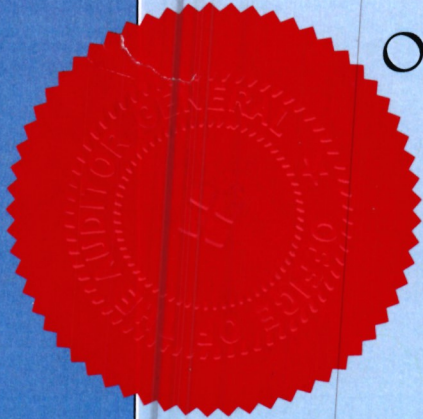
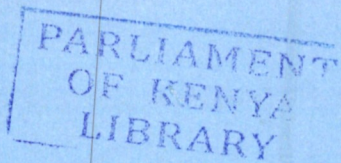


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper laid by
LGM
Wednesday
11/10/17
Morning
5/11/17
AT*



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



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



30 SEP 2016

RECEIVED

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act 2003, amended in 2007 and repealed by the CDF Act 2013. In 2015, the CDF Act 2013 was declared unconstitutional and a new Act was enacted in 2015 being The National Government Constituencies Development Fund 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 National Government development Agenda at the Constituency level.

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NG C.D.F.B.)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NG C.D.F.C.)

(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	Wesley Kibet Ng'eno
3.	Accountant	Daniel Muia Mutua
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG CDF Board provide overall fiduciary oversight on the activities of Kigumo Constituency. The reports and recommendation of ARMC when adopted by the NG CDF Board are forwarded to the NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NG CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) KIGUMO NG CDF Headquarters

NG CDF Office Building.
Behind Kigumo Police Station.
P.O Box 10-010203
Kigumo.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIGUMO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

(f) KIGUMO NG CDF Contacts

Telephone: (254) 717 279 019 & 0734 279 679

E-mail: cdfigumo@cdf.go.ke

Website: www.kigumocdf.go.ke

(g) KIGUMO NG CDF Bankers

Equity Bank Kenya Ltd

Kangari Branch

P.O. Box 8 -10203

Kangari

Tel: 060 44217/44029

(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

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

Achievements of Kigumo NG CDF

On behalf of the committee and management, I am glad to inform you that despite the uncertainty in the flow of funds this financial year, Kigumo NG CDF, managed to disburse a record of Kes.17 million bursaries up from Kes. 11 million the previous year, This being the highest ever in one disbursement. Almost double beneficiaries benefitted. We look forward to increase the number of beneficiaries this year.

Kigumo NG CDF takes education as a priority and has been consistently for the past years been investing a lot of the funds towards infrastructure. As the Chairman, am glad to inform you that this financial year we bought 2 school buses in partnership with parents bringing the total number of buses to four (4).

Further, in our quest to bring our dilapidated primary school infrastructure to place, we embarked on a serious refurbishment of the school and are glad today to report that 6 old and dilapidated schools were fully refurbished and it's now looking very new.

Emerging issues relating to NG CDF

Kigumo like any other public institution is faced with emerging issues and this relates to increase in the bursaries request. We attribute this to the hard economic times parents are faced with as well as increase in the School fees. Most parents are finding it very hard to afford school fees for both secondary and tertiary education at the same time. This we find poses a great danger to our education sector and much effort is needed.

Implementation challenges and recommended way forward.

Project Management Committees procurement process still poses a greater challenge to the committee. We shall continuously endeavour to train and build PMCs capacity in order to appreciate the laws and regulations governing procurements.

Appreciation

The great progressive success that Kigumo NG CDFC has achieved has been because of invaluable support from Kigumo Constituents, and in this regard and on behalf of the NG CDFC, i wish to take this opportunity to thank you all and request you to continue with the same spirit for many years to come.

Allow me to also recognise and thank CDFB, KNAO, MP Hon. Jamleck Kamau, MCA

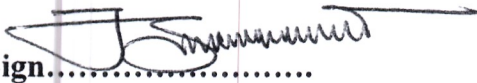
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIGUMO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

and District heads in Kigumo who have given us support and all other stakeholders who stood with us all along. Finally, i would like to appreciate the contribution and individual dedication of Kigumo NG CDF staff towards our success.

Sign


Sign.....
CHAIRMAN NGCDFC



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIGUMO
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 Constituencies Development Fund shall prepare financial statements in respect of that NG CDF Act 2015. 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.

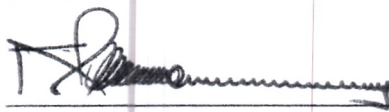
The Accounting Officer in charge of the Kigumo NG CDF is responsible for the preparation and presentation of the NG CDF's financial statements, which give a true and fair view of the state of affairs of the NG CDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility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

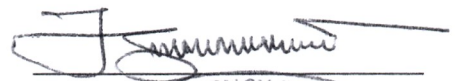
The Accounting Officer in charge of the Kigumo NG CDF accepts responsibility for the NG CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). 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 charge of the Kigumo 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 Kigumo 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 15/9/16 2016.


Fund Account Manager


Chairman


KIGUMO CONSTITUENCY DEVELOPMENT FUND
15 SEP 2016
TEL: 0717 279 019 / 0734 279 679
P.O. Box 10 - 10203, KIGUMO



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIGUMO 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-Kigumo Constituency set out on pages 6 to 21, 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 assessments,

*Report of the Auditor-General on National Government Constituencies Development Fund – Kigumo Constituency
for the year ended 30 June 2016*

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 the National Government Constituencies Development Fund-Kigumo 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 National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Overall Budget Analysis

During the financial year 2015/2016, Kigumo CDF received a total of Kshs.102,774,572 from the National Government Constituencies Development Fund Board against a budget of Kshs.157,407,636 or 65% of the budget. Out of the total receipts, an amount of Kshs.97,780,885 was spent during the year resulting in an under expenditure of Kshs.59,626,751 equivalent to absorption rate of 62% as follows:

Item	2015/2016 Budget - Kshs.	2015/2016 actual Amounts-Kshs.	Difference- Kshs.	Actual as % of Budget
Receipts	157,407,636	102,774,572	54,633,064	65
Expenditure				
Compensation of Employees	2,055,000	899,871	1,155,129	44
Use of Goods and Services	12,237,712	6,019,214	6,218,498	49
Transfers to other Government Units	79,440,483	46,073,926	33,366,557	58
Other Grants and transfers	62,847,944	44,559,869	18,288,075	71
Acquisition	228,000	228,000		100
Other payments	598,492	0	598,492	0
Total Expenditure	157,407,631	97,780,885	59,626,751	62

Although the Kigumo Constituency development fund committee attributed low absorption of funds to delay by NG-CDF Board in releasing funds, the committee

should utilize resources on priority areas which highly impact on service delivery to the public.

2. Project Implementation

Review of project implementation status as at 30 June 2016 is shown below:

Sector	Budget-Kshs	Actual expenditure -Kshs	No. of approved projects	No. of completed projects	On-going projects	No. of projects not started
Primary schools	44,416,557	26,883,931	70	44	3	23
Secondary schools	16,140,000	17,890,000	39	27	7	5
Health	500,000	1,300,000	4	4		
Water	3,000,000	3,000,000	1		1	
Roads	2,075,000	1,325,000	2	2		
Security	4,300,000	4,800,000	11	11		
Bursary	25,466,355	24,898,841	1	1	1	
Sports	2,037,309	1,987,536	1		1	
Environment	2,037,309	600,000	16	15	1	
Other Projects	1,000,000	4,198,492	9	9		
Emergency	5,767,647	3,750,000	1		1	
Total	106,740,177	90,633,800	155	111	14	28

The above analysis shows that during the year, the CDF had an approved budget of Kshs.106,740,177 to implement one fifty five (155) projects, out of which, one hundred eleven (111) projects were completed, fourteen (14) were on-going, and twenty eight (28) had not been started. The CDF achieved 72% level of implementation based on disbursed funds. However, as at the close of the financial year, the CDF Board had not released funds amounting to Kshs.54,633,064 to the CDFC bank account. No reason was provided for the delay in release of the funds which hampers implementation of approved projects.

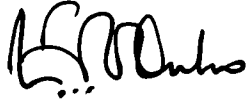
3. Bursary to needy students

During the year under review, the CDF had a budget allocation on bursary of Kshs.25,466,355 against actual expenditure for the period was Kshs.24,898,841 equivalent to 98% of the budget. However the following observations were made.

- (i) Included in the actual bursary expenditure of Kshs.24,898,841 is an amount of Kshs.6,647,347 in respect of bursary to tertiary institutions, mainly universities.

However, there was no acknowledgement receipts to confirm that the monies reached the intended beneficiaries.

- (ii) Reconciliation for the month of June 2016, revealed un-presented bursary cheques amounting Kshs.3,235,960 which were already stale and could not be presented for payment. No reason was provided for the failure to reverse the cheques into cashbook and to write replacement cheques to the needy students.



FCPA Edward R.O Ouko, CBS
AUDITOR-GENERAL

Nairobi

07 September 2017

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIGUMO
CONSTITUENCY

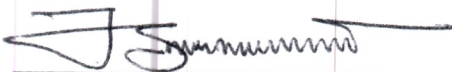
Reports and Financial Statements

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	99,807,489	50,807,489
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		99,807,489	50,807,489
PAYMENTS			
Compensation of employees	4	899,871	1,284,314.40
Use of goods and services	5	6,019,214	5,950,540.15
Transfers to Other Government Units	6	46,073,931	31,498,543.00
Other grants and transfers	7	44,559,869	34,117,970.00
Acquisition of Assets	8	228,000	344,000.00
Other Payments	9	-	
TOTAL PAYMENTS		97,780,885	73,195,367.55
SURPLUS/DEFICIT		2,026,604	(22,387,878.55)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kigumo NG CDF financial statements were approved on 15/9 2016 and signed by:


Chairman - NGCDFC


Fund Account Manager



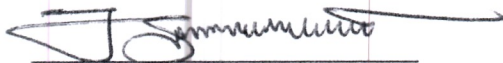
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIGUMO
CONSTITUENCY**

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

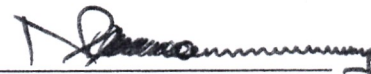
V. STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,993,687	2,877,083.20
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		4,993,687	2,877,083.20
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	2,877,083	25,264,961.75
Surplus/Deficit for the year		2,026,604	(22,387,878.55)
Prior year adjustments	14	90,000	
NET LIABILITIES		4,993,687	2,877,083.20

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kigumo NG CDF financial statements were approved on 15/9 2016 and signed by:



Chairman – NG CDFC



Fund Account Manager



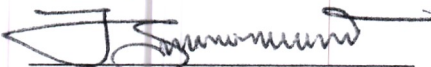
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KIGUMO
CONSTITUENCY**

**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	99,807,489	50,807,489
Other Receipts	3	-	-
		99,807,489	50,807,489
Payments for operating expenses			
Compensation of Employees	4	(899,871)	(1,284,314.40)
Use of goods and services	5	(6,019,214)	(5,950,540.15)
Transfers to Other Government Units	6	(46,073,931)	(31,498,543)
Other grants and transfers	7	(44,559,869)	(34,117,970)
Other Payments	9	-	-
		(97,552,885)	(72,851,367.55)
Adjusted for:			
Adjustments during the year	14	90,000	-
Net cash flow from operating activities		2,344,604	(22,043,878.55)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(228,000)	(344,000)
Net cash flows from Investing Activities		(228,000)	(344,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		2,116,604	(22,387,878.55)
Cash and cash equivalent at BEGINNING of the year	13	2,877,083	25,264,961.75
Cash and cash equivalent at END of the year		4,993,687	2,877,083.20

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kigumo NG CDF financial statements were approved on 15/9 2016 and signed by:


Chairman NGCDFC


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	107,633,064	49,774,572	157,407,636	102,774,572	54,633,064	65.3%
Proceeds from Sale of Assets						
Other Receipts	-					
TOTAL PAYMENTS	107,633,064	49,774,572	157,407,636	102,774,572	54,633,064	65.3%
Compensation of Employees	1,502,400	552,600	2,055,000	899,871	1,155,129	43.8%
Use of goods and services	7,665,488	4,572,224	12,237,712	6,019,214	6,218,498	49.2%
Transfers to Other Government Units	58,356,557	21,083,926	79,440,483	46,073,931	33,366,552	58.6%
Other grants and transfers	39,880,619	22,967,330	62,847,944	44,559,869	18,288,080	70.9%
Acquisition of Assets	228,000	-	228,000	228,000	-	100.0%
Other Payments		598,492	598,492		598,492	0.0%
TOTAL	107,633,064	49,774,572	157,407,636	97,780,885	\$9,626,751	62.1%

TRIAL BALANCE AS AT 30TH JUNE 2016			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	4,993,687	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	899,871	
	Use of goods and services	6,019,214	
	Committee Expenses	-	
	Transfers to Other Government Units	46,073,931	
	Other grants and transfers	44,559,869	
	Social Security Benefits	-	
	Acquisition of Assets	228,000	
	Other Payments	-	
Receipts			
	Transfers from the Board		99,807,489
	Proceeds from sale of assets		-
	Others receipts		-
Prior Year Adjustment			90,000
Fund Balance b/f			2,877,083
TOTAL		102,774,572	102,774,572

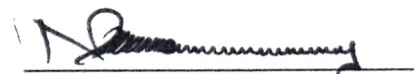
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIGUMO
CONSTITUENCY**

**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.] N/A
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- i. In Financial year under review there is significant improvement in utilization from 40% in FY 2014/15 to 65.3% this year. We attribute the consistent funds disbursement from the NG CDFB and faster onwards disbursement by the NG CDFC to the PMC for implementation.
 - ii. All other payments as shown above were commensurate with the disbursement (Receipts) and thus we did not witness any much under or over variation in utilization.

The KIGUMO NG CDF financial statements were approved on 15/9 2016 and signed by:


Chairman NG CDF


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 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIGUMO
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 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 CONSTITUENCIES DEVELOPMENT FUND – KIGUMO
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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			
	A790754	25,403,744.50	25,403,744.50
	A796218	1,403,744.50	15,242,247.00
	A820811	20,000,000.00	10,161,497.50
	A796431	20,000,000.00	
	A820969	13,000,000.00	
TOTAL		99,807,489	50,807,489.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIGUMO
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**Reports and Financial Statements
For the year ended June 30, 2016**

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	760,671.00	1,088,414.40
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	120,000.00	119,500.00
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF gratuity	19,200.00	38,200.00
Total	899,871.00	1,246,114.40

5. USE OF GOODS AND SERVICES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Utilities, supplies and services	370,769	576,748
Office rent	0	0
Communication, supplies and services	288,870	66,388
Domestic travel and subsistence	68,963	40,123
Printing, advertising and information supplies & services	201,679	182,518
Rentals of produced assets	0	0
Training expenses	0	0
Hospitality supplies and services	401,965	75,089
Other committee expenses	488,700	1,048,000
Committee allowance	3,812,200	3,215,550
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	116,650.20	200,000.10
Fuel ,oil & lubricants	0	0
Other operating expenses	165,303	377,863.15
Routine maintenance – vehicles and other transport equipment	0	0
Routine maintenance – other assets	104,115	168,260.90
Total	6,019,214.20	5,950,540.15

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIGUMO
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 primary schools (see attached list)	26,883,931	14,583,543
Transfers to secondary schools (see attached list)	17,890,000	13,825,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	1,300,000	3,090,000
-TOTAL	46,073,931	31,498,543

7. OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools (see attached list)	17,785,139	13,351,000
Bursary – tertiary institutions (see attached list)	6,647,347	11,117,640
Mock & CAT (see attached list)	466,355	450,000
Water projects (see attached list)	3,000,000	0
Security projects (see attached list)	4,800,000	857,000
Roads projects (see attached list)	1,325,000	2,094,000
Sports projects (see attached list)	1,987,536	2,330,367
Environment projects (see attached list)	600,000	0
Other Projects (see attached list)	4,198,492	2,167,963
Emergency Projects (specify)	3,750,00	1,750,000
Total	44,559,868	34,117,970

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIGUMO
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Refurbishment of Buildings	-	-
Purchase of Office Furniture and General Equipment	83,000	185,000
Purchase of ICT Equipment, Software and Other ICT Assets	145,000	-159,000
Total	228,000	344,000

9. OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Specify		

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
EQUITY Kangari Branch & Kenya Shilling(Khs.) ,0070296246702	4,993,687.10	2,967,083.20
	-	-
	-	-
	-	-
	4,993,687.10	2,967,083.20

10B: CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIGUMO
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	2,967,083	25,354,961.75
Cash in hand		
Imprest	-	-
Total	2,967,083	25,354,961.75
[Provide short appropriate explanations as necessary]		

14. PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	-	90,000.00
Cash in hand	-	-
Imprest	-	-
Total	-	90,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIGUMO
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	2014 - 2015
	Kshs	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: OTHER PENDING PAYABLES (See Annex 2)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	5,167,888	2,733,633
Amounts due to other grants and other transfers (see attached list)	49,465,177	47,623,857
Others (specify)	xxx	xxx
	54,633,065	50,357,490

ANNEX 2 - ANALYSIS OF OTHER PENDING PAYABLES


Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.					25,403,745		
2.					54,633,065	24,953,745	
	Sub-Total				54,633,065	50,357,490	
Amounts due to other grants and other transfers							
4.	Compensation to Employees				1,102,400	530,000	
5.	Use of Goods and Services				1,151,525	845,821	
6.	Committee Expenses				1,108,000	1,357,812	
7.	Committee Expenses -M&E				905,963		
8.	Committee Expenses -CDFC/PMC Capacity				900,000		
	Sub-Total				5,167,888	2,733,633	
Others (specify)							
9.	Transfer to Primary Schools				25,416,557	20,083,931	
10.	Transfer to Secondary Schools				9,340,000	26,918,834	
11.	Other Govt Transfer. Bursary Secondary				3,715,000	22,600	
12.	Other Govt Transfer -Bursary Tertiary				685,000	598,492	
13.	Other Govt Transfer -Burs CATs & Other Education Activity				466,355		
14.	Environment				2,037,309	-	
15.	Sports				1,037,309	-	
16.	Security				1,000,000	-	
17.	Emergency				5,767,647	-	
	Sub-Total				49,465,177	47,623,857	
	Grand Total				54,633,065	50,357,490	

Reports and Financial Statements
For the year ended June 30, 2016 (Kshs'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	2,883,710	2,298,710
Transport equipment	N/A	N/A
Office equipment, furniture and fittings	770,850	496,000
ICT Equipment, Software and Other ICT Assets	860,848	632,848
Other Machinery and Equipment	N/A	N/A
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	4,515,408	3,427,558

Prepared by:


Wesley Kibet Ng'eno
Fund Account Manager
Kigumo NG-CDFC

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper land by
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Wednesday
11/10/17
Morning
5:15pm
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REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR END
30 JUNE 2016**

