

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
STAREHE CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
STAREHE CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2017**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2017 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Jane Wairimu</b>
3.	Accountant	<b>Alois Kimuyu</b>

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of STAREHE Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NG-CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) STAREHE NG-CDF Headquarters**

P.O. Box 33087-00600  
NGCDF STAREHE BUILDING  
Kariokor Sub County Offices  
Nairobi, KENYA

**(f) STAREHE NG-CDF CONTACTS**

Telephone: 0202392530  
E-mail: info@starehe.cdf.go.ke  
Website: www.starehe.cdf.go.ke

**(g) STAREHENG-CDF Bankers**

Constituency NG-CDF main banker (Stima plaza Ngara)  
Cooperative Bank of Kenya  
01120070407600

**(h) Independent Auditors**

Auditor General  
Kenya National Audit Office  
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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

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

Starehe NG-CDF had an allocation of Kshs. 81,896,552.00 in the financial year 2016/2017. We have been able to implement most of the projects. The constituency has so far received Kshs. 93,850,575.00 from the NG-CDF Board and disbursed the same to the beneficiaries. This includes Kshs. 12,500,000.00 from the previous financial year. During the financial year, 2016/2017, a considerable number of projects have been completed. These includes; Construction of a perimeter wall at Pangani Police station, construction of Nairobi South Health centre, taking part in sports and issuing of bursaries to needy students.

NG-CDF being the backbone of development in the Constituency is an integral part in any development agenda. The Constitutional crisis arising on NG-CDF should be taken as a critical decision for the survival of NG-CDF.

NG-CDF as a development wheel is faced with numerous challenges. The society is yet to embrace it as a non-political fund. Separation here becomes an uphill task. A negative attitude towards the fund is also another big challenge to the implementers.

The NGCDFC intend to prepare a strategic plan for the year 2017-2022 i.e. 5 year term strategic plan.

During this period, the committee shall hold sensitisation programmes in the community to change the community's mind set towards development.

Sign



George Mwenda Kirera  
NGCDFC chairman,

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CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)**

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Sign



George Mwenda Kirera  
NGCDFC chairman,

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- STAREHE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

##### Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Starehe Constituency set out on pages 5 to 40, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and 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.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Starehe Constituency as at 30 June 2017, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with The Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that public money has not been applied lawfully and in an effective way.

#### 1. Submission of Unsigned Financial Statements

Contrary to the requirements of Section 84 of the Public Finance Management Act, 2012 and the guidelines issued by the Public Sector Accounting Standards Board, the financial statements of National Government Constituencies Development Fund- Starehe Constituency for the year ended 30 June 2017 submitted on 29 September 2017 for audit were not signed by the Chairman of Constituency Development Fund Committee and Fund Account Manager. The Fund is therefore in breach of the law.

#### 2. Presentation and Disclosures in the Financial Statements

Both the table of contents and key constituency information and management appear as page No. 1 although both are at separate pages. In addition, page number 11 to 23 have

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund- Starehe Constituency for the year ended 30 June 2017*



not been printed. Further, the following inconsistencies have been noted in the table of contents.

Item	Page No. in the table of content	Page Number in the financial statements
Key constituency information and management	1	2
Forward by the Chairman constituency development fund	3	4
Statement of CDF management responsibilities	4	5
Statement of receipts and payments	5	6
Statement of assets	6	7
Statement of cash flows	7	8
Summary statement of appropriation	8	9
Significant accounting policies	24	12
Notes to the financial statements	26	14

In addition, the referencing format in the statement of receipts and payments is not consistent with the format appearing in the notes to the financial statements. For instance, transfers from CDF board-AIEs received is referenced to Note 1 in the statement of receipts and payments while the item is referenced as 1.1.1.1.1.1.1 in the notes to the financial statements. Consequently, the financial statements have not been prepared in accordance with the format prescribed by the Public Sector Accounting Standards Board.

### 3. Acquisition of Assets

The statement of receipts and payments reflects under acquisition of assets expenditure totalling of Kshs. 1,990,000. However, the summary of fixed assets register at Annex 4 reflects nil balance for the current and previous year. No explanation has been provided for this anomaly.

### 4. Use of Goods and Services

The statement of receipts and payments reflects under use of goods and services expenditure amounting to Kshs.3,655,825. However, the annual expenditure returns on the use of goods and services amounted to Kshs.4,392,725 resulting in unexplained variance of Kshs. 736,900. Consequently, the accuracy of the expenditure figure of Kshs.3,655,825 on use of goods and services for the year ended 30 June 2017 cannot be confirmed.

### 5. Ineligible Expenditure

The statements of receipts and payments reflects expenditure of Kshs.40,555,216 under transfers to other government units which as disclosed in Note 6 to the financial statements includes an amount of Kshs.13,814,007 transferred to health institutions. However, health is a devolved function falling under the County Government. The expenditure was incurred contrary to Section 24 of the National Government Constituency Development Fund Act, 2015 which limits projects funding to those falling under National

Government function and therefore ineligible. Consequently, the National Government Constituencies Development Fund Board and the Starehe Constituency Development Fund Committee were in breach of the law.

## **6. Cash and Cash Equivalents**

The statement of assets reflects an overdrawn cash book balance of Kshs.13,977,273. The bank statement as at 30 June 2017 reflects a balance of Kshs.10,342,219. However, both bank confirmation certificate and bank reconciliation statement were not provided for audit verification. Further, payment vouchers amounting to Kshs.13,088,936 were not posted in the cash book. Consequently, the completeness and accuracy of the overdrawn bank balance of Kshs.13,977,273 as at 30 June 2017 cannot be confirmed.

## **7. Non Remittance of Statutory Deductions**

The Fund did not remit PAYE deductions to Kenya Revenue Authority totalling Kshs.1,659,337 as at 30 June 2017. Consequently, the Fund risk incurring interest and penalties for non-remittance of taxes. No explanation has been provided for this omission.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund- Starehe Constituency management in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance to the audit of the financial statements for the current year. Except for matters described in the Basis for Adverse Opinion and Other Matter sections, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **Budget and Budgetary Controls**

During the year under review, the Fund budgeted to spend Kshs.94,396,552. However, overall actual expenditure for the year amounted to Kshs.98,294,366 resulting in over expenditure of Kshs.3,897,814 which is equivalent to about 4% of the total budget. Approval for the over expenditure was not presented for audit review.

Further analysis of the budget against actual expenditure indicate that administration expenses for the year amounted to Kshs.6,371,075 against a budget of Kshs.6,474,602 resulting in an under expenditure of Kshs.103,527. Out of the development budget of Kshs.87,921,950, an amount of Kshs. 91,923,291 was spent resulting in over expenditure of Kshs.4,001,341. This implies that some expenditure items were incurred without budgetary provisions and approvals from the NG-CDF Board.

The over expenditure was mainly on transfers to other Government Units at Kshs. 78,094 and other grants and transfers at Kshs.3,933,247.

## **Responsibility of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## **Auditor-General's Responsibilities for the Audit of the Financial Statements**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

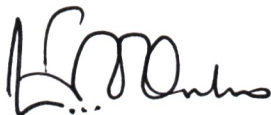
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the fund internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and activities of the fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

**Nairobi**

**18 January 2019**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**III. STATEMENT OF RECEIPTS AND PAYMENTS**

**I. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	93,850,575	85,974,280
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	2,000,000
<b>TOTAL RECEIPTS</b>		<b>93,850,575</b>	<b>87,974,280</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,715,250	2,896,861
Use of goods and services	5	3,655,825	7,899,113
Transfers to Other Government Units	6	40,555,216	52,646,644
Other grants and transfers	7	49,378,075	45,690,797
Acquisition of Assets	8	1,990,000	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>98,294,366</b>	<b>109,133,415</b>
<b>SURPLUS/DEFICIT</b>		<b>(4,443,791)</b>	<b>(21,159,135)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The STAREHENG-CDF financial statements were approved on 30/6/2017 and signed by:



George Kirera  
Chairman - NG-CDFC



Jane Wairimu Muchira  
Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
 CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF ASSETS AND LIABILITIES

II. STATEMENT OF FINANCIAL ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	(13,977,273)	(9,533,589)
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>(13,977,273)</b>	<b>(9,533,589)</b>
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd 1st July...	13	(9,533,589)	11,625,547
Surplus/Deficit for the year		(4,443,791)	(21,159,135)
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b>(13,977,380)</b>	<b>(9,533,588)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of The financial statements. The STAREHE NG-CDF financial statements were approved on 30/6/2017 and signed by:



George Kirera  
 Chairman - NG-CDFC



Jane Wairimu Muchira  
 Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
CONSTITUENCY**

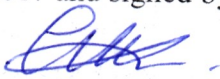
**Reports and Financial Statements**

**For the year ended June 30, 2017**

**V. STATEMENT OF CASHFLOW**

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	93,850,575	85,974,280
Other Receipts	3	-	2,000,000
		<b>93,850,575</b>	<b>87,974,280</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,715,250	2,896,861
Use of goods and services	5	3,655,825	7,899,113
Transfers to Other Government Units	6	40,555,216	52,646,644
Other grants and transfers	7	49,378,075	45,690,797
Other Payments	9	-	-
		<b>96,304,366</b>	<b>109,133,415</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>(2,453,791)</b>	<b>(21,159,135)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,990,000)	-
<b>Net cash flows from Investing Activities</b>		<b>(1,990,000)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(4,443,791)</b>	<b>(21,159,135)</b>
Cash and cash equivalent at BEGINNING of the year	13	(9,533,588)	11,625,547
Cash and cash equivalent at END of the year		(13,977,379)	(9,533,588)

The financial statements. The STAREHE NG-CDF financial statements were approved on -----  
2017 and signed by:



George Kirera  
Chairman - NG-CDFC



Jane Wairimu Muchira  
Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2017

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,552	12,500,000	94,396,552	93,850,575	545,977	99.4%
Proceeds from Sale of Assets						
Other Receipts						
<b>TOTAL</b>	<b>81,896,552</b>	<b>12,500,000</b>	<b>94,396,552</b>	<b>93,850,575</b>	<b>545,977</b>	<b>99.4%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,814,672		2,814,672	2,715,250	99,422	96.5%
Use of goods and services	4,259,930	(600,000)	3,659,930	3,655,825	4,105	99.9%
Transfers to Other Government Units	46,977,122	(6,500,000)	40,477,122	40,555,216	(78,094)	100.2%
Other grants and transfers	25,844,828	19,600,000	45,444,828	49,378,075	(3,933,247)	108.7%
Acquisition of Assets	2,000,000		2,000,000	1,990,000	10,000	99.5%
Other Payments						
<b>TOTAL</b>	<b>81,896,552</b>	<b>12,500,000</b>	<b>94,396,552</b>	<b>98,294,366</b>	<b>(3,897,814)</b>	<b>104.1%</b>



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

The STAREHENG-CDF financial statements were approved on 30/6 2017 and signed by:



**George Kirera**  
**Chairman - NG-CDFC**



**Jane Wairimu Muchira**  
**Fund Account Manager**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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## 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 *NG-CDF* 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 *NG-CDF*.

### 2. Recognition of revenue and expenses

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

### 3. In-kind contributions

In-kind contributions are donations that are made to the *NG-CDF* 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 *NG-CDF* 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 *NG-CDF* 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 *NG-CDF*'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 *NG-CDF*'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, 2017.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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IX . NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2016 -2017	2015 - 2016
		Kshs	Kshs
Normal Allocation	A839503	4,094,827.60	30,000,000.00
	A839574	12,500,000.00	20,000,000.00
	A839616	36,853,449.00	31,474,280.00
	A855609	40,402,298.10	4,500,000.00
		93,850,574.70	85,974,280.00

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS		
Description	2016-2017	2015 - 2016
	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 CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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*NOTES TO THE FINANCIAL STATEMENTS(continued)*

<b>3 OTHER RECEIPTS</b>		
<b>Description</b>	<b>2016-2017</b>	<b>2015 -2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received		
Rents		
Sale of Tender		
Other Receipts Not Classified Elsewhere (Refund by a contractor)		2,000,000
<b>Total</b>	-	<b>2,000,000</b>

**4 COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2016-2017</b>	<b>2015 -2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees		
Basic wages of casual labour	2,715,250	2,871,600
<b>Personal allowances paid as part of salary</b>		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
Employer contribution to NSSF		
gratuity		25,200
<b>Total</b>	<b>2,715,250</b>	<b>2,896,800</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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*NOTES TO THE FINANCIAL STATEMENTS(continued)*

<b>5 USE OF GOODS AND SERVICES</b>		
<b>Description</b>	<b>2016-2017</b>	<b>2015 -2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	499,805	300,000
Office rent		
Communication, supplies and services		150,000
Domestic travel and subsistence	996,500	100,000
Printing, advertising and information supplies & services		300,000
Rentals of produced assets		
Training expenses	1,200,000	1,431,060
Hospitality supplies and services		
Other committee expenses		600,000
Committee allowance		1,368,000
Insurance costs		
Specialised materials and services		
Office and general supplies and services	959,520	3,139,408
Fuel ,oil & lubricants		300,000
Other operating expenses		110,645
Routine maintenance – vehicles and other transport equipment		100,000
Routine maintenance – other assets		
<b>Total</b>	<b>3,655,825</b>	<b>7,899,113</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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*NOTES TO THE FINANCIAL STATEMENTS(continued)*

<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>		
<b>Description</b>	<b>2016-2017</b>	<b>2015 -2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to primary schools	20,199,295	19,295,431
Transfers to secondary schools	6,541,914	18,356,517
Transfers to Tertiary institutions		1,639,886
Transfers to Health institutions	13,814,007	13,354,810
<b>TOTAL</b>	<b>40,555,216</b>	<b>52,646,644</b>

**7 OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2016-2017</b>	<b>2015 -2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary -Secondary	22,881,000	31,739,285
Bursary -Tertiary		
Bursary-Special schools		
Mocks & CAT		
water		
Agriculture (food security)		1,422,675
Electricity projects		697,002
Security		
Roads	9,587,234	
Sports		1,000,000
environment	1,617,000	1,794,500
Other capital grants and transfer	1,589,400	1,800,000
Emergency Projects (specify)	10,223,131	
DEVELOPMENT MARKETS/ STADIUM	3,480,310	4,955,611
		2,281,725



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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Total	49,378,075	45,690,790
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS(continued)*

**8 ACQUISITION OF ASSETS**

	2016-2017	2015 -2016
	Kshs	Kshs
Purchase of Buildings	-	
Construction of Buildings	-	
Refurbishment of Buildings		
Purchase of Vehicles	-	
Purchase of Bicycles & Motorcycles	-	
Overhaul of Vehicles	-	
Purchase of office furniture and fittings	1,990,000	
Purchase of computers ,printers and other IT equipments	-	
Purchase of photocopier	-	
Purchase of other office equipments	-	
Purchase of soft ware	-	
Acquisition of Land	-	
<b>Total</b>	<b>1,990,000</b>	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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9 Other Payments

specify

specify

TOTAL

10A: Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2016-2017 Kshs (30/6/2017)	2015 -2016 Kshs (30/6/2016)
COOPERATIVE BANK STIMA PLAZA		(13,977,273)	(9,533,589)
		-	-
		-	-
<b>Total</b>		<b>(13,977,273)</b>	<b>(9,533,589)</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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*NOTES TO THE FINANCIAL STATEMENTS(continued)*

<b>10B: CASH IN HAND)</b>		
	<b>2016-2017</b>	<b>2015 -2016</b>
	<b>Kshs (30/6/2015)</b>	<b>Kshs (30/6/2015)</b>
Location 1	-	
Location 2	-	
Location 3	-	
Other receipts (specify)	-	
<b>Total</b>	-	

<b>11: OUTSTANDING IMPRESTS</b>				
<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2015)</i>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
			-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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*NOTES TO THE FINANCIAL STATEMENTS(continued)*

12 Retention			
Supplier/Contractor	PV no	2016-2017	2015 -2016
<b>Total</b>		=	=
<b>13 BALANCES BROUGHT FORWARD</b>			
		<b>2016-2017</b>	<b>2015 -2016</b>

13. Balances Brought Forward	<u>Kshs (1/7/2015)</u>	<u>Kshs (1/7/2014 )</u>
Bank accounts	_____(9,533,589	11,625,547
Cash in hand	=	=
Imprest	=	=
<b>Total</b>	_____(9,533,589)	11,625,547
	=	=

*[Provide short appropriate explanations as necessary]*

14. PRIOR YEAR ADJUSTMENTS		
	2016-2017	2015 -2016
	Kshs	Kshs
Bank accounts		
Cash in hand	-	
Imprest	-	-
	-	-
<b>Total</b>	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE  
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*NOTES TO THE FINANCIAL STATEMENTS(continued)*

**15 OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE**

(See Annex 1)

	2016-2017 Kshs	2015 -2016 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	-	-

**15.2: PENDING STAFF PAYABLES**

(See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-
	-	-

**15.3: OTHER PENDING PAYABLES**

(See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (specify)	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STARHEH CONSTITUENCY**  
**Reports and Financial Statements**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	original Amount	Date Contracted	Amount Paid To-Date	Outstandin g Balance 2,017	Outstanding Balance 2,016	Comments
<b>Construction of buildings</b>	a	b	c	d=a-c		
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE CONSTITUENCY**  
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**ANNEX 2 - ANALYSIS OF  
 PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2,015	Outstanding Balance 2,014	Comments
Senior Management		a	b	c	d=a-c		
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2,017	Outstanding Balance 2,016	Comments
Amounts due to other Government entities		a	b	c	d=a-c		
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
Sub-Total							
Grand Total							

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs)	Historical Cost (Kshs)
	2016/2017	2015/2016
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – STAREHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs)	Historical Cost (Kshs)
	2016/2017	2015/2016
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>		

