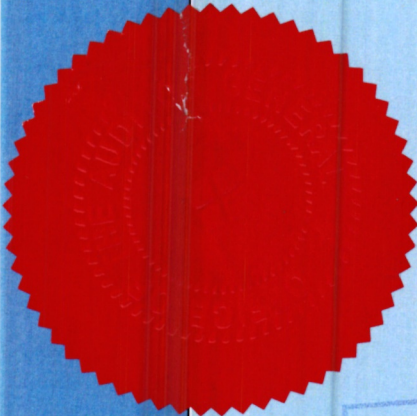


REPUBLIC OF KENYA

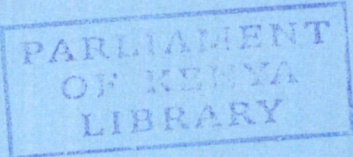


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OFFICE OF THE AUDITOR-GENERAL



REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – KILIFI NORTH
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KILIFI NORTH 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)**

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CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015.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 purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level

(b) Key Management

The *Kilifi North 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.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Yaye Shosi
3.	District Accountant	Mbito Bora

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1852 – 80108,
Kilifi Malindi highway,
Off KIMAWASCO offices,
Opposite Kilifi Primary School,
Kilifi, KENYA.

(f) KILIFI NORTH CDF Contacts

Telephone: (254) 0796824190
E-mail: cdfkilifinorth@outlook.com
Website: www.cdf. go.ke

(g) KILIFI NORTH CDF Bankers

Cooperative Bank

Kilifi Branch
Account Number 01141466629200
P.O. Box 96 – 80108
Kilifi, Kenya.

(h) Independent Auditors

Auditor - General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH 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)**

Budget performance

Kilifi North NG-CDF's budget for 2015/2016 financial year was Kshs **140,839,421.00**. This was allocated to various projects in different sectors as follows:

Serial	Name of Project	Amount Allocated
011/ AP1	Administration/Recurrent	8,450,365.26
011/AP2	Monitoring and Evaluation/Capacity building	4,225,182.63
011/2640200	Emergency (5% of the Fund)	5,767,647.00
011/2640510	Environment	2,816,788.42
011/2640509	Sports	2,816,788.42
011/2640100	Bursary	10,342,649.70
011/2211310	Auditors fee (KENAO)	500,000.00
011/2630204	Primary school projects	38,500,000.00
011/2630205	Secondary school projects	28,320,000.00
011/311504	Roads projects	11,500,000.00
011/2630207	Health projects	8,000,000.00
011/2640504	Water Projects	5,000,000.00
011/2640506	Electricity projects	600,000.00
011/2640507	Security Projects	4,000,000.00
011/3110104	Other projects	10,000,000.00
Total for the Financial Year		140,839,421.00

50% of the total allocation for financial year 2015/2016 has been received from the NG-CDF Board and 50% of the targeted projects for the year have been implemented as at 30th June 2016.

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

Key Achievements in 2015/2016 financial year.

After implementation of projects funded in 2015/2016 financial year, the following has been achieved as at 30th July 2016:

Primary School projects

Projects	Activity	Status
Buraq Primary School	Construction of 2 No. classroom block	Not started
Kiriba Primary School	Construction of a toilet block	Ongoing
Mnarani Primary School	Renovation of classrooms	28% complete
Hudaa Primary School	Renovation of classrooms	Not started
Tezo Primary School	Renovation of classrooms	Not started
Ngala Primary School	Renovation of classrooms	Not started
Watamu Primary School	Construction of toilets	Ongoing
Watamu Primary School	Renovation of classrooms	Not started
Mawe ya Kati primary school	Construction of 2 No. classroom block	Ongoing
Mbaraka Chembe Primary School	Construction of a toilet block	100% complete
Kanani primary	Construction of a toilet block	Not started
Mdzongoloni Primary School	Renovation of classrooms	Not started
Basi Primary School	Renovation of classrooms	Not started
Mkombe Primary School	Construction of a toilet block	Ongoing
Mkombe Primary School	Construction of 2 classrooms	Not started
Mkongani Primary School	Renovation of classrooms	Ongoing

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

Secondary School Projects

Projects	Activity	Status
Mnarani Secondary School	Construction of administration block	Not started
St. Thomas Girls Secondary School	Fencing of school	Not started
St. Thomas Girls Secondary School	Purchase of double decker beds	100% complete
Kilifi Township Secondary School	Construction of a dining hall	Not started
Jimba Secondary School	Construction of 3 No. classroom block	Ongoing
Takaungu Secondary School	Construction of 1 No. classroom block	Ongoing
Kadzinuni Secondary School	Construction of 4 No. classroom block	Ongoing
Mbaraka Chembe Secondary School	Construction of an administration block	Not started
Marafiki Secondary School	Construction of a Toilet block	Not started
Chumani Secondary School	Complete construction of a dormitory	Ongoing
Ngala Memorial Girls Secondary School	Renovation of an administration block	Not started
Canon Mweri Secondary School	Construction of 2 No. classroom block	Ongoing
F. B. Tuva Secondary School	Construction of 2 No. classroom block	Ongoing
Mnarani Secondary School	Construction of a science Laboratory	100% complete

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2016****Health Projects**

Health		
Konjora dispensary	Construction of 2 consultation rooms	100% complete
Konjora dispensary	Fencing of dispensary	100% complete
Dongo Kundu dispensary	Complete Constrction of dispensary	100% complete
Gede dispensary	Renovation of mortuary	Not started
Cowdrey dispensary	Renovation of dispensary	100% complete

Water Projects

Project Name	Activity	Status
Mzizima water project	Connection of water through fitting of water pipes	Ongoing
Uyombo water project	Connection of water through fitting of water pipes	100% complete
Kwa Kassim - Ngala Girls water project	Connection of water through fitting of water pipes	Not started
Mawe ya kati water project	Connection of water through fitting of water pipes	Ongoing

Security Projects

Project Name	Activity	Status
Kizingo Police Post	Construction of 2 toilets, one bath room, chain link fence and fitting of a steel gate	100% complete
Mayungu Police Post	Complete construction of a police post	Not started
Matsangoni AP post	Fencing of AP Post	Ongoing
Watamu Chief's Office	Construction of a chief's office	Not started

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

Roads projects

Project Name	Activity	Status
Kizingo Jimba road	Complete Grading and murraming of Kizingo Jimba Road	100% complete
Kwa Nzai - Jimba trading centre road	Complete Grading and murraming of Kwa Nzai Jimba trading Centre Road road	100% complete
Kwa Davis - Professor Mwatela road	Grading and Murraming of Kwa Davis - Professor Mwatela road	100% complete
Mnarani - Majajani Road	Grading of Mnarani - Majajani Road	Not started
Mitangoni - Mwakuhenga Road	Grading of Mitangoni - Mwakuhenga Road	Not started
Tezo - Beach Road	Grading of Tezo - Beach Road	100% complete
Gede Forest - Dabaso Road	Grading of Geed Forest - Dabaso Road	Not started

Electricity projects

Project Name	Activity	Status
Electricity project	Connection of electricity At Mkomani secondary school, Mitangoni primary school	100% complete

Resource Centres & Social Halls

Project Name	Activity	Status
Mnarani MTG Sports Centre	Construction of a multipurpose sports centre	Not started
Kilifi Youth Resource Centre	Construction of a resource centre	Not started
Mkenge Social Hall	Construction of an ablution block	100% complete
Watamu Social Hall	Construction of a Social Hall	Not started
Kilifi North Mitihani Centre	Construction of a school examination centre	Not started
Gede Resource Centre	Construction of jua kali sheds	Not started

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

In addition to this, a number of needy students have benefited from the Kshs 10,342,649.70 bursary fund in 2015/2016 financial year.

Emerging issues

The on-going case challenging the amendment of the CDF Act to have the CDF operations handled at the County level is a concern among the local community. Many achievements have been noted over the years at the grass root level and the community is concerned that if CDF operations will be handled at the County level, these developments will not be seen any more.

Implementation challenges and recommendations

No	Challenges	Recommendations
1	Funds from the NG-CDF Board are not received by the NG-CDFC in good time. This delays project implementation.	The NG-CDF Board should consider disbursement of funds in 2 phases of 50% each.
2	Most PMCs do not have capacity to conduct procurement procedures as required and still insist on procuring for the projects.	NG-CDFCs should be allowed to conduct 100% procurement procedures in liaison with the County procurement officers and only allow PMCs to implement the projects as stipulated in the CDF Act.
3	Political Interference from Members of the County Assembly.	The NG-CDF Board should consider conducting sensitisation training for Members of the County Assembly to encourage them to support implementation of NG-CDF projects at grass root level without interferences.
4	Total allocation for the constituency is not enough yet the constituency is very vast	The NG-CDF Board should consider increasing the total allocation to the constituency
5	Most health projects completed by NG-CDFCs and PMCs remain un utilised because other government agencies do not come in to hire staff or put medical facilities	There is need to ensure proper consultation with the relevant government department to encourage them put the necessary staff and facilities

DAI

KILIFI NORTH CDF
P.O. Box 1852-80108
KILIFI
DATE

Chairman NG-CDFC

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH 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 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 Kilifi North *NG-CDF* is responsible for the preparation and presentation of the *NG-CDF'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 (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 Kilifi North *NG-CDF* accepts responsibility for the *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 *NG-CDF's* financial statements give a true and fair view of the state of *NG-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 Kilifi North *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 Kilifi North *NG-CDF* confirms that the *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 Kilifi North *NG-CDF* financial statements were approved and signed on



Zainab Rajab Ali
Chairman – *NG-CDFC*



Yaye Shosi
Fund Account Manager

KILIFI NORTH NG CDF
P.O.Box 1852-80108
KILIFI
DATE: 2016

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KILIFI NORTH 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 – Kilifi North Constituency set out on pages 11 to 21, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. 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(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

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

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 evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Cash and Cash Equivalent

1.1 Bank Balances

The statement of financial assets as at 30 June 2016 reflects a bank balance of Kshs.18,810,287. However, bank reconciliation statement presented for audit review reflected un-presented cheques amounting to Kshs.2,646,024, out of which Kshs.426,000 were stale and not reversed in cash book as at 30 June 2016. Further, bank charges of Kshs.36,983.89 were included in the bank reconciliation statement and therefore omitted in these financial statements and therefore understating the total payments amount of Kshs.94,051,168 by the same amount.

Consequently, the accuracy and completeness of the bank balance of Kshs.18,810,287 as at 30 June 2016 could not be confirmed.

1.2 Cash Balance

The statement of financial 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 and completeness of the nil cash balance as at 30 June 2016 could not be confirmed.

Qualified Opinion

In my opinion, except for the effects of the matter 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 – Kilifi North Constituency for the year ended 30 June 2016, and of its financial performance and its cash flows 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 Controls and Performance

During the year under review, the Fund had a final budget of Kshs.183,700,877 but received only Kshs.70,000,000 38% from the National Government – Constituency Development Board. The Fund had actual expenditure amounting to Kshs.94,051,168.10 equivalent to 51% of the budget as detailed below:

Vote Item	Final Budget (Kshs)	Actual on Comparable Basis (Kshs)	Budget Under Utilization (Kshs)	Under Absorption %
Compensation of Employees	5,682,720	1,959,320	3,723,400	66
Use of goods and services	13,443,306	8,788,121	4,655,185	35
Transfers to Other Government Units	83,002,448	41,502,448	41,500,000	50
Other grants and transfers	72,872,402	33,101,279	39,771,123	55
Social Security Benefits	13,800	12,000	1,800	13
Acquisition of Assets	8,700,000	8,700,000	0	0
TOTALS	183,700,877	94,051,168	89,649,709	49

From the above analysis, there was an under absorption of Kshs.89,649,709 49%. The underutilization of the budget implies some development projects earmarked for implementation were not undertaken which affects delivery of goods and services to the citizens of the constituency.

2.0 Project Implementation

The project status report availed for audit review indicated that a total of Kshs.96,844,320 was allocated for sixty three (63) projects while disbursements to these projects totaled Kshs.72,946,080.10. Further, out of sixty three (63) projects, nine (9) projects with total allocation of Kshs.24,772,649 had not been completed as detailed below:

	Project Name	Projects Description /Activities	Allocation Kshs	Current Status
1	Bursary	Bursary to needy students	10,342,649	On going
2	Kizingo Police Post Pmc	Fencing of police post	1,000,000	On going

3	Soyo Soyo Pry Pmc	Tree planting at Soyo Soyo primary school	530,000	Not started
4	East Camar Env Group	Tree planting	400,000	Not started
5	Mkenge Social Hall Pmc	Resource centre	3,000,000	Not started
6	Konjora Dispensary	Installation of electricity	1,000,000	Complete but not in use
7	Mbaraka Chembe Pry Pmc	Construction of class rooms	1,000,000	Complete but not in use
8	Chumani Sec Pmc	Construction of class rooms	6,000,000	Complete and not in use
9	Chumani Sec Pmc	Construction of class rooms	1,500,000	Not started
	Total		24,772,649	

From the above, the budget was not fully implemented as envisaged. This has resulted to projects not being implemented as planned, slow and lack of completion of projects to the detriment of service provision to the residents of Kilifi North Constituency.

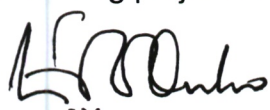
3.0 Project Inspection

During the year under review, ten (10) projects worth Kshs.23,400,000 were visited for verification and the following state of affairs of the specific projects were observed:-

	Name	Cost (Kshs.)	Project	Observations
1	Cowdrey Dispensary	1,000,000	Renovation of dispensary (maternity wing)	The project is complete but the plumbing works and drainage system is not functioning; there is a leakage and the walls have developed molds.
2	Dongo Kundu Dispensary	4,000,000	Construction of a dispensary	The project is complete but it is not in use and has been abandoned. The building is in bad state as cracks have started forming through the walls while the floor is peeling off. Further, The dispensary has no equipment nor staff.
3	Dongo Kundu Dispensary	1,500,000	Installation of power and water works	Installation of power and electricity have not been completed, hence delaying the commissioning of the dispensary.

4	Mkangani Primary School	600,000	Construction of a 4No. door pit latrine	The project is complete but it has not been handed over to the community representatives through a public forum.
5	Mkangani Primary School	1,000,000	Renovation of 8No. classrooms	Doors have not been installed although the same have been kept on a site store.
6	Mkongani Primary Schools	1,500,000	Renovation of 3No. classrooms	The classrooms have been renovated but not handed over to the community representatives through a public forum.
7	Kararacha Primary School	4,800,000	Construction of 4No. classrooms	The classrooms have been constructed but they have not been handed over to the community. The floor is peeling off.
8	Mbaraka Chembe Primary School	1,000,000	Construction of a toilet block	The toilet block has been constructed but not handed over to the community representatives through a public forum.
9	F.B Tuva Secondary School	2,000,000	Construction of 2No. classrooms	The project is complete but it has been turned to a staff room thus not used as intended.
10	Chumani Secondary School	6,000,000	Complete construction of a dormitory	One window is not fixed.
	Total	23,400,000		

The reasons given for slow or non-implementation of the projects was that funds from the CDF Board were not received in good time. However, most projects completed remain un-utilized because other government agencies do not come in to hire staff or equip the project such as the dispensaries. This is an indication of lack of proper consultation with relevant government departments before coming up with projects which require the relevant departments to equip the project and allocation of funds to non-deserving projects at the expense of priority projects.



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

Nairobi

04 October 2017

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

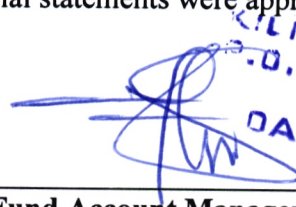
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	70,000,000	178,467,645
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		70,000,000	178,467,645
PAYMENTS			
Compensation of employees	4	1,959,320	1,295,600
Use of goods and services	5	8,788,121	4,256,136
Transfers to Other Government Units	7	41,502,448	85,882,666
Other grants and transfers	8	33,101,279	40,128,483
Acquisition of Assets	10	8,700,000	6,500,000
Other Payments	11	-	952,546
TOTAL PAYMENTS		94,051,168	139,015,431
SURPLUS/DEFICIT		(24,051,168)	39,452,215

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kilifi North NG-CDF financial statements were approved on 7/10/2016 and signed by:



Chairman NG-CDFC


 KILIFI NORTH NG CDF
 P.O. Box 1852-80108
 KILIFI
 DATE.....

Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

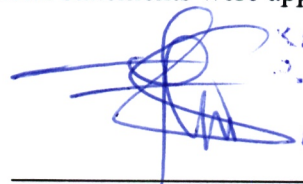
V. STATEMENT OF FINANCIAL ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	18,810,287	42,861,455
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		18,810,287	42,861,455
REPRESENTED BY			
Fund balance b/forward 1st July 2015	14	42,861,455	3,409,241
Surplus/Deficit for the year		(24,051,168)	39,452,214
Prior year adjustments	15	-	-
NET LIABILITIES		18,810,287	42,861,455

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kilifi North NG-CDF financial statements were approved on 7/10 2016 and signed by:



Chairman NG-CDFC


 KILIFI NORTH NG CDF
 P.O. Box 1852-80108
 KILIFI
 DATE

Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY


Reports and Financial Statements

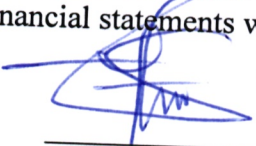
For the year ended June 30, 2016

VI STATEMENT OF CASHFLOW

Receipts for operating income		2015 – 2016	2014 - 2015
Transfers from NG-CDF Board	1	70,000,000	178,467,645
Other Receipts	3	-	-
Total		<u>70,000,000</u>	<u>178,467,645</u>
Payments for operating expenses			
Compensation of Employees	4	1,959,320	1,295,600
Use of goods and services	5	8,788,121	4,256,136
Transfers to Other Government Units	7	41,502,448	85,882,666
Other grants and transfers	8	33,101,279	40,128,483
Acquisition of Assets	10	-	-
Other Payments	11	-	952,546
		<u>85,351,168</u>	<u>132,515,431</u>
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		(15,351,168)	45,952,214
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	8,700,000	6,500,000
Net cash flows from Investing Activities		(8,700,000)	(6,500,000)
NET INCREASE IN CASH AND CASH EQUIVALENT			
		(24,051,168)	39,452,214
Cash and cash equivalent at BEGINNING of the year	14	42,861,455	3,409,241
Cash and cash equivalent at END of the year	12A	18,810,287	42,861,455

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kilifi North NG-CDF financial statements were approved on 7/10 2016 and signed by:


 Chairman NG-CDFC


 Fund Account Manager
 KILIFI NORTH NG CDF
 P.O. Box 1852-80108
 KILIFI
 DATE ..2/10/2016.....

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

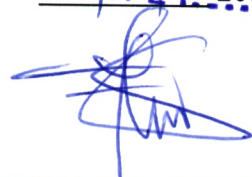
V11 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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 NG-CDF Board	140,839,421	42,861,455	183,700,877	70,000,000	70,839,421	61
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
PAYMENTS						
Compensation of Employees	3,884,160	1,798,560	5,682,720	1,959,320	3,723,400	34
Use of goods and services	7,791,388	5,651,919	13,443,306	8,788,121	4,655,185	65
Transfers to Other Government Units	71,320,000	11,682,448	83,002,448	41,502,448	41,500,000	50
Other grants and transfers	56,843,874	16,028,529	72,872,402	33,101,279	39,771,123	45
Social Security Benefits	12,000	1,800	13,800	12,000	1,800	87
Acquisition of Assets	1,000,000	7,700,000	8,700,000	8,700,000	-	100
Other Payments	-	-	-	-	-	-
TOTALS	140,839,421	42,861,455	183,700,877	94,051,168	89,649,709	51

The Kilifi North NG-CDF financial statements were approved on DATE 2016 and signed by:



Chairman NG-CDFC

KILIFI NORTH NG CDF
P.O. Box 1852 - 80108
DATE DATE 2016


Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH 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		2015 - 2016	2014 - 2015
			Kshs	Kshs
1330407	Normal Allocation	AIE NO A 709998		-
		AIE NO A 735871		-
		AIE NO A750229		45,761,492
		AIE NO A750466		33,176,538
		AIE NO A796575		14,905,923
		AIE NO A796802		14,910,442
		AIE NO A796987		39,896,884
		AIE NO A796107		29,816,366
		AIE NO. A796433	30,000,000	
		AIE NO.A820576	20,000,000	
		AIE NO A820970	20,000,000	
1330408	Conditional grants	AIE NO...	-	-
		AIE NO...	-	-
1330409	Receipt from other Constituencies		-	-
	TOTAL		70,000,000	178,467,645

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2016****4 COMPENSATION OF EMPLOYEES**

	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,947,320	1,284,400
2120500	Employee contribution to NSSF	12,000	11,200
	Total	1,959,320	1,295,600

5 USE OF GOODS AND SERVICES

	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2210100	Utilities, supplies and services	2,591,436	1,024,186
2210104	Office rent	450,000	225,000
2210809	Committee allowance	5,746,685	3,006,950
	Total	8,788,121	4,256,136

7 TRANSFER TO OTHER GOVERNMENT ENTITIES

	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2630204	Transfers to primary schools	23,682,448	36,519,907
2630205	Transfers to secondary schools	6,820,000	35,880,000
2630206	Transfers to Tertiary institutions	-	-
2630207	Transfers to Health institutions	11,000,000	13,482,759
	TOTAL	41,502,448	85,882,666

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 OTHER GRANTS AND OTHER PAYMENTS

	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2640101	Bursary –Secondary	3,253,500	3,380,000
2640102	Bursary –Tertiary	3,180,909	3,580,400
2640104	Bursary-Special schools	-	-
2640105	Mocks & CAT	-	-
2640504	Water	3,500,000	8,500,000
2640505	Agriculture (food security)	-	-
2640506	Electricity projects	3,189,223	-
2640507	Security	3,000,000	5,319,847
2640508	Roads	3,500,000	1,000,000
2640509	Sports	2,300,000	3,812,809
2640510	Environment	1,910,000	2,270,805
2640511	Resource centres and Social Halls	3,500,000	-
2640200	Emergency Projects (specify)	5,767,647	6,464,622
	Others	-	5,800,000
	Total	33,101,279	40,128,483

10 ACQUISITION OF ASSETS

	Non Financial Assets	2015- 2016	2014- 2015
		Kshs	Kshs
3110102	Purchase of Buildings	-	-
3110202	Construction of Buildings	-	4,500,000
3110302	Refurbishment of Buildings	-	-
3110701	Purchase of Vehicles	6,500,000	-
3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	-	-
3111001	Purchase of Office furniture and fittings	2,200,000	2,000,000
3111002	Purchase of computers ,printers and other IT equipment	-	-
	Total	8,700,000	6,500,000

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 OTHER PAYMENTS

	2015 – 2016	2014 - 2015
Debt owed to contractor for construction	-	300,000
Debt owed to contractor for renovation	-	652,546
TOTAL	-	952,546

12 A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 – 2015
	Kshs (30/6/2016)	Kshs (30/6/2015)
<i>Cooperative Bank, Kilifi Branch A/C no.01141466629200</i>	18,810,287	42,861,455
Total	18,810,287	42,861,455

14 BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts	42,861,455	3,409,241
Cash in hand	-	-
Imprest	-	-
Total	42,861,455	3,409,241

CONSTITUENCY DEVELOPMENT FUND- KILIFI NORTH CONSTITUENCY
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ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land		-	-
Building & Structures	4,500,000	4,500,000	0
Transport equipment	6,500,000	-	-
Office equipment, furniture and fittings	4,480,957	2,280,957	280,957
ICT equipment, software and other ICT Assets	178,200	178,200	178,200
Other Machinery and Equipment		-	-
Heritage and cultural assets		-	-
Intangible Assets		-	-
Total	15,659,157	6,959,157	459,157