

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Approved by the leader of the majority party Hon. Allen Dwele on Tuesday 26/9/2017



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REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
- JOMVU CONSTITUENCY
FOR THE YEAR ENDED
30 JUNE 2016

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – JOMVU
CONSTITUENCY**

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The NG-Constituencies Development Fund (NG-CDF) was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015.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 a specific portion of the national annual budget is devoted to the constituencies for infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Fatma M. Abubakar
3.	Accountant	Julius Tuei.

(d) Fiduciary Oversight Arrangements

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

(e) JOMVU CDF Headquarters

P.O. Box 90646-80100.
Near Kwa Shee Primary School- Mikindani
Mombasa.

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

(f) JOMVU NG-CDF Contacts

E-mail: cdffjomvu@cdf.go.ke
Website: www.cdf.go.ke

(g) JOMVU NG-CDF Bankers

1. Equity Bank
Changamwe Branch.
A/C NO: 1200261736417.
P.O. Box 90016-80100
Mombasa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

Jomvu is among six constituencies within Mombasa County. It has four locations and three wards. Jomvu being a young constituency in Mombasa County it has got higher demand for development.

We are glad to present to you financial statements for Jomvu CDF for year ending 30th June 2016. We have managed to complete quite a number of projects which were on going as well as start new ones. For 2015/2016, we have so far received half of the funds and we are hoping to receive and consume the balance of it in the next few months.

Some of the challenges that we have been facing are Vandalisms ,Delay in disbursement, Political interference, Community expectation in monetary.

Way forward

- Creating awareness to the public to own the project.
- NG- CDF Board to ensure timely disbursement of fund.



.....
Alex Namasambu - CHAIRMAN NG-CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
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 Jomvu NG-CDF shall prepare financial statements in respect of that NG-CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Jomvu NG-CDF is responsible for the preparation and presentation of the fund's financial statements, which give a true and fair view of the state of affairs of the NG-CDF for and as at the end of the financial year 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 fund; (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 fund; (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 Jomvu NG-CDF accepts responsibility for the fund'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 fund's financial statements give a true and fair view of the state of fund's transactions during the financial year ended June 30, 2016, and of the fund's financial position as at that date. The Accounting Officer charge of the Jomvu NG-CDF further confirms the completeness of the accounting records maintained for the fund, which have been relied upon in the preparation of the fund's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the Jomvu NG-CDF confirms that the fund has complied fully with applicable Government Regulations and that the NG-CDF 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 fund'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 fund's financial statements were approved and signed by the Accounting Officer on 19/06/2016 2016.



NG-CDFC Chairman



Fund Account Manager

JOMVU CDF A/C MANAGER
P.O. Box 90648-00100, MOI BASA
TEL: 0722-305831
Sign



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – JOMVU 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 - Jomvu Constituency set out on pages 6 to 22, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and a summary 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 believe, were necessary for 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 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. Transfers to Other Government Units

The statement of receipts and payments for the year ended 30 June 2016 reflects transfers to other government units of Kshs.7,900,000 out of which Kshs.2,000,000 was disbursed to St. Mary's Bangladesh Primary School for the construction of a social hall. However, as at the 30 June 2016, the project had not started.

Consequently, the value-for-money on the Kshs.2,000,000 transferred to the project for the year ended 30 June 2016 could not be confirmed.

2. Other Grants and Transfers

The statement of receipts and payments for the year ended 30 June 2016 reflects other grants and transfers of Kshs.34,995,234 out of which Kshs.7,700,000 relates to water projects. Ownership documents for the land on which the boreholes were drilled were not availed for audit verification. Further, projects totaling to Kshs.3,400,000 had not been done as at 30 June 2016 as shown below;

PAYEE	Date	P.V No.	Chq No	Amount Kshs
Kopa kopa Borehole	07/07/2015	003	1021	650,000.00
Mwamlai Borehole	07/07/2015	004	1022	650,000.00
Ganahola Kwa Kenga	07/07/2015	007	1025	650,000.00
Funga shati well	03/11/2015	20	1813	150,000.00
Kwa Punda Borehole	03/11/2015	22	1816	650,000.00
Owino Uhuru Borehole	03/11/2015	23	1817	650,000.00
Total				3,400,000.00

Although the management indicated that the respective project budgets had been reallocated, no approvals from the Board were availed for audit confirmation.

Under the circumstance, it has not been possible to confirm the propriety of Kshs.7,700,000 spent on water projects during the year under review.

3. Cash Balance

The statement of financial assets as at 30 June 2016 reflects nil cash balance but the supporting Board of Survey Report was not availed for audit review.

Consequently, the accuracy and completeness of 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 National Government Constituencies Development Fund – Jomvu 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

1.1 Budgetary Controls and Performance

During the year under review, the Fund had a budget of Kshs.91,568,338 but spent Kshs.48,801,507 or 53% of the budget resulting to under-expenditure of Kshs.42,766,831.00 or 47% as shown below:

Expenditure	Final Budget (Kshs.)	Actual Expenditure (Kshs.)	Under Absorption (Kshs.)	Under Absorption (%)
Compensation of Employees	1,933,474	1,691,771	241,703	12
Use of Goods and services	9,182,461	4,214,502	4,967,959	54
Transfers to Other Government Units	21,400,000	7,900,000	13,500,000	63
Other grants and transfers	59,052,403	34,995,234	24,057,169	40
Totals	91,568,338	48,801,507	42,766,831	47

The under-expenditure of Kshs.42,766,831 indicates that the projects were not implemented in accordance with the provisions of Section 220(1) of the Constitution of Kenya and Section 35(1) of the Public Finance Management Act, 2012 which require the budget process for the national Government to comprise among other things integrated medium and long term planning and determination of financial and economic policies and priorities at the national level over the medium term. As such, delivery of goods and services to residents of Jomvu Constituency was curtailed by the failure to utilize the budget wholly.

1.2 Projects Implementation

The projects status report availed for audit review indicated that a total of Kshs.55,800,000 was approved for thirty-six (36) projects which had however not started as at 30 June 2016, as shown below:

	Project Name	Sub – Project / Activities	Location	Financial Year	Allocations Kshs	Implementati on Status (Not started, on- going, completed, stalled or abandoned)
1	Miritini social hall	construction of a social hall	Miritini	2015/2016	5,000,000.00	Not Started
2	Jomvu Kuu , Miritini and Kwa Shee Social halls	Furniture for the social halls	Constituency	2015/2016	2,000,000.00	Not Started
3	Kijiweni Public Toilet	Construction of public toilet	Mikindani	2015/2016	2,000,000.00	Not Started
4	Bahati Streetlights	Installation of street lights on existing KPLC poles	Mikindani	2015/2016	1,000,000.00	Not Started
5	Kibarani streetlights	Installation of Streetlights on	Mikindani	2015/2016	1,000,000.00	Not Started
6	Birikani Streetlight	Existing KPLC poles	Mikindani	2015/2016	1,000,000.00	Not Started
7	Kwa ng'ombe streetlights	Installation of street lights on KPLC existing pole	Mikindani	2015/2016	1,000,000.00	Not Started
8	Kwa kamau streetlights	Installation of street lights on KPLC existing pole	Mikindani	2015/2016	1,000,000.00	Not Started
9	Kopa kopa street lights	Installation of street lights on KPLC existing pole	Mikindani	2015/2016	1,000,000.00	Not Started
10	Kwa punda streetlights	Installation of Streetlights on	Mikindani	2015/2016	1,000,000.00	Not Started

	Project Name	Sub – Project / Activities	Location	Financial Year	Allocations Kshs	Implementati on Status (Not started, on- going, completed, stalled or abandoned)
11	Mtaa wa waswahili streetlights	Installation of street light on existing KPLC pole	Jomvu Kuu	2015/2016	1,000,000.00	Not Started
12	Mataa ndege streetlights	Installation of street light on existing KPLC pole	Jomvu Kuu	2015/2016	1,000,000.00	Not Started
13	Bendube streetlights	Installation of street light on existing KPLC pole	Jomvu Kuu	2015/2016	1,000,000.00	Not Started
14	Kwa Zera streetlights	Installation of street light on existing KPLC pole	Jomvu Kuu	2015/2016	1,000,000.00	Not Started
15	Narcol streetlights	Installation of street light on existing KPLC pole	Jomvu Kuu	2015/2016	1,000,000.00	Not Started
16	Mikanjuni streetlights	Installation of street light on existing KPLC pole	Jomvu Kuu	2015/2016	2,000,000.00	Not Started
17	ACK streetlights	Installation of street light on existing KPLC pole	Mikindani	2015/2016	1,000,000.00	Not Started
18	Kambodia borehole	Drilling and development. of borehole	Mikindani	2015/2016	650,000.00	Not Started
19	Jitoni borehole	Drilling and development. of borehole	Jomvu Kuu	2015/2016	650,000.00	Not Started
20	Kwa defence borehole	Drilling and development. of borehole	Mikindani	2015/2016	650,000.00	Not Started
21	Kwa Zera borehole	Drilling and development. of borehole	Jomvu Kuu	2015/2016	650,000.00	Not Started

	Project Name	Sub – Project / Activities	Location	Financial Year	Allocations Kshs	Implementati on Status (Not started, on- going, completed, stalled or abandoned)
22	Mugusi borehole	Drilling and development. of borehole	Miritini	2015/2016	650,000.00	Not Started
23	Miritini madukani borehole	Drilling and development. of borehole	Miritini	2015/2016	650,000.00	Not Started
24	Bogobogoni borehole	Drilling and development. of borehole	Mikindani	2015/2016	650,000.00	Not Started
25	Kwa Ngombe borehole	Drilling and development. of borehole	Mikindani	2015/2016	650,000.00	Not Started
26	Kwa mwanzia Borehole	Drilling and development. of borehole	Mikindani	2015/2016	650,000.00	Not Started
27	Kirororma Borehole	Drilling and development. of borehole	Miritini	2015/2016	650,000.00	Not Started
28	Kcc Borehole	Drilling and development. of borehole	Miritini	2015/2016	650,000.00	Not Started
29	Thome borehole	Drilling and development of borehole	Miritini	2015/2016	650,000.00	Not Started
30	Miritini Madukani	Drilling and development of Borehole	Miritini	2015/2016	650,000.00	Not Started
31	Maganda Borehole	Drilling and development of borehole	Miritini	2015/2016	650,000.00	Not Started
32	Gomora Borehole	Drilling and development of borehole	Miritini	2015/2016	650,000.00	Not Started
33	Kitui kwa kaburuga Borehole	Drilling and development of borehole	Miritini	2015/2016	650,000.00	Not Started
34	Miritini High School	Construction of	Miritini	2015/2016	10,000,000.00	Not Started

	Project Name	Sub – Project / Activities	Location	Financial Year	Allocations Kshs	Implementati on Status (Not started, on- going, completed, stalled or abandoned)
		Administration block				
35	Jomvu Girls Secondary School	Construction of classroom	Jomvu Kuu	2015/2016	1,400,000.00	Not Started
36	Aldina Primary School	Construction of four classrooms and ten toilets	Jomvu Kuu	2015/2016	10,000,000.00	Not Started
	Total				55,800,000	

The management of the CDF failed in its constitutional responsibility to deliver services to the citizens of Jomvu Constituency by not implementing the planned projects worth Kshs.55,800,000 despite having cash at bank in excess of Kshs.71 million as at 30 June 2016.

No plausible explanation has been provided by management for the failure to implement these projects.

2 Projects Verification

During the audit, eight (8) projects were inspected in March 2017 and the following anomalies noted on two of the projects:

2.1 Drilling and Equipping of Borehole at Chamunya

A visit to Chamunya Borehole project revealed that although the borehole was drilled and equipped with a hand-pump, there was no water thus raising doubt as to whether a proper feasibility study was carried out before public funds totalling Kshs.650,000 were allocated to the project.

2.2 Installation of Street Lights on existing KPLC Poles at Sameta

A visit to Sameta street light project revealed that the project was undertaken at a cost of Kshs.1,450,000. However, the street lights installed were not working at the time of the audit inspection. Therefore, the objective of providing security to the residents was not achieved.

In the circumstance, it is clear that the citizens of Jomvu Constituency did not obtain value-for-money on the two projects costing Kshs.2,100,000 implemented during the year under review.



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

Nairobi

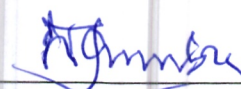
22 June 2017

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	91,013,981.00	106,316,219
Proceeds from Sale of Assets	2	-	
Other Receipts	3	93,000.00	129,000.00
TOTAL RECEIPTS		91,106,981.00	106,445,219.00
PAYMENTS			
Compensation of employees	4	1,691,771.00	1,187,834.00
Use of goods and services	5	4,214,501.81	5,138,415.00
Transfers to Other Government Units	6	7,900,000.00	32,764,904.00
Other grants and transfers	7	34,995,234.00	56,446,855.00
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		48,801,506.81	95,506,408.00
SURPLUS/DEFICIT		42,285,458.19	10,938,811.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Jomvu NG-CDF financial statements were approved on 15/SEP 2016 and signed by:


Chairman – NG-CDFC

JOMVU C.D.F A/C MANAGER
P.O. Box 90646- 80100, MOMBASA
TEL: 0722- 305 811


Date: _____ Sign: _____
Fund Account Manager

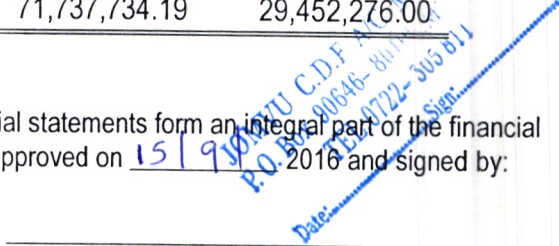
V. STATEMENT OF ASSETS

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

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	71,737,734.19	29,452,276.00
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		<u>71,737,734.19</u>	<u>29,452,276.00</u>
REPRESENTED BY			
Retention			
Fund balance b/fwd 1st July...	12	29,452,276.00	18,513,465.00
Surplus/Defict for the year	13	42,285,458.19	10,938,811.00
Prior year adjustments	14	-	-
NET LIABILITIES		<u>71,737,734.19</u>	<u>29,452,276.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Jomvu -NG-CDF financial statements were approved on 15/9/2016 and signed by:


Chairman - NG-CDFC


Fund Account Manager


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY


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

VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
Receipts for operating income			
Transfers from CDF Board	1	91,013,981.00	106,316,219.00
Other Receipts	3	93,000.00	129,000.00
		91,106,981.00	106,445,219.00
Payments for operating expenses			
Compensation of Employees	4	1,691,771.00	1,187,434.00
Use of goods and services	5	4,214,501.81	5,138,415.00
Transfers to Other Government Units	6	7,900,000.00	32,764,904.00
Other grants and transfers	7	34,995,234.00	56,415,655.00
Other Payments	9	-	-
		48,801,506.81	95,506,408.00
Adjusted for:			
Adjustments during the year	14		
		42,305,474.19	10,938,811.00
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9		
		-	
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT			
		42,285,458.19	10,938,811.00
Cash and cash equivalent at BEGINNING of the year	13	29,452,276.00	18,513,465.00
Cash and cash equivalent at END of the year		71,737,734.19	29,452,276.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Jomvu- NG-CDF financial statements were approved on 15/9/2016 and signed by:


Chairman NG-CDFC


Fund Account Manager
Date: Sign:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –JOMVU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	91,013,981.00	80,307,000.50	171,320,981.50.00	91,013,981.00	50,854,724.50	70%
Other Receipts	93,000.00	-	93,000.00	93,000.00		100%
TOTAL	91,106,981.00	80,307,000.50	171,413,981.50.00	91,106,981.00	50,854,724.50	70%
PAYMENTS						
Compensation of Employees	1,933,474.00	1,100,000.00	3,033,474.00	1,691,771.00	1,341,703.00	55.75%
Use of goods and services	9,182,461.00	1,175,243.00	10,357,704.00	4,214,501.81	6,143,202.19	41%
Transfers to Other Government Units	21,400,000.00	-	21,400,000.00	7,900,000.00	13,500,000.00	59%
Other grants and transfers	59,052,403.00	27,177,033.00	86,229,436.00	34,,995,234.00	51,234,193.00	68%
Acquisition of Assets	-	-	-	-		
Other Payments			-		-	
TOTAL	91,568,338.00	29,452,276.00	121,020,614.00	48,801,506.81	152,528,556.19	48.41%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

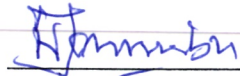
(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. Underutilization of funds is due to delay of receipt of funds from NG-CDF Board

Reports and Financial Statements
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- ii. Underutilization was also caused by some projects being re-allocated to under projects hence lying idle in the account.
- iii. Underutilization was also caused by long procurement procedures

The JOMVU NG-CDF financial statements were approved on 15/9/ 2016 and signed by:



Chairman NG-CDF



Fund Account Manager

JOMVU C.D. PAC MANAGER
P.O. Box 90646- 80100, MON/BASA
TEL: 0722- 305 811
Sign

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – JOMVU
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VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the fund. 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 fund.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the fund 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 fund 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 fund 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 fund'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 fund'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.

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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal Allocation	AIE NO. A750294	35,599,981.00	
	AIE NO. A796918	10,000,000.00	
	AIE NO. A797008	38,000,000.00	
	AIE NO.	7,400,000.00	
Other receipts	-	14,000.00	
	AIE NO. A750294		32,063,316.00
	AIE NO. A796918		22,799,990.50
(Other Constituency e.g. parent constituency)			28,652,992.00
	AIE NO: A797008		22,799,990.50
TOTAL		91,013,981.00	106,316,219.00

2. OTHER RECEPTS

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Sale of tender documents		93,000.00	129,000.00
Other Receipts Not Classified Elsewhere (specify)		-	-
Total		93,000.00	129,000.00

4. COMPENSATION OF EMPLOYEES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Basic wages of contractual employees		1,644,567.00	945,834.00
Basic wages of casual labour		-	

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			31,200.00
Personal allowances paid as part of salary		-	-
House allowance		-	201,000
Transport allowance		-	-
Leave allowance			-
Employer contribution to NSSF gratuity		47,204.00	9,400.00
Total		1,691,771.00	1,187,434.00

5. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	146,858.00	51,250.00
Office rent	280,000.00	315,000.00
Communication, supplies and services	140,724.00	82,800.00
Domestic travel and subsistence	120,000.00	248,600.00
Printing, advertising and information supplies & services	148,331.00	130,863.00
Rentals of produced assets	-	-
Training expenses	-	1,320,600.00
Hospitality supplies and services	56,195.00	-
Specialized material and services	80,910.81	-
Office and general supplies and services	92,256.00	282,202.00
Other operating expenses	1,025,427.00	
Committee expenses	2,123,800.00	2,707,100.00
Total	4,214,502.00	5,138,415.00

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	3,400,000.00	9,281,970.00
Transfers to secondary schools	4,500,000.00	23,482,934.00

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TOTAL		7,900,000.00	32,764,904.00
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7. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	8,968,000.00	5,141,500.00
Bursary -Tertiary	6,612,000.00	3,590,000.00
Bursary-Special schools	-	1,600,000.00
Mocks & CAT	-	-
water	7,700,000.00	5,500,000.00
Health	1000,000.00	7,782,759.00
Electricity projects	3,850,000.00	4,500,000.00
Security	2,000,000.00	5,414,736.00
Roads	3,602,922.00	19,000,000.00
Sports	1,262,312.00	1,083,300.00
Environment project		1,211,360.00
Emergency Projects (specify)	-	1,592,000.00
Total	34,995,234.00	56,415,655.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets		2015 - 2016	2014 - 2015
		Kshs	Kshs
Purchase of Office furniture and fittings		-	
Purchase of computers ,printers and other IT equipments			-
Total			

10. A Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency		2015 - 2016	2014 - 2015
	Account Number	Kshs (30/6/2016)	Kshs (30/6/2015)
<i>Equity Bank Changamwe Branch Mombasa</i>	1200261736417	71,737,734.19	29,452,276.00
Total		71,737,734.19	29,452,276.00

13. BALANCES BROUGHT FORWARD

		2015 - 2016	2014 - 2015
		Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts		71,737,734.19	29,452,276.00
Cash in hand		-	-
Imprest			-
Total		71,737,734.19	29,452,276.00

14. PRIOR YEAR ADJUSTMENTS

		2015 - 2016	2014 - 2015
		Kshs	Kshs
Bank accounts			
Cash book reversal entries			
Imprest		-	-
		-	-
Total			

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLES (See Annex 1)

		2015 - 2016	2014 - 2015
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services (Driving School)			800,000.00
TOTAL			800,000.00

15.2: PENDING STAFF PAYABLES (See Annex 2)

		2015 - 2016	2014 - 2015
		Kshs	Kshs
Senior management		-	-
Middle management			-
Unionisable employees		-	-
Others (specify)		-	-
			-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2,015	2,014	
		b	c	d=a-c		
Supply of services						
10. Unik Driving School	2,400,000	22 nd Dec 2014	1,600,000	800,000		
Sub-Total	2,400,000		2,400,000	800,000		
Grand Total						

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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		
Middle Management							
Sub-Total							
Grand Total							

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstandin	Outstandin	Comments
					g Balance	g Balance	
					2015	2014	
		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							
	Sub-Total						
	Sub-Total						
	Grand Total						