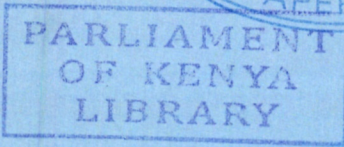




OFFICE OF THE AUDITOR-GENERAL

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



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100 NAIROBI
28 JUN 2017
RECEIVED



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



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

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CONSTITUENCY DEVELOPMENT FUND LIMURU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (NG-CDF) was set up under the NG-CDF Act, 2003 now repealed by the NG-CDF Act, 2013. The 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 Limuru Constituency's day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (NG-CDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NG-CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Edwin Karani
3.	Accountant	Dominic Gachanja

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Limuru 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) LIMURU NG-CDF Headquarters

Limuru NG-CDF Office Building.
P.O Bo 11-00217
Limuru, Kenya.

Accounts and Financial Statements
for the year ended June 30, 2016

(f) LIMURU NG-CDF Contacts

Telephone: (254) 0721 772317
E-mail: limuruconstituencyfund@gmail.com
Website: www.limuruconstituency.go.ke

(g) LIMURU NG-CDF Bankers

1. Equity bank,
P.O BOX 987-00217
Limuru, Kenya.
2. National bank of Kenya.
P.O box 240-00217,
Limuru, Kenya.

(h) Independent Auditors

Auditor General
Office of the auditor general
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

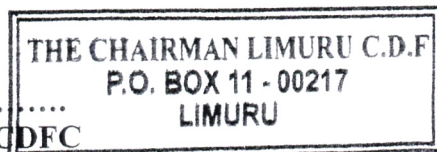
**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

The NG-CDF board has made a tremendous achievement by increasing the bursary vote ceiling from 25% to 35%. This will go a long way in assisting needy students since the bursary fund usually has a direct and immediate impact on the society well being. It will also enable the NG-CDFCs be able to award full scholarships to extremely needy students. A proposal to increase the tenure of committee members from 2 years to 5 years would be welcome as a way of promoting continuity in committee matters.

However there have been a number of challenges in effecting NG-CDF operations among them:

- Political interference.
- In some cases lack of capacity of contractors.
- Fund account managers serving more than two constituencies. etc.

Sign.....
CHAIRMAN NG-CDFC



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY

Reports and Financial Statements

for the year ended June 30, 2016

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 NG-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 Limuru 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 Limuru 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, 2015, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of the Limuru 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 Limuru 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 _____ 2016.

Fund Account Manager

THE CHAIRMAN
P.O. BOX 11-00207
LIMURU
Chairman

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT - CONSTITUENCIES DEVELOPMENT FUND – LIMURU 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 – Limuru Constituency set out on pages 5 to 24, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and a summary of 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.

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 the risks of material misstatement of the financial statements, whether due to fraud or

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

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 qualified audit opinion.

Basis for Qualified Opinion

1. Use of Goods and Services

The statement of receipts and payments for the year ended 30 June 2016 reflects use of goods and services balance of Kshs.6,484,995. However, Note 5 to the financial statements reflects expenditure balance of Kshs.7,284,995 against the account resulting in unexplained variance of Kshs.800,000. Consequently, the accuracy of use of goods and services balance of Kshs.6,484,995 for the year ended 30 June 2016 cannot be confirmed.

2. Compensation of Employees

The statement of receipts and payments reflects compensation of employees' balance of Kshs.1,222,847 for the year ended 30 June 2016. However, Note 4 to the financial statements reflects payments totalling Kshs.1,233,247, resulting in an unexplained variance of Kshs.10,400. In the circumstance, it has not been possible to confirm the accuracy of compensation of employees' expenditure of Kshs.1,222,847 for the year ended 30 June 2016.

3. Other Grants and Payments

Other grants and payments balance of Kshs.40,050,325 reflected in the statement of receipts and payments for the year ended 30 June 2016 includes bursary awards amounting to Kshs.18,278,403, Kshs.3,334,000 and Kshs.847,000 for secondary schools, tertiary institutions and special schools respectively totalling to Kshs.22,459,403.

However, acknowledgement letters and receipts from institutions that received bursary totalling Kshs.12,449,783 were not by the management received and have not been therefore accounted for. Consequently, it has not been possible to ascertain whether the bursaries awarded reached the intended beneficiaries and were properly accounted for as at 30 June 2016.

Qualified Opinion

In my opinion, except for the effect of matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial

position of Constituencies Development Fund – Limuru 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 Public Finance Management Act, 2012 and Constituencies Development Fund Act, 2015.

Other Matter

1.0 Budget Performance

1.1 Overall Budget Execution

Review of the statement on budget appropriation revealed 69% and 56% overall budget utilization on receipts and expenditure respectively as follows:

Item	Budget – Kshs	Actual – Kshs	Difference – Under Kshs	Actual as % of Budget
Receipts	175,201,488	120,345,517	54,855,971	69
Expenditure	175,201,488	98,055,965	77,145,523	56

The above analysis reflects actual receipts of Kshs.120,345,517 against the budgeted amount of Kshs.175,201,488 resulting in a shortfall of Kshs.54,855,971.

Further, the CDF incurred an expenditure of Kshs.98,055,965, say 56% of the approved budget of Kshs.175,201,488 resulting in under-expenditure of Kshs.22,289,552 equivalent to 19% under-utilization. The management have not explained the underutilization of the budget.

Delay in completion of projects and poor budget execution translates to under-spending denies residents benefits due from project and increase the risk of project costs.

1.2 Expenditure on Development Projects

The Limuru NG-CDF had a budget of Kshs Kshs.61,244,766 for development expenditure as per their projects proposal for the 2015/2016 financial year. Audit verification revealed that the CDF office spent Kshs.63,864,820 resulting to over-expenditure of Kshs.3,464,643 or (5.5%) on the approved budget as per the projects implementation status report for the year ended 30 June 2016. Further, the NG-CDF had budgeted to implement a total of 37 projects at the beginning of the year. As at 30 June 2016, 35 projects were complete and two projects were ongoing as evidenced in table below:

Project category	No. budgeted	Budget Amount – Kshs	Actual expenditure – Kshs	No. completed	No. Ongoing	% of Implementation
Education	29	44,800,000	47,217,398	25	4	86.2 %
Security	4	5,500,000	6,736,424	3	1	75 %
Youth & Sports	1	2,177,119	1,241,530	1	0	100 %

Roads	1	1,000,000	4,212,300	1	0	100 %
Emergency	1	5,767,647	3,110,118	1	0	100 %
markets	1	2,000,000	1,347,050	1	0	100 %
Total	37	61,244,766	63,864,820	32	5	86.5 %

The NG-CDF management did not explain the reasons for over-utilization of the CDF Funds during the year under review.

2.0 Construction of Kamirithu Jua Kali Sheds

Records availed for audit indicated that Kamirithu Jua Kali Sheds Project was allocated Kshs11,000,000 over the years beginning from 2009/2010 financial year for construction of sheds for use by informal sector traders. During the year under review the project was allocated Kshs,1,000,000 at Kamirithu. Audit verification revealed that the contractor was not on site and therefore no construction had stalled. However, a few stalls had been completed through previous years allocations. None the less, the sheds were not occupied due to what was termed as politicization of the sheds. Correspondence reviewed suggested there were wrangles between the management and other stake holders. Further, an amount of Kshs.1,500,000 was transferred to the Project Management Committee on 11 November 2015 and it was not clear whether this amount was still in the bank since bank statements for the project were not availed for audit.

In addition, minutes of the Inspection and Acceptance Committee, and bills of quantities (BQs) prepared by the Ministry of Works were not presented for audit. It was therefore not possible to confirm whether the works were executed as specified in the contract agreement.

3.0 Award of tenders to Highest Bidders

Available records indicate that the NG-CDF awarded tenders totaling Kshs.5,956,690 to various contractors in 2015/2016 for the following projects:

Project	Bidders	Lowest Bidder (Kshs.)	Highest Bidder (Kshs.) (Awarded)	Winning Bidder	Winning Bid (Kshs.)	Saving Lost (Kshs.)
Ngenia high school multipurpose hall	4	1,502,230	2,160,110	Ndane construction Co. Ltd	2,160,110	657,880
Makutano secondary school	4	423,450	973,220	Maaya construction Ltd	973,220	549,770
Ngecha Jua Kali sheds	3	2,441,800	2,823,360	Mahindi building Ltd	2,823,360	381,560
Total		4,367,480			5,956,690	1,589,210

However, in all the instances, awards were made to the highest bidders and therefore the NG-CDF may have incurred loss of Kshs.1,589,210 by awarding the contracts to the highest bidders.

In addition, the budgeted amount for construction of a multipurpose hall at Ngenia High School was Kshs.2,000,000 as specified in the 2015/2016 approved budget availed for audit.

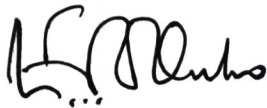
However, it was not explained how the extra cost of Kshs.160,110 was financed. In the circumstances, it has not been possible to confirm the propriety and value-for-money for the expenditure incurred on these projects as at 30 June 2016.

4.0 Construction of Mbari Giathi Access Road

The contract for construction of Mbari Giathi Access Road project was awarded to Noakim Enterprises at a contract price of Kshs.1,400,630 during the 2015/2016 financial year. However, the NG-CDF did not provide procurement documents such as tender notices, tender opening, and evaluation and award minutes for the project to show how the procurement was initiated and awarded. Further, the project had been allocated Kshs.1,000,000 in the financial year and it was not clear how the over-expenditure of Kshs.400,630 was financed. In addition, the NG-CDF did not constitute a project management committee but instead engaged the contractor directly.

In the circumstances, the propriety and value-for-money on the expenditure of Kshs.1,400,630 cannot be confirmed.

My opinion is not qualified in respect of these matters.



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

Nairobi

07 August 2017

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU CONSTITUENCY

Reports and Financial Statements

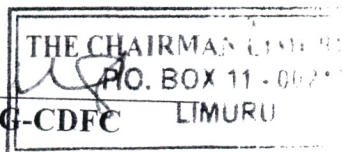
For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	105,778,754	94,035,361
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		105,778,754	94,035,361
PAYMENTS			
Compensation of employees	4	1,222,847	1,000,988
Use of goods and services	5	6,484,995	6,859,459
Transfers to Other Government Units	6	47,217,398	37,369,758
Other grants and transfers	7	40,050,325	40,036,788
Acquisition of Assets	8	70,000	1,763,755
Other Payments	9	3,000,000	-
TOTAL PAYMENTS		98,055,965	87,030,768
SURPLUS/DEFICIT		7,722,789	7,004,593

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

Chairman - NG-CDFC



Fund Account Manager


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY**

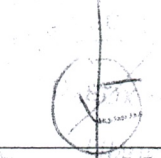
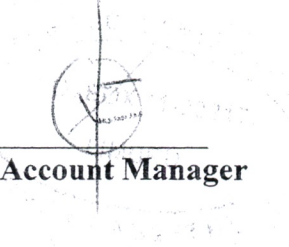
**Reports and Financial Statements
For the year ended June 30, 2016**

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	22,289,553	14,566,763
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		22,289,553	14,566,763
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	14,566,763	7,458,170
Surplus/Defict for the year		7,722,789	7,108,593
Prior year adjustments	14	-	-
NET LIABILITIES		22,289,552	14,566,763

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


THE CHAIRMAN LIMURU C.D.F.
P.O. BOX 11 - 00217
LIMURU
NG-CDFC
 Chairman



Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIMURU
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	105,778,754	94,035,361
Other Receipts	3	-	104,000
		105,778,354	94,139,361
Payments for operating expenses			
Compensation of Employees	4	(1,233,247)	(1,000,988)
Use of goods and services	5	(6,484,995)	(6,859,459)
Transfers to Other Government Units	6	(47,217,398)	(37,369,758)
Other grants and transfers	7	(40,050,325)	(40,036,788)
Other Payments	9	(3,000,000)	-
		(97,985,965)	(85,266,993)
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		7,792,789	8,872,368
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(70,000)	(1,763,775)
Net cash flows from Investing Activities		(70,000)	(1,763,775)
NET INCREASE IN CASH AND CASH EQUIVALENT		7,722,789	7,108,593
Cash and cash equivalent at BEGINNING of the year	13	14,566,763	7,458,170
Cash and cash equivalent at END of the year		22,289,552	14,566,763

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Limuru NG-CDF financial statements were approved on _____ 2016 and signed by:

THE CHAIRMAN, NG-CDF
P.O. BOX 11-00007
LIMURU

Chairman NG-CDFC

Fund Account Manager

**LOCAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	108,855,971	66,345,517	175,201,488	120,345,517	54,855,971	68.7%
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
TOTAL	108,855,971	66,345,517	175,201,488	120,345,517	54,85,971	68.7%
PAYMENTS						
Compensation of Employees	2,130,000	-	2,130,000	1,233,247	896,753	57.9%
Use of goods and services	7,133,679	4,355,097	11,488,776	6,484,995	5,003,781	56.4%
Transfers to Other Government Units	56,800,000	45,066,763	101,866,763	47,217,398	54,649,365	46.4%
Other grants and transfers	37,758,934	16,923,657	54,682,591	40,050,325	14,632,266	73.2%
Acquisition of Assets	533,358	-	533,358	70,000	463,358	13.1%
Other Payments	4,500,000	-	4,500,000	3,000,000	1,500,000	
TOTAL	108,855,971	66,345,517	175,201,488	98,055,965	77,145,523	56.0%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LIMURU
CONSTITUENCY

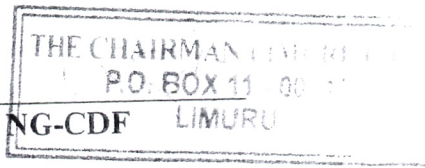
Reports and Financial Statements
for the year ended June 30, 2016

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

- i. Acquisition of assets was below 50% since at the end of the financial year the office had not procured all the assets needed due to unavailability of all the funds for the financial year 2015/2016.

The LIMURU NG-CDF financial statements were approved on _____ 2016 and signed by:

Chairman NG-CDF LIMURU



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.

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 - LIMURU
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JX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal allocation			
	A 790839	39,267,267	43,054,128
	A 724005	12,511,487	25,689,996.75
	A 724118	10,000,000	14,413,998.05
	A 796315	10,000,000	10,877,238
	A 820598	10,000,000	
	A 820834	24,000,000	
TOTAL		105,778,754.00	94,035,360.80

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	104,000
Total	-	104,000

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	1,222,847	981,988
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	10,400	10,000
Gratuity	-	9,000
Total	1,233,247	1,000,988

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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	858,551	1,709,038
Office rent	-	-
Communication, supplies and services	113,761	139,000
Domestic travel and subsistence	449,500	-
Printing, advertising and information supplies & services	800,000	128,760
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Other committee expenses	2,078,925	850,000
Committee allowance	827,000	2,959,100
Insurance costs	24,108	24,108
Specialised materials and services	-	-
Office and general supplies and services	999,445	657,578
Fuel ,oil & lubricants	580,000	350,000
Other operating expenses	90,234	-
Routine maintenance – vehicles and other transport equipment	178,011	41,875
Routine maintenance – other assets	375,460	-
Total	6,484,995	6,859,459

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	8,610,485	16,587,931
Transfers to secondary schools (see attached list)	38,606,913	16,299,068
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	4,482,759
TOTAL	47,217,398	37,369,758

7. OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,278,403	15,997,372
Bursary – tertiary institutions (see attached list)	3,334,000	3,019,230
Bursary – special schools (see attached list)	847,000	169,000
Mock & CAF (see attached list)	943,500	1,589,216
Water projects (see attached list)	-	1,200,000
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	6,736,424	7,200,000
Roads projects (see attached list)	4,212,300	445,380
Sports projects (see attached list)	1,241,530	2,000,000
Environment projects (see attached list)	-	-
Other Projects (see attached list)	1,347,050	6,580,350
Emergency Projects (specify)	3,110,118	40,036,788 1,835,440
Total	40,050,325	40,036,788

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	1,634,775.25
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	70,000	129,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	70,000	1,763,775.25

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Kamirithu Juakali sheds	1,000,000	-
Ngecha Juakali sheds	2,000,000	-
	3,000,000	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs	2014 - 2015 Kshs
NATIONAL BANK OF KENYA, ACCOUNT NO. 01021050809900 LIMURU BRANCH	6,354,048.85	14,566,762.85
EQUITY BANK ACCOUNT NO. 0690264049532 LIMURU BRANCH	15,935,504.00	-
	-	-
	-	-
	22,289,552.85	14,566,762.85
The Limuru NG-CDF operated two accounts at the end of the financial year since the office was awaiting for 6 months period to close the account for all outstanding cheques to clear out		
10B: CASH IN HAND		
	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (specify)	-	-
Total	-	-
[Provide cash count certificates for each]		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMURU
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	14,566,782.85	7,458,170
Cash in hand		
Imprest	-	-
Total	14,566,762.85	7,458,170

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIMITED
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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

21
37

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

ANNEX 3 - 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.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	N/A	N/A
Buildings and structures	7,894,668.00	7,894,668.00
Transport equipment	3,800,000.00	3,800,000.00
Office equipment, furniture and fittings	1,975,023.18	7,826,123.18
ICT Equipment, Software and Other ICT Assets	1,216,155.00	928,955.00
Other Machinery and Equipment	596,755.00	602,755.00
Heritage and cultural assets		
Intangible assets		
Total	15,482,601.18	15,052,501.18

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