

REPUBLIC OF KENYA



*Paper laid by LOM  
Wednesday 8/11/2017  
Afternoon sitting  
AK*

OFFICE OF THE AUDITOR-GENERAL

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

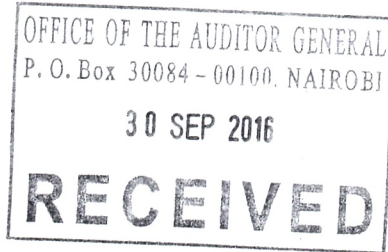
**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
KINANGOP CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2016**







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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
KINANGOP CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016**

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Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –  
KINANGOP CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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## KEY CONSTITUENCY INFORMATION AND MANAGEMENT

### Background information

The Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2003 now repealed by the NGCDF Act, 2013. 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 specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

### (b) Key Management

The Kinangop 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 (NGCDFC)

### (c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Caroline Kariuki
3.	Accountant	P.G Kimani
4.		

### (d) Fiduciary Oversight Arrangements

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

### (e) KINANGOP NGCDF Headquarters

P.O. Box 430-20318  
North Kinangop  
Nyandarua Sub-County  
Engineer, Kenya

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP  
CONSTITUENCY**

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

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**(f) KINANGOP NG CDF Contacts**

Telephone: (254) 722532682  
E-mail: ckariuki@cdf.go.ke  
Website: www.cdf.go.ke

**(g) KINANGOP NGCDF Bankers**

Equity Bank (Kenya) Limited  
Naivasha, Branch

**(h) Independent Auditors**

Auditor General  
Office of the 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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP  
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**FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY  
DEVELOPMENT FUND COMMITTEE (NGCDFC)**

Kinangop NG-CDFC has ensured that most projects initiated this year have been completed or the intended phase is complete.

**KEY ACHIEVEMENTS:**

- a) All projects have been built upto standard with consultation with relevant government ministries.
- b) Some communities like Murungaru area have access to tap water and other projects are underway.
- c) Agriculture has improved immensely due to improvement of infrastructures like roads and construction of bridges.
- d) Bursary applications are so many beyond what we can afford but in 2016/17 we have increased bursary allocation.

**IMPLEMENTATION CHALLENGES**

The major challenge has been delay by the government to release funds and therefore delay in implementation of projects.

Sign.....  
**CHAIRMAN NGCDFC**



**STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government NGCDF shall prepare financial statements in respect of that NGCDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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


The Accounting Officer in charge of the Kinangop NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the Kinangop NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The NGCDF's financial statements were approved and signed by the Accounting Officer on 19<sup>th</sup> June 2016 2016.

**ACCOUNT MANAGER,**  
**KINANGOP C.D.F.**  
P. O. Box 43020310  
NORTH KINANGOP  
Date:.....  
Fund Accountant Sign:.....

  
Chairman





## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KINANGOP CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kinangop Constituency set out on pages 5 to 27, 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 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor



considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **Basis for Qualified Opinion**

#### **1. Transfers from NG-CDF Board**

The statement of receipts and payments for the year ended 30 June 2016 reflects transfers from NG-CDF Board of Kshs.61,000,000. However, the summary statement of appropriation; recurrent and development combined indicate actual receipts of Kshs.96,322,309 during the year under review. The resultant variance of Kshs.35,322,309 has not been reconciled or explained. Consequently, the accuracy and completeness of transfers from NG-CDF Board of Kshs.61,000,000 for the year ended 30 June 2016 could not be confirmed.

#### **2. Bank Balances**

The statement of assets as at 30 June 2016 reflects bank balance of Kshs.2,743,460. However, scrutiny of the bank reconciliation statement presented for audit verification indicated that as at 30 June 2016, unpresented cheques amounting to Kshs.861,705 were stale cheques and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.2,743,460 as at 30 June 2016 could not be confirmed.

#### **3. Unsupported Expenditure on Environment Projects**

Note 7 to the financial statements reflects payments of Kshs.53,747,528 under other grants and other payments. Included in this amount is Kshs.500,000 on environment projects paid to Kinangop CDF Environment Management Committee. However, no expenditure returns, payment vouchers and bank statements for project were presented for audit verification to support this payment.

In the circumstances, it has not been possible to confirm the propriety of the expenditure of Kshs.500,000 incurred during the year ended 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–Kinangop 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. Overall Budget Performance

During the financial year under review, Kinangop NG-CDF received a total of Kshs.96,322,309 from the National Government Constituencies Development Fund Board against budgeted amount of Kshs.156,821,930 or 61% of the budget. Further, the total expenditure for the year was Kshs.93,578,849 representing absorption rate of 60% as analyzed below:

Item	Budget Kshs	Actual Kshs.	Budget Utilization Difference Kshs	Actual as % of Budget
Receipts	156,821,930	96,322,309	60,499,621	61
<b>Expenditure</b>				
Compensation of employees	3,099,600	2,081,955	1,017,645	67
Use of goods and services	12,311,958	7,433,731	4,878,227	60
Transfers to other government units	69,597,559	30,315,635	39,281,924	44
Other grants and transfers	71,812,813	53,747,528	18,065,285	75
<b>Total</b>	<b>156,821,930</b>	<b>93,578,849</b>	<b>63,243,081</b>	<b>60</b>

Although Kinangop Constituency Development Committee attributed low absorption of funds to delay by NG-CDF Board in releasing funds, the committee should utilize resources on priority areas to improve on service delivery to the public.

### 2. Project Implementation

A review of records of projects maintained at the Kinangop CDF office revealed that out of the budget allocation of Kshs.141,410,372 approved in respect of ninety nine (99) projects, the CDF management realized an actual expenditure of Kshs.57,347,209 equivalent to 59% absorption rate as analyzed below:

Category	2015/2016 Approved Projects	No. of Projects Implemented	Budget Kshs	Actual Expenditure Kshs	Variance Kshs.	% Level of Implementation
Transfer to other government entities	70	32	69,597,559	30,315,635	39,281,924	44
Other Grants and Transfers	29	33	71,812,813	53,747,528	18,065,285	75
<b>Total</b>	<b>99</b>	<b>65</b>	<b>141,410,372</b>	<b>84,063,163</b>	<b>57,347,209</b>	<b>59</b>

The above analysis shows that:


- (i) During the year under review, out of ninety nine (99) projects approved in the budget, only sixty five (65) projects were implemented including rolled over projects from 2014/2015 period.
- (ii) Of the 65 projects implemented during the year, are twenty six (26) projects with actual expenditure of Kshs.18,361,461 were not in the code list of projects and the approved budget for 2015/2016. No explanation was provided for approving these projects.

### 3. Unsupported Expenditure on Construction of Education Facilities

The statement of receipts and payments for the year ended 30 June 2016 reflects transfers to other government entities of Kshs.30,315,635 which includes Kshs.3,300,000 in respect of construction of four education facilities as below:

	Date	School	Purpose	Amount Kshs
1	17.07.2015	Kambata Secondary School	Construction of a dining hall	1,000,000
2	09.12.2015	Kitiri Primary School	Rehabilitation of classrooms	800,000
3	17.07.2015	Mwihoti Primary School	Construction of a classroom	500,000
4	17.07.2015	Murungaru Secondary School	Construction of a dining hall	1,000,000
<b>Total</b>				<b>3,300,000</b>

However, expenditure returns including tender documents, bills of quantities, payment and completion certificates were not presented for audit review. As a result, the propriety of the payments and the procedure used in identifying the contractors could not be confirmed.



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

**Nairobi**

**18 September 2017**

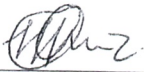
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP  
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Reports and Financial Statements  
For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	61,000,000.00	116,203,342.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>61,000,000.00</b>	<b>116,203,342.00</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,081,954.55	2,482,801.00
Use of goods and services	5	7,433,731.45	7,399,471.30
Transfers to Other Government Units	6	30,315,635.00	33,378,909.00
Other grants and transfers	7	53,747,528.35	70,389,762.00
Acquisition of Assets	8	-	50,000.00
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>93,578,849.35</b>	<b>113,700,943.30</b>
<b>SURPLUS/DEFICIT</b>		<b>(32,578,849.35)</b>	<b>2,502,398.70</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kinangop NGCDF financial statements were approved on 19/10/2016 and signed by:



Chairman - NGCDFC

FUND ACCOUNT MANAGER  
KINANGOP C.D.F.  
P. O. Box 130-20318 NORTH KINANGOP  
Date: 19/10/2016  
Fund Account Manager

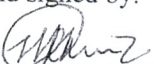


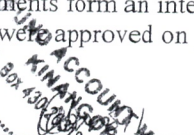
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V. STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	2,743,459.70	35,322,309.05
Cash Balances (cash at hand)	10B	-	-
Outstanding Imp rests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		2,743,459.70	35,322,309.05
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd. 1st July...	13	35,322,309.05	32,819,910.35
Surplus/Deficit for the year		(32,578,849.35)	2,502,398.70
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		2,743,459.70	35,322,309.05

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kinangop NGCDF financial statements were approved on 19/09 2016 and signed by:

  
 Chairman - NGCDFC

  
 Fund Account Manager  
 Date: 19/09/2016  
 P.O. Box 430, Kinangop  
 NGCDFC  
 KINANGOP

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP  
 CONSTITUENCY

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VI. STATEMENT OF CASHFLOW


		2015 - 2016	2014 - 2015
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	61,000,000.00	116,203,342.00
Other Receipts	3	-	-
		<b>61,000,000.00</b>	<b>116,203,342.00</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,081,954.55	2,482,801.00
Use of goods and services	5	7,433,731.45	7,399,471.30
Transfers to Other Government Units	6	30,315,635.00	33,378,909.00
Other grants and transfers	7	53,747,528.35	70,389,762.00
Other Payments	9	-	-
		<b>93,578,849.35</b>	<b>113,650,943.30</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>(32,578,849.35)</b>	<b>2,552,398.70</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES,</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(50,000.00)
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(50,000.00)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(32,578,849.35)</b>	<b>2,502,398.70</b>
Cash and cash equivalent at BEGINNING of the year	13	35,322,309.05	32,819,910.35
Cash and cash equivalent at END of the year		2,743,459.70	35,322,309.05

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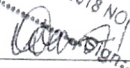
For the year ended June 30, 2016

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kinangop NGCDF financial statements were approved on 19/09 2016 and signed by:



Chairman NGCDF

FUND ACCOUNT MANAGER  
KINANGOP C.D.F.  
Date: 130-20318 NORTH KINANGOP



Fund Account Manager



DEVELOPMENT FUND ANANGOP CONSTITUENCY  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**II. 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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	121,499,621	35,322,309	156,821,930	96,322,309	60,499,621	61.4%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
<b>TOTAL</b>	<b>121,499,621</b>	<b>35,322,309</b>	<b>156,821,930</b>	<b>96,322,309</b>	<b>60,499,621</b>	<b>61.4%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,099,600	1,000,000	3,099,600	2,081,955	1,017,645	67.2%
Use of goods and services	8,989,649	3,322,309	12,311,958	7,433,731	4,878,227	60.4%
Transfers to Other Government Units	54,597,559	15,000,000	69,597,559	30,315,635	39,281,924	43.6%
Other grants and transfers	55,812,813	16,000,000	71,812,813	53,747,528	18,065,285	74.8%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
<b>TOTAL</b>	<b>121,499,621</b>	<b>35,322,309</b>	<b>156,821,930</b>	<b>93,578,849</b>	<b>63,243,081</b>	<b>59.7%</b>

- (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. XXXX
  - ii. XXXX
  - iii. XXXX
  - iv. XXXX
  - v. XXXX

The Kinangop NGCDF financial statements were approved on 19/09/2016 and signed by:



Chairman NGCDF

FUND ACCOUNT MANAGER,  
KINANGOP C.D.F.  
P. O. Box 1000  
Date: 19/09/2016  
Fund Account Manager  
Sign: .....

## 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 NGCDF 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 NGCDF.

### 2. Recognition of revenue and expenses

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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



**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 are recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the KinangopNGCDF 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 Kinangop NGCDF’s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NGCDF’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

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

**8. Subsequent events**

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
<b>Normal allocation</b>			
	A820582	10,000,000	29,050,835
	A796401	10,000,000	14,430,501
	A 820817	20,000,000	14,620,334
	A 825527	21,000,000	29,050,835
			29,050,835
<b>TOTAL</b>		<b>61,000,000</b>	<b>116,203,342</b>

2. PROCEEDS FROM SALE OF ASSETS

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. OTHER RECEPTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
<b>Total</b>	-	-

**4. COMPENSATION OF EMPLOYEES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,527,949	2,048,765
Basic wages of casual labor		
NHIF – Deductions	70,800	17,356
PAYE – Deductions	51,291	
<b>Personal allowances paid as part of salary</b>	-	-
House allowance	-	-
Transport allowance	158,100	299,500
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	26,000	-
Gratuity	405,914	117,180
<b>Total</b>	<b>2,081,954</b>	<b>2,482,801</b>



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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. USE OF GOODS AND SERVICES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	173,401	134,494
Office rent	-	-
Communication, supplies and services	6,960	138,970
Domestic travel and subsistence	707,015	51,000
Printing, advertising and information supplies & services	159,160	104,520
Rentals of produced assets	-	-
Training expenses	416,000	1,410,000
Hospitality supplies and services	-	31,060
Other committee expenses	3,835,000	-
Committee allowance	1,030,000	-
Insurance costs	-	233,627
Specialized materials and services	-	-
Office and general supplies and services	290,195	98,388
Fuel ,oil & lubricants	776,000	561,750
Other operating expenses	40,000	88,960
Routine maintenance – vehicles and other	-	350,102
Transport equipment	-	-
Routine maintenance – other assets	-	67,600
<b>Total</b>	<b>7,433,731</b>	<b>3,270,471</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP  
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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 National Government entities	-	-
Transfers to primary schools (see attached list)	13,000,000	17,469,000
Transfers to secondary schools (see attached list)	7,000,000	10,737,160
Transfers to tertiary institutions (see attached list)	10,000,000	-
Transfers to health institutions (see attached list)	315,635	5,172,749
<b>-TOTAL</b>	<b>30,315,635</b>	<b>33,378,909</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2015 – 2016 Kshs	2014 -2015 Kshs
Bursary – secondary schools (see attached list)	12,030,568	20,053,040
Bursary – tertiary institutions (see attached list)	1,437,930	4,991,000
Bursary – special schools (see attached list)	-	106,800
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	2,259,339	2,700,000
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	6,900,000	2,956,000
Roads projects (see attached list)	23,019,632.25	34,425,122
Sports projects (see attached list)	500,000	1,160,000
Environment projects (see attached list)	500,000	1,000,000
Other Projects (see attached list)	-	-
Emergency Projects (specify)	7,100,059	2,997,800
<b>Total</b>	<b>53,747,528.35</b>	<b>70,389,762</b>



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP  
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

**Non-Financial Assets**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	50,000	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>50,000</b>	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP  
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs	2014 – 2015 Kshs
Equity Bank A/c 0200295239050	2,743,459.70	35,322,309.05
	-	-
	-	-
	-	-
	2,743,459.70	35,322,309.05
<b>10B: CASH IN HAND</b>		
	2015 - 2016 Kshs	2014 – 2015 Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
<b>Total</b>		
[Provide cash count certificates for each]		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP  
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs

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

12 Retention			
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
		Kshs	Kshs
<b>TOTAL</b>			



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	35,322,309.05	32,819,910.35
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>35,322,309.05</b>	<b>32,819,910.35</b>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016 Kshs	2014 – 2015 Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	<u>xxx</u>	<u>xxx</u>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	Xxx	xxx
Middle management	Xxx	xxx
Unionisable employees	Xxx	xxx
Others (specify)	Xxx	xxx
	<u>Xxx</u>	<u>xxx</u>

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	Xxx	xxx
Amounts due to other grants and other transfers (see attached list)	Xxx	xxx
Others (specify)	Xxx	xxx
	<u>Xxx</u>	<u>xxx</u>

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs'000)**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



*NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)*  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs'000)**

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		A	B	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Middle Management</b>							
4.							
5.							
6.							
	Sub-Total						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	Sub-Total						
<b>Others (specify)</b>							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						



**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Amounts due to other grants and other transfers</b>							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
<b>Others (specify)</b>							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						



ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land		
Buildings and structures	17,393,279.08	17,393,279.08
Transport equipment	3,606,463.96	3,606,463.96
Office equipment, furniture and fittings	2,794,553.00	2,744,553.00
ICT Equipment, Software and Other ICT Assets	2,009,000.00	2,009,000.00
Other Machinery and Equipment	18,500,000.00	18,500,000.00
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>44,303,296.04</b>	<b>44,253,296.04</b>


Prepared by:



**Caroline Kariuki**  
**Fund Account Manager**  
**Kinangop**

P.O. Box 430-203/18 NORTH KINANGOP  
 KINANGOP C.D.F.  
 ACCOUNT MANAGER  
 Date: ..... Sign: .....

TRIAL BALANCE AS AT 30TH JUNE 2016			
		DR	CR
<b>Assets</b>			
<b>Bank and Cash equivalents</b>			
	Bank Balances	2,743,460	
	Cash Balances	-	
	Outstanding Imprest	-	
<b>Payments</b>			
	Compensation of Employees	2,081,955	
	Use of goods and services	7,433,731	
	Committee Expenses	-	
	Transfers to Other Government Units	30,315,635	
	Other grants and transfers	53,747,528	
	Social Security Benefits	-	
	Acquisition of Assets	-	
	Other Payments	-	
<b>Receipts</b>			
	Transfers from the Board		61,000,000
	Proceeds from sale of assets		-
	Others receipts		-
Prior Year Adjustment			-
<b>Fund Balance b/f</b>			35,322,309
<b>TOTAL</b>		<b>96,322,309</b>	<b>96,322,309</b>

TRUST ACCOUNT MANAGER  
 KINANGOP C.D.F.  
 P.O. Box 430-20318 NORTH KINANGOP  
 Date: ..... Sign: 

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