3100000			2015- 2016	2014- 2015
	Non-Financial Assets			

NATIONAL GOVERNMENT ENTITY-(KIRINYAGA CENTRAL CONSTITUENCY DEVT FUND)

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

				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				214 000.00
3111002	Purchase of computers ,printers and other IT equipments			73 600.00	75 000.00
3111005	Purchase of photocopier				198 000.00
3111009	Purchase of other office equipments			21 600.00	12 000.00
3111112	Purchase of soft ware			-	-
3130101	Acquisition of Land			-	-
					-
	Total			95 200.00	499 000.00
	9 Other Payments				
	specify -Kagumo stage Shade			599 900.00	-
	specify-CDF Website			256 500.00	-
	Kagumo Stage shoe shine and Bodaboda shades			-	1 547 610.00
	TOTAL			856 400.00	1 547 610.00
	10A: Bank Balances (cash book bank balance)				
	Name of Bank, Account No. & currency	Account Number		2015 - 2016	2014 - 2015

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Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

			Kshs (30/6/2016)	Kshs (30/6/2015)
	Cooperative Bank, Yala Branch A/C no.	01120034956700	10 968 281.35	17 260 462.15
			-	-
			-	-
	Total		10 968 281.35	17 260 462.15
10B: CASH IN HAND)				
			2015 - 2016	2014 - 2015
			Kshs (30/6/2016)	Kshs (30/6/2015)
	Location 1 (CDF Office-Standing Imprest)		-	50,000.00
	Location 2		-	-
	Location 3		-	-
	Other receipts (specify)		-	-
	Total		-	50,000.00
<i>[Provide cash count certificates for each]</i>				
11: OUTSTANDING IMPRESTS				
	<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>2015/2016</i>	<i>2014/2015</i>
			<i>Kshs</i>	<i>Kshs</i>
			<i>1/7/2016</i>	<i>1/7/2015</i>
	Paul Migwe	20/02/2013		441 044.00
	<i>Name of Officer</i>	<i>dd/mm/yy</i>		-
	<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-
	Total			441 044.00
14. PRIOR YEAR ADJUSTMEN				

NATIONAL GOVERNMENT ENTITY-(KIRINYAGA CENTRAL CONSTITUENCY DEVT FUND)

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

		2015- 2016	2014 - 2015
		Kshs	Kshs
Bank accounts		10 968 237.35	17 260 452.15
Cash in hand			
Cash Equivalent (Cashbook overcast)		-	50 000.00
Imprest			441 044.00
Cashbook undercast		44.00	
Total (Bank account balance)		10 968 281.35	17 751 496.15
15. CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR			
		2014 - 2015	2013 - 2014
		Kshs (1//7/2015)	Kshs (1//7/2014)
Bank accounts		17 260 452.15	35 449 182.00
Cash in hand (Office standing imprest)		50 000.00	-
Imprest		441 044.00	4 114 044.00
Total		17 751 496.15	39 563 226.00
<i>[Provide short appropriate explanations as necessary]</i>			
16. CASH AND CASH EQUIVALENT AT THE END OF THE YEAR			
		2015-2016	2014 - 2015
		Kshs (1/7/2016)	Kshs (1//7/2015)
Bank accounts		10 968 281.35	17 260 451.55
Cash in hand (Office standing imprest)			50 000.00
Imprest			441 044.00
Total		10 968 281.35	17 751 495.55
<i>[Provide short appropriate explanations as necessary]</i>			

APPENDIX 1 - ANALYSIS OF OTHER PENDING PAYABLES

PROJECT NAME	AMOUNT ALLOCATED	CURRENT PROJECT ACTIVITY
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NATIONAL GOVERNMENT ENTITY-(KIRINYAGA CENTRAL CONSTITUENCY DEVT FUND)

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	THIS FINANCIAL YEAR	
OFFICE ADMINISTRATION	1 407 017.00	Meeting day to day office running expenses, Staff salaries and CDFC member allowances Maintenance of office computers, printers, copier & other office equipment.
EMERGENCY	5 767 647.00	Financing unexpected occurrences in the Constituency
EDUCATION BURSARIES	12 500 000.00	Assisting needy students in covering their school fees and exams fees
M&E/ CAPACITY BUILDING	2 020 000.00	Inspecting the implementation of CDF projects & capacity building of PMC & CDFC members.
YOUTH AND SPORTS	2 000 000.00	Purchase and distribution of sports kits and balls to the following 50 football teams and and four (4) volleyball clubs within Kirinyaga central constituency. Each football team to get sports equipment worth kshs 38,000 and volley ball teams to equipment worth kshs 37,500.
ROADS AND BRIDGES		
Mukinduri-Kiangungu Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Ngomongo Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kiamuthambi-Kiaga Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kamunathi-Kiaga Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).

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For the year ended June 30, 2016 (Kshs'000)

Kianjogu-Munanda Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Mutitu-Kianjege Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Mugaya-Kiarugu Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kamuiru Village Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kariuki Nguthiini- Kiratina Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kiamturuga Earnest Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Mugumo-ini -Kagumo Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kamai-Kiagomo-Mugaya Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Mbururu-Kiawakara Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).

NATIONAL GOVERNMENT ENTITY-(KIRINYAGA CENTRAL CONSTITUENCY DEVT
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For the year ended June 30, 2016 (Kshs'000)

Thorojo-Ngure-Kithioro Road	1 300 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kabira- Kiaritha Primary Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Target-Kirugoya Girls-Thorojo Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kaitheri Village Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Saiti-Gachiani Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kiambarikiri Primary Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kiaritha village Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Karia Village Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Kimicha -Gitari Road	1 200 000.00	Rehabilitation of the access road (Bush clearing, Grading, part Gravelling/ Murraming and construction of the drainage system).
Audit fee :	500 000.00	Payment of audit fee to KENAO

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TOTAL	50,694,664.00
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APPENDIX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land		0.00
Buildings and structures		0.00
Transport equipment		0.00
Office equipment, furniture and fittings	511,540.00	511 540.00
ICT Equipment, Software and Other ICT Assets	1,018,801.00	961 701.00
Other Machinery and Equipment	135,880.00	114 280.00
Heritage and cultural assets		0.00
Intangible assets		0.00
Total	1,666,221.00	1 587 521.00