

REPUBLIC OF KENYA



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REPORT

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ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
TIGANIA 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)**

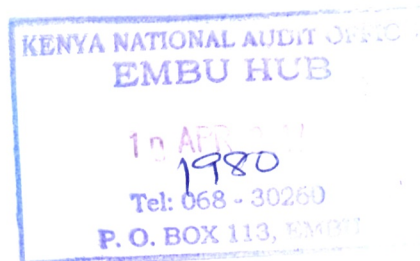


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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *National government Constituencies Development Fund (NGCDF)* was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2015. The *National government Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *National government Constituencies Development Fund*.

(b) Key Management

The *Tigania east Constituency's* day-to-day management is under the following key organs:

- i. National government Constituencies Development Fund Board (NCDFB)
- ii. National government Constituency Development Fund Committee (NCDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Danson Njogu
3.	Accountant	Paul Odero

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Tigania east 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) Tigania east CDF Headquarters

P.O. Box 17-60605
NGCDF office-Muriri.
Meru-maua Road,
Muthara, Meru.

(f) TIGANIA EAST NGCDF Contacts

Telephone: (254) 0703-780-482

E-mail: tiganiaeast@gmail.com.

(g) TIGANIA EAST NGCDF Bankers

1. Co-operative bank of Kenya
Meru-Makutano avenue.
P.O. Box
Meru, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NG-CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)

Tigania East constituency is situated along Meru-Maua road behind the hills of Nyambene and borders Tharaka on the south, Isiolo on the north and Igembe central on the east regions. The main economic stay of the constituency is mainly farming of food crops with a small portion that cuts across Nyambene hills involving in Tea farming and coffee in minimal productions .There is a large area in the south which is dry and the community majors on livestock keeping as their main economic activities. The constituency is vast with five wards and approximately has 300,000 population. The constituency is wholly developed by CDF in about 70% together with other partners, mainly national government and nongovernmental organizations.

TIGANIA EAST CONSTITUENCY NGCDF PERFORMANCE

The constituency received ksh.172,246,738.5 in the financial year 2015/2016 and has efficiently absorbed ksh.109,073,753 which translate into 63% rate .All the projects started in the financial year under consideration are complete and the constituents are enjoying the benefits of the kitty. Various projects have been accomplished ranging from almost all sectors i.e.Roads, schools infrastructure, health and water.

KEY ACHIEVEMENTS OF THE FUND

NGCDF has transformed many lives of Tigania east residents.The empirical data available coupled with actual observations reveal an enormous impact on the residents in improved standard of living which was never witnessed before the inception of NGCDF.The current year has seen completion of 30 classrooms,10 roads and 2 dispensaries .The many poor children who have been to school under the courtesy of the fund is a milestone reached in enabling every needy students access education.Various places where residents walked for long distances to seek water commodity is also a great achievement which has saved energy and time to pursue other activities.We stand united in prayer and thanks giving that NGCDF may live long enough to transform many lives.

EMERGING ISSUES

NGCDF being a community fund has so far been identified with the constituents needs which changes every now and then.With the establishment of the devolved functions ,various sectors have been taken by the county governments which has stripped off residents the very pertinent projects centre in their economic life.County governments have slowly taken off with residents agitating for various projects formally funded by NGCDF and this has brought great discontent on the side of the residents who think such functions should be handled by NGCDF.

IMPLEMENTATION CHALLENGES.

There various challenges meted in the implementation of the kitty namely:

- a) Lack of management skills by the project implementation committees.
- b)Thinly allocation of project funds
- c) Political interferences

WAY FORWARD

NGCDF should be added more funds enough to complete projects. Again PMC should be trained frequently on good management practices. MPs and their opponents should not interfere with projects.

CHAIRMAN NGCDFC

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 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 Tigania 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 2015.2016 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 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 Tigania 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, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer charge of Tigania 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.

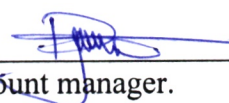
The Accounting Officer in charge of Tigania east NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes 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 on _____ 2016.



Chairman NGCDFC



Fund account manager.

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Tigania East Constituency set out on pages 6 to 15, which comprise statement of financial assets and liabilities as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of 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 the 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 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 considers internal control relevant to the entity's preparation

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

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

1.0 Accuracy Completeness and Presentation of the Financial Statements

1.1 Accuracy and Completeness of the Financial Statements

The statement of receipts and payments reflects total receipts and total expenditure of Kshs. 85,621,296 and Kshs.109,073,753 respectively as at 30 June 2016.

However, the summary statement of appropriation reflected receipts totaling to Kshs.113,292,569 and an expenditure totaling to Kshs.108,880,892 resulting to an unexplained and unreconciled variance of Kshs.27,671,273 and Kshs.192,860 between the receipts and payments reflected in the two statements respectively.

Under the circumstances, the accuracy, completeness and reliability of the financial statement balances as at 30 June 2016 could not be confirmed.

1.2 Presentation of the Financial Statements

The International Public Sector Accounting Standards (cash basis) financial statement presentation format prescribed by Kenya Public Sector Accounting Standards Board requires the inclusion of a progress report on follow up on the previous year's audit issues. However, although the Fund had a qualified report in the financial year 2014/2015, this report was not included in the financial statements for the year under review.

Further, the financial statements did not include a separate recurrent and a development summary statement of appropriation as required by IPSAS (Cash Basis).

In addition, in the notes to the financial statements, note number 4 was assigned to both use of goods and services and transfer to other government entities, which subsequently affected the numbering of notes to the financial statements from note No. 4 to note No. 10.

Consequently, the presentation of the financial statements for the year under review did not conform to the format prescribed by the Kenya Public Sector Accounting Standards Board under IPSAS (Cash Basis). In view of the foregoing, the accuracy, completeness and presentation of the financial statements could not be ascertained.

2.0. Budgetary Control and Performance

During the financial year under review, the Fund had a final approved expenditure budget of Kshs.171,746,650 comprising of Kshs.116,469,368 for the year under review and Kshs.55,277,362 from the previous year.

However, the summary statement of appropriation reflected a final budget of Kshs.172,246,739 resulting to unexplained variance of Kshs.500,089. Further, the approved budget made available for audit review reflected a budget of Kshs.115,469,376. However, a recasting of the figures showed a total of Kshs.116,469,368 resulting into an unexplained variance/under cast of Kshs.999,992. The actual expenditure as at 30 June 2016 was Kshs.109,073,753 (64%) utilized in respect to recurrent expenses and to fund projects in various sectors within the constituency.

A component analysis for the budgeted amounts versus the actual is as indicated below:

	Original Budget (Kshs)	Adjustment (Kshs)	Final Budget (Kshs)	Actual (Kshs)	Variance (Kshs)	Absorption (%)
Compensation of employees	1,850,000	389,190	2,239,190	1,901,950	337,240	85%
Use of goods and services	8,158,155	1,624,161	9,782,316	9,406,866	375,450	96%
Transfer to other governments entities	38,886,052	45,387,931	84,273,983	60,173,983	24,100,000	71%
Other grants and transfers	67,575,161	7,336,000	74,911,161	37,115,454	37,795,707	50%
Acquisition of assets	-	540,000	540,000	475,500	64,500	88%
Total	116,469,368	55,277,362	171,746,650	109,073,753	62,672,897	64%

The residents of Tigania East constituency did not therefore receive promised and expected services equivalent to the Kshs. 62,672,897 being the difference between the budgeted and actual expenditure as at 30 June 2016.

3.0. Construction of Athwana Dispensary

During the year under review Tigania East Constituency through Constituency Development Fund Committee (CDFC) meeting held on 24 June 2015 vide MIN3/CDFC/TE/25/6: GENERAL PROJECT REPORT granted Kshs.500,000 to Athwana Dispensary for the completion of treatment rooms, plastering, doors, windows and painting as per the approved budget.

The Athwana Dispensary project management committee contracted Mbame construction limited on 27 November 2015 and the project committee paid the contractor a total of Kshs. 343,000 on 10 December 2015.

A physical verification on 1 February 2016 established that although the dispensary had been completed by the contractor, it was not equipped and had started depreciating before being used as a dispensary.

In the circumstances, it was not possible to ascertain that the Fund received value for money equivalent to the Kshs. 500,000 expenditure.

4.0. Prior Year Adjustment

The statement of financial assets and liabilities reflected prior year adjustments of Kshs. 1,228,651 in respect to stale cheques. However, no supporting documents/stale cheques were available for audit verification.

As a result, the accuracy, existence and authenticity of the stale cheques amounting to Kshs. 1,228,851 could not be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund –Tigania 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 the National Government Constituency Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Other Matter

1.0 Project Implementation and Management

During the period under review, the Fund allocated Kshs.106,961,221 to projects in various sectors including Primary schools, Secondary schools, Health institutions, water projects, Security, road, sports and environment within the constituency. Analysis as per the project implementation status indicated that projects amounting to Kshs.91,161,221 had been completed as at 30 June 2016. Further projects amounting to Kshs.11,450,000 were on-going while projects amounting to Kshs.4,350,000 had not been started as at the end of the financial year. A detailed analysis of the project implementation status is as follows;

Sector	Project status	Amount Allocated	Amount Disbursed	No of Projects
Education	Completed	48,586,052	48,586,052	51
	On going	10,650,000	10,650,000	2
	Not started	2,150,000	2,150,000	2

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Tigania East for the year ended 30 June 2016

	Sub Total	61,386,052	61,386,052	55
Roads & Bridges	Completed	19,809,454	19,809,454	19
	Sub Total	19,809,454	19,809,454	19
Water	Completed	200,000	200,000	1
	Sub Total	200,000	200,000	1
Sports	Not started	1,000,000	1,000,000	1
	Completed	2,224,034	2,224,034	1
	Sub Total	3,224,034	3,224,034	2
Emergency 5%	Completed	5,767,647	5,767,647	1
	Sub Total	5,767,647	5,767,647	1
Environment	Completed	2,224,034	2,224,034	1
	Sub Total	2,224,034	2,224,034	1
Health	Completed	2,000,000	2,000,000	2
	Sub Total	2,000,000	2,000,000	2
Security	Not Started	1,200,000	1,200,000	1
	Completed	10,350,000	10,350,000	23
	On Going	800,000	800,000	2
	Sub Total	12,350,000	12,350,000	26
	Grand Total	106,961,221	106,961,221	107

In view of the analysis, the Fund did not implement 4 projects worth Kshs.4,350,000 included in the budget for the year under review. As a result, Tigania East constituent did not get promised and expected services equivalent to the budgeted but not implemented projects worth Kshs.4,350,000 as at 30 June 2016.



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

Nairobi

05 October 2017

NG-CONSTITUENCY DEVELOPMENT FUND- TIGANIA 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 Other Government Entities	1	85,621,296	128,880,897
Other Receipts	2	-	1,516,786
TOTAL RECEIPTS		85,621,296	130,397,683
PAYMENTS			
Compensation of Employees	3	1,901,950	1,681,786
Use of goods and services	4	9,406,866	10,441,110
Transfers to Other Government Units	5	60,173,983	38,709,105
Other grants and transfers	6	37,115,454	57,312,808
Acquisition of Assets-Motorcycle	7	475,500	-
TOTAL PAYMENTS		109,073,753	108,144,809
SURPLUS/DEFICIT		(23,452,457)	22,252,874

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TIGANIA EAST NGCDF financial statements were approved on _____ 2016 and signed by:



 Chairman - NGCDFC



 Fund Account Manager

FUND ACCOUNT MANAGER
TIGANIA EAST NG- CDF
P.O.Box 17,60605;Muthara
Tel; .0703 780 482

NG-CONSTITUENCY DEVELOPMENT FUND- TIGANIA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

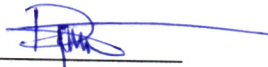
V: STATEMENT OF FINANCIAL ASSETS AND LIABILITIES.

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	8	4,411,587	26,635,194
TOTAL FINANCIAL ASSETS		4,411,587	26,635,194
REPRESENTED BY			
Fund balance b/fwd	9	26,635,193	4,382,320
Surplus/Deficit for the year		(23,452,457)	22,252,874
Prior year adjustments	10	1,228,851	-
NET FINANCIAL POSSITION		4,411,587	26,635,194

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TIGANIA EAST NGCDF financial statements were approved on _____ 2016 and signed by:



Chairman - NGCDFC



Fund Account Manager


FUND ACCOUNT MANAGER
TIGANIA EAST NG - CDF
P.O.Box 17,60605;Muthara
Tel; .0703 780 482

NG-CONSTITUENCY DEVELOPMENT FUND- TIGANIA 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 NGCDF Board	1	85,621,296	128,880,897
Other Receipts	2	-	1,516,786
Total receipts from operating income		85,621,296	130,397,683
Payments for operating expenses			
Compensation of Employees	2	1,901,950	1,681,786
Use of goods and services	3	9,406,866	10,441,110
Transfers to Other Government Units	4	60,173,983	38,709,105
Other grants and transfers	5	37,115,454	57,312,808
		(108,598,253)	(108,144,809)
Adjusted for:			
Prior year adjustments		1,228,851	-
Net cash flow from operating activities		(21,748,107)	22,252,873
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Asset-motor cycle	6	(475,500)	0.00
Net cash flows from Investing Activities		(475,500)	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT		(22,223,607)	22,252,873
Cash and cash equivalent at BEGINNING of the year	8	26,635,193	4,382,320
Cash and cash equivalent at END of the year	7	4,411,587	26,635,193

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Tigania east NGCDF financial statements were approved on _____ 2016 and signed by:



Chairman NGCDF




Fund account Manager.

FUND ACCOUNT MANAGER
TIGANIA EAST NG- CDF
P.O.Box 17,60605,Muthara
Tel; 0703 780 482

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	116,969,376	54,241,283	172,246,738.50	113,292,569	58,954,169	66
Other Receipts	-	-	-	-	-	-
TOTAL RECEIPTS	116,969,376	55,277,362.50	172,246,738.50	113,292,569	58,954,169	66
PAYMENTS						
Compensation of Employees	1,850,000	389,191	2,239,191	1,901,950	337,241	85%
Use of goods and services	7,158,155	1,624,161	8,782,316	9,406,865	(624,549)	107%
Transfers to Other Government Units	35,886,052	45,387,931	81,273,983	60,173,983	21,100,000	74%
Other grants and transfers	71,575,169	7,336,000	78,911,249	37,115,454	41,795,795	47%
Audit fees: Kenya national audit	500,000	0.00	500,000	0.00	500,000	0%
Acquisition of Asset-Motor cycle	0.00	540,000	540,000	475,500	64,500	88%
TOTALS	116,969,376	55,277,363	172,246,739	108,880,982.90	63,365,756.60	63%

The TIGANIA EAST NGCDF financial statements were approved on _____ 2016 and signed by:



 Chairman NGCDF



 Fund Account Manager

**FUND ACCOUNT MANAGER
 TIGANIA EAST NG - CDF
 P.O.Box 17,60605;Muthara
 Tel; 0703 780 482**

VII: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 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
CDF Board		
AIE NO 790813	27,066,089	
AIE NO 790844	540,000	
AIE NO 796381	10,000,000	
AIE NO 759714	10,000,000	
DEPOSIT	15,207	
AIE NO 820798	20,000,000	
AIE.NO 825501	18,000,000	
	85,621,296	128,880,897

2: Other Receipts

	2015- 2016	2014-2015
	Kshs	Kshs
Other Receipts	-	1,516,786
Total	-	1,516,786

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3: COMPENSATION OF EMPLOYEES

	2015- 2016	2014-2015
	Kshs	Kshs
Basic wages of contractual employees	1,901,950	1,625,986
Total	1,901,950	1,625,986

4:USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Committee expences-committee allowances	6,282,000	4,368,238
Communication, supplies and services	48,000	345,000
Printing, advertising and information supplies & services	125,310	129,038
Other operating expenses-fuel,oil &lubricants	2,280,307	900,000
Routine maintenance – vehicles and other transport equipment	671,249	1,083,072
Total	9,406,866	10,441,110

4: TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014-2015
	Kshs	Kshs.
Transfers to primary schools	42,287,931	14,226,346
Transfers to secondary schools	14,886,052	18,100,000
Transfers to health institutions	3,000,000	6,232,759
TOTAL	60,173,983.00	38,559,105

5: OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016	2014-2015
	Kshs	Kshs
Bursary – secondary schools	7,920,000	22,384,100
Bursary – Tertiary	86,000	
Water projects	3,150,000	
Security projects	3,150,000	
Roads projects	18,809,454	
Emergency projects	4,000,000	8,500,000
Total	37,115,454	

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6.ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2015 - 2016	2014-2015
	Kshs	Kshs
Purchase of Motorcycle	475,500.00	-
TOTAL	475,500.00	-

7: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 – 2016	2014-2015
	Kshs	Kshs.
Co-Operative Bank Ltd 01120378126000	4,411,587	26,635,194
Total	4,411,587	26,635,194

8: BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	26,635,194	4,382,320
Total	26,635,194	4,382,320

9: PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Stale and reversed cheques	1,228,851	
Total		

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	1,000,000	1,000,000
Buildings and structures	3,000,000	3,000,000
Transport equipment	9,864,512	9,389,012
Office equipment, furniture and fittings	150,000	150,000
ICT Equipment, Software and Other ICT Assets	227,000	227,000
Other Machinery and Equipment	857,128	857,128
Total	15,098,640	14,623,140