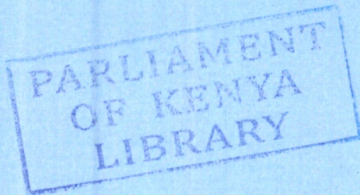




OFFICE OF THE AUDITOR-GENERAL



*Paper Laid on the Table of the House by the Leader of the Majority Party on*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

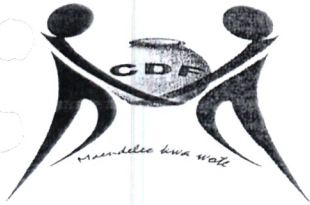
**FOR THE YEAR ENDED 30 JUNE 2016**

*Thursday, 14<sup>th</sup> December 2017 during the Special*

*Morning Sitting*







OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
30 SEP 2016  
**RECEIVED**



---

**NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND  
SOTIK 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)

Table of Content	Page
<b>I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....</b>	<b>1</b>
<b>II. STATEMENT OF CONSTITUENCY MANAGEMENT RESPONSIBILITIES .....</b>	<b>4</b>
<b>III. STATEMENT OF RECEIPTS AND PAYMENTS.....</b>	<b>5</b>
<b>IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES.....</b>	<b>6</b>
<b>V.STATEMENT OF CASH FLOW.....</b>	<b>7</b>
<b>VI: SUMMARY STATEMENT OF APPROPRIATION .....</b>	<b>8</b>
<b>VII. SIGNIFICANT ACCOUNTING POLICIES .....</b>	<b>10</b>
<b>VIII. NOTES TO THE FINANCIAL STATEMENTS.....</b>	<b>12</b>

**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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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 *Constituency's* day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. Constituency Development Fund Committee (CDFC)

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Andrew Sigei
3.	District Accountant	Nickson Mogute

**(d) Fiduciary Oversight Arrangements**

List the CDFC as gazetted

NO.	NAME	CATEGORY	ID NO	CONTACT
1	Alfred Kipkirui Ngeno	Man(Youth)	28831550	0714787635
2	Joseph Kipkirui Bett	Man(Adult)	2346992	0727526214
3	Millycent Chepkemoi	Woman(Youth)	29058633	0708705545
4	Hellen Cherono Langat	Woman(Adult)	20278170	0726614269
5	Edward Kipngetch Langat	Representative of Persons	1143168	0710123931

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

		living with Disability		
6	Joseph Kipngeno Kirui	Nominee of the Constituency Office (Male)	8714471	0729058856
7	Winnie Chelangat Rotich	Nominee of the Constituency Office(Female)	22645025	0723401640
8	Peter M. Mwangi	Deputy County Commissioner		
9	Andrew Kimutai Sigei	Fund Account Manager	11368276	0722949414
10	Reuben Paul Kipkoech Korir	Co-opted Member	4440828	0721314454

**(e) Entity Headquarters**

**Provide box and physical address of the constituency CDF office**

P.O. BOX 866 SOTIK  
 CDF BUILDING  
 Next to the DC's office  
 SOTIK, KENYA

**(f) Entity Contacts**

**Provide telephone number and email of the constituency CDF office**

Telephone: (254) 0722949414  
 E-mail : [sotik@cdf.go.ke](mailto:sotik@cdf.go.ke)  
 Website: [www.sotikconstituency.co.ke](http://www.sotikconstituency.co.ke)

**(g) Entity Bankers**

Constituency CDF main banker (provide the bank, branch, account number and address)

Kenya Commercial Bank  
 Sotik Branch  
 Account No. 1105583686  
 P.O. Box  
 SOTIK

**(h) Independent Auditors**

Auditor General  
 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. STATEMENT OF CONSTITUENCY 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 entity shall prepare financial statements in respect of the entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

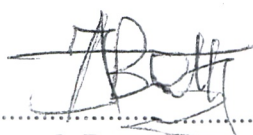
The Fund Account Manager in charge of the **Sotik Constituency NG-CDF** is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2016. 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the **Sotik Constituency NG-CDF** accepts responsibility for the Constituency'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) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the **Sotik Constituency NG-CDF** financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2016, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the **Sotik Constituency NG-CDF** further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

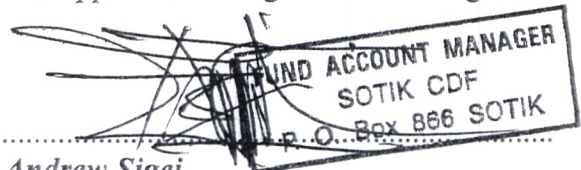
The Fund Account Manager in charge of the **Sotik Constituency NG-CDF** confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Fund Account Manager confirms that the Constituency'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 **Sotik constituency NG-CDF** financial statements were approved and signed on 24<sup>th</sup> August 2016.



Joseph Bett  
Chairman - CDFC



Andrew Sigei  
Fund Account Manager



# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SOTIK 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 – Sotik constituency set out on pages 5 to 15, which comprise the statement of assets 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.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair representation 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 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 the International Standards for 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 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

---

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

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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion.

## **Basis for Disclaimer of Opinion**

### **1.0 Inaccuracies in the Financial Statements**

The summary statement of appropriation reflects receipt adjustments of Kshs.64,808,729 in respect of transfers from the Constituency Development Fund (CDF) Board, but the figure differs with cash and cash equivalent brought forward of Kshs.35,638,047 reflected in the statement of assets. No explanatory notes have been provided to clarify the basis of the adjustment. Further, the statement of receipts and payments reflects a receipt of Kshs.94,170,682 while the summary statement of appropriation reflects actual receipts of Kshs.129,808,729 thus resulting in an unexplained variance of Kshs.35,638,047. In the circumstance, the accuracy of the financial statements for the year ended 30 June 2016 cannot be confirmed.

### **2.0 Unremitted Statutory Deductions**

During the three financial years from July 2013 to June 2016, the management of Sotik CDF made statutory deductions in respect of Value Added Tax (VAT), Pay As You Earn (PAYE) and Withholding taxes totaling Kshs.441,945.75. However, the deducted amounts were not remitted to the Kenya Revenue Authority (KRA) as required under the respective regulations. The amounts deducted were as follows:

<u>Details</u>	<u>Amount (Kshs.)</u>
VAT	400,675.25
PAYE	18,410.00
Withholding Taxes	<u>22,860.50</u>
	<b><u>441,945.75</u></b>

The management explained that failure to remit the deductions arose due to the conversion by the KRA of its records from a manual to an automated system. Nevertheless, the management breached the law for failing to remit the taxes and is likely to be penalized by KRA.

### **3.0 Counter-part funding for Sotik Technical and Vocational College**

The statement of receipts and payments reflects a balance of Kshs.67,658,687 in respect of transfer to other government units. Out of this amount, Kshs.10,000,000 was a

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

contribution towards the construction of Sotik Technical and Vocational College in partnership with the Ministry of Education Science and Technology. A CDF Board approval letter dated February 26, 2015, indicated that the project design for the proposed college should provide for a distinct component to be financed under the CDF contribution. According to the bill of quantities, the CDF contribution was to be utilized for the construction of one workshop, three lecture rooms and an office space all located on the ground floor. The letter further stated that the Project Management Committee (PMC) was to make payments to the contractor in appropriate instalments based on certificates signed by the authorized works officer in line with the Government Financial Regulations.

During an audit inspection on 12 April 2017, it was explained that due to delay in receiving the funds from the CDF Board, the contribution of Kshs.10,000,000 from the Board was used in roofing the building contrary to the original plan. However, there were no bills of quantities to confirm the cost of the roofing. Further, there were no certificates signed by the authorized Works Office as required in the approval letter.

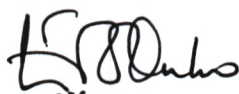
As a result we could not confirm whether the whole of the contribution amounting to Kshs.10,000,000 was utilized in construction works at Sotik Technical and Vocational College.

#### **4.0 Bank Balance**

The statement of financial assets and liabilities as at 30 June 2016 reported bank balance of Kshs.8,759,857 for bank account No.110 558 3686 held at Kenya Commercial Bank. The bank reconciliation statement presented for audit reflected unrepresented cheques totaling to Kshs.842,194 out of which Kshs.362,088 were stale cheques that had not been reversed by the closure of the financial year. Although the management explained that the cheques were reversed back after the end of the year, no evidence was provided for audit to confirm this assertion. In the circumstance, the accuracy and validity of the bank balance of Kshs.8,759,857 cannot be confirmed.

#### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

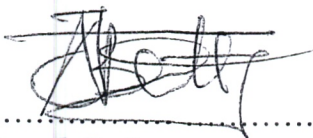
**Nairobi**

**17 November 2017**

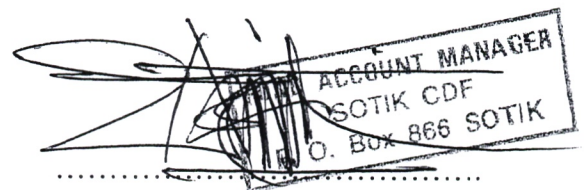
**III. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>RECEIPTS</b>	1	29,170,682.00	<b>90,512,049.75</b>
	2	64,000,000.00	
	3	1,000,000.00	
<b>RECEIPTS</b>		<b>94,170,682.00</b>	<b>90,512,049.75</b>
<b>PAYMENTS</b>			
Compensation to employees	2	1,305,474.00	1,433,504.00
Use of goods and services	3	2,185,209.00	2,384,505.74
Committee Expenses	4	6,436,400.00	7,175,078.00
Transfers to Other Government Units	5	67,658,687.00	52,650,000.00
Other grants and transfers	6	43,463,102.41	44,211,494.00
Social Security Benefits	7		116,290.00
Acquisition of Assets		-	-
Other Payments		-	-
<b>TOTAL PAYMENTS</b>		<b>121,048,872.41</b>	<b>107,970,872.00</b>
<b>SURPLUS/DEFICIT</b>		<b>(26,878,190.40)</b>	<b>(17,458,822.00)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Sotik constituency NG-CDF* financial statements were approved on 24<sup>th</sup> August 2016 and signed by:



**Joseph Bett**  
 Chairman - CDFC



**Andrew Sigei**  
 Fund Account Manager

IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents	8		
Bank Balances ( as per the cash book)		8,759,856.90	35,638,047.31
Outstanding Imprests		-	43,500.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>8,759,856.90</b>	<b>35,681,547.31</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July 2015	9	35,638,047.31	53,141,000.00
Surplus/Deficit for the year	10	(26,878,190.41)	(17,458,822.00)
Prior year adjustments			
<b>NET LIABILITIES</b>		<b>8,759,856.90</b>	<b>35,681,547.31</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Sotik NG-CDF* financial statements were approved on 24<sup>th</sup> August 2016 and signed by:

.....  
*Joseph Bett*  
 Chairman - CDFC

.....  
*Andrew Sigei*  
 Fund Account Manager

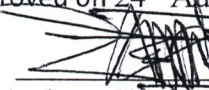
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SOTIK CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**V. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2015 – 2016</b>	<b>2014 – 2015</b>
Transfers from CDF Board		94,170,682.00	90,512,049.75
Other Receipts			-
<b>TOTAL RECEIPTS</b>		<b>94,170,682.00</b>	<b>90,512,049.75</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	2	1,305,474.00	1,433,504.00
Use of goods and services	3	2,185,209.00	2,384,505.74
Committee Expenses	4	6,436,400.00	7,175,078.00
Transfers to Other Government Units	5	67,658,687.00	52,650,000.00
Other grants and transfers	6	43,463,102.41	44,211,494.00
Social Security Benefits	7	-	116,290.00
Other Payments		-	-
<b>TOTAL PAYMENTS</b>		<b>121,048,872.41</b>	<b>107,970,872.00</b>
<b>Adjusted for:</b>			
Adjustments during the year			-
<b>Net cash flow from operating activities</b>		<b>-26,878,190.41</b>	<b>-17,458,822.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>15</b>	<b>35,638,047.31</b>	<b>53,141,000.00</b>
<b>Cash and cash equivalent at END of the year</b>	<b>16</b>	<b>8,759,856.90</b>	<b>35,681,547.31</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Sotik NG- CDF* financial statements were approved on 24<sup>th</sup> August 2016 and signed by:

  
**Joseph Bett**  
 Chairman CDFC

  
**Andrew Sigei**  
 Fund Account Manager

**FUND ACCOUNT MANAGER**  
 SOTIK CDF  
 P. O. Box 866 SOTII

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

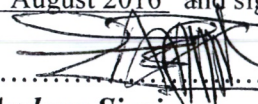
**VI: SUMMARY STATEMENT OF APPROPRIATION**

Revenue/Expense Item	Original Budget	Adjustments (includes reallocations and balances b/f from previous year)	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	127,998,046.00	64,808,729.31	192,806,775.56	129,808,729.31	62,998,046	67%
Proceeds from Sale of Assets						
Other Receipts						
<b>TOTAL</b>	<b>127,998,046.00</b>	<b>64,808,729.31</b>	<b>192,806,775.56</b>	<b>129,808,729.31</b>	<b>62,998,046</b>	<b>67%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,040,000.00	107,040.00	2,147,040.00	1,305,474.00	841,566.00	60%
Use of goods and services	3,973,343.90	3,144,601.70	7,117,945.60	2,185,209.00	4,932,736.60	30%
Committee Expenses	4,926,912	3,550,334.16	8,477,246.16	6,436,400.00	2,040,846.16	75 %
Transfers to Other Government Units	69,050,000	45,951,004.75	115,001,004.75	67,658,687.00	47,342,317.75	70%
Other grants and transfers	47,947,310.10	11,555,748.95	59,503,059.05	43,463,102.41	16,039,956.64	70%
Social Security Benefits	60,480.00	-	60,480.00	-	60,480.00	
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	500,000.00	500,000.00	-	500,000.00	
<b>TOTALS</b>	<b>127,998,046.00</b>	<b>64,808,729.31</b>	<b>192,806,775.56</b>	<b>121,048,872.41</b>	<b>71,757,903.15</b>	<b>67%</b>

The Sotik NG-CDF financial statements were approved on 24<sup>th</sup> August 2016 and signed by:



.....  
*Joseph Bett*  
**Chairman - CDFC**



.....  
*Andrew Sigei*  
**Fund Account Manager**

<b>FUND ACCOUNT MANAGER</b>
SOTIK CDF
P. O. Box 866 SOTIK



## VII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

### a) **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 and relevant legal framework of the Government of Kenya. 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 Constituency and all values are rounded to the nearest thousand (Kshs'000). 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 Constituency.

### b) **Recognition of revenue and expenses**

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

### c) **In-kind contributions**

In-kind contributions are donations that are made to the Constituency 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 Constituency 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.

### d) **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 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.

**e) Receivables and payables**

Receivables are funds due to the Constituency at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Constituency at the end of the year. When the receivables or payables are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**f) 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 Constituency'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 Constituency's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**g) Comparative figures**

This is the first year the Constituency is preparing financial statements and hence we do not have comparative figures.

**h) 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.

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

	Description	2015 – 2016	2014 – 2015
	AIE NO	Kshs	Kshs
1	Normal Allocation A 790808	29,170,682.00	40,341,367.50
2	A 724153	40,000,000.00	20,000,000.00
	A 820501	24,000,000.00	30,170,682.25
	A 825709	1,000,000.00	-
	<b>TOTAL</b>	<b>94,170,682.00</b>	<b>90,512,049.75</b>

2. COMPENSATION OF EMPLOYEES

	2015 -2016	2014 -2015
	Kshs	Kshs
Basic wages of temporary employees	1,305,474.00	1,433,504.00
<b>Total</b>	<b>1,305,474.00</b>	<b>1,433,504.00</b>

3. USE OF GOODS AND SERVICES

	2015 – 2016	2014 – 2015
	Kshs	Kshs
Utilities, supplies and services	9,160.00	358,871.00
Training expenses		398,000.00
Hospitality supplies and services		0
Insurance costs	117,500.00	171,810.00
Specialized materials and services		0
Office and general supplies and services	669,735.40	220,901.74

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

Other operating expenses		925,000.00
Routine maintenance – vehicles and other transport equipment	853,468	309,923.00
	535,3460	
Routine maintenance – other assets		
	<b>2,185,209.40</b>	
<b>Total</b>		<b>2,384,505.74</b>

**4. COMMITTEE EXPENSES**

Description	2015 -2016	2014 -2015
	Kshs	Kshs
Other committee expenses	4,230,200.00	1,690,000.00
Committee allowances	2,206,200.00	5,485,078.00
<b>Total</b>	<b>6,436,400.00</b>	<b>7,175,078.00</b>

**5. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2015 - 2016	2014 – 2015
	Kshs	Kshs
Transfers to Primary Schools	24,908,687.00	23,500,000.00
Transfers to Secondary Schools	40,950,000.00	25,650,000.00
	300,000.00	
Transfers to Health facilities		3,500,000.00
	1,500,000.00	
Security offices		
<b>TOTAL</b>	<b>67,658,687.00</b>	<b>52,650,000.00</b>

**6. OTHER GRANTS AND OTHER PAYMENTS**

	2015 - 2016	2014 – 2015
	Kshs	Kshs
Scholarships and other educational benefits	28,941,417.00	29,885,007.00

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

	14,521,685.41	
Other capital grants and transfers		14,326,487.00
	<u>43,463,102.41</u>	
<b>Total</b>		<u><u>44,211,494.00</u></u>

**7. SOCIAL SECURITY BENEFITS**

	2015 – 2016 Kshs	2014 - 2015 Kshs
Social security benefits in cash and in kind	-	116,290.00
Employer Social Benefits in cash and in kind	-	-
		<u>116,290.00</u>
<b>Total</b>	<u>-</u>	<u>116,290.00</u>

**8. Bank Balances (cash book balance)**

Name of Bank, Account No. & currency	Amount in bank account currency	Exc rate	2015 – 2016 Kshs	2014 - 2015 Kshs
KCB – Sotik, A/C No. 1105583686			8,759,856.90	35,638,047.31
<b>Total</b>			<u>8,759,856.90</u>	<u>35,638,047.31</u>

**9. OUTSTANDING IMPRESTS**

Name of Officer or Institution	Amount Taken Kshs	Amount Surrendered Kshs	Balance Kshs
Xxxxx		-	43,5000
<b>Total</b>		<u>-</u>	<u>43,500</u>

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

---

**10. BALANCES BROUGHT FORWARD**

	2015- 2016	2014- 2015
	Kshs	Kshs
Bank accounts	8,759,856.90	35,638,047.31
Imprest	-	43,500.00
<b>Total</b>	<b><u>8,759,856.90</u></b>	<b><u>35,681,547.31</u></b>

**11. FIXED ASSETS REGISTER**

	2015 -2016	2014 -2015
	Kshs	Kshs
CDF office Building	5,000,000.00	5,000,000.00
Office Vehicle GKA 029 U	2,000,000.00	2,000,000.00
Office Furniture	341,000.00	341,000.00
2 Computers	70,000.00	70,000.00
Public Address System	150,000.00	150,000.00
<b>Total</b>	<b><u>7,561,000.00</u></b>	<b><u>7,561,000.00</u></b>