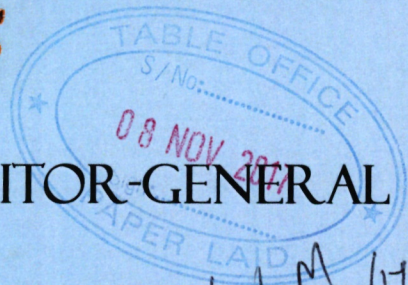


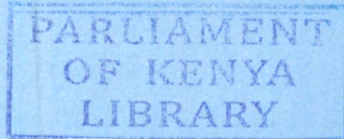
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper laid by GOM
Wednesday 8/11/17
Afternoon sitting
Agh*

REPORT



OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2015.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

- i. National Government 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	Mwangi Chege
3.	Accountant	Vincent Musumba

(d) Fiduciary Oversight Arrangements

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

GARSEN NGCDF Office Building.
P.O Box 48-80201
Malindi-Lamu Road
GARSEN,KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
GARSEN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

(f) GARSEN NGCDF Contacts

Telephone: (254) 704144072
E-mail: cdfGarsen@NGCDF.go.ke
Website: www.ngcdf.go.ke

(g) GARSEN NGCDF Bankers

1. Kenya Commercial Bank,
Garsen Branch
A/C NO.1107969735
P.O BOX 54-80201
GARSEN.

(h) Independent Auditors

Auditor-General
Office of 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 NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NGCDFC)**

The GARSEN NGCDF has utilized at most 75% of its allocated funds by undertaking its budgeted projects and allocations. The NGCDF have improved on the Education access and Security infrastructures of Garsen.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds & late approval of proposals.

The NGCDF board to reduce the rate of staff turnovers in Constituencies.

Sign.....
CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
GARSEN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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 Fund. 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.

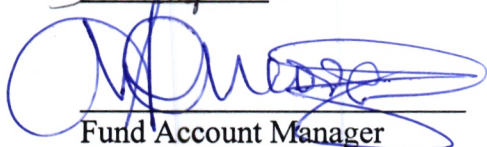
The Accounting Officer in charge of the Garsen NGCDF is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility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

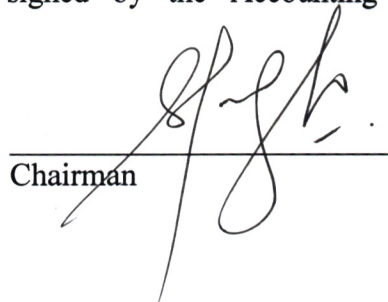
The Accounting Officer in charge of the Garsen NGCDF accepts responsibility for the Fund's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Fund'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 Fund's financial position as at that date. The Accounting Officer in charge of the Fund further confirms the completeness of the accounting records maintained for the Fund, 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 Garsen NGCDF confirms that the fund 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 Fund'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 Fund's financial statements were approved and signed by the Accounting Officer on 30th Sept 2016.


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 – GARSEN 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 – Garsen Constituency set out on pages 6 to 25, which comprise the statement of assets as at 30 June 2016, the statement of receipts and payments, statement of cash flow and a summary statement of appropriation; - recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Auditor-General’s Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund (NG-CDF) – Garsen Constituency for the year ended 30 June 2016

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

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

Basis for Qualified Opinion

1.0. Cash and Cash Equivalent

1.1. Bank Balance

The statement of assets as at 30 June 2016 reflects a bank balance of Kshs.14,082,525. However, the bank reconciliation statement as at 30 June 2016 reflected stale cheques totalling Kshs.2,056,006 which have not been reversed in the cashbook. In addition, the bank reconciliation statement included bank charges amounting to Kshs.289,372.90 dating back to November 2013 and which have not been recorded in cashbook and therefore have been omitted in these financial statements. Further, subsequent bank statements were not availed for audit to confirm when cheques amounting to Kshs.2,056,006 still outstanding as at 30 June 2016 were subsequently cleared. Review of Constituency Development Fund Committee meeting minutes revealed that 44 bank accounts were opened for Project Management Committee (PMC) for projects already completed and had cumulative balance of unspent funds amounting to Kshs. 747,208. Section 7(1) of NG-CDF Act, 2015 states that all savings shall be returned to the Fund and in accordance with Section 6(4 and 5) of the NG-CDF Act 2015, unspent funds may be reallocated. This amount was still held at the PMC bank accounts as at 30 June 2016 and therefore not included in the bank balance of Kshs.14,082,525 as at 30 June 2016.

Consequently, the accuracy and completeness of the bank balance of Kshs.14,082,525 could not be confirmed.

1.2. Outstanding Imprests

The statement of assets as at 30 June 2016 reflects outstanding imprests of Kshs.2,943,131. However, a detailed schedule in support of this amount was not availed for audit review. Further, imprest warrant book was also not availed for audit review.

Consequently, the propriety and accuracy of the imprests balance of Kshs.2,943,131 could not be confirmed.

1.3 Cash Balance

The statement of assets reflects nil cash balance as at 30 June 2016. However, the board of survey certificate was not availed for audit review.

Consequently, the accuracy, validity and completeness of nil cash balance could not be ascertained.

2.0 Statutory Deductions

The statement of receipts and payments for the year ended 30 June, 2016 reflects compensation of employees' balances of Kshs. 968,242. Review of personnel records availed for audit revealed that statutory deductions of Kshs.161,810 were not remitted to the tax authorities.

Consequently, the Fund was in breach of the Law and possible penalties for non-compliance have not been included in these financial statements.

3.0 Bursaries

The statement of receipts and payments and as disclosed in note 7 to the financial statements reflects other grants and other payments of Kshs.36,186,371. This includes bursaries to secondary schools of Kshs.12,669,650 and to tertiary institutions of Kshs.3,125,993 all totaling Kshs.15,795,643. However, review of bursary sub-committee's minutes revealed that there was no documented criteria on how needy students were identified for sponsorship.

Consequently, the propriety and validity of the bursary expenditure amounting to Kshs.15,795,643 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 Constituencies Development Fund – Garsen Constituency as at 30 June 2016, and of its financial performance and its cash flows in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budgetary Controls and Performance

During the year under review, the Fund had a final budget of Kshs.135,418,149 but received Kshs.118,805,328 or 88% from the National Government Constituency

Development Board. The Fund had actual expenditure amounting to Kshs.134,096,066 or 99% of the budget as detailed below:-

Expenditure item	Final Budget Kshs	Actual Expenditure Kshs	Under Utilization Kshs	Over Utilization Kshs	% of Utilization
Compensation of employees	1,980,000	968,242	1,011,758		51%
Use of goods and services	8,368,191	13,326,343		4,958,152	59%
Transfers to Other Government Units	75,455,110	80,820,690		5,365,580	7%
Other grants and transfers	49,449,848	36,186,371	13,263,477		27%
Acquisition of assets	165,000	2,794,420		2,629,420	1594%
Total	135,418,149	134,096,066	14,275,235	12,953,152	

The Fund had a total over-expenditure of Kshs.12,953,152 or 10% of the budget. The approval for the over expenditure was not availed for audit review. In addition, the fund under spent by Kshs.14,275,235 or 11%. There is need, therefore for the Fund to ensure all projects and activities budgeted for are implemented in time to ensure that the citizens of the Constituency enjoy the services and programs of the Fund for their development and welfare.

2. Project Implementation Status

The projects status report availed for audit review indicated that forty six (46) were budgeted in 2015/16. However, twenty eight (28) projects with a total allocation of Kshs.45,600,000 had not been started as at 30 June 2016 as detailed below:

	Projects	Description	Amount allocated (Kshs)	Vote
1	Sports	facilitate constituency tournament	2,000,000	Monitoring and capacity building
2	MOCKS & CATS	printing & distribution of Mocks & CATS and assessment	3,000,000	Mocks and CATs
3	Reketa Primary School	Construction to completion of two classrooms	2,200,000	Primary Schools
4	Onwardei Primary School	Construction to completion of two classrooms	2,400,000	Primary Schools
5	Odole Primary School	Construction to completion of four door VIP latrine	600,000	Primary Schools
6	Hurara Primary School	Construction to completion of two classrooms	2,200,000	Primary Schools
7	Minjila Primary School	Construction to completion of three classrooms & purchase of 50 desks	3,300,000	Primary Schools

8	Galma Primary School	Construction to completion of two classrooms	2,200,000	Primary Schools
9	Sheli Primary School	construction to completion of two, four door VIP latrine	1,200,000	Primary Schools
10	Kipao Primary School	Renovation of eight classrooms	2,000,000	Primary Schools
11	Gardeni Primary School	Purchase of 100 desks	400,000	Primary Schools
12	Garsen Primary School	Purchase of 100 desks	400,000	Primary Schools
13	Maua Primary School	Purchase of 50 desks	200,000	Primary Schools
14	Kitere Pry School	Purchase of 50 desks	200,000	Primary Schools
15	Minjila Primary School	Purchase of 50 desks	200,000	Primary Schools
16	Matangeni Pry School	Purchase of 50 desks	200,000	Primary Schools
17	Shaurimoyo Pry School	Purchase of 50 desks	200,000	Primary Schools
18	Idsowe Primary School	Purchase of 50 desks	200,000	Primary Schools
19	Tarasaa High School	Renovation of eight classrooms	5,000,000	Secondary Schools
20	Kitere Secondary School	Construction to completion of 3, four door VIP latrine, & renovation of 4 classrooms	3,000,000	Secondary Schools
21	Kipini Secondary School	Purchase of 51 seater school bus	7,500,000	Secondary Schools
22	Kipini police posts	construction to completion of 8 room staff house	3,000,000	Security
23	Minjila KWS staff house	construction to completion of 8 room staff house	3,000,000	Security
24	Ngao secondary Schools	Planting of 500 treess	200,000	Environment
25	Minjila Primary School	Planting of 500 treess	200,000	Environment
26	Idsowe Primary School	Planting of 500 treess	200,000	Environment
27	Hurara Primary School	Planting of 500 treess	200,000	Environment
28	Kipao Primary School	Planting of 500 treess	200,000	Environment
	Total		45,600,000	

Further, four (4) projects budgeted in the year 2014/15 with a budget of Kshs.6,000,000 had also not been started by 30 June 2016.

	Projects	Description	Amount allocated (Kshs)	Vote
1	OCPDS office	Renovation of OCPDS office	1,500,000	Security
2	Kipini Fish Cold store	Construction of a cold store	1,500,000	Security
3	Sheli Primary school	Purchase of 50 Desks	200,000	Primary Schools
4	Kikomo Primary school	construction of 2 classrooms	2,800,000	Primary Schools
	Total		6,000,000	

Among the reasons given for slow or non-implementation of the projects was that funds from the CDF Board were not received in good time and that Project Management Committees were not having capacity to conduct procurement procedures as required.

3. Project Verification

During the year under review, sixteen (16) projects with a total disbursement of Kshs.53,765,110 were visited in the month of April, 2017 and the following state of affairs was observed:

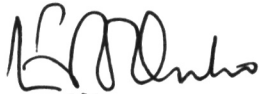
	Project	Description	Amount (Kshs)	Observation
1	Bahati primary School	Renovation of four (4) classrooms	2,500,000	The work had been completed and was in use
2	Garsen primary School	plastering, painting, roofing, fixing doors and windows and floors of four (4) classrooms 200 desks	837,931	Renovation done. However no BQ was availed
3	Abaganda Primary School	1 four door latrine & 500 desks - has been allocated in 2014/15.	800,000	Completed and in use
4	Garsen primary School	purchase of 50 desks	200,000	Completed and in use
5	Galma Primary	1 four door latrine & five hundred desks - has been allocated in 2014/15.	800,000	Completed and in use

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund (NG-CDF) – Garsen Constituency for the year ended 30 June 2016

6	Galma Primary	Two classrooms	2,200,000	Completed and in use- however BQ had provided for 2 steel doors (Kshs. 40,000) but wooden door were installed.
7	Garsen primary School	purchase of fifty desks	200,000	Completed and in use
8	Sane Girls High School	Construction of four. Class rooms, two. Four room VIP latrines, administration block and fencing	11,400,000	Classroom complete and in use. Fencing complete Administration block ongoing
9	Garsen High School	Construction of two classrooms	2,600,000	Completed and in use. Floor has cracks
10	Sane Girls High School	purchase of furniture, Dormitory, Dining hall	9,500,000	The dormitory is complete and in use. Dining hall construction ongoing
11	Garsen Health Center		4,482,759	Building complete. floor observed to have cracks
12	Garsen Street lights	Solar light	3,000,000	12 streetlights installed and in use
13	Galma Chief office	Office	2,000,000	Office completed – floor observed to have cracks
14	Garsen Police station	Completion of eight rooms Residential building	450,000	Completed and in use
15	CDF office	Renovation and acquisition of motor cycle	2,794,420	Office renovated and furniture acquired Motor cycle acquired
16	Garsen Technical Training Institute	Joint project with Ministry of education – Technical Institute	10,000,000	Completed – awaiting equipping
	Total		53,765,110	

From the above, eight (8) projects have been completed and in use while the rest are still ongoing.

The CDFC should ensure that all projects are completed in time and are well supervised so that the citizens of Garsen can improve their livelihoods through these projects.



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

Nairobi

05 October 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
GARSEN CONSTITUENCY**

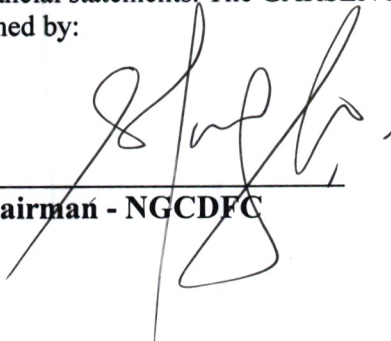
Reports and Financial Statements

For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	118,805,328.00	102,624,839.50
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		118,805,328.00	102,624,839.50
PAYMENTS			
Compensation of employees	4	968,242.00	1,316,477.00
Use of goods and services	5	13,326,343.00	8,209,348.56
Transfers to Other Government Units	6	80,820,690.00	89,006,769.68
Other grants and transfers	7	36,186,371.00	38,448,758.60
Acquisition of Assets	8	2,794,420.00	-
Other Payments	9	-	-
TOTAL PAYMENTS		134,096,066.00	136,981,353.84
SURPLUS/DEFICIT		(15,290,738.00)	(34,356,514.34)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GARSEN NGCDF financial statements were approved on 30th Sept 2016 and signed by:



Chairman - NGCDFC



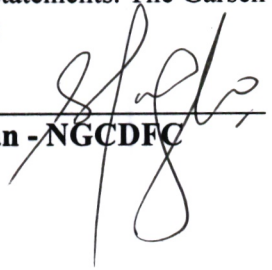
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
GARSEN 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	14,082,525.00	29,507,394.00
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	2,943,131.00	2,809,000.00
TOTAL FINANCIAL ASSETS		17,025,656.00	32,316,394.00
REPRESENTED BY			
Retention	12	-	
Fund balance b/fwd 1st July...	13	32,316,394.00	66,672,909.00
Surplus/Defict for the year		(15,290,738.00)	(34,356,515.00)
Prior year adjustments	14	-	-
NET LIABILITIES		17,025,656.00	32,316,394.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Garsen NGCDF financial statements were approved on 30th Sept 2016 and signed by:


Chairman - NGCDFC


Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
GARSEN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	118,805,328.00	102,624,839.50
Other Receipts	3	-	-
		118,805,328.00	102,624,839.50
Payments for operating expenses			
Compensation of Employees	4	968,242.00	1,316,477.00
Use of goods and services	5	13,326,343.00	8,209,348.56
Transfers to Other Government Units	6	80,820,690.00	89,006,769.68
Other grants and transfers	7	36,186,371.00	38,448,758.60
Other Payments	9	-	-
		131,301,646.00	136,981,353.84
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(12,496,318.00)	(34,356,514.34)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(2,794,420.00)	-
Net cash flows from Investing Activities		(2,794,420.00)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(15,290,738.00)	(34,356,514.34)
Cash and cash equivalent at BEGINNING of the year	13	32,316,394.66	66,672,909.00
Cash and cash equivalent at END of the year		17,025,656.66	32,316,394.66

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Garsen NGCDF financial statements were approved on 30th Sept 2016 and signed by:


Chairman NGCDF


Fund Account Manager

Reports and Financial Statements

For the year ended June 30, 2016

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

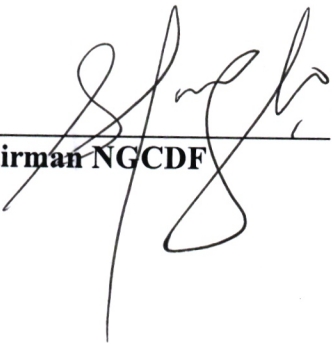
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	122,080,891.00	13,337,258.00	135,418,149.00	118,805,328.00	16,612,821.00	88%
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
TOTAL	122,080,891.00	13,337,258.00	135,418,149.00	118,805,328.00	16,612,821.00	88%
PAYMENTS						
Compensation of Employees	1,980,000.00		1,980,000.00	968,242.00	1,011,758.00	49%
Use of goods and services	8,368,191.00		8,368,191.00	13,326,343.00	(4,958,152.00)	159%
Transfers to Other Government Units	68,800,000.00	6,655,110.00	75,455,110.00	80,820,690.00	(5,365,580.00)	107%
Other grants and transfers	42,767,700.00	6,682,148.00	49,449,848.00	36,186,371.00	13,263,477.00	73%
Acquisition of Assets	165,000.00		165,000.00	2,794,420.00	(2,629,420.00)	1694%
Other Payments	-	-	-	-	-	
TOTAL	122,080,891.00	13,337,258.00	135,418,149.00	134,096,066.00	(15,290,738.00)	99%

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

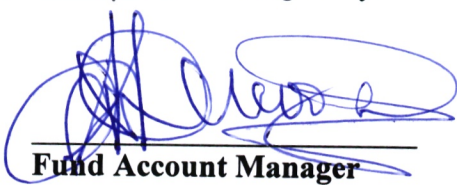
**Reports and Financial Statements
For the year ended June 30, 2016**

- (a) Most expenditure recorded more than 50% absorption except compensation of staff which was at 49% which was as a result of recruitment of new staff where there was some period between expiry of contract and replacement.
- (b) The items exceeding 100% is due to prior year projects which were implemented in current year
- (c) The expenditure on acquisition of assets was funded by 2013/14 allocation which was disbursed late in 2014/15 for acquisition of various assets and refurbishment of office.

The Garsen NGCDF financial statements were approved on 30th Sep 2016 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.

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

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For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the 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

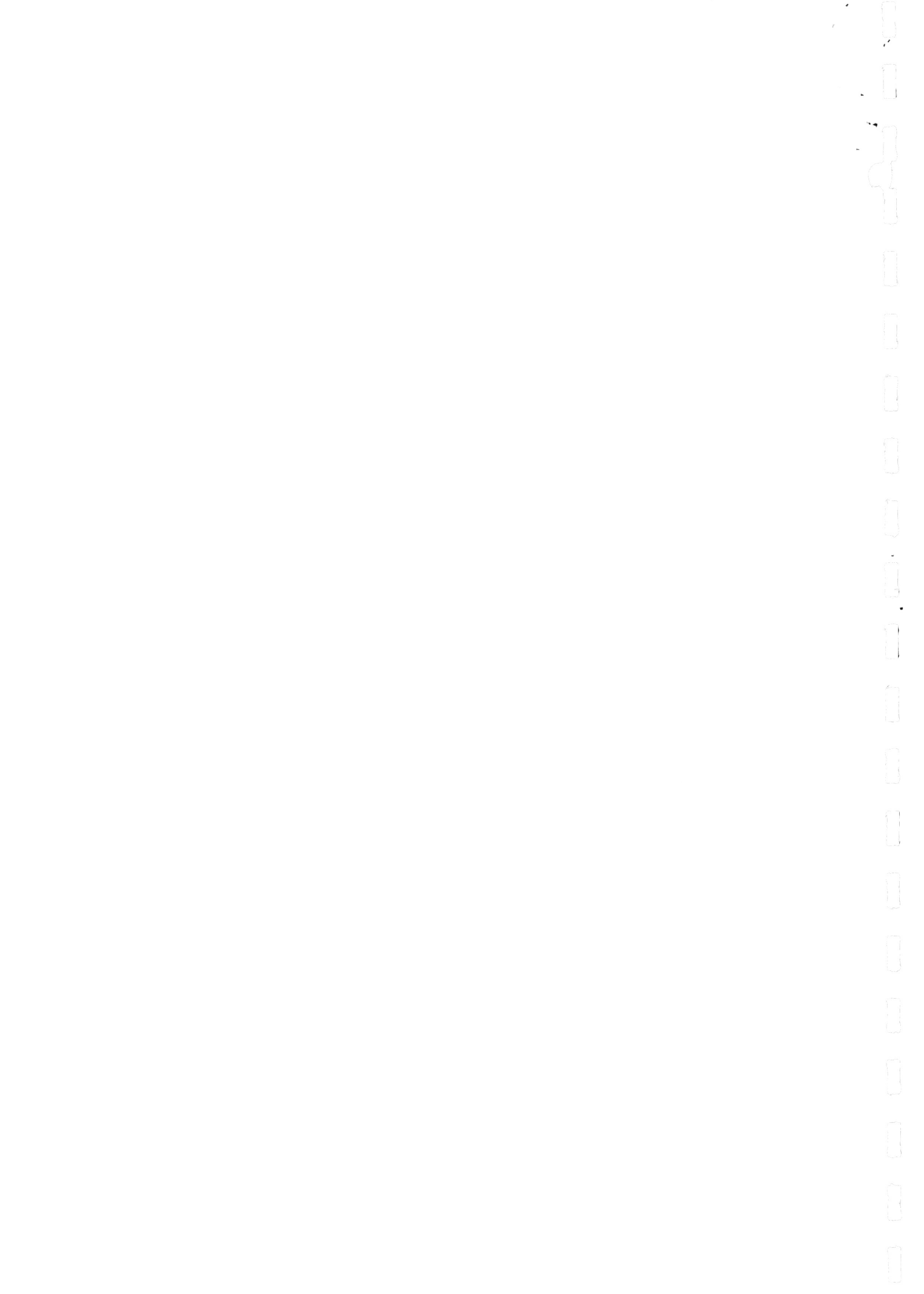
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NGCDF’s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment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



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

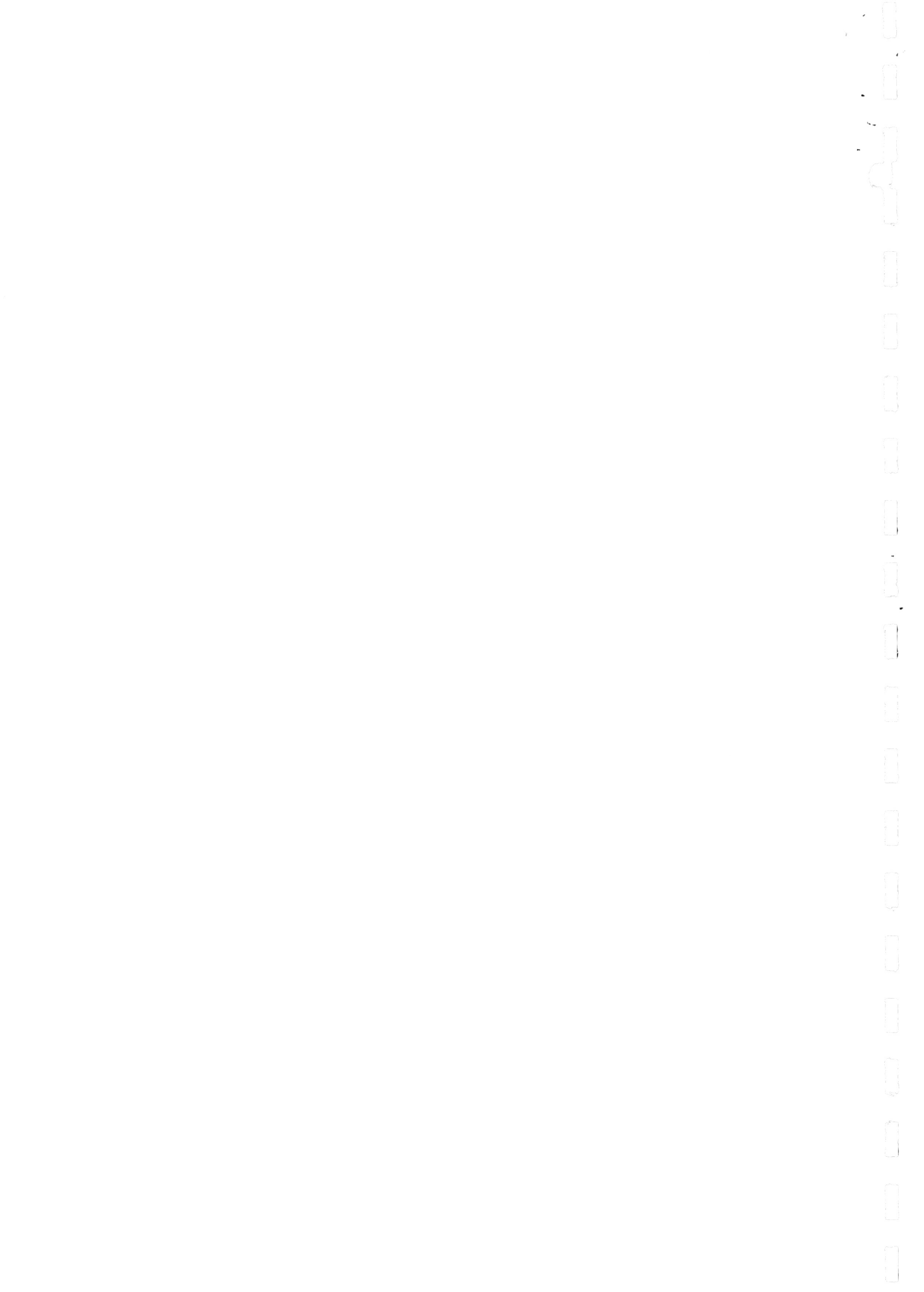
IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal Allocation	AIE NO. A820959	31,000,000.00	102,624,839.50
	AIE NO. A759722	57,805,328.00	
	AIE NO. A820514	10,000,000.00	
	AIE NO. A820723	20,000,000.00	
Conditional grants			-
	AIE NO...	-	
Receipt from other Constituency	AIE NO...	-	
TOTAL		118,805,328.0	102,624,839.5

2. PROCEEDS FROM SALE OF ASSETS

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Receipts from the Sale of Buildings		-	
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	
Receipts from the Sale of office and general equipment		-	
		-	-
	Total	-	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Interest Received	-	-
Other Receipts Not Classified Elsewhere (Tenders)	.	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	968,242.0	1,316,477.0
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 gratuity	.	.
Total	968,242.0	1,316,477.0



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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Reports and Financial Statements
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		17,299.0
Office rent	-	-
Communication, supplies and services	6,960.0	6,960.0
Domestic travel and subsistence	57,285.0	241,607.0
Printing, advertising and information supplies & services		312,510.0
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Other committee expenses	6,786,000.0	4,792,400.0
Committee allowance	2,134,000.0	1,206,000.0
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	1,699,790.0	15,350.0
Fuel ,oil & lubricants	516,700.0	580,667.0
Other operating expenses-Website	-	-
Other operating expenses-Strategic Plan		235,095.0
Other operating expenses-Audit Fee		
Routine maintenance – vehicles and other transport equipment	2,125,608.00	781,960.56
Routine maintenance – other assets		19,500.00
Total	13,326,343.0	8,209,348.6



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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 Reports and Financial Statements
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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 primary schools	28,237,931.0	51,164,658.5
Transfers to secondary schools	38,100,000.0	28,012,241.6
Transfers to Tertiary institutions	10,000,000.0	1,981,929.6
Transfers to Health institutions	4,482,759.0	7,847,940.0
TOTAL	80,820,690.0	89,006,769.7

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	12,669,650.0	14,435,170.0
Bursary -Tertiary	3,125,993.0	6,039,300.0
Bursary-Special schools	-	
Mocks & CAT	1,000,000.0	1,583,902.6
water		1,950,000.0
Agriculture (food security)		1,200,000.0
Electricity projects	3,000,000.0	-
Security	3,500,000.0	7,186,884.0
Roads	-	1,700,000.0
Sports	2,312,213.0	
Environment	3,793,115.00	900,000.00
Other capital grants and transfer	-	
Emergency Projects	6,785,400.00	3,453,502.00
	-	.
	-	.
	.	-
	.	-
Total	36,186,371.0	38,448,758.6



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
 GARSEN CONSTITUENCY
 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		2,294,420.0	-
Purchase of Vehicles			-
Purchase of Bicycles & Motorcycles		500,000.00	-
Overhaul of Vehicles		-	-
Purchase of Office furniture and fittings			.
Purchase of computers ,printers and other IT equipments			
Purchase of photocopier		-	-
Purchase of other office equipments		-	-
Purchase of soft ware		-	-
Acquisition of Land		-	-
			-
Total		2,794,420.0	-



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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

specify		-	-
specify		-	-
specify		-	-
TOTAL		-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2015 - 2016 Kshs (30/6/2016)	2014 - 2015 Kshs (30/6/2015)
KCB Bank Garsen Branch	1107969735	14,082,525.00	29,507,394.00
Total		14,082,525.00	29,507,394.00

10B: CASH IN HAND)

	2015 - 2016 Kshs (30/6/2016)	2014 - 2015 Kshs (30/6/2015)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2016)</i>
	Date imprest taken	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>various persons</i>	june 2016	2,943,131.0	-	2,943,131
			-	-
			-	-
		-	-	-
		-	-	-
		-	-	-
				2,943,131
12 Retention				
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015	
		N/A	N/A	



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
 GARSEN CONSTITUENCY
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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

15.4: PENDING RECEIVABLES

	Kshs	Kshs
Amounts due from other Government entities (CDF Board)	61,080,891	57,805,328
Others (specify)		
	61,080,891	57,805,328



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

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

15.4: PENDING RECEIVABLES

	Kshs	Kshs
Amounts due from other Government entities (CDF Board)	61,080,891	57,805,328
Others (specify)		
	61,080,891	57,805,328



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – GARSEN CONSTITUENCY
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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 2015	Outstanding Balance 2014	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						



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – GARSEN CONSTITUENCY
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For the year ended June 30, 2016

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		
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						



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – GARSEN CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs) 2015-2016	(Kshs) 2014-2015
Land	1,000,000.00	1,000,000.00
Buildings and structures	7,029,420.00	5,000,000.00
Transport equipment	6,500,000.00	6,000,000.00
Office equipment, furniture and fittings	350,000.00	250,000.00
ICT Equipment, Software and Other ICT Assets	365,000.00	200,000.00
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	15,244,420.00	12,450,000.00

Prepared by:

J.M CHEGE
Fund Account Manager
GARSEN CONSTITUENCY

