

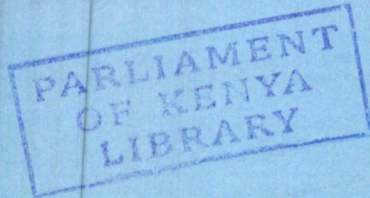
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

PAPER LAID BY
THE HON. BENJAMIN
WASHIALI, MAJORITY
PARTY WMP ON
27.9.2017

REPORT



OF

LB3M

THE AUDITOR-GENERAL



ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
BURA 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- BURA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
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KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC)

(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	Peter M.Katoni
3.	Accountant	Reuben Mose

(d) Fiduciary Oversight Arrangements

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

(e) BURA NGCDF Headquarters

NGCDF Office Building
P.O Box 100-70104
Hola-Garissa Road
Bura-Tana

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

For the year ended June 30, 2016

(f) BURA NGCDF Contacts

Telephone: (254) 0712 449205

E-mail: cdfbura@ngcdf.go.ke

Website: www.cdf.go.ke

(g) BURANGCDF Bankers

1. Kenya Commercial Bank, Garissa Branch
P.O. Box 100-70100
Garissa

(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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
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**I. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NGCDFC)**

The NGCDFC 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 infrastructures of Bura constituency and initiated several water projects.

However there have been emerging issues like political and legal challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the slow pace of the Project Management Committees in filing both financial and narrative reports relating to their NGCDF funded projects. This fact emanates mostly from low literacy levels amongst the PMCs. Water availability was also a challenge to both the contractors as well as the community. Poor road network within the constituency was a big challenge to the contractors when it came to ferrying building materials to the various sites.

More intervention in the area of roads grading, provision of water and capacity building needs to be given attention by all the stakeholders.

Sign.....

CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
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For the year ended June 30, 2016

II. 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.

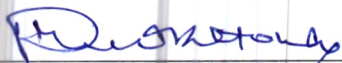
The Accounting Officer in charge of the Bura NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility 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 Bura 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 in charge of the Bura 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 Bura 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 30.09.2016.



Fund Account Manager


Chairman

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BURA 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 - Bura Constituency set out on pages 6 to 25, which comprise the statement of assets as at 30 June 2016, the statement of receipts and payments, statement of cash flows and a summary statement of appropriation: recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the report in compliance with Article 229 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

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

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 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 Acquisition of Assets

The statement of receipts and payments for the year ended 30 June 2016 reflects acquisition of assets figure of Kshs.8,011,000. However, Annex 4 reflects total assets cost of Kshs.21,946,550 which is an increase of Kshs.16,694,940 from the previous year's balance of Kshs.5,251,610. This has resulted in unexplained nor reconciled variance of Kshs.8,683,940.

In the circumstances, the accuracy and completeness of the acquisition of assets figure of Kshs.8,011,000 for the year ended 30 June 2016 cannot be confirmed.

2.0 Cash and Cash Equivalents

2.1 Bank Balance

The statement of assets as at 30 June 2016 reflects bank balances amounting to Kshs.30,599,051.95. However, examination of the bank reconciliation statement for the month of June 2016 revealed stale cheques amounting to Kshs.3,506,525. No explanation has been provided by management why the cheques were not reversed. Further, included in the bank reconciliation statement are payments in bank not yet recorded in the cash book of Kshs.823,000 which have been long outstanding. Management has not explained their failure not to record these transactions in the cash book. In addition, bank charges of Kshs.176,109.45 were reflected in the bank reconciliation statement instead of being expensed and were therefore excluded in these financial statements.

Consequently, the accuracy and completeness of bank balance of Kshs.30,599,051.95 as at 30 June 2016 cannot be ascertained.

2.2 Cash Balance

The statement of assets as at 30 June 2016 reflects a nil cash balance. However, board of survey certificate on cash was not availed for audit review. As a result, the accuracy of the nil cash balance as at 30 June 2016 cannot be confirmed.

Qualified Opinion

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

financial position of the Constituencies Development Fund – Bura 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.

Other Matter

1.0 Budgetary Control and Performance

During the year under review, the Fund's final approved budget amounted to Kshs.175,741,774.20. However actual expenditure amounted to Kshs.85,716,929.35 or 49% of total budgeted funds resulting to under-absorption of Kshs.90,024,844.85 or 51% of the budget as detailed below:

Expenditure item	Final Budget Kshs.	Actual Expenditure Kshs.	Budget Utilization Difference Kshs.	% Budget Utilization
Compensation of Employees	1,320,000	1,123,530.00	196,470	84%
Use of Goods and services	8,797,129	4,162,085.20	4,635,044	47%
Transfer to other Government units	87,555,649	30,905,034.15	56,650,614.4	35%
Other Grant & Transfers	69,572,996	41,515,280	28,057,716.45	60%
Acquisition of Assets	8,496,000	8,011,000.00	485,000	94%
Total	175,741,774	85,716,929	90,024,845	49%

The under-expenditure of Kshs.90,024,845 or 49% of the budget and failure to disburse funds to projects indicates that the budget was not implemented in accordance with the provisions of Section 220(1) of the Constitution of Kenya which requires budgets of the National Government to contain estimates of revenue and expenditure, differentiate between recurrent and development votes and propose financing for any budget deficit for the period to which they apply. Further, Section 35(1) of the Public Finance Management Act, 2012 requires the budget process for the National Government to comprise among other things integrated long term and medium-term planning and determination of financial and economic policies and priorities at the national level over the medium-term and define means for implementing the budget. As such, delivery of goods and services to residents of Bura Constituency may have been curtailed by the under-absorption of funds.

2.0 Project Status Report

The project status report availed for audit review indicated that a total of Kshs.86,193,750.80 was allocated to forty six (46) projects while disbursement to these

projects amounted to Kshs.66,467,647 resulting to an absorption rate of 77%. Out of the 46 projects, thirteen (13) projects were found not to have been completed during the year under review and one project worth Kshs.4,500,000 had not started, as detailed below:

Project No.	Project Name	Activity	Project Cost (Kshs)	Expenditure 2015/2016	Current Status
1	Constituency Sports Tournament	Carry out Constituency Sports tournament and the winning teams /schools to be awarded trophies , balls & games kits	1,626,103.80	-	Ongoing
2	Bura Environmental Activities Project	For environmental conservation activities in Mulango and Nanighi Primary Schools, Huruma, Mororo and Shungwaya Secondary Schools, Fayya Technical Training Institute and Charidende Dispensary	1,400,000.00	-	Ongoing
3	Koti Primary School	Construction of 4 No. Classrooms	4,500,000.00	-	Not yet started
4	Wolesorea Primary School	Purchase of 40 No. desks	200,000.00	-	Ongoing
5	Bangale Primary School	Purchase of 40 No. desks	200,000.00	-	Ongoing
6	Kamaguru Primary School	Purchase of 40 No. desks	200,000.00	-	Ongoing
7	Sabukia Primary School	Purchase of 40 No. desks	200,000.00	-	Ongoing
8	Magura Primary School	Purchase of 40 No. desks	200,000.00	-	Ongoing
9	Hirimani Proimary School	Purchase of 40 No. desks	200,000.00	-	Ongoing
10	Singwaya Secondary School	Construction of 1 No Classroom	1,500,000.00	-	on-going
11	Balenegha Reservoir	Digging of sistern reservoir	500,000.00	-	on-going
12	Bura D.E.O's Office	Power Installation	30,000.00	-	Ongoing
13	Bura DROP's (District Registrar of Persons) Office	Power Installation	70,000.00	-	Ongoing
14	Bura CDF Office	Renovation of the CDF Office and extension works of the Fund Account Manager's Office	2,900,000.00	-	On-going
	Total		13,726,103		

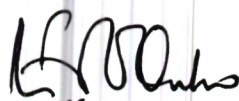
The under-expenditure is an indication that the budget was not fully implemented as envisaged. This has resulted in slow execution and failure to complete projects to the detriment of service provision to the residents of Bura Constituency.

3.0 Project Inspection

A total of eight (8) projects with a budget of Kshs.32,441,380 were inspected in the month of March 2017. The following state of affairs was noted:

	Name	Cost (Kshs)	Project	Observation
1	Godia primary school	2,500,000	Construction of 2 No. Classrooms	Though, the Project status Report of 30 June 2016 showed the project as complete, audit site visit revealed that doors were yet to be fitted to the two classrooms constructed. Subsequently value-for-money on the project may not have been realized.
2	Wolestokacha Primary School	2,500,000	Construction of 2 No. Classrooms	Though the project is complete, it was observed that the project was constructed at a location without any nearby village. As a result, the School is yet to be put to use. Therefore, project identification and screening processes by Bura CDF are weak and inadequate.
3	Wolesorea Primary School	700,000	Construction of 2No. Toilets	No signage for toilet and face board loose
4	Wolesorea Dispensary	10,241,379.50	Various Projects	Staff house not occupied. Not one health personnel had been employed to work at Wolesorea Dispensary and Vandalized Windows
5	Balenegha Reservoir	500,000	Digging of Reservoir	Project being undertaken in conjunction with the community. The project is still in progress. However, the total allocation of Kshs.500,000 has been disbursed to the PMC
6	Buradima Dam	7,000,000	Construction of Water Pan	The water pans were observed not to be holding any water
7	Mansguda Dam- Construction of Water Pan	7,000,000	Construction of Water Pan	The water pans were not holding any water
8	Titila Primary school	2,000,000	Construction of 1 No Class Room and Toilet	There was no signage to indicate the name of the school.
	Total	32,441,380		

Failure to complete projects in time is an indication of lack of proper planning and implementation of projects by the Constituency Development Fund Committee.



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

Nairobi

04 August 2017

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
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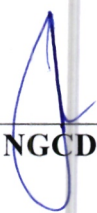
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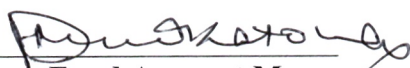
III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	113,307,738.00	101,472,896.60
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	65,000.00	134,000.00
TOTAL RECEIPTS		113,372,738	101,606,896.60
PAYMENTS			
Employee compensation	4	1,123,530.00	1,078,000.00
Use of goods and services	5	4,162,085.20	8,997,125.00
Transfers to Other Government Units	6	30,905,034.15	47,429,422.20
Other grants and transfers	7	41,515,280.00	57,813,546.30
Acquisition of Assets	8	8,011,000.00	-
Other Payments	9	-	-
TOTAL PAYMENTS		85,716,929.35	115,318,093.30
SURPLUS/DEFICIT		27,655,808.65	(13,711,196.70)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BuraNGCDF financial statements were approved on 30.09.2016 and signed by:



Chairman - NGCDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

IV. STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	30,599,051.95	3,219,404.30
Cash Balances (cash at hand)	10B	-	-
Outstanding imprests	11	679,913.00	403,752.00
TOTAL FINANCIAL ASSETS		31,278,964.95	3,623,156.30
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	3,623,156.30	17,334,353.10
Surplus/Deficit for the year		27,655,808.65	(13,711,196.70)
Prior year adjustments	14	-	-
NET LIABILITIES		31,278,964.95	3,623,156.40

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BuraNGCDF financial statements were approved on 30.09.2016 and signed by:

Chairman - NGCDFC

Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURA
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V. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	113,307,738.00	101,472,896.60
Other Receipts	3	65,000.00	134,000.00
Payments for operating expenses			
Compensation of Employees	4	(1,123,530.00)	(1,078,000.00)
Use of goods and services	5	(4,162,085.20)	(8,997,125.00)
Transfers to Other Government Units	6	(30,905,034.15)	(47,429,422.20)
Other grants and transfers	7	(41,515,280.00)	(57,813,546.30)
		(77,705,929.35)	(115,318,093.50)
Adjusted for:			
Adjustments during the year	14	-	-
Outstanding imprest	11	(679,913.00)	-
Net cash flow from operating activities		26,975,895.65	(13,711,196.90)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(8,011,000.00)	-
Net cash flows from Investing Activities		(8,011,000.00)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		26,975,895.65	(13,711,196.90)
Cash and cash equivalent at BEGINNING of the year	13	3,623,156.20	17,334,353.10
Cash and cash equivalent at END of the year		30,599,051.85	3,623,156.20

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BuraNGCDF financial statements were approved on 30.09 2016 and signed by:

Chairman NGCDFC



Fund Account Manager

VI. 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	116,745,880.00	58,930,894.20	175,676,774.2	116,930,894.20	58,745,880.00	66.56%
Proceeds from Sale of Assets					-	
Other Receipts		65,000.00	65,000.00	65,000.00	-	
TOTAL	116,745,880.00	58,995,894.20	175,741,774.20	116,995,894.20		
PAYMENTS						
Compensation of Employees	1,320,000.00	0.00	1,320,000.00	1,123,530.00	196,470.00	85.12%
Use of goods and services	8,732,129.20	65,000.00	8,797,129.20	4,162,085.20	4,635,044.00	47.31%
Transfers to Other Government Units	52,900,000.00	34,655,648.55	87,555,648.55	30,905,034.15	56,650,614.40	35.30%
Other grants and transfers	46,293,750.80	23,279,245.65	69,572,996.45	41,515,280.00	28,057,716.45	59.70%
Acquisition of Assets	7,500,000.00	996,000.00	8,496,000.00	8,011,000.00	485,000.00	94.30%
Other Payments						
TOTAL	116,745,880.00	58,995,894.20	175,741,774.20	85,716,929.35	90,024,844.85	48.77%


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

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- i. The 37.24% utilization under Transfers to Government Units was affected by the fact that at the time the CDFCs were disbanded on 19th February, 2016 the funding was still in the main CDFC bank account. In addition, Kshs.58,372,940 had not been received from the NGCDF Board.
 - ii. The above factor contributed to the overall underutilization of 48.77%.

The BURANGCDF financial statements were approved on 30.09 2016 and signed by:



Chairman NGCDF



Fund Account Manager

VII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NGCDF. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the NGCDF in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the NGCDF includes such value 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.

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 NGCDF at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NGCDF’s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NGCDF’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

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 – BURA
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VIII. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal allocation			
	A796192	27,653,869.00	46,165,158.60
	A796203	27,653,869.00	25,653,869.00
	A 820706	28,000,000.00	16,592,321.00
	A 820536	10,000,000.00	13,061,548.00
	A796412	20,000,000.00	
TOTAL		113,307,738.00	101,472,896.60

2. PROCEEDS FROM SALE OF ASSETS

	2015 – 2016	2014 – 2015
	Kshs	Kshs
Receipts from sale of Buildings	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00
Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.00
Total	0.00	0.00

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

3. OTHER RECEIPTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	65,000	134,000
Other Receipts Not Classified Elsewhere	-	-
	-	-
Total	65,000	134,000

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,123,530	1,066,000
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 gratuity	-	12,000
	-	-
Total	1,123,530	1,078,000

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

5. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	9,000	5,950
Office rent	-	-
Communication, supplies and services	160,000	133,920
Domestic travel and subsistence	810,300	568,000
Printing, advertising and information supplies & services	290,646.80	812,607
Rentals of produced assets	-	-
Training expenses	2,600	-
Hospitality supplies and services	77,650	73,608
Other committee expenses	18,000	1,676,000
Committee allowance	2,451,600	3,805,716
Insurance costs	46,092	-
Specialized materials and services	-	-
Office and general supplies and services	73,370	-
Fuel ,oil & lubricants	186,426.20	230,000
Other operating expenses	-	295,296
Routine maintenance – vehicles and other transport equipment	29,400	-
Routine maintenance – other assets	7,000	458,196
Total	4,162,085.00	8,059,293

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	13,313,985.00	15,214,322.90
Transfers to secondary schools (see attached list)	5,089,366.80	29,393,222.00
Transfers to tertiary institutions (see attached list)	8,000,000.00	0.00
Transfers to health institutions (see attached list)	4,501,682.35	2,821,877.30
TOTAL	30,905,034.15	47,429,422.00

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016 Kshs	2014 -2015 Kshs
Bursary – secondary schools (see attached list)	7,706,500	5,673,500
Bursary – tertiary institutions (see attached list)	8,609,000	3,978,000
Bursary-Special schools (see attached list)		
Mock & CAT (See attached list)		
Water projects (see attached list)	15,987,780	30,860,308.50
Agriculture projects (See attached list)	0.00	0.00
Electricity projects (See attached list)	0.00	0.00
Security projects (see attached list)	200,000	7,572,261.80
Roads projects (See attached list)	0.00	-
Sports projects (see attached list)	0.00	1,000,000
Environment projects (see attached list)	122,000	700,000
Office Projects (see attached list)	0.00	29,476
Emergency Projects (specify)	8,890,000	8,000,000
Total	41,515,280.00	57,813,546.30

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BURA
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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	-	-
Purchase of Vehicles and Other Transport Equipment	7,000,000	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	790,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	221,000	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	8,011,000	0.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

Specify	2015 - 2016 Kshs	2014 - 2015 Kshs
---------	---------------------	---------------------

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs	2014 - 2015 Kshs
Kenya Commercial Bank A/c 1107773164	30,599,051.95	3,219,404.30
	-	-
	-	-
	-	-
	30,599,051.95	3,219,404.30
10B: CASH IN HAND		
	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1	0.00	0.00
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

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

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
Peter Katoni		679,913		679,913
				<u>679,913</u>

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

12 Retention			
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
		Kshs	Kshs
		0.00	0.00
TOTAL			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BURA
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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	30,599,051.95	16,396,521.10
Cash in hand	-	-
Imprest	-	-
	<u>679,913.00</u>	<u>403,752.00</u>
Total	<u><u>31,278,964.95</u></u>	<u><u>16,800,273.10</u></u>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
	<u>-</u>	<u>-</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings	-	-
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)	-	-
	-	-
	-	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND, BURA CONSTITUENCY

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For the year ended June 30, 2016 (Kshs)

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						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND, BURA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016 (Kshs'000)

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, BURA CONSTITUENCY

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For the year ended June 30, 2016 (Kshs'000)

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						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND, BURA CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	3,770,550.00	NOT VALUED
Buildings and structures	5,125,000.00	NOT VALUED
Transport equipment	12,000,000.00	5,000,000.00
Office equipment, furniture and fittings	790,000.00	81,610.00
ICT Equipment, Software and Other ICT Assets	221,000.00	130,000.00
Other Machinery and Equipment	40,000.00	40,000.00
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	21,946,550.00	5,251,610.00

Prepared by:

Peter Katoni
Fund Account Manager
Bura Constituency

