

REPUBLIC OF KENYA



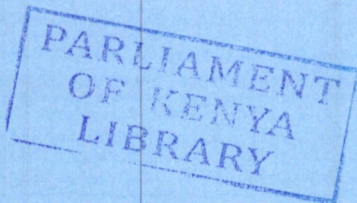
Paper laid

*By Hon Aden Duale, MP
(LoM) on 12.10.2017 pm
Thursday*

OFFICE OF THE AUDITOR-GENERAL



REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
CHUKA IGAMBANG'OMBE
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**

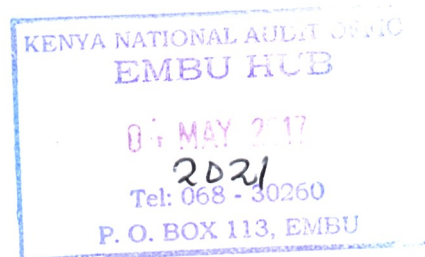


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
CHUKA-IGAMBANGOMBE CONSTITUENCY**

ANNUAL 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)



CONSTITUENCY DEVELOPMENT FUND – CHUKA-IGAMBANGOMBE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government-*Constituencies Development Fund (N.G-CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The National-*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 National Government *Constituencies Development Fund*.

(b) Key Management

The Chuka-Igambangombe *Constituency's* day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (N.G-CDFB)
- ii. National Government Constituency Development Fund Committee (N.G-CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mary Kabuga
3.	Accountant	Bernard Cheruiyot
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of N.G-CDF Board provide overall fiduciary oversight on the activities of Chuka-Igambangombe Constituency. The reports and recommendation of ARMC when adopted by the N.G-CDF Board are forwarded to the National Government Constituency Development Fund Committee (N.G-CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) Chuka-Igambangombe N.G-CDF Headquarters

P.O. Box 445-60400
100M from Chuka-Meru road
Next to the Chuka DC's Playground
Chuka

(f) CHUKA-IGAMBANGOMBE N.G-CDF Contacts

Telephone: (254) 793-322-000

(g) Chuka-Igambangombe N.G-CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity bank
Chuka

(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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-CHUKA-IGAMBANGOMBE CONSTITUENCY

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

In the financial year 2015/16 Chuka-Igambangombe N.G-CDF was allocated ksh 106,665,647 as follows:-

Sector	Amount
Administration and Recurrent	6,390,000
Monitoring & Evaluation	3,190,000
Bursary/CATs/ mocks	11,000,000
Agriculture projects	18,700,000
Health projects	6,500,000
Emergency projects	5,767,647
Sports activities	950,000
Primary school projects	5,250,000
Secondary school projects	12,100,000
Roads projects	5,018,000
Security projects	2,500,000
CDF office	7,500,000
Office furniture/Equipment	4,000,000
CDF motor vehicle	8,500,000
Market sheds	5,300,000
Water projects	4,000,000
	<hr/>
	106,665,647

A total of kshs 121,343,578 has been spent on various projects as follows in the financial year 2015/16 as follows:

ITEM	AMOUNT SPENT
Compensation of Employees	1,521,504
Use of goods and services	6,438,115
Transfers to Other Government Units	42,188,164
Other grants and transfers	49,449,709
Acquisition of Assets	21,746,086
TOTAL	121,343,578

Key Achievements for Chuka-Igambangombe N.G-CDF

The N.G-CDFC has paid fees to many students in form of bursary fund hence leading to higher retention of students in learning institutions thus enhancing good performance.

The N.G-CDFC has also rehabilitated roads thus improving communication and transportation in various areas.

Access to clean water has also been enhanced and there has also been improvement of Education and Health infrastructure.

CHAIRMAN N.G-CDFC

JOSPHAT MUTEGI

Sign. 

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-CHUKA-IGAMBANGOMBE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

III. STATEMENT OF 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 N.G-CDF shall prepare financial statements in respect of that N.G-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 Chuka-Igambangombe N.G-CDF is responsible for the preparation and presentation of the Chuka-Igambangombe N.G-CDF's financial statements, which give a true and fair view of the state of affairs of the Chuka-Igambangombe N.G-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 N.G-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 N.G-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 Chuka-Igambangombe N.G-CDF accepts responsibility for the Chuka-Igambangombe N.G-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 Chuka-Igambangombe N.G-CDF's financial statements give a true and fair view of the state of Chuka-Igambangombe N.G-CDF's transactions during the financial year ended June 30, 2016, and of the N.G-CDF's financial position as at that date. The Accounting Officer charge of the Chuka-Igambangombe N.G-CDF further confirms the completeness of the accounting records maintained for the N.G-CDF, which have been relied upon in the preparation of the N.G-CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Chuka-Igambangombe confirms that the Chuka-Igambangombe N.G-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the N.G-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 N.G-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 N.G-CDF's financial statements were approved and signed by the Accounting Officer on 7th September, 2016.



Fund Account Manager



N.G-CDFC Chairman

REPUBLIC OF KENYA

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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 – CHUKA IGAMBANG'OMBE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Chuka IgambaNg'ombe Constituency set out on pages 5 to 19 which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 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

1.0 Non-acknowledgement of Bursaries

The financial statements and other records maintained at the CDF office indicate that bursaries totaling Kshs.8,983,436 were disbursed to various institutions during the year under review. However, only bursaries totaling Kshs.1,862,700 (20.73%) were acknowledged by the beneficiaries through letters of acknowledgement or official receipts thus leaving a balance of Kshs.7,120,736 (79.27%) unacknowledged.

In the circumstance, it has not been possible to ascertain whether the bursaries totaling Kshs.7,120,736 reached the intended beneficiaries and were accounted for as appropriate.

2.0 Irregular Expenditure

During the year under review, the Fund spent Kshs.7,377,273 on mock examinations and Continuous Assessed Tests (CATs) as reflected under Note 8 to the financial statements. However, the Ministry of Education through two Circulars ref MOE/GEN1/11/4 of August 2008 and MOE/GEN1/4 of August 2015 had restricted mock examinations to schools having banned joint and cluster of schools examinations.

In the circumstance, the Fund contravened and disregarded the ministerial directives by spending Kshs.7,377,273 on mocks and CATs as at 30 June 2016.

3.0 Irregular Reallocation of Funds of Kibumbu Secondary School

Note 6 to the financial statements reflects grants totaling Kshs.15,500,000 made to secondary schools projects and in which balance includes Kshs.500,000 for construction of one classroom in Kibumbu Secondary School in the year under review.

However, the funds were utilized to put up laboratory concrete benches, sinks, gas piping and plumbing works without approval by the National Government Constituencies Development Fund Board.

In the circumstance, the propriety of the expenditure of Kshs.500,000 as at 30 June 2016 cannot be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Chuka IgambaNg’ombe 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 the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Other Matter

1.0 Budget Control and Performance

The Fund had an approved a budget of Kshs.106,665,238 for the year under review. Further, the Fund had a cash balance of Kshs.23,666,789 brought forward from the 2014/2015 and Kshs.25,175,200 which was budgeted for in 2014/2015 but was released by the Board in 2015/2016. Therefore, the total budget for the Fund during the year totaled to Kshs.155, 507,227. However, out the total budget of the Kshs.155,507,227 only Kshs.121,743,345 (78.29%) was spent and thus Kshs.33,763,882 was unutilized as at 30 June 2016 as shown below:

Revenue / Expenses	Original Budget (Kshs.)	Adjustments (Kshs.)	Final Budget (Kshs.)	Actual on comparable basis (Kshs.)	Variance (Kshs.)	Performance (%)
RECEIPTS						
Cash balance b/f		23,666,789	23,666,789	23,666,789	-	100
Transfers from NG-CDF Board (2014/2015)		25,175,200	25,175,200	25,175,200		100
Transfers from NG-CDF Board (2015/2016)	106,665,238		106,665,238	106,665,238	-	100
Total Receipts	106,665,238	48,841,989	155,507,227	155,507,227	-	100
PAYMENTS						
Compensation of employees	2,000,000	583,205	2,583,205	1,521,504	1,061,701	59
Use of goods and services	7,580,000	2,905,165	10,485,165	6,408,230	4,076,935	61
Transfers to other government units	23,850,000	20,037,931	43,887,931	43,487,931	400,000	99
Other grants and transfers	53,235,647	24,944,813	78,180,460	48,549,709	29,630,751	62
Acquisition of assets	20,000,000	370,466	20,370,466	21,775,971	(1,405,505)	107
TOTAL	106,665,647	48,841,580	155,507,227	121,743,345.00	33,763,882	78

As a result of the under-expenditure, the Constituents did not obtain services worth Kshs.33,763,882 that they had expected to receive on promise made by the CDF management.

2.0 Project Management and Implementation

The approved budget of Kshs.97,085,647 (91%) for development projects was apportioned among various sectors within the constituency namely Education, Water, Roads, Sports, Bursaries, Security, Environment, Health, Agriculture and Emergency.

Review of the project implementation status report revealed that 155 projects allocated Kshs.90,418,000 being 93% of the total projects budget were completed for the year, one(1) project worth Kshs.5,767,647 was ongoing and one projects worth Kshs.900,000 had not started as shown below:

Project Status	Sector	Amount Allocated (Kshs)	Amount Disbursed (Kshs)	No of Projects
Completed	Bursaries	11,000,000	11,000,000	3
	Health	6,500,000	6,500,000	5
	Education	21,450,000	21,450,000	118
	Water	4,000,000	4,000,000	6
	Agriculture	13,500,000	13,500,000	9
	Security	2,500,000	2,500,000	2
	Roads	5,018,000	5,018,000	3
	Sports	950,000	950,000	1
	Environment	200,000	200,000	1
	Others	25,300,000	23,129,130	7
	Sub Total		90,418,000	88,247,130
Ongoing	Emergency	5,767,647	5,071,674	1
	Sub Total	5,767,647	5,071,674	1
Not Started	Education	900,000	500,000	2
	Sub Total	900,000	500,000	2
Grand Total		97,085,647	93,818,804	158

In the circumstance, the residents of Chuka IgambaNg'ombe Constituency did not receive services equivalent to the Kshs.5,767,647 relating to non completed project and Kshs.900,000 relating to non started project.



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

Nairobi

15 June 2017

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-CHUKA-IGAMBANGOMBE 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			
Bal		23,666,789	47,066,702
Transfers from Other Government Entities	1	131,840,438	75,525,600
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
		155,507,227	122,592,302
PAYMENTS			
Compensation of Employees	4	1,521,504	1,421,237
Use of goods and services	5	6,438,115	2,705,001
Committee expenses	6	-	4,471,203
Transfers to Other Government Units	7	42,188,164	14,532,400
Other grants and transfers	8	49,449,709	62,022,872
Social Security benefits	9	-	12,800
Acquisition of Assets	10	21,746,086	8,500,000
Other Payments	11	-	5,260,000
		121,343,578	98,925,513
TOTAL PAYMENTS			
		34,163,649	23,666,789
SURPLUS/DEFICIT			

Note:

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Chuka-Igambangombe N.G-CDF financial statements were approved on 7th September, 2016.


Chairman - CDFC


Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-CHUKA-IGAMBANGOMBE CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2016

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12	34,163,649	23,666,789
		-	-
TOTAL FINANCIAL ASSETS		34,163,649	23,666,789
REPRESENTED BY			
Fund balance b/fwd	13	23,666,789	23,666,789
Surplus/Deficit for the year		10,496,860	=
NET FINANCIAL POSITION		34,163,649	23,666,789

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Chuka-Igambangombe N.G-CDF financial statements were approved on 7th September, 2016. and signed by:


Chairman – N.G-CDFC


Fund Account Manager


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-CHUKA-IGAMBANGOMBE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW		2015-2016	2014-2015
Receipts for operating income		Kshs	Kshs
Transfers from N.G-CDF Board	1	131,840,438	75,525,600
Proceeds from sale of assets	2		
Other Receipts	3		
Payments for operating expenses			
Compensation of Employees	4	(1,521,504)	(1,421,237)
Use of goods and services	5	(6,438,115)	(2,705,001)
Committee Expenses	6	-	(4,471,203)
Transfers to Other Government Units	7	(42,188,164)	(14,532,400)
Other grants and transfers	8	(49,449,709)	(62,022,872)
Social security benefits	9	-	(12,800)
Other Payments	11	-	(5,260,000)
Net cash flow from operating activities		32,242,946	(14,899,913)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	(21,746,086)	(8,500,000)
Net cash flows from Investing Activities		(21,746,086)	(8,500,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		10,496,860	(23,399,913)
Cash and cash equivalent at beginning of the year	13	23,666,789	47,066,702
Cash and cash equivalent at END of the year		34,163,649	23,666,789

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Chuka-Igambangombe N.G-CDF financial statements were approved on 7th September, 2016 and signed by:


 Chairman N.G-CDFC


 Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOMBE CONSTITUENCY

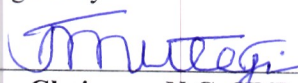
Reports and Financial Statements

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	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from CDF Board	106,665,238	48,841,989	155,507,227	155,507,227	-	100%
Proceeds from Sale of Assets	0			-	-	
Other Receipts	0			-	-	
TOTAL	106,665,238	48,841,989	155,507,227	155,507,227	0	
PAYMENTS					-	
Compensation of Employees	2,000,000	583,205	2,583,205	1,521,504	1,061,701	59%
Use of goods and services	7,580,000	2,905,165	10,485,165	6,438,115	4,076,935	61%
Transfers to Other Government Units	23,850,000	20,037,931	43,887,931	42,188,164	1,699,797	96%
Other grants and transfers	53,235,647	24,944,813	78,180,460	49,449,709	28,730,751	63%
Acquisition of Assets	20,000,000	370,466	20,370,466	21,746,086	(1,405,505)	107%
TOTALS	106,665,647	48,841,580	155,507,227	121,343,578	34,163,649	

The CHUKA-IGAMBANGOMBE N.G-CDF financial statements were approved on 7th September, 2016 and signed by:


Chairman N.G-CDF


Fund Account Manager

NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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 N.G-CDF Chuka-Igambangombe 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 N.G-CDF Chuka-Igambangombe

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the N.G-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 N.G-CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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 Chuka-Igambangombe 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.

5. 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 N.G-CDF Chuka-Igambangombe budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the N.G-CDF Chuka-Igambangombe actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

6. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

7. 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 – CHUKA-
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For the year ended June 30, 2016

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
NG-CDF Board			
AIE NO	A790774/ A750328	25,175,200	7,300,000
AIE NO	A724179/ A750430	10,000,000	17,875,200
	A724208/ A 796533	10,000,000	14,105,120
	A796465/ A796719	10,000,000	11,070,080
	A820542/A796033	10,000,000	25,175,200
	A820873	13,000,000	
	A825555	26,000,000	
	A825619	27,665,238	
TOTAL		131,840,438	75,525,600

NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

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

3. OTHER RECEPTS

	2015 - 2016	2014 - 2015
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	1,341,504	1,421,237
Employers Contribution to NSSF	180,000	
Total	1,521,504	1,421,237

NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2015 - 2016	2014 – 2015
	Kshs	Kshs
Utilities, supplies and services	-	1,019,135
Office rent	60,000	
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services		-
Rentals of produced Assets		160,000
Training expenses		-
Hospitality supplies and services	-	-
Insurance costs	265,735	84,920
Office and general supplies and services	521,589	-
Fuel, Oil, Lubricants	1,250,000	-
Other operating expenses	72,680	958,000
Routine maintenance – vehicles and other transport equipment	270,924	482,948
Routine maintenance – other assets		-
Committee Allowance	3,997,187	-
Other Committee Allowance		-
Total	6,438,115	2,705,001

6. COMMITTEE EXPENSES

	2015 - 2016	2014 – 2015
	Kshs	Kshs
Committee Allowance		3,280,989
Other Committee Allowance		1,190,214
Total	-	4,471,203

NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
		-
Transfers to primary schools (see attached list)	8,288,164	4,250,000
Transfers to secondary schools (see attached list)	15,500,000	2,900,000
Transfers to Tertiary Institution (see attached list)	11,000,000	200,000
Transfers to health institutions (see attached list)	7,400,000	7,182,400
TOTAL	42,188,164	14,532,400

8. OTHER GRANTS AND OTHER PAYMENTS

	2015 – 2016 Kshs	2014 – 2015 Kshs
Bursary – secondary schools (see attached list)	6,595,394	4,573,021
Bursary – tertiary institutions (see attached list)	2,388,042	3,265,979
Mocks & CAT	7,377,273	1,322,010
Water projects (see attached list)	2,500,000	7,000,000
Security projects (see attached list)	3,500,000	800,000
Agriculture	18,700,000	19,000,000
Electricity project	1,000,000	
Roads projects (see attached list)	518,000	18,004,425
Sports projects (see attached list)	300,000	2,532,581
Environment projects	-	2,332,581
Emergency projects (see attached list)	6,571,000	3,192,275
Total	49,449,709	62,022,872

9. SOCIAL SECURITY BENEFITS

	2015 – 2016 Kshs	2014 – 2015 Kshs
Employer Contribution to NSSF		12,800
Total	-	12,800

NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	6,329,130	-
Purchase of Office Furniture and General Equipment	4,147,956	
Construction of Building	10,900,000	8,500,000
Purchase of computers ,printers and other IT equipments	369,000	
Total	21,746,086	8,500,000

11. OTHER PAYMENTS

Specify:	2015 – 2016	2014 – 2015
	Kshs	Kshs
Stadium perimeter wall	-	3,460,000
Market sheds	-	1,800,000
		5,260,000

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

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
<i>Name of Bank Equity Bank Chuka, Account No. 0210261803915</i>	33,919,595	23,583,281
<i>Coop bank Chuka A/c No 01134057806500</i>	244,054	83,508
Total	34,163,649	23,666,789

NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

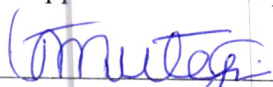
	2015 - 2016	2014 - 2015
13. BALANCES BROUGHT FORWARD		
	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank		
Accounts	<u>23,666,789</u>	<u>47,066,702</u>
Total	<u><u>23,666,789</u></u>	<u><u>47,066,702</u></u>
		-
		-

14. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe
1.0	Cash and Cash Equivalent. No reversal of stale cheques of Kshs.305,748	The stale cheques have been reversed in the cashbook	Accountant	Resolved	
2.0	Budget Control and Performance Kshs. 12,353,936 undisbursed Kshs. 23,666,789 unspent	Undisbursed amount was disbursed and unspent amount has since been spent	PMCs and FAM	Resolved	
Other Matter	Projects Implementation	Projects have since been implemented	PMCs and FAM	Resolved	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF - Chuka IgambaNgombe Constituency financial statements were approved on 7th September 2016 and signed by:


Chairman - CDFC


Fund Account Manager

Annex 1: SUMMARY OF FIXED ASSETS REGISTER

Asset class	Historical Cost 2015/2016 (Kshs)	Historical Cost 2014/2015 (Kshs)
ICT Equipment, Software and Other ICT Assets	595,450	226,450
Purchase of Vehicles and Other Transport Equipment	6,329,130	-
Purchase of Office Furniture and General Equipment	4,215,995	68,039
Construction of Building	19,400,000	8,500,000
Total	30,540,575	8,794,489

