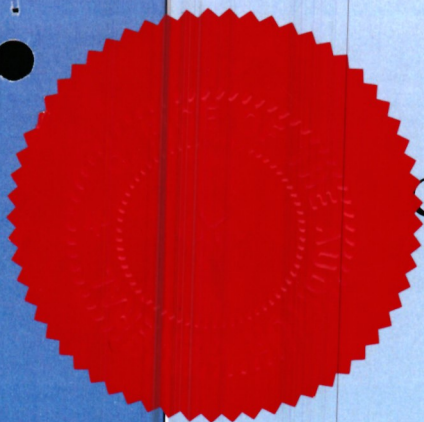


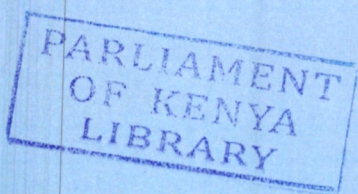
REPUBLIC OF KENYA



*Papers laid by
Lom Wednesday
11/10/17
Morning
sitting
A/S*



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



OFFICE OF THE AUDITOR GENERAL
NATIONAL AUDIT OFFICE

29 MAY 2017

RECEIVED
MOMBASA HUB

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
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 - VOI
CONSTITUENCY**

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC).....	3
III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES.....	4
IV. REPORT OF THE INDEPENDENT AUDITORS.....	5
V. STATEMENT OF RECEIPTS AND PAYMENTS	6
VI. STATEMENT OF FINANCIAL ASSETS.....	7
VII. STATEMENT OF CASH FLOWS.....	8
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	9
IX. SIGNIFICANT ACCOUNTING POLICIES.....	10
X. NOTES TO THE FINANCIAL STATEMENTS	12
XI. OTHER IMPORTANT DISCLOSURES	20

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
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The Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2003 now repealed by the NGCDF Act, 2015. 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 Voi Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Daniel Mwaluko
3.	Accountant	Patricia Nguku
4.		

(d) Fiduciary Oversight Arrangements

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

DAN MWAZO SOCIAL HALL
P.O Box 168-80300
VOI.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – VOI
CONSTITUENCY**

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

(f) VOI NGCDF Contacts

Telephone: (254) 0727 389 947
E-mail: VOI@NGCDF.go.ke
Website: www.VOICDF.go.ke

(g) VOI NGCDF Bankers

1. Kenya Commercial Bank

P.O.BOX 1122

VOI

...

...

(h) Independent Auditors

Auditor General
Kenya National Audit Office
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 (NGCDFC)**

The NGNGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of VOI.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NGNGCDFCs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Sign. 
CHAIRMAN NGCDFC

**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 VOI 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 VOI NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the VOI 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 VOI 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 25th August 2016.



Fund Account Manager



Chairman

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – VOI 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 - Voi Constituency set out on pages 6 to 25, which comprise the statement of financial assets as at 30 June 2016, 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.

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 report in compliance with Article 229(7) of the Constitution of Kenya. 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 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

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

the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion.

Basis for Disclaimer of Opinion

1. Bank Balance

The statement of financial assets as at 30 June 2016 reflects a bank balance of Kshs.25,473,660. However, the bank reconciliation statement as at 30 June 2016 reflects un-presented cheques of Kshs.6,092,311.30, out of which stale cheques totalled to Kshs.1,545,373.90. Further, bank statements confirming subsequent clearance of the cheques by the bank were not availed for audit verification. In addition, the bank reconciliation statement reflects payments in bank statement not in cash book of Kshs.40,250.73, out of which a balance of Kshs.8,250.73 relates to bank charges not recorded in cash book and therefore not accounted for in these financial statements. The bank reconciliation statement as at 30 June 2016 also reflects receipts in cash book not in bank statement of Kshs.30,000, being adjustment of overstated cash book balances but no evidence of subsequent clearance of balances has been availed for audit verification.

Consequently, the accuracy, validity and completeness of the bank balance of Kshs.25,473,660 as at 30 June 2016 cannot be confirmed.

2. Outstanding Imprest

The statement of financial assets as at 30 June 2016 reflects outstanding imprests of Kshs.214,705 of which the date of issuance was not indicated to confirm compliance with Section 93 of the Public Finance Management Regulations, 2015, which provides that temporary imprests shall be accounted for or surrendered within seven working days of return to duty station.

Consequently, the propriety and recoverability of outstanding imprests totalling Kshs.214,705 as at 30 June 2016 cannot be confirmed.

3. Unsupported Expenditure

The statement of receipts and payments for the year ended 30 June 2016 contained various payments totalling Kshs.28,124,876 as detailed below but whose supporting documents were not availed for audit review:

Component	Note	Financial Statement Figure (Kshs.)	Amount Supported (Kshs.)	Variance (Unsupported Amount) (Kshs.)
Use of Goods and Services	5	8,241,679	3,191,383	5,050,296
Transfers to Primary Schools	6	12,400,000	10,300,000	2,100,000
Transfers to Tertiary Institutions	6	1,400,000	0	1,400,000
Bursaries – Secondary Schools and Tertiary Institutions	7	19,368,396	4,043,796	15,324,600
Water Projects	7	4,250,000	1,350,020	2,899,980
Other Projects	7	1,650,000	850,000	1,350,000
Total		47,310,075	19,185,199	28,124,876

Consequently, the propriety of expenditure totalling Kshs.28,124,876 for the year ended 30 June 2016 cannot be confirmed.

4. Use of Goods and Services

Note 5 to the financial statements for the year ended 30 June 2016 reflects committee allowances of Kshs.4,536,000 but the names of the payees and nature of meetings held were not availed for audit verification.

Consequently, the propriety and completeness of the committee allowance payments of Kshs.4,536,000 for the year ended 30 June 2016 could not be confirmed.

5. Other Grants and Transfers

Note 7 to the financial statements for the year ended 30 June 2016 reflects emergency projects of Kshs.6,879,613. However, written opinion of the Constituency Development Fund Committee was not availed for audit review, contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which defines emergency as an urgent, unforeseen need for expenditure which, in the opinion of the Committee, cannot be postponed to the following financial year without harming public interest in the respective constituency.

Consequently, the propriety of expenditure totalling Kshs.6,879,613 on emergency projects for the year ended 30 June 2016 cannot be confirmed.

6. Budgetary Controls and Performance

6.1 Budget Utilization

During the year under review, the Fund had a budget of Kshs.146,862,613 against expenditure of Kshs.67,645,276 or 46%, resulting to under expenditure of Kshs.79,217,336 or 54% as shown below:

Item	Final Budget (Kshs.)	Actual Expenditure (Kshs.)	Under Absorption (Kshs.)	Under Absorption (%)
Compensation of Employees	1,800,000	1,530,589	269,411	15
Use of Goods and Services	12,552,488	8,241,679	4,310,809	34
Transfers to Other Government Units	80,136,880	25,600,000	54,536,880	68
Other Grants and Transfers	52,373,245	32,273,009	20,100,236	38
Total	146,862,613	67,645,277	79,217,336	54

The under-expenditure of Kshs.79,217,337, which management attributed to delays in disbursements to projects and slow absorption of funds, indicates the budget was not implemented as planned. Therefore, delivery of goods and services to the residents of Voi Constituency was curtailed.

6.2 Projects Implementation

During the year under review, fifty (50) projects were allocated Kshs.79,647,061 out of which Kshs.26,700,000 or 33.5% was disbursed to thirty-nine (39) projects, which

therefore left Kshs.52,947,061 or 66.5% of the allocation undisbursed Expenditure totalling Kshs.18,743,948 or 70.2% of the disbursed amount was incurred, resulting to an unspent balance of Kshs.7,956,052 or 29.8% of the disbursed amount as shown below:

No.	Name of the Project	Details of the Project	Disbursement in 2015 – 2016 (Kshs.)	Cumulative Disbursement as at 30 th June 2016 (Kshs.)	Expenditure in 2015 – 2016 (Kshs.)	Cumulative Expenditure as at 30 th June 2016	Unspent Balance (Kshs.)	% of Completion
1.	Mwakuni Primary School	Construction of 1 classroom	-	-	-	-	-	0
2.	Mlundinyi Primary School	Construction of 3 classrooms	700,000	3,500,000	2,720,463	2,720,463	779,537	85
3.	Wongonyi Primary School	Renovation of 2 classrooms	-	-	-	-	0	0
4.	Mbulia Primary School	Construction of toilet	-	-	-	-	0	0
5.	Kalela Primary School	Construction of 2 classrooms	500,000	500,000	-	-	500,000	0
6.	Mkamenyi Primary School	Construction of 2 classroom	1,400,000	1,400,000	1,352,428	1,352,428	47,572	98
7.	Mwambani Primary School	Construction of 2 classrooms	1,400,000	1,400,000	1,163,260	1,163,260	236,740	60
8.	Marasi primary school	Construction of 2 classrooms	1,500,000	1,500,000	1,412,312	1,412,312	87,688	95
9.	Buguta Primary School	Construction of two classrooms	1,400,000	1,400,000	1,257,226	1,257,226	142,774	85
10.	Kirindinyi Primary School	Fencing of school compound	500,000	500,000	-	-	500,000	0
11.	Mwamunga Primary School	Construction of 2 classrooms	-	-	-	-	-	0
12.	Voi Primary School	Construction of 2 classrooms	-	-	-	-	-	0
13.	Miasenyi Secondary School	Construction of Laboratory	-	-	-	-	-	0
14.	Marungu Secondary School	Construction of 2 Classrooms	2,000,000	2,000,000	1,501,800	1,501,800	498,200	72
15.	New Marungu Secondary School	Construction of admin Block & 2 Classrooms	-	-	-	-	-	0
16.	Mwaghogh Secondary School	Completion of 1 Staffhouse	-	-	-	-	-	0
17.	Allan Mjomba Boys Secondary School	Construction of 3 Classrooms	-	-	-	-	-	0

No.	Name of the Project	Details of the Project	Disbursement in 2015 – 2016 (Kshs.)	Cumulative Disbursement as at 30 th June 2016 (Kshs.)	Expenditure in 2015 – 2016 (Kshs.)	Cumulative Expenditure as at 30 th June 2016	Unspent Balance (Kshs.)	% of Completion
18.	Makwasinyi girls	Construction of 2 classrooms	1,400,000	1,400,000	1,340,950	1,340,950	59,050	95
19.	Mwakichuchu secondary school	Construction of a library	2,000,000	2,000,000	1,591,512	1,591,512	408,488	75
20.	Kaloleni Secondary School	Construction of Admin Block & 2 Classrooms	-	-	-	-	-	0
21.	Kizumanzi Secondary School	Construction of laboratory	-	-	-	-	-	0
22.	Kajire Secondary School	Construction of dormitory	1,400,000	1,400,000	1,093,527	1,093,527	306,473	47
23.	OLOPS Girls Secondary School	Construction of dining hall	2,000,000	2,000,000	-	-	2,000,000	0
24.	Mwakitawa Secondary School	Completion of dormitory	2,000,000	2,000,000	995,980	995,980	1,004,020	40
25.	Voi Secondary School	Construction of classroom	-	-	-	-	-	0
26.	Mwangea Secondary School	Construction of classroom	-	-	-	-	-	0
27.	Wray Memorial Library	Construction of a library	1,400,000	1,400,000	997,960	997,960	402,040	74
28.	Kasigau Technical School	Construction of admin block & 2 classrooms	-	-	-	-	-	0
29.	Voi Medical Training College	Construction of lecture halls	-	-	-	-	-	0
30.	Voi Community Library	Construction of a library	-	-	-	-	-	0
31.	Mkamenyi Project/Area	Construction of water tank	-	-	-	-	-	0
32.	Mwajikateri Water Project	Extension of line	1,000,000	1,000,000	804,315	804,315	195,685	85
33.	Mwamusha Water Project	Construction of water tank	-	-	-	-	-	0
34.	Mwakiki Water Project	Construction of water tank	1,000,000	1,000,000	941,765	941,765	58,235	98
35.	Kambito Water Project	Construction of water tank	500,000	500,000	395,850	395,850	104,150	76
36.	Mwambiti Social Hall	Renovation of social hall	-	-	-	-	-	0

No.	Name of the Project	Details of the Project	Disbursement in 2015 – 2016 (Kshs.)	Cumulative Disbursement as at 30 th June 2016 (Kshs.)	Expenditure in 2015 – 2016 (Kshs.)	Cumulative Expenditure as at 30 th June 2016	Unspent Balance (Kshs.)	% of Completion
37.	Mbololo social	construction of social hall	500,000	800,000	684,600	684,600	115,400	30
38.	Maungu public toilet	construction of public toilet	500,000	500,000	490,000	490,000	10,000	95
39.	Miasenyi dispensary	construction of incinerator	500,000	500,000	-	-	500,000	0
	TOTAL		23,600,000	26,700,000	18,743,948	18,743,948	7,956,052	29.8

The table above indicates that two (2) projects which received disbursements of Kshs.2,500,000 had not been implemented as at year end.

The under-expenditure of Kshs.7,956,052 and the failure to disburse funds to projects indicates that delivery of goods and services to residents of Voi Constituency was curtailed.

7. Verification of Projects

During the audit, seventeen (17) projects which received disbursements totalling Kshs.14,761,685 were verified in the month of May 2017, out of which anomalies were noted in respect of eight (8) projects which received Kshs.8,300,000 as detailed below:

S/No	Project Name	Details/ Activity	Amount (Kshs.)	Anomalies/Physical Defects Noted
1.	Ikanga B Water Project	Construction of a borehole	1,000,000	Records availed for audit review indicated that the funds were allocated to and transferred to the project a borehole. However, no project works were visible on the ground during physical verification.
2.	Mchanga Primary School (emergency Funds)	Construction of a Classroom	500,000	The funds were disbursed for construction of one classroom. However, when the project was verified, it was found that no concrete was laid on the floor and further, the walls were not plastered or doors and windows fixed. In addition, the funds spent were for emergency projects for which the written opinion of the Constituency Committee is required but which was not availed for audit review, contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015. The Section defines emergency as an urgent, unforeseen need for expenditure for which, in the opinion of the Committee, cannot be delayed until the following financial year without harming public interest of the constituents.
3.	Maungu Public Toilet (emergency)	Completion of Public Toilet	200,000	The funds were allocated and disbursed for completion of a public toilet from emergency budget. At the time of project

	Funds)			visit, the men's wing was complete and in use. The women's wing had not been put to use. However, the written opinion of the Constituency Committee to spend emergency funds on the project was not availed for audit review, contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015.
4.	Ore primary School Project	Construction of one Classroom and Renovation of one Classroom.	1,200,00	The funds were disbursed to the project for construction of a classroom and renovation of another. When the project was verified, it was found complete and in use. However, there was poor workmanship as evidenced by cracks on the floor. Further, the renovation funds were diverted to construction of additional classroom and no Board approval was availed for audit review contrary to the provisions of Section 6(1) of the National Government CDF Act, 2015.
5.	Marasi Primary School Project	Construction of two new classrooms	1,500,000	The two classrooms were complete and in use at the time of audit verification. However, labelling, piping and wiring had not been done. Further, there were cracks in the verandah and walls.
6.	Buguta Health Centre Project	Fencing of the Health Center	500,000	During the year under review, Kshs.500,000 was disbursed for purchase of maternity equipment for the health center. However, the equipment was not purchased but instead, the Project Management Committee re-allocated the funds to construction of a barbed wire fence and a gate. However, this is contrary to Section 6(2) of the National Government Constituencies Development Fund, 2015.
7.	Mwakitawa Girls Secondary School Project	Construction of Dormitory	2,000,000	Construction work stalled at floor slab level.
8.	Kajire Secondary School Project	Construction of Dormitory	1,400,000	During verification of the project, flooring and plastering work had not been done. Further, doors and windows had not been fitted and further the contractor was not on site.
	Total		8,300,000	

Consequently, value-for-money may not have been obtained for Kshs.8,300,000 spent on projects for the year ended 30 June 2016.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

Nairobi

19 July 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – VOI
CONSTITUENCY**

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

**V. STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30TH JUNE ,2016**

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	73,993,154	111,523,346
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		73,993,154	111,523,346
PAYMENTS			
Compensation of Employees	4	1,530,589	878,917
Use of goods and services	5	8,241,679	8,166,928
Transfers to Other Government Units	6	25,600,000	32,752,759
Other grants and transfers	7	32,273,009	47,058,880
Acquisition of Assets	8		5,606,309
Other Payments	9		
TOTAL PAYMENTS		67,645,277	94,463,793
SURPLUS/(DEFICIT)		6,347,877	17,059,553

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The VOI NG-CDF financial statements were approved on **25/8/ 2016** and signed by:

[Signature]
Fund Account Manager
VOI CDF
FUND MANAGER
26 MAY 2017
P. O. Box 168 - 80300,
VOI

[Signature]
Chairperson – NG-CDFC
CHAIRMAN
C.D.F. VOI
P.O. Box 168-80300, VOI
DATE: 26/5/17
SIGN: 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – VOI
CONSTITUENCY**


Reports and Financial Statements


For the year ended June 30, 2016

**VI. STATEMENT OF FINANCIAL ASSETS
AS AT 30TH JUNE, 2016**

	Note	2015-2016	2014-2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	10 A	25,473,660	18,990,486
Cash Balances (cash at hand)	10 B	-	-
Outstanding Imprests	11	214,705	350,000
TOTAL FINANCIAL ASSETS		25,688,365	19,340,486
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1 st July, 2015	13	19,340,486	2,280,933
Surplus/Deficit for the year		6,347,877	17,059,553
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		25,688,363	19,340,486

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The VOING-CDF financial statements were approved on **25/8/2016** and signed by:


Fund Account Manager


Chairperson – NG-CDFC

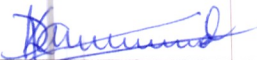
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – VOI
CONSTITUENCY**

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


**VII. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2016**

		2015-2016	2014 - 2015
Receipts for operating income			
Transfers from Other Government Entities	1	73,993,154	111,523,346
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	(1,530,589)	(878,917)
Use of goods and services	5	(8,241,679)	(8,166,928)
Transfers to Other Government Units	6	(25,600,000)	(32,752,759)
Other grants and transfers	7	(32,273,009)	(47,058,880)
Other Payments	9		
Total cash outflow from operating activities		(67,645,277)	(88,857,484)
Adjusted for:			
Adjustments during the year			
Net cash flow from operating activities		6,347,877	22,665,862
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	8	-	(5,606,309)
Net cash flows from financing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		6,347,877	17,059,553
Cash and cash equivalent at BEGINNING of the year	10A	19,340,485	2,280,932
Cash and cash equivalent at END of the year	10A	25,688,362	19,340,485

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The VOING-CDF financial statements were approved on **25/8/2016** and signed by:



Fund Account Manager



Chairperson NG-CDFC

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI CONSTITUENCY

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

**VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED
FOR THE YEAR ENDED 30TH JUNE, 2016**

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	105,878,973	40,983,640	146,862,613	73,993,155	72,869,458	50
Proceeds from Sale of Assets				-	-	
Other Receipts	-			-	-	
TOTAL	105,878,973	40,983,640	146,862,613	73,993,155	72,869,458	
PAYMENTS						
Compensation of Employees	1,800,000	-	1,800,000	1,530,589	269,411	85
Use of goods and services	7,729,107	4,823,381	12,552,488	8,241,679	4,310,809	66
Transfers to Other Government Units	60,736,880	19,400,000	80,136,880	25,600,000	54,536,880	32
Other grants and transfers	35,612,986	16,760,259	52,373,245	32,273,009	20,100,236	62
TOTAL	105,878,973	40,983,640	146,862,613	67,645,277	79,217,336	46

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
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 CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal allocation			
	A796234	11,993,155	2,290,932
	A 796457	20,000,000	30,252,951
	A620855	20,000,000	2,000,000
	A820863	10,000,000	24,993,154
	A825504	12,000,000	14,995,892
			9,997,262
			2,000,000
			24,993,155
TOTAL		73,993,155	111,523,346

2. PROCEEDS FROM SALE OF ASSETS

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,199,677	877,717
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity	-	-
Other personnel payments	118,000	-
Employer contribution to NSSF	212,912	1,200
Gratuity	-	-
Total	1,530,589	878,917

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	895,400	2,216,928
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	147,900	
Rentals of produced assets	-	
Training expenses	724,500	-
Hospitality supplies and services	-	
Insurance costs	-	
Fuel ,oil and lubricants	300,000	-
Office and general supplies and services	514,296	-
Other operating expenses	630,000	-
Routine maintenance – vehicles and other transport equipment	493,583	-
Routine maintenance – other assets		-
Other committee expenses		4,250,000
Committee allowances	4,536,000	1,700,000
Total	8,241,679	8,166,928

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFERS TO OTHER GOVERNMENT UNITS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	12,400,000	12,820,000
Transfers to secondary schools	10,800,000	14,000,000
Transfers to tertiary institutions	1,400,000	-
Transfers to health institutions	1,000,000	5,932,759
TOTAL	25,600,000	32,752,759

7. OTHER GRANTS AND TRANSFERS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools	12,949,696	16,545,776
Bursary – tertiary institutions	6,418,700	6,447,252
Bursary – special schools		
Mock & CAT		
Water projects	4,250,000	16,285,000
Agriculture projects		
Electricity projects		
Security projects		-
Roads projects		
Sports projects	125,000	1,961,400
Environment projects		1,969,452
Other Projects	1,650,000	
Emergency projects	6,879,613	3,850,000
Total	32,273,009	47,058,881

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		-
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		5,606,309
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		
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
Total		5,606,309

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
	-	-
Total	-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
<i>Kenya Commercial Bank A/C 1104887819</i>	25,473,660	18,990,486
Total	25,473,660	18,990,486

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Amina Ali</i>		214,705	-	214,705
Total		214,705		214,705

12. Retention

<i>Supplier / Contractor</i>	PV No.	2015-2016	2014-2015
		<i>Kshs</i>	<i>Kshs</i>
		-	-
Total			

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
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	18,990,486	2,280,932
Cash in hand		-
Imprest	350,000	
Total	19,340,486	2,280,932

14. PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

XI. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	-	-

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 (<i>Audit fee</i>)	500,000	500,000
	500,000	500,000

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - VOI
CONSTITUENCY**

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

ANNEX 3 – PENDING PAYABLES

OTHER PAYMENTS

NO	NAME OF PROJECT	AMOUNT
1	AUDIT FEE	500,000
	TOTAL	500,000

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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

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						

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

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount A	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2015 d=a-c	Outstanding Balance 2014	Comments
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/2016	Historical Cost (Kshs) 2014/2015
Land	-	-
Buildings and structures	15,000,000	15,000,000
Transport equipment	6,000,000	6,000,000
Office equipment, furniture and fittings	1,515,816	1,515,816
ICT Equipment, Software and Other ICT Assets	-	-
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets		
Total	22,515,816	22,515,816