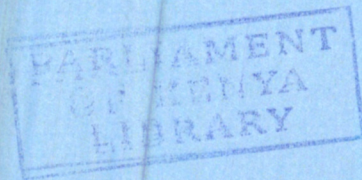


REPUBLIC OF KENYA



*Paper laid
Thursday
09/11/17
Agd*

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



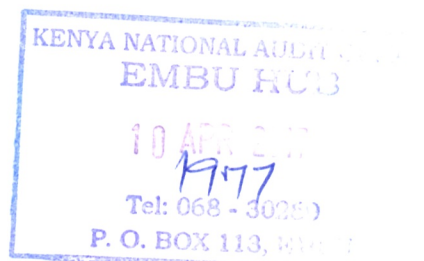


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
MANYATTA CONSTITUENCY**

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)



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2015. The National Government 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 Manyatta Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mary Kabuga
3.	Accountant	Peter Wachira

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1991-60100
Opposite Regional Coordinator Offices
Along Embu/ Meru Highway
Embu

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

(f) MANYATTA NG- CDF Contacts

Telephone: (254) 723-124-525

E-mail: manyatta@cdf.go.ke

Website: manyattacdf.go.ke

(g) Manyatta NG-CDF Bankers

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

2. Co-operative bank
Embu

(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 CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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

In the financial year 2015/16, Manyatta NG-CDF was allocated ksh 104,419,993 with kshs 19,014,95 going to statutory allocation, Kshs 26,104,998 to bursary and the balance of ksh 59,300,000 to development projects as follows:-

Sector	Amount Kshs
Pry schools	6,700,000
Secondary schools	12,250,000
Tertiary	15,000,000
Health institutions	2,000,000
Security	6,850,000
Roads	6,780,000
Sports	1,972,131
Water	800,000
Agriculture	8,000,000

A total of kshs 106,896,355 has been spent on various projects as follows in the financial year 2015/16 as follows:

ITEM	AMOUNT SPENT
Compensation of employees	939,210
Use of goods and services	1,729,238
Committee Expenses	4,269,419
Transfers to other government units	34,902,931
Other grants and transfers	62,772,351
Social Security Benefits	113,580
Acquisition of assets	810,000
Other Payments (Strategic Plan)	1,359,626
TOTAL	106,896,355

Key Achievements for Manyatta NG-CDF

The NG-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 NG-CDFC has also rehabilitated roads thus improving communication and transportation in various areas. Improved education and security infrastructure and ensured access to clean water.

CHAIRMAN NG-CDFC

EVANS MBOGO

Sign.....

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
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 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.

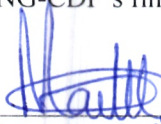
The Accounting Officer in charge of the Manyatta NG-CDF is responsible for the preparation and presentation of the Manyatta NG-CDF's financial statements, which give a true and fair view of the state of affairs of the Manyatta NG-CDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NG-CDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NG-CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Manyatta NG-CDF accepts responsibility for the Manyatta NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Manyatta NG-CDF's financial statements give a true and fair view of the state of ManyattaNG_CDF's transactions during the financial year ended June 30, 2016, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of the Manyatta NG-CDF further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Manyatta confirms that the Manyatta NG- CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NG-CDF's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NG-CDF's financial statements were approved and signed by the Accounting Officer on 30th August, 2016.


Fund Account Manager


NG- CDFC Chairman

FUND ACCOUNTS MANAGER
MANYATTA CONSTITUENCY
P. O. Box 1991-60100, EMBU
Date:..... Sign:.....

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MANYATTA 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- Manyatta Constituency set out on pages 6 to 22, which comprise statement of assets and liabilities as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, 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 this 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 the 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 judgment, including the assessment of the risks of material misstatement of

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

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. Accuracy of the Financial Statements

The financial statements reflected a balance of Kshs.4,269,419 in respect to committee expenses as at 30 June 2016. However, the supporting schedules reflected a balance of Kshs.4,593,500 resulting in unexplained and unreconciled variance of Kshs.324,081. The financial statements for the year ended 30 June 2016 were therefore under stated by an unexplained variance of Kshs. 324,081.

In view of the above, the accuracy of the financial statements as at 30 June 2016 could not be confirmed.

2. Embu Boda Boda Sheds

The Fund's project proposal showed that ten sheds were to be constructed at Minni Inn, Kathita, Mbukori, Karau, Kithimu, Mbeti, Manyatta, Kiriari, Njukiri and Jatomy at a total cost of Kshs 1,000,000. However, a physical inspection of the project revealed that out of the ten sheds, three of them were constructed at Manyatta area and one shed at Kivue market. No explanation was given as to why a shed was constructed at Kivue while it had not been approved and why three sheds were constructed at Manyatta while only one shed had been approved. In addition, the documentation for the change of location was not provided. Further, although the sheds were labelled, the respective financial year was not indicated and therefore, it was not possible to ascertain whether the project's funding was from the year under review or if it was from the previous year's budget.

In the circumstances, the propriety of expenditure of Kshs.1,000,000 could not be confirmed as at 30 June 2016.

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-Manyatta 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. Budgetary Control and Performance

During the financial year under review, Manyatta CDF approved a budget of Kshs 104,419,993. However, Kshs.106,896,335 (102%) was spent resulting to an over – expenditure of Kshs. 1,666,362. Further, six (6) projects with a total budget of Kshs. 17,124,711 had an expenditure of Kshs.39,267,688 resulting into an over – expenditure of Kshs.22,142,977 as shown below:

Sub Head	Budget Kshs.	Actual Kshs.	Budget Utilization Difference Kshs.	Absorption Rate
Sports activities	1,924,711	3,645,181	(1,720,470)	189%
Primary School Projects	6,700,000	10,882,931	(4,182,931)	162%
Water Projects	1,720,000	1,900,000	(180,000)	110%
Road Projects	6,780,000	9,124,419	(2,344,419)	135%
Strategic planning/ Website	0	1,338,955	(1,338,955)	
Agriculture	0	12,376,202	(12,376,202)	
Sub totals	17,124,711	39,267,688	22,142,977	
Administration/Recurrent/ M&E	9,397,898	7,072,118	2,325,780	75%
Auditors Fees			-	
Emergency	5,767,674	4,698,399	1,069,275	81%
Environmental Projects	1,924,712	0	1,924,712	0%
Bursary	24,104,998	23,241,000	863,998	96%
Mocks and Cats	2,000,000	1,837,150	162,850	92%
Secondary School Projects	12,250,000	12,020,000	230,000	98%
Tertiary-Projects	15,000,000	10,000,000	5,000,000	67%
Health Projects	2,000,000	2,000,000	-	100%
Security Projects	14,850,000	5,950,000	8,900,000	40%
Totals	104,419,993	106,086,355	(1,666,362)	102%

No supplementary budget covering the over – expenditure or proof of reallocation of the funds was availed for audit verification.

2. Project Implementation Status


The approved budget for development project was apportioned among various sectors within the Constituency namely Primary schools, Secondary schools, Health

Water projects, Security, Bursary and Environment. The funds allocated amounted to Kshs. 86,332,660 which represented 83% of the total budget of Kshs.104,419,993. Review of the project implementation status report revealed that the 41 projects were completed, 31 had not started and 42 were ongoing as shown below:

Sector	Project Status	Amount Allocated	Amount Disbursed	No. of projects
Education	Completed	11,450,000	11,450,000	20
	Ongoing	15,950,000	15,950,000	24
	Not started	8,437,931	8,437,931	19
	Sub Total	35,837,931	35,837,931	63
Health	Completed	2,700,000	2,700,000	3
	Sub Total	2,700,000	2,700,000	3
Water	Completed	200,000	200,000	1
	Ongoing	1,120,000	1,120,000	3
	Not started	800,000	0.00	4
	Sub Total	2,120,000	1,320,000	8
Security	Completed	13,150,000	14,200,000	15
	Ongoing	5,600,000	5,600,000	11
	Not started	2,200,000	0.00	5
	Sub Total	20,950,000	19,800,000	31
Roads	Completed	5,580,000	5,580,000	2
	Ongoing	15,000,000	15,000,000	2
	Not started	1,200,000	0.00	2
	Sub Total	21,780,000	20,580,000	6
Environment	Completed	0.00	0.00	0
	Ongoing	1,020,017	1,020,017	2
	Not started	1,924,712	0.00	1
	Sub Total	2,944,729	1,020,017	3
	Grand Total	86,332,660	76,620,017	114

From the above analysis, out of the 114 projects, 31 projects with a total allocation of Kshs.14,562,643 and total disbursements of Kshs.3,800,000 had not yet commenced as at 30 June 2016.

In the circumstance, it was not possible to ascertain that the Fund would implement all projects as budgeted.



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

Nairobi

05 October 2017

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
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 Other Government Entities	1	101,303,286	85,810,986.00
Proceeds From sale of Assets			
Other Receipts	2		905,030.00
TOTAL RECEIPTS		101,303,286	86,716,016.00
PAYMENTS			
Compensation of Employees	3	939,210	809,279.00
Use of goods and services	4	1,729,238	1,183,951.75
Committee Expenses	5	4,269,419	3,072,650.00
Transfers to Other Government Units	6	34,902,931	39,985,788.50
Other grants and transfers	7	62,772,351	45,410,639.70
Social Security Benefits	8	113,580	99,480
Acquisition of Assets	9	810,000	600,480.05
Other Payments	10	1,359,626	640,000.00
TOTAL PAYMENTS		106,896,355	91,802,269.00
SURPLUS/DEFICIT		5,593,069	5,086,253.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Manyatta NG-CDF financial statements were approved on 07th September 2016 and signed by:



Chairman - NG- CDFC



**FUND ACCOUNTS MANAGER
MANYATTA CONSTITUENCY
P. O. Box 101-60100, EMBU**

Fund Account Manager

Date:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

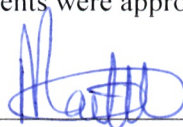
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	11A	5,474,871	11,382,934.35
Cash at Hand- Cash Balance	11B	-	564,000.00
Outstanding Imprest	12	-	-
TOTAL FINANCIAL ASSETS		5,474,871	11,946,934.35
REPRESENTED BY			
Retention	13	-	-
Fund balance b/fwd	14	11,946,934	17,033,187.35
Surplus/Deficit for the year		(5,593,069)	(5,086,253.00)
Prior Year Adjustment	15	(878,994)	-
NET FINANCIAL POSITION		5,474,871	11,946,934.35

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



Chairman - NG- CDFC



Fund Account Manager

FUND ACCOUNTS MANAGER
MANYATTA CONSTITUENCY
P. O. Box 1991-60100 EMBU
Date.....
Sign.....

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

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

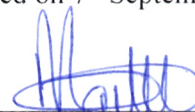
VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 – 2016	2014 - 2015
Transfers from CDF Board	1	101,303,286	85,810,986.00
Other Receipts	2	-	905,030.00
 Payments for operating expenses			
Compensation of Employees	3	(939,210)	(809,279.00)
Use of goods and services	4	(1,729,238)	(1,183,951.75)
Committee Expenses	5	(4,269,419)	(3,072,650.00)
Transfers to Other Government Units	6	(34,902,931)	(17,070,000.00)
Other grants and transfers	7	(62,772,351)	(45,410,639.70)
Social security Benefits	8	(113,580)	(99,480.00)
Other Payments	10	(1,359,626)	(640,000.00)
 Net cash flow from operating activities		 (4,783,069)	 4,485,772.95)
 CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9	810,000	600,480.05
Net cash flows from Investing Activities		(810,000)	(600,480.05)
NET INCREASE IN CASH AND CASH EQUIVALENT		(5,593,069)	(5,086,253.00)
Cash And Cash Equivalent at the beginning Of the year	14	11,946,934	17,033,187.35
Prior Year Adjustment	15	(878,994)	-
 Cash and cash equivalent at END of the year		 5,474,871	 11,946,934.35

Prior year adjustment includes Kshs 564,000 being imprest that had not been surrendered in the previous year and now surrendered in the year of the financial statement ;and Kshs 314,994 being cash book under cast. The accounting policies and explanatory notes to these financial statements form an integral part of the Financial statements. The Manyatta NG-CDF financial statements were approved on 7th September, 2016 and signed by:



Chairman NG_CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
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 Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	104,419,993	61,250,220	165,670,213	113,250,220	52,419,993	68%
Other Receipts						
					-	
PAYMENTS						
Compensation of Employees	1,763,905	1,480,000	3,243,905	939,210	2,304,695	30%
Use of goods and services	2,801,394	2,800,448	5,601,842	1,729,238	3,872,604	30%
Committee expenses	4,732,599	4,698,300	9,430,899	4,269,419	5,161,480	45%
Transfers to Other Government Units	35,950,000	13,237,931	49,187,931	34,902,931	14,285,000	71%
Other grants and transfers	59,072,095	35,248,547	94,320,642	62,772,351	31,548,291	67%
Social Security Benefits	100,000	20,000	120,000	113,580	6,420	95%
Acquisition of Assets		1,490,000	1,490,000	810,000	680,000	54%
Other Payments		1,960,000	1,960,000	1,359,626	600,374	69%
TOTALS	104,419,993	60,935,226.00	165,355,219.00	106,896,355	58,458,864.00	

The Manyatta NG-CDF financial statements were approved on 7th September, 2016 and signed by:


Chairman NG_CDFC


Fund Account Manager

FUND ACCOUNTS MANAGER
MANYATTA CONSTITUENCY
P. O. Box 1501-60100, EMBO
Date:.....

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the NG-CDF Manyatta at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG-CDF's Manyatta budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NG-CDF's Manyatta 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, 2015.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	No	2015 - 2016	2014 - 2015
		Kshs	Kshs
CDF Board	A790843	36,791,799	
	A724009	12,511,487	
AIEs	A820842	20,000,000	
	A820517	20,000,000	
	A820976	12,000,000	
	A709904		2,000,000.00
	750410		34,507,700.00
	796693		24,651,643.00
	796958		24,651,643.00
TOTAL		101,303,286	85,810,986.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. OTHER RECEIPTS

	2015 - 2016	2014 - 2015
Receipts from Sale of tender documents	-	14,000.00
Other Receipts Not Classified Elsewhere	-	891,030.00
Total	-	905,030.00-

3. COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	939,210	809,279
Gratuity		
Other personnel payments		
Employer Contribution to NSSF		
Total	939,210	809,279

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2015 - 2016	2014 – 2015
	Kshs	Kshs
Utilities, supplies and services	102,000	140,000.00
Communication, supplies and services		100,000.00
Domestic travel and subsistence	247,000	120,000.00
Training expenses	603,000	136,000.00
Office and general supplies and services	298,000	290,000.00
Fuel, Oil, Lubricants	360,000	200,000.00
Other operating expenses		109,122.00
Routine maintenance – vehicles and other transport equipment	119,238	38,839.75
Routine maintenance(Other Assets)		50,000.00
Total	1,729,238	1,183,951.75

5. COMMITTEE EXPENSES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Committee allowances	3,854,519	2,565,150.00
Other committee expenses	414,900	507,500.00
Total	4,269,419	3,072,650.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
		-
Transfers to primary schools (see attached list)	10,882,931	13,228,000.00
Transfers to secondary schools (see attached list)	12,020,000	20,950,000.00
Transfers to Tertiary Institution (see attached list)	10,000,000	-
Transfers to health institutions (see attached list)	2,000,000	5,807,788.5
TOTAL	34,902,931	39,985,788.50

7. OTHER GRANTS AND OTHER PAYMENTS

	2015 – 2016 Kshs	2014- 2015 Kshs
Bursary – secondary schools (see attached list)	15,885,900	1,942,200.00
Bursary – tertiary institutions (see attached list)	7,355,100	2,974,500.00
Mocks& CATS	1,837,150	
Water projects (see attached list)	1,900,000	3,090,000.00
Agriculture (Food Security)	12,376,202	
Security projects (see attached list)	5,950,000	18,959,077.00
Roads projects (see attached list)	9,124,419	15,670,562.75
Sports projects (see attached list)	3,645,181	1,004,700.00
Emergency projects (see attached list)	4,698,399	1,769,600.00
Total	62,772,351	45,410,639.70

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. SOCIAL SECURITY BENEFITS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Employer contribution to NSSF	113,580	99,480
Total	113,580	99,480

9. ACQUISITION OF ASSETS

Non Financial Assets

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	-	
Purchase of Office Furniture and General Equipment		600,480.05
Refurbishment of Building	810,000	
Total	810,000	600,480.05

10. OTHER PAYMENTS

	2015- 2016	2014 - 2015
	Kshs	Kshs
Specify: Developing of Constituency Strategic Plan	960,000	640,000.00
Developing of Website	399,626	
	1,359,626	640,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
<i>Name of Bank, Account No.co-operative Bank A/C No.01120051118100</i>	5,474,871	11,382,934.35
Total	5,474,871	11,382,934.35

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
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Reports and Financial Statements

For the year ended June 30, 2016

2015 - 2016 2014 - 2015

11B: CASH IN HAND)

- -

12: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>

Total

=====

13. RETENTION

2015-2016

2014-2015

-

-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	11,946,934	17,033,187.35
Total	<u>11,946,934</u>	<u>17,033,187.35</u>

15. PRIOR YEAR ADJUSTMENT

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts		
Previous year un surrendered imprest 564,000;	564,000	
Cash Book Balance Undercast 314,000 314,994	314,000	
Total	<u>878,994</u>	
	<u>878,994</u>	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016


NOTES TO THE FINANCIAL STATEMENTS (Continued)

ANNEX 1. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS FOR FINANCIAL YEAR 2014/2015

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.	Project Implementation	The undisbursed amount of Kshs 19,279,020 has been disbursed to the projects and the projects completed. More funds have been allocated to complete the ongoing projects with insufficient funds which are ongoing	NG-CDFC FAM	Resolved	April 2017
2.0	Disclosure and Presentation of Financial Statements	Report on progress made in resolving audit issues has been included in the Financial Statement as appendix 2	FAM	Resolved	
Other Matter	Projects Implementation	Variance of over expenditure of Kshs 25,696,935 was as a result of funds for previous financial year being spent during the Financial year in question. The Unspent fund of Kshs 3,520,017 was to be re-allocated and the Committee was waiting for the Board's approval which has since been done. Unspent Funds of Kshs 6,704,303 have since been spent	NG_CDFC FAM	Resolved	

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



Chairman - CDFC



Fund Account Manager

FUND ACCOUNTS MANAGER
MANYATTA CONSTITUENCY
 P. O. Box 19914/100, EMBU
 Date:
 Sign:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MANYATTA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

**ANNEX 2. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS FOR FINANCIAL
YEAR 2013/2014**

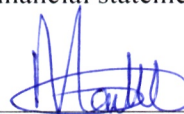
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown

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.	Cash and Bank Balance	The bank balance has been amended by making the necessary adjustments of reconciling items of kshs 811,710 and clearing the suspense amount of Kshs2, 786,669. kshs 2,000,000 has also been included and Kshs 23,466 included in the Financial Statement.	FAM	Resolved	
2.	Irregular Bursary to Boda Boda	Boda Boda Artisans are no longer financed	NG-CDFC	Resolved	
3	Purchase of Motor Vehicle Extras	The additional extras are disclosed and their value explained	FAM	Resolved	
4	Unsupported Bursary disbursements	Kshs 16,269,850 has been acknowledged and measures put in place to ensure 100% acknowledgement	FAM	Resolved	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The CHUKA IGAMBANGOMBE CDF financial statements were approved on 12th January 2015 and signed by:



Chairman - CDFC



Fund Account Manager

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

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Transport equipment		
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets	600,480	600,480.05
CDF Office Refurbishment	810,000	
Total	1,410,480	600,480.05