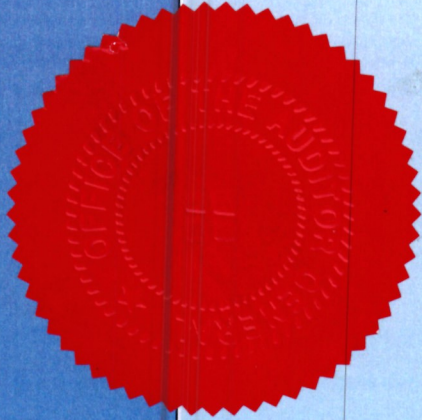


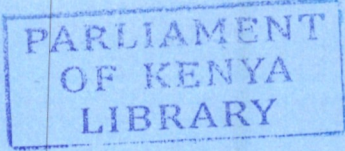
REPUBLIC OF KENYA



*Paper laid by LOM  
Wednesday  
11/10/17  
Afternoon  
Shahry*



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**





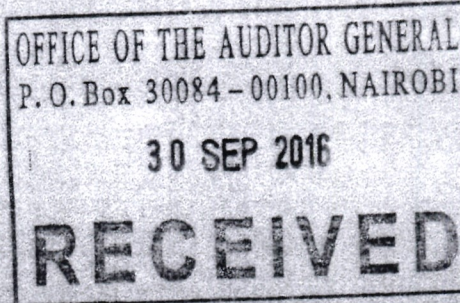
**NG-CDF BOARD**

National Government Constituencies Development Fund Board  
Harambee Plaza, 10<sup>th</sup> 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](mailto:info@cdf.go.ke) | Website: [www.cdf.go.ke](http://www.cdf.go.ke)

CDF BOARD/AUDITOR GENERAL/2016/115

SEPTEMBER 29, 2016

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



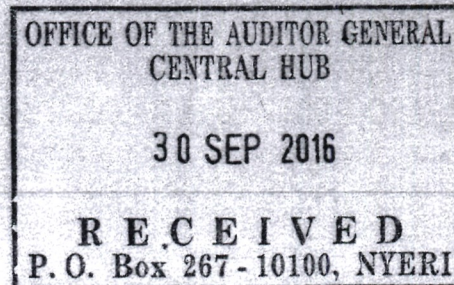
Dear Sir

**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 **Ruiru Constituency** for your necessary action.

Yours sincerely

**YUSUF MBUNO**  
**Ag. CHIEF EXECUTIVE OFFICER**







NATIONAL GOVERNMENT CDF BOARD  
P. O. BOX 46682 - 00100, NAIROBI  
**REGISTRY**  
09 SEP 2016  
**RECEIVED**  
NAME:..... SIGN:.....



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- RUIRU CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016

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

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
30 SEP 2016  
**RECEIVED**

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

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**CONSTITUENCY DEVELOPMENT FUND- RUIRU 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 National Government Constituencies Development Fund (NGCDF) was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2016. The National Government Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

**(b) Key Management**

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

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NG CDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E Holder	Phares Mwangi Karanja
3.	Accountant	Joseph Karanja Susan

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Ruiru Constituency NDCDF. 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) RUIRU NG-CDF Headquarters**

Bidii House  
P.O Box 1250 - 00232  
Ruiru



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUIRU  
CONSTITUENCY**

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

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**(f) RUIRU NG-CDF Contacts**

Telephone: (254) 0722 795958

E-mail: [cdfruiru@NGCDF.go.ke](mailto:cdfruiru@NGCDF.go.ke)

Website: [www.cdf.go.ke/ruiru.go.ke](http://www.cdf.go.ke/ruiru.go.ke)

**(g) RUIRU NG-CDF Bankers**

Equity Bank Ltd

P.O Box 518

Ruiru

**(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



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUIRU  
CONSTITUENCY

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

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

It gives me great pleasure to provide the foreword to the Ruiru National Government Constituencies Development Fund Annual Reports and Financial Statements for 2015-16.

During the 2015-16 Financial Year, we set out to improve on our overall operations. On Bursary for example, we increased our allocation by 25% in order to ensure as many children as possible are assisted to complete their studies

On Education, we began to map out keenly the needs of our institutions of learning, both primary and secondary schools. This was aimed at ensuring that no single needy institution is left out in terms of infrastructural development. This has resulted in a more targeted approach to resource allocation. In doing this, we were also cognisant of the need to ensure that we don't spread our resources too thin as to make any meaningful impact.

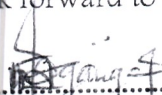
Noting the demands of the constitution with respect to devolved functions, we found it prudent not to allocate more resources to Water and Roads sectors save for what was necessary to complete ongoing projects in those sectors. Going forward, the resources released from those devolved functions will go a long way in enhancing Security and Education projects.

Our absorption capacity continues to improve, driven largely by forward planning and stakeholder involvement well in advance of receipt of resources from the NGCDF Board. This has helped us to kick in the rolling out of projects as soon as funds are made available by the Board.

In line with our performance culture, we will continue to be responsive to the needs of our constituents and seek to be an example of best practice in the public sector.

In closing, I would like to thank all our staff for their ongoing efforts and achievement. Their dedication, from top to bottom, is extraordinary. I would also like to thank my engaged and capable NGCDF Committee Members as well as the Fund Account Manager for their tireless effort during the past year. It would not have been possible to attain the performance we have had without their support.

I look forward to a challenging and exciting year ahead.

  
.....  
CHAIRMAN NGCDFC



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUIRU  
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.

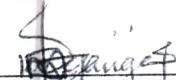
The Accounting Officer in charge of the Ruiru NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility 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 Ruiru NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the Ruiru 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 Ruiru 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 8<sup>th</sup> September 2016.

  
\_\_\_\_\_  
Chairman - NGCDFC

  
\_\_\_\_\_  
Fund Account Manager





## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Ruiru Constituency set out on pages 5 to 17, 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

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



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, 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 Ruiru Constituency Development Fund 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

#### 1.0 Overall Budget Performance

During the year under review, Ruiru CDF received a total of Kshs.130,402,357 from the National Government Constituencies Development Fund Board against a budget of Kshs.134,902,357, resulting to shortfall in disbursements by Kshs.4,500,000. Further, the actual expenditure for the year total Kshs.103,744,185 representing an absorption rate of 77% of actual receipts as analyzed below:

Item	2015/2016 Budget - Kshs.	2015/2016 actual Amounts- Kshs.	Difference- Kshs.	Actual as % of Budget
Receipts	134,902,357	130,402,357	4,500,000	97
<b>Expenditure</b>				
Use of Goods and Services	12,188,720	8,102,067	4,086,653	66
Compensation of Employees	1,123,188	1,123,188		100
Transfers to Other Government Units	60,000,000	44,482,759	15,517,241	74
Other Grants and transfers	61,580,448	50,026,171	11,554,277	81
Acquisition	10,000	10,000		100
<b>Total Expenditure</b>	<b>134,902,356</b>	<b>103,744,185</b>	<b>31,158,171</b>	<b>77</b>



The management attributes the underutilization of the funds to delay by the NG-CDF Board's in disbursement of funds.

## 1.2 Project Implementation

During the period under review, the Ruiru CDF spent a total of Kshs.94,508,930 against budget figure of Kshs.121,580,448 allocated for projects during the year as shown below:

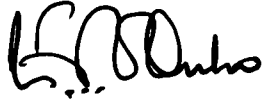
Project Category	2015/2016 Budget - Kshs.	No. of projects in budget	2015/2016 Actual paid -Kshs.	Difference - Kshs.	No. of projects completed	On-going projects	Projects not started
Primary Schools	27,125,468	6	18,500,000	8,625,468	5	0	1
Secondary Schools	38,000,000	8	21,500,000	16,500,000	6	1	1
Security projects	5,792,060	6	5,792,060		6		
Environment	2,692,951	1	2,692,951		1		
Roads	4,185,400	3	4,185,400		3		
Emergency	6,467,647	14	6,197,097	270,550	14		
Water	709,538	2	709,538		2		
Bursary	22,500,000	1	20,804,500	1,695,500	1		
Sports	2,124,625	1	2,144,625	-20,000	1		
Markets	500,000	1	500,000		1		
Social Halls	7,000,000	2	7,000,000		2		
Health	4,482,759	1	4,482,759		1		
<b>Total</b>	<b>121,580,448</b>	<b>46</b>	<b>94,508,930</b>	<b>27,071,518</b>	<b>43</b>	<b>1</b>	<b>2</b>

The above analysis shows that during the year under review, the CDF committee had allocated a total of Kshs.121,580,448 to forty six (46) projects, out of which, forty three (43) were implemented and completed one was on going and two projects were not started. Although the CDF committee achieved absorption rate of 78% of allocated funds, failure to implement projects in time denies benefits to the public intended to improve the standards of living.

## 2. Construction of Police Residential Houses at Kahawa Sukari

As previously reported, Ruiru CDF constructed 6 No. two-bedroom houses on a donated piece of land at Kahawa Sukari for police officers at a cost of Kshs.12,515,925 including an amount of Kshs.1,600,000 allocated in the year under review. However, it was not explained whether land transfer and ownership documents were obtained

contrary to Constituency Development Fund Board Circular reference CDFBOARD/CIRCULARS/VOL.1/108, dated 24 August 2010, on guidelines of land ownership for Constituency Development Fund related projects. Ownership disputes therefore may arise in future if the transfer of land ownership is not finalized. The basis of constructing buildings before securing title deed for the land was not clear.



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

**Nairobi**

**06 September 2017**

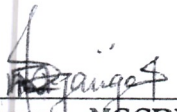


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUIRU  
 CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	102,731,260	110,564,605
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	17,866
<b>TOTAL RECEIPTS</b>		<b>102,731,260</b>	<b>110,582,471</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,123,188	1,091,020
Use of goods and services	5	8,102,067	5,987,035
Transfers to Other Government Units	6	44,482,759	49,412,183
Other grants and transfers	7	50,026,171	55,848,555
Acquisition of Assets	8	10,000	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>103,744,185</b>	<b>112,338,793</b>
<b>SURPLUS/DEFICIT</b>		<b>(1,012,925)</b>	<b>(1,756,323)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ruiru NGCDF financial statements were approved on 8<sup>th</sup> September 2016 and signed by:

  
 Chairman - NGCDFC

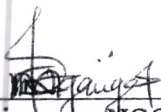
  
 Fund Account Manager

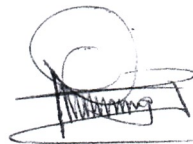
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUIRU  
 CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2016

V. STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	26,658,171.50	27,671,096.50
Cash Balances (cash at hand)	10B	0.00	0.00
<b>Subtotal</b>		26,658,171.50	27,671,096.50
Outstanding Imprests	11	0.00	
<b>TOTAL FINANCIAL ASSETS</b>		<u>26,658,171.50</u>	<u>27,671,096.50</u>
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd 1st July...	13	27,671,096.50	17,527,419.00
Surplus/Defict for the year		-1,012,925.00	-1,756,322.50
Prior year adjustments	14		11,900,000.00
<b>NET LIABILITIES</b>		<u>26,658,171.50</u>	<u>27,671,096.50</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ruiru NGCDF financial statements were approved on 8<sup>th</sup> September 2016 and signed by:

  
 Chairman - NGCDFC

  
 Fund Account Manager





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

VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	102,731,260.00	110,564,604.50
Other Receipts	3	0.00	17,866.00
		<b>102,731,260.00</b>	<b>110,582,470.50</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,123,188.00	1,091,020.00
Use of goods and services	5	8,102,067.00	5,987,035.00
Transfers to Other Government Units	6	44,482,759.00	49,412,183.00
Other grants and transfers	7	50,026,171.00	55,848,555.00
		<b>103,734,185.00</b>	<b>112,338,793.00</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	0.00	11,900,000.00
<b>Net cash flow from operating activities</b>		<b>-1,002,925.00</b>	<b>10,143,677.50</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	0.00	0.00
Acquisition of Assets	9	-10,000.00	0.00
<b>Net cash flows from Investing Activities</b>		<b>-10,000.00</b>	<b>0.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>-1,012,925.00</b>	<b>10,143,677.50</b>
Cash and cash equivalent at BEGINNING of the year	13	27,671,096.50	17,527,419.00
Cash and cash equivalent at END of the year		<b>26,658,171.50</b>	<b>27,671,096.50</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ruiru NGCDF financial statements were approved on 8<sup>th</sup> September 2016 and signed by:

  
 Chairman NGCDFC

  
 Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUIRU CONSTITUENCY**  
**Reports and Financial Statements**

For the year ended June 30, 2016

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	107,231,260.00	27,671,096.50	134,902,356.50	130,402,356.50	4,500,000.00	96.66
Proceeds from Sale of Assets	0.00	0.00	0.00	0.00	0.00	0.00
Other Receipts	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>107,231,260.00</b>	<b>27,671,096.50</b>	<b>134,902,356.50</b>	<b>130,402,356.50</b>	<b>4,500,000.00</b>	<b>96.66</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,123,188.00	0.00	1,123,188.00	1,123,188.00	0.00	100.00
Use of goods and services	8,527,624.00	3,661,096.50	12,188,720.50	8,102,067.00	4,086,653.50	66.47
Transfers to Other Government Units	58,500,000.00	1,500,000.00	60,000,000.00	44,482,759.00	15,517,241.00	74.14
Other grants and transfers	39,080,448.00	22,500,000.00	61,580,448.00	50,026,171.00	11,554,277.00	81.24
Acquisition of Assets	0.00	10,000	10,000.00	10,000.00	0.00	100.00
Other Payments	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>107,231,260.00</b>	<b>27,671,096.50</b>	<b>134,902,356.50</b>	<b>103,744,185.00</b>	<b>31,158,171.50</b>	<b>76.90</b>



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUIRU  
CONSTITUENCY**

**Reports and Financial Statements**

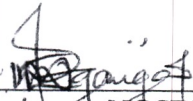
**For the year ended June 30, 2016**

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**SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT  
COMBINED**

- (a) During the year under review, there were no other revenue items other than ordinary receipts from the NGCDF Board. There was no income generated from sale of assets either.
- (b) During the year under review, no significant underutilization (below 50% of utilization) or overutilization (above 100%) was reported.

The Ruiru NGCDF financial statements were approved on 15<sup>th</sup> September 2016 and signed by:

  
\_\_\_\_\_  
Chairman NGCDF

  
\_\_\_\_\_  
Fund Account Manager

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**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



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in the statement of receipts and payments both as revenue and as an expense 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.

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**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.



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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
GFS CODES	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
1330407	Normal Allocation	A724147	30,000,000.00	21,225,838
		A 796362	20,000,000.00	7,300,000
		A 825606	52,731,260.00	43,319,384
				38,719,383
	<b>TOTAL</b>		<b>102,731,260</b>	<b>110,564,605</b>
2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
3510000	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
	N/A		-	-
3 OTHER RECEIPTS				
1400000	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
1450207	Other Receipts Not Classified Elsewhere		-	17,866
	<b>Total</b>		<b>-</b>	<b>17,866</b>
4. COMPENSATION OF EMPLOYEES				
2110000	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
2110201	Basic wages of contractual employees		1,123,188	1,091,020

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<b>5. USE OF GOODS AND SERVICES</b>				
	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
2210100	Utilities, supplies and services		14,481	50,000
2210104	Office rent		560,000	210,000
2210200	Communication, supplies and services		4,235	-
2210300	Domestic travel and subsistence		40,000	-
2210500	Printing, advertising and information supplies & services		-	69,600
2210700	Training expenses		2,482,000	-
2210800	Hospitality supplies and services		47,358	47,602
2210809	Committee allowance		4,845,000	5,543,000
2211100	Office and general supplies and services		14,693	22,156
2211300	Other operating expenses		94,300	44,677
			-	-
	<b>Total</b>		<b>8,102,067</b>	<b>5,987,035</b>
<b>6. TRANSFER TO OTHER GOVERNMENT ENTITIES</b>				
	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
2630204	Transfers to primary schools		18,500,000	26,912,183
2630205	Transfers to secondary schools		21,500,000	22,500,000
2630207	Transfers to Health institutions		4,482,759	-
	<b>TOTAL</b>		<b>44,482,759</b>	<b>49,412,183</b>
<b>7. OTHER GRANTS AND OTHER PAYMENTS</b>				
	Description		2015 - 2016	2014 - 2015



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		Kshs	Kshs
2640101	Bursary-Secondary	12,888,000	10,269,700
2640102	Bursary-Primary	7,916,500	3,200,000
2640504	Water	709,538	4,000,000
2640507	Security	5,792,060	17,926,180
2640508	Roads	4,185,400	10,200,000
2640509	Sports	2,144,625	2,024,775
2640510	Other Capital grants and transfer	10,192,951	2,125,400
2640200	Emergency Projects	6,197,097	6,102,500
	Total	50,026,171	55,848,555

8. ACQUISITION OF ASSETS

3100000	Non Financial Assets	2015 - 2016	2014 - 2015
		Kshs	Kshs
311001	Tools, office furniture and fittings	10,000	-

9. Other Payments

	2015 - 2016	2014 - 2015

10. Bank Balances (cash bank and passbook)

Name of Bank Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
	(30/6/2016)	(30/6/2015)
Bank of Africa	26,658,171.50	27,671,096.50

11. CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
	(30/6/2015)	(30/6/2015)

N/A

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<b>11. OUTSTANDING IMPRESTS</b>				
Name of Officer		Amount Taken	Amount Surrendered	
	Date imprest taken	Kshs	Kshs	
N/A	N/A	N/A	N/A	
		-	-	
<b>12. Retention</b>				
Supplier/Contractor	PV No.	2015 - 2016	2014 - 2015	
	N/A	N/A	N/A	
<b>13. BALANCES BROUGHT FORWARD</b>				
		2015 - 2016	2014 - 2015	
		Kshs (1//7/2015)	Kshs (1/7/2014)	
Bank accounts		27,671,096.50	17,527,419.00	
Cash in hand		0.00	0.00	
Imprest		0.00	0.00	
<b>Total</b>		<b>27,671,096.50</b>	<b>17,527,419.00</b>	
<b>14. PRIOR YEAR ADJUSTMENTS</b>				
		2015 - 2016	2014 - 2015	
Bank accounts		Kshs	Kshs	
Cash in hand		-	11,900,000	
<b>Total</b>		<b>-</b>	<b>11,900,000</b>	



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15. OTHER  
 IMPORTANT  
 DISCLOSURES

ANNEX 1 – SUMMARY  
 OF FIXED ASSET  
 REGISTER

Assets	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Office Computers and accessories	-	307,235
Furniture	10,000	575,445
Curtains	-	100,000
Assorted Kitchenware	-	24,050
<b>Total</b>	<b>10,000</b>	<b>1,032,490</b>

