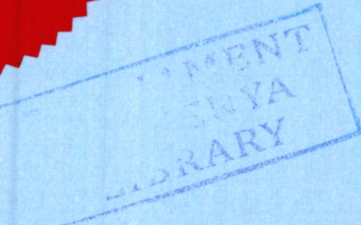


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper laid by LOM
Wednesday 8/11/17
Afternoon
Sitting
Jh*



REPORT

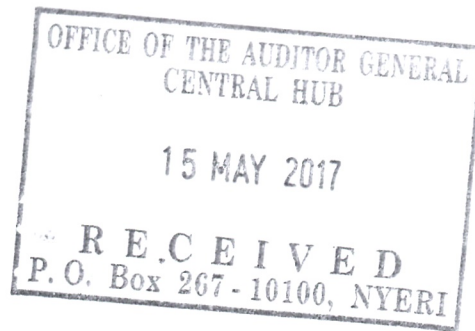
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
LAIKIPIA EAST CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
LAIKIPIA EAST CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Arnold Karani Njiru
3.	Accountant	Richard Maina Kariuki

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Gatundu North 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) LAIKIPIA EAST NGCDF Headquarters

Gefro Imani Building
P.O Box 920 - 10400
Park Road
Nanyuki, KENYA

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

(f) LAIKIPIA EAST NGCDF Contacts

Telephone: (254) (0)710146307
E-mail: cdflaikipiaeast@cdf.go.ke
Website: www.cdf.go.ke

(g) LAIKIPIA EAST NGCDF Bankers

Equity Bank Limited
Nanyuki Branch
A/C No. 0270261969541
Kenyatta Road
P.O Box 1482 – 10400
Nanyuki, KENYA

(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
LAIKIPIA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)

Ladies and gentlemen

We have now come to the end of the financial year 2015-2016, as NGCDF Laikipia East, we were able to achieve the following levels of budget performance against the actual amounts based on economic classification and programmes:-

Economic Classification/Programmes	Achieved Budget Performance Levels
Compensation of Employees	96.90%
Use of Goods and Services	97.82%
Transfers to Other Government Units	80.06%
Other Grants and Transfers	99.01%
Other Payments	41.38%

The overall performance for the NGCDF Laikipia East for the year was 90.29%

Key achievements for NGCDF Laikipia East during the year are as follows:

- a) A total of 35 new projects were completed and officially opened for use by the beneficiary community
- b) A total of 18 old/ongoing projects were completed and officially opened for use by the beneficiary community
- c) A total of 53 projects were prioritised for funding in the current year and by 30th June, 2016, 40 projects had received their allocation

CHAIRMAN CDFC



.....

III. 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.

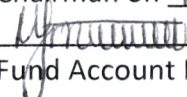
The Accounting Officer in charge of the Laikipia East NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility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

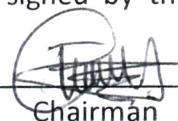
The Accounting Officer in charge of the Laikipia East NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes 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 and the Chairman on 14/04 2017.



Fund Account Manager



Chairman

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 NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAIKIPIA EAST 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 - Laikipia East Constituency set out on pages 5 to 25 which comprise the statement of financial assets as at June 30, 2016, and the statement of receipts and payments, statement of cashflows and 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 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 of Kenya. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

Report of the Auditor-General on the financial statements of the National Government Constituencies Development Fund - Laikipia East Constituency for the year ended 30 June 2016

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 Funds 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

1.0 Transfers to other government entities

Statement of receipt and payments for the year ended 30 June 2016 reflects transfers to other government entities of Kshs.42,105,676. Included in the amount is transfer of Kshs.1,310,000 to Laikipia District Hospital for an undisclosed project. Further, no support for the expenditure was availed for audit review. Besides, health is a devolved function and as such no funding should have been done. Consequently, the propriety and value for money of the transfers to other government entities of Kshs.1,310,000 could not be ascertained.

2.0 Other grants and transfers

The statement of receipts and payments reflects other grants and transfers balance of Kshs.60,680,670 for the year ended 30 June 2016. However, the figures reflected in the financial statements and schedules provided to support the figures under other grants and transfers differed as shown below:

Item	Figure as per the financial statements Kshs.	Figure as per the supporting schedules Kshs.	Unexplained difference Kshs.
Bursary	10,987,970	11,277,970	290,000
Electricity projects	690,000	0	690,000
Roads projects	20,855,000	3,900,000	16,955,000
Emergency projects	5,600,000	22,955,000	(17,355,000)

The variances were not explained. Consequently, the accuracy of other grants and transfers balance of Kshs.60,680,670 could not be confirmed.

3.0 Unsupported Bursary

Other grants and other payments balance of Kshs.60,680,670 for the year ended 30 June 2016 includes Kshs.7,580,430 and Kshs.3,407,540 being bursary for secondary schools and bursary-tertiary institutions respectively totaling to Kshs.10,987,970. However, as at 30 June 2016 no confirmations were made to acknowledge receipt of the funds. Consequently, it has not been possible to ascertain whether the bursaries awarded reached the intended beneficiaries and were properly accounted for.

4.0 Cash and cash Equivalents

4.1 Bank balances

The statement of assets reflects bank balances of Kshs.12,741,289 as at 30 June 2016 while the closing balance as per the cashbook presented reflected a balance of Kshs.23,541,107 as at 30 June 2016, resulting to unexplained and unreconciled difference of Kshs.10,799,818. Consequently, the accuracy of bank balances of Kshs.12,741,289 as at 30 June 2016 could not be confirmed.

4.2 Long Outstanding Reconciling Items

A review of the bank reconciliation statement, indicates that un-presented cheques totaling to Ksh.127,841 were already stale as at 30 June 2016 and could not be presented in the bank for payment. No reason was provided for failure to reverse the cheques into the cashbook. The accuracy of the bank balances of Kshs.12,741,289 as at 30 June 2016 could therefore not be confirmed.

4.3 Cash balances

The statement of assets reflects a NIL balance for cash in hand as at 30 June 2016 while the cashbook presented for audit review reflected a cash in hand balance of Kshs.250,539 as at the same date. The two figures were however not reconciled. The accuracy of cash balances (cash at hand) as at 30 June 2016 could therefore not be confirmed.

4.4 Outstanding Imprest

The cash and cash equivalents reflected a nil balance for outstanding imprest as at 30 June 2016. However, records made available indicated that Kshs.1, 590,000 in respect of outstanding imprest had not been surrendered as at the closure of the financial year under review. Consequently, we could not ascertain the accuracy of the nil balance for outstanding imprest as at 30 June 2016.

5.0 Accuracy of financial statements

5.1 Differences in opening balances

The following inaccuracies were noted between audited financial statements of 2014/15 and comparative figures for 2015/16 financial statements as shown below;

Item	Audited 2014/15 Financials Kshs	comparative 2015/16 Financials Kshs	Variances
Use of goods & services	14,887,363	14,867,363	20,000
Transfers to tertiary institutions	0	8,032,608	8,032,608
Environmental projects	0	2,270,435	2,270,435

No explanation was provided for the variances noted and as a result, the accuracy of the financial statements cannot be confirmed.

Qualified Opinion

In my opinion, except for 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 – Laikipia East 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 National Government Constituencies Development Fund Act, 2015

Other Matter

1.0 Budget Performance

1.1 Overall Budget Performance

Review of summary of statement of appropriation revealed the following data on budget performance:

item	Budgeted 2015/2016 (Kshs)	Actual 2015/2016 (Kshs)	Absorption rate %
Receipts	136,342,039	135,842,039	99.3
Expenditure	136,342,039	123,100,750	90.3

From the above, the CDF received Kshs.135,842,039 which is 99.3% of the budgeted funds of Kshs.136,342,039. Further, it incurred an expenditure of Kshs.123,100,750 which is approximate 90.3% of the approved budget. The underutilization of the budget was not explained.

1.2 Overall Budget Performance on Development Projects

The CDF budgeted to undertake sixty eight (68) projects valued at Kshs.98,291,535 under transfer to other government entities and other grants and transfers. As at 30 June 2016, fifty two (52) projects were ongoing as shown below:

Project Category	No. Budgeted	No. Completed	No. Ongoing	Budget	Actual Expenditure	Variance	Variance (%)
Education	45	10	35	41,790,931	42,005,676	(214,745.)	-0.5
Security	12	3	9	10,650,000	17,000,000	(6,350,000)	-59.6
Health	2	0	2	600,000	-	600,000.	100
Water	1	0	1	500,000	1,500,000	(1,000,000)	-200
Electricity	1	0	1	1,000,000	690,000	310,000	-44.9
Youth & Sports	1	1	0	2,171,238	692,700	1,478,538	68
Roads	1	0	1	5,700,000	5,700,000	-	0
Environment	1	0	1	2,171,238	-	2,171,238	100

Strategic Planning	1	1	0	2,400,000	2,400,000	-	0
Emergency	N/a	N/a	N/a	5,767,647	21,605,000	15,837,353	-275
Bursary	3	1	2	25,540,481	11,277,970	14,262,511	126.4
Total	68	16	52	98,291,535	102,871,346	27,094,895	

Delay in completion of projects and poor budget execution has led to under spending and has denied residents the benefits of the projects while there is a risk of cost escalation.

2.0 Stalled Project-Kalalu Administration Police Post

Available records indicate that during the year under review, the CDF spent an amount of Kshs.3,180,000 for constructing an office block at Kalalu Administration Police Post. A visit to the site revealed the project was incomplete since flooring, internal and external finishes, painting as well as glazing had not been done. As at the time of audit, construction works had stopped and the contractor was not on site. Consequently, the amount of Kshs.3,180,000 spent on the project could not be ascertained.

3.0 Laikipia Central Police Headquarters Project

Available records indicate that the CDF spent an amount of Kshs.2,500,000 for construction of Laikipia Central Police Headquarters during the year under audit.

However, a visit to the site revealed that the project was incomplete as flooring, plastering, plumbing, ceiling, wiring and fixing of doors and windows had not been done. In addition, site meeting minutes, payment certificates, project completion certificates, and bills of quantity (BQs) prepared by the Ministry of Works were not presented for audit. In the circumstances, it was not possible to ascertain the amount of Kshs.2,500,000 spent on this project.

4.0 Kijabe – Kahuruko Road Construction

The Laikipia CDF disbursed Kshs.2,500,000 for grading and graveling of Kijabe-Kahuruko road in the financial year under audit. Although the road was improved, records relating to the project (including expenditure returns) were not availed for audit verification. In addition, minutes of inspection and acceptance committee, and bills of quantity (BQs) prepared by the Ministry of Works were also not presented for audit review. It was therefore not possible to confirm whether the work done achieved value for money.

5.0 Ineligible Expenditure on Laikipia East District Headquarters

The CDF allocated Kshs.1,310,000 to Laikipia East district Headquarters for the renovation of Deputy County Commissioner's residence in the financial year 2015/2016.

However, it was not clear whether a Project Management Committee (PMC) had been constituted for this project as no records were availed and no expenditure returns were filed by the PMC. Further, there was no evidence of proposals from the deputy commissioner requesting for the renovations. The CDF may have erred in allocating funds to County

Commissioner and not constituting a PMC to implement the project as envisaged in the CDF Act, 2013.

6.0 Waguthiru Secondary School - Unaccounted for funds

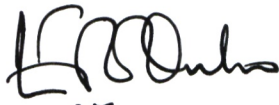
Records availed for audit indicated that the CDF disbursed Kshs.1,300,000 to Waguthiru Secondary School for construction of two classrooms in 2015/2016 financial year.

However, scrutiny of transfer to other Government entities schedule and the monthly and annual expenditure returns provided for audit indicates that the Kshs.1,300,000 was not disbursed to the school but instead a sum of Kshs.700,000 was disbursed to the school for purchase of the land on which the secondary school is situated without the approval of CDF Board. It was explained that the school was mistakenly put up on private land number 445 and the land owner required to be compensated. In the circumstances, we could not establish whether value for money was realized on the expenditure.

7.0 Nyariginu Secondary School - Stalled construction of three classrooms

An amount of Kshs.1,450,000 was disbursed to Nyariginu Secondary School in 2011/2012 financial year for the construction of three(3) classrooms. However, review of documents availed for audit and a visit to the site revealed the project had stalled due to disagreements between the contractor and the school committee. Consequently, there is possibility of loss of public funds due to delayed completion of the project.

My opinion is not qualified in respect of these matters.



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

Nairobi

18 September 2017

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


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
RECEIPTS			
Transfers from CDF board-AIE Received	1	108,061,922	102,484,668
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,061,922	102,484,668
PAYMENTS			
Compensation of employees	4	2,185,714	1,695,059
Use of goods and services	5	16,928,690	14,867,363
Transfers to Other Government Units	6	42,105,676	40,687,359
Other grants and transfers	7	60,680,670	40,847,063
Acquisition of Assets	8	-	-
Other Payments/Strategic Plan	9	1,200,000	-
TOTAL PAYMENTS		123,100,750	98,116,844
SURPLUS/(DEFICIT)		(15,038,828)	4,367,824

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Laikipia East NGCDF financial statements were approved on 14/04 2017 and signed by:



 Chairman - NGCDFC



 Fund Account Manager

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

V. STATEMENT OF ASSETS

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	12,741,289	27,780,117
Cash Balances (cash at hand)	10B	-	-
		12,741,289	27,780,117
Outstanding Imprests	11	1,590,000	
TOTAL FINANCIAL ASSETS		14,331,289	27,780,117
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July 2015	13	27,780,117	23,412,293
Surplus/(Deficit) for the year		(13,448,828)	4,367,824
Prior year adjustments	14	-	-
NET LIABILITIES		14,331,289	27,780,117

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Laikipia East NGCDF financial statements were approved on 14/04 2017 and signed by:


 Chairman - NGCDF



 Fund Account Manager

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

VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
Receipts for operating income			
Transfers from CDF Board	1	108,061,922	102,484,668
Other Receipts	3	-	-
		108,061,922	102,484,668
Payments for operating expenses			
Compensation of Employees	4	(2,185,714)	(1,695,059)
Use of goods and services	5	(16,928,690)	(14,867,363)
Transfers to Other Government Units	6	(42,105,676)	(40,687,359)
Other grants and transfers	7	(60,680,670)	(40,847,063)
Other Payments/Strategic Plan	9	(1,200,000)	-
		(123,100,750)	(98,116,844)
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(13,448,828)	4,367,824
 CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		(13,448,828)	4,367,824
Cash and cash equivalent at BEGINNING of the year	13	27,780,117	23,412,293
Cash and cash equivalent at END of the year		14,331,289	27,780,117

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Laikipia East NGCDF financial statements were approved on 14/04 2017 and signed by:



 Chairman NGCDFC



 Fund Account Manager

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	108,561,922	27,780,117	136,342,039	123,100,750	13,241,289	90.29%
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
TOTAL	108,561,922	27,780,117	136,342,039	123,100,750	13,241,289	90.29%
PAYMENTS						
Compensation of Employees	1,525,391	731,078	2,256,469	2,185,714	70,755	96.90%
Use of goods and services	8,245,182	9,060,543	17,305,725	16,928,690	377,035	97.82%
Transfers to Other Government Units	42,990,745	9,600,000	52,590,745	42,105,676	10,485,069	80.06%
Other grants and transfers	52,900,604	8,388,496	61,289,100	60,680,670	608,430	99.01%
Acquisition of Assets	0	0	0	0	0	0%
Other Payments	2,900,000		2,900,000	1,200,000	1,700,000	41.38%
TOTAL	108,561,922	27,780,117	136,342,039	123,100,750	13,241,289	90.29%

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

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- i. XXXX
 - ii. XXXX
 - iii. XXXX
 - iv. XXXX
 - v. XXXX

The LAIKIPIA EAST NGCDF financial statements were approved on 14/04 2017 and signed
by:



Chairman NGCDF



Fund Account Manager

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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

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IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal allocation			
	A724116	10,000,000	
	A796311	10,000,000	
	A820594	10,000,000	
	A820828	24,000,000	
	A825569	27,000,000	
	A825628	27,061,922	
TOTAL		108,061,922	102,484,668

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		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	2,080,224	1,619,918
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	105,490	75,141
gratuity	-	-
Total	<u>2,185,714</u>	<u>1,695,059</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	734,985	378,790
Office rent	240,000	-
Communication, supplies and services	147,889	136,553
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	81,094	67,863
Other committee expenses	-	-
Committee allowance	8,530,000	9,234,020
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	333,775	1,276,595
Fuel ,oil & lubricants	4,164,897	-
Other operating expenses	853,383	437,542
Routine maintenance – vehicles and other	1,567,325	3,126,600
Routine maintenance – other assets	<u>275,342</u>	<u>229,400</u>
Total	<u>16,928,690</u>	<u>14,887,363</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	16,040,931	15,882,000
Transfers to secondary schools (see attached list)	23,664,745	19,122,600
Transfers to tertiary institutions (see attached list)	2,400,000	8,032,608
Transfers to health institutions (see attached list)	-	5,682,759
-TOTAL	42,105,676	40,687,359

7. OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools (see attached list)	7,580,430	8,421,907
Bursary – tertiary institutions (see attached list)	3,407,540	5,614,604
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	4,500,000	10,934,800
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	690,000	-
Security projects (see attached list)	17,355,000	7,405,000
Roads projects (see attached list)	20,855,000	6,137,636
Sports projects (see attached list)	692,700	363,116
Environment projects (see attached list)	-	2,270,435
Other Projects/ (see attached list)	-	-
Emergency Projects (specify)	5,600,000	1,970,000
Total	60,680,670	40,847,063

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8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016 Kshs	2014 - 2015 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	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

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9. OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Strategic Plan	1,200,000	0

1,200,000	0
------------------	----------

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
Equity Bank Limited A/c. No. 0270261969541	12,741,289	27,780,117
	-	-
	-	-
	-	-
	12,741,289	27,780,117
10B: CASH IN HAND		
	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

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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
Arnold Karani Njiru	25/05/2016	1,550,000	Nil	1,550,000
The Manager Laikipia East NG-CDF	Standing Imprest	40,000	Nil	40,000
				<u>1,590,000</u>

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

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

18
23

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	27,780,117	21,292,123
Cash in hand	-	-
Imprest	-	2,120,170
Total	<u>27,780,117</u>	<u>23,412,293</u>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	<u>-</u>	<u>-</u>

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

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
	xxx	xxx

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
	xxx	xxx

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		A	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	N/A	N/A
Buildings and structures	N/A	N/A
Transport equipment	N/A	N/A
Office equipment, furniture and fittings	N/A	N/A
ICT Equipment, Software and Other ICT Assets	N/A	N/A
Other Machinery and Equipment	15,605,512	15,605,512
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	N/A	N/A

Prepared by:

Arnold Karani Njiru
Fund Account Manager
Laikipia East