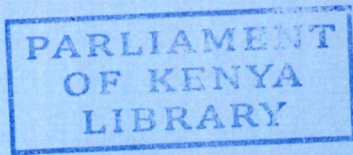


*Paper laid by
the Hon. B. Wambui
14/3/2018*

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT



OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
AWENDO 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 – AWENDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO
CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government *Constituencies Development Fund (NG-CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the National Government *Constituencies Development Fund*. The objective of the fund is to ensure that a specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The *AWENDO 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 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Janes Awiti Majengo
3.	Accountant	Daniel Sigilai

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of AWENDO 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) AWENDO CDF Headquarters

P.O. Box 450 – 40405,
Off Kisii – Migori Highway,
Awendo Township.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO
CONSTITUENCY**

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

(f) AWENDO CDF Contacts

Telephone: + (254) 710,444,849
E-mail: cdfawendo@cdf.go.ke
Website: www.cdf.go.ke

(g) AWENDO CDF Bankers

1. Equity Bank (Kenya) Ltd
Awendo Branch
P.O. Box
Sare – Awendo.

(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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO
CONSTITUENCY**

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

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

It is with pleasure to present the Awendo Constituency Development Fund financial records for the financial year 2015/2016 which ended on 30th June 2016. I hope the financial records will be able to provide an insight as to our performance as a NG-CDF committee.

This year being our second year in existence, we are able to provide comparative figures to our financial records for the previous year 2014/2015 and 2015/2016. There has been improved performance in most areas with a faster disbursement to projects than in the previous year. This shows improved performance especially in-terms of procedure and hence accelerating development. There has been increased expenditure in terms of goods and services and committee expenses reason being that there has been an increased activity for the NG-CDFC especially in the area of monitoring and evaluation. We also increased our staff to assist in better service delivery.

Our main areas of achievement include being able to facilitate the purchase of two school buses for Kanyasrega Secondary School and Komolorume secondary School. Two schools were able to be built from scratch with the assistance of CDF, that is, The Awendo District Hospital administration block was completed and is now in use among other projects.

Emerging issues in CDF regards the role of different players in implementing projects. This is especially in terms of procurement roles of PMCs and the oversight role of both locals and various government departments. There is need for a clear coordination structure between the various arms of government.

The main challenge with regard to the implementation of the project is limited resources against immense needs of the people. This is not a problem we can wish away now but hope that proper prioritization of projects will occur,

I hope we will all benefit from this report in trying to achieve the CDF motto of '*Maendeleo kwa Wote*'.

Sign 
CHAIRMAN AWENDO CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO
CONSTITUENCY**

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

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government CDF shall prepare financial statements in respect of that CDF. 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 *Awendo NG-CDF* is responsible for the preparation and presentation of the *NG-CDF's* financial statements, which give a true and fair view of the state of affairs of the *NG-CDF* for and 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 *NG-CDF*; (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 *NG-CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *Awendo NG-CDF* accepts responsibility for the *NG-CDF'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 *NG-CDF's* financial statements give a true and fair view of the state of *NG-CDF's* transactions during the financial year ended June 30, 2016, and of the *NG-CDF's* financial position as at that date. The Accounting Officer charge of the *Awendo NG-CDF* further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *NG-CDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *Awendo NG-CDF* confirms that the *NG-CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *NG-CDF'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 *NG-CDF'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 *NG-CDF's* financial statements were approved and signed by the Accounting Officer on 1st September 2015.

Chairman – NG-CDF.....Fund Account Manager.....

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - AWENDO 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 - Awendo Constituency set out on pages 5 to 19, which comprise, statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, 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 audit report in compliance with Article 229 (7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the

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

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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Transfers to Other Governments Units

The management committee disbursed a total of Kshs.47,343,981 in form of transfers to other Government units during the year under review as reflected in the statement of receipts and payments. These funds were administered through Project Management Committees (PMCs) spread throughout the constituency. However, disbursements totaling Kshs.27,257,000 out of a total of Kshs.47,343,981 made to various PMCs were not adequately supported with complete expenditure returns including cashbooks, bank statements, stores records, minutes, and other relevant accounting documents. Consequently, in the absence of the support documents, it has not been possible to confirm the propriety of Kshs.27,257,000 disbursed for various activities.

2. Other Grants and Transfers

2.1 Sports Projects

Included in other grants and transfers figure of Kshs.45,116,739 are payments for sports projects amounting to Kshs.2,031,500 as per note 7 to the financial statements. However, complete expenditure returns including cashbooks, bank statements, invoices, site minutes, inspection certificates, and other relevant accounting documents were not provided for audit review.

2.2 Security Projects

Included in other grants and transfers figure of Kshs.45,116,739 are payments for security projects amounting to Kshs.13,775,000 as per note 7 to the financial statements. However, complete expenditure returns including cashbooks, bank statements, invoices, site minutes, inspection certificates, and other relevant accounting documents were not provided for audit review.

Consequently, the propriety of other grants and transfers of Kshs.13,775,000 for the year ended 30 June 2016 could not be confirmed.

3. Cash and Cash Equivalents

3.1 Bank Balances

The statement of assets reflects bank balance as at 30 June 2016 as Kshs.7,955,388. The Constituency Fund Management operated two bank accounts, one at Equity Bank with a balance of Kshs.7,955,388 and the other at Cooperative Bank with a nil balance as at 30 June 2016 as indicated in note 10 to the financial statements. However, no records were provided for audit review to support transactions during the year and the nil balance at Cooperative Bank as at 30 June 2016 yet the account had not been closed.

3.2 Stale Cheques

A review of Equity Bank reconciliation statement revealed unpresented cheques balance of Kshs.13,027,178 which included stale cheques of Kshs.369,043 that had not been reversed in the cash book as at 30 June 2017.

Consequently, it has not been possible to confirm accuracy and validity of cash and cash equivalents balances of Kshs.7,955,388 as at 30 June 2016.

4. Summary of Fixed Assets Register

The summary of fixed assets register as highlighted in annex 2 to the financial statements indicates that the total cumulative cost of office buildings as at 30 June 2016 was Kshs.19,350,000. However, the statement of receipts and payments and note 8 to the financial statements reflect Kshs.24,951,570 as the payments made with regard to the cost of the building thus resulting to an unexplained difference of Kshs.5,601,570.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund– Awendo Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budgetary Control and Performance

1.1 Budget Performance

Awendo CDF's approved budget for 2015/2016 amounted to Kshs.136,193,084. During the year under review, the management made payments totalling Kshs.120,275,041

mainly from receipts during the year and the Fund balance brought forward from the previous year. The comparison of budget and actual is as shown below:

	Approved Budget (Kshs)	Actual (Kshs)	Difference (Kshs)	%
Receipts				
Transfers from NG-CDF Board	136,193,084	128,230,428	7,962,656	6%
Payments				
Compensation of employees	2,443,817	2,390,330	53,487	2%
Use of goods and services	7,123,543	6,073,990	1,049,553	15%
Transfers to other Government units	56,032,721	47,343,981	8,688,740	16%
Other grants and transfers	48,409,622	45,116,739	3,292,883	7%
Acquisition of assets	21,683,382	19,350,000	2,333,382	11%
Other payments	500,000	0	500,000	100%
Total	136,193,085	120,275,040	15,918,045	12%

As at the end of the year the Fund had Kshs.7,955,387 in its bank account not yet utilized.

1.2 Project Implementation Status

During the year under review, fourteen (14) projects costing Kshs.60,118,317 were physically verified and their status as that time was as stipulated:

S/No	Project Name	Activity	Disbursement 2015/2016 (Kshs)	Cumulative Achievement %	Status
1	Constituency Sports Tournament	Carry out Constituency Sports Tournament and the winning teams/ schools to be awarded with Trophies, balls, and Games Kits	2,161,317	100%	Sampled teams confirmed to have Uniforms Received from the CDF management.

2	Awendo Police Division	Walling, plastering, roofing concreting cells and Strong room, ceiling of 1st phase offices for Awendo police Division	3,000,000	60%	Ongoing. The contractor was however not on site.
3	Dede Divisional Headquarters	Plastering, Painting and Ceiling of Administration Block	2,400,000	70%	The contractor was on site and the works were on going
4	Wawaga Primary School	Construction of one additional class room	600,000	100%	Complete and in use
5	CDF Office	Construction of CDF office ,acquisition of Land, survey and registration, drawings and BQ, foundation walling, roofing, ceiling, wiring, Plumbing , general finishes, fencing etc.	15,000,000	100%	The Office is Complete and in Use
6	Raywer mix Sec. school	Construction of one Class Room	600,000	100%	Complete and in use
7	Awendo constituency school buses	Procurement of Buses for various schools	11,500,000	100%	They were physically seen and in use

8	Siruti TTI	Construction of workshop measuring 11 m x16m , three lecture rooms each one measuring 8m x 6m and an office space measuring 5.5m x 5.4m all located on the ground floor respectively	10,000,000	0%	The Fund being managed by Mawego Institute Management. This has not started.
9	St. Alberts Ulanda sec school	Co-funding for drilling of bore hole	1,000,000	90%	Near completion
10	Nyanginja primary school	Construction of 2 Class Rooms, foundation, walling, roofing, windows, and doors, general finishes.	900,000	100%	Complete and in Use
11	Nyangaya primary school	Construction of 2 Class Rooms, foundation, walling, roofing, windows, and doors, general Finishes.	900,000	80%	Near completion
12	Siany primary school	Construction of Four Class Rooms	2,100,000	90%	Near completion
13	Uradi primary school	Construction of one Class Room and additional fund to roof, paint and plaster 3 class Rooms	2,457,000	100%	Complete and in Use

14	Solar street Lighting	Installation of Solar Street lights in various markets, including Ulanda, Awendo Marindi, Angogo, Siruti at Kshs.250,000 each	7,500,000	100%	Complete and Functioning
	Total		60,118,317		

The table reflects 8 projects fully complete. One (1) project for Saruti Technical Training Institution has not commenced despite funds having been disbursed while five (5) projects are ongoing.

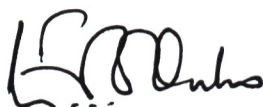
2. Construction of Awendo Division Police Post

During the year under review the Awendo constituency management spent Ksh.2,294,052 towards the construction of a Police Post at Awendo. A temporary court injunction had been issued stopping this project on 27 August 2014 due to land dispute with a third party. However, despite the court orders still being in force it was not clear why the CDF management continued to spend funds on the disputed plot.

3. Previous Year Matters

The Constituency did not indicate the status and follow up of audit issues reported in the previous year in the financial statements as required by Public Sector Accounting Standards Board Reporting Template.

My Opinion is not qualified in respect of these matters.



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

Nairobi

18 January 2018

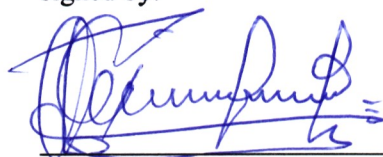
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO
CONSTITUENCY**

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Transfers from NG-CDF board-AIEs' Received	1	99,485,189.00	102,020,195.00
Proceeds from Sale of Assets	2		
Other Receipts	3		19,000.00
TOTAL RECEIPTS		99,485,189.00	102,039,193.00
PAYMENTS			
Compensation of employees	4	2,390,330.00	2,030,964.00
Use of goods and services	5	6,073,990.45	7,22,852.80
Transfers to Other Government Units	6	47,343,981.20	36,007,431.00
Other grants and transfers	7	44,998,739.00	44,407,000.00
Acquisition of Assets	8	19,350,000.00	6,476,784.00
Other Payments	9		7,208,891.65
TOTAL PAYMENTS		120,157,040.65	103,253,903.45
SURPLUS/DEFICIT		(20,671,851.65)	(1,214,710.45)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The AWENDO CDF financial statements were approved on 1ST September 2016 and signed by:


Chairman - CDFC


Fund Account Manager
FUND ACCOUNTS MANAGER
AWENDO CDF
Date.....

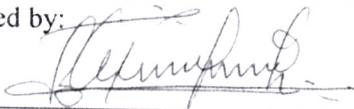
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO
CONSTITUENCY**

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

V. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	7,955,387.85	28,627,239.50
Outstanding Imprests	10B		
TOTAL FINANCIAL ASSETS		7,955,387.85	8,627,240.00
REPRESENTED BY			
Retainion	12		
Fund balance b/fwd 1st July...	13	28,627,239.50	29,841,949.00
Surplus/Deficit for the year		(20,671,851.65)	(1,214,710.00)
Prior year adjustments	14		
NET LIABILITIES		7,955,387.85	28,627,240.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The AWENDO NG-CDF financial statements were approved on 1st September 2016 and signed by:



Chairman - CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO
CONSTITUENCY**

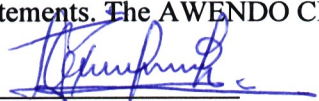
Reports and Financial Statements

For the year ended June 30, 2016

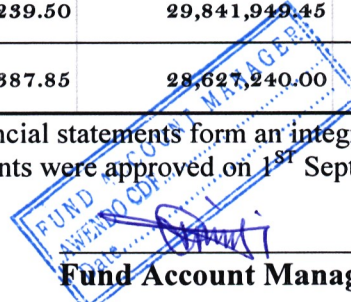
VI. STATEMENT OF CASHFLOW

	Notes	2015-2016	2014 - 2015 Kshs.	2013 - 2014 Kshs.
Receipts for operating income				
Transfers from CDF Board	1	99,485,189.00	102,020,193.00	83,354,777.45
Other Receipts	3		19,000.00	-
		99,485,189.00	102,039,193.00	83,354,777.45
Payments for operating expenses				
Compensation of Employees	4	2,390,330.00	2,030,964.00	1,082,435.00
Use of goods and services	5	6,073,990.45	7,122,832.80	1,370,871.00
Transfers to Other Government Units	7	47,343,981.20	36,007,431.00	20,982,213.00
Other grants and transfers	8	45,116,739.00	44,407,000.00	17,200,565.00
Other Payments	9		7,208,891.00	4,571,869.00
		100,925,040.65	96,777,118.80	45,207,953.00
Adjusted for:				
Adjustments during the year		-	0	0
Net cash flow from operating activities		100,925,040.65	96,777,118.80	45,207,953.00
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2		0	0
Acquisition of Assets	8	19,350,000.00	6,476,783.65	4,493,600.00
Net cash flows from Investing Activities		(19,350,000.00)	(6,476,783.65)	(4,493,600.00)
NET INCREASE IN CASH AND CASH EQUIVALENT				
		(20,671,851.65)	(1,214,709.45)	33,653,224.45
Cash and cash equivalent at BEGINNING of the year	15	28,627,239.50	29,841,949.45	-
Cash and cash equivalent at END of the year		7,955,387.85	28,627,240.00	33,653,224.45

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The AWENDO CDF financial statements were approved on 1st September 2016 and signed by:



Chairman CDFC



Fund Account Manager

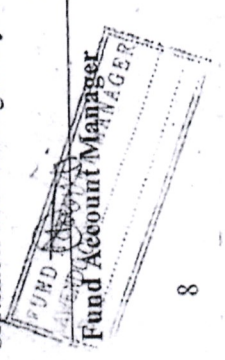
VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	107,565,845.00	28,627,239.50	136,193,084.50	123,112,428.50	8,080,656.00	94
Proceeds from Sale of Assets	-	-	-	-	-	0
Other Receipts (AIA)	-	-	-	-	-	0
PAYMENTS						
Compensation of Employees	2,378,000.00	65,816.80	2,443,816.80	2,390,330.00	53,486.80	98
Use of goods and services	5,215,071.00	1,908,472.10	7,123,543.10	6,073,990.00	1,049,553.10	85
Transfers to Other Government Units	36,563,152.00	19,469,569.00	56,032,721.00	47,343,981.20	8,688,739.80	84
Other grants and transfers	48,409,622.00	-	48,409,622.00	41,998,739.00	3,292,883.00	93
Acquisition of Assets	15,000,000.00	6,683,381.60	21,683,381.60	19,350,000.00	2,333,381.60	89
Other Payments (Audit fee)	-	500,000.00	500,000.00	-	500,000.00	0
TOTALS	107,565,845.00	28,627,239.50	136,193,084.50	120,157,040.20	15,918,044.30	88

The AWENDO CDF financial statements were approved on 1st September 2016 and signed by:

[Signature]

Chairman CDF



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

Reports and Financial Statements

For the year ended June 30, 2016

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 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.

FUND ACCOUNT MANAGER
AWENDO
Date...../...../.....

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – AWENDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2016.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – AWENDO
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Reports and Financial Statements

For the year ended June 30, 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015 Kshs.	2013 - 2014 Kshs.
Normal Allocation	796261	10,000,000.00	
AIE NO	724192	10,000,000.00	31,356,570
	820528	10,000,000.00	9,451,507
	820697	24,000,000.00	10,202,019
	825551	27,000,000.00	25,505,048
	825668	18,485,189.00	25,505,048
Revasal	CB	118,000.00	-
TOTAL		99,603,189.00	102,020,193

3. OTHER RECEIPTS

Description		2015 - 2016 Kshs	2014- 2015 Kshs
Sale of tender documents			19,000.00
Total		0	19,000.00



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – AWENDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	2,342,330.00	1,833,013.00
Basic wages of casual labour	48,000.00	162,000.00
House allowance	-	-
Total	2,390,330.00	2,030,964.00

FUND ACCOUNT MANAGER
AWENDO
Date.....

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – AWENDO
CONSTITUENCY**

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	11,280.00	67,492.80
Office rent		360,000.00
Communication, supplies and services		46,000.00
Domestic travel and subsistence	223,615.00	44,500.00
Printing, advertising and information supplies & services	57,260.00	355,760.00
Training expenses	479,100.00	1,100,000.00
Hospitality supplies and services	100,000.00	97,760.00
Insurance costs	328,723.00	-
Specialized materials and services	82,000.00	242,000.00
Office and general supplies and services	495,668.00	367,850.00
Fuel ,oil & lubricants	700,000.00	705,000.00
Routine maintenance – vehicles and other transport equipment	558,290.10	148,870.00
Total	1,513,200.00	1,802,000.00
Other committee expenses	1,524,854.35	1,785,600.00
Committee allowance		-
TOTAL	6,073,990.45	7,122,832.80

7


FUND ACCOUNT MANAGER
 AWENDO CDF
 Date.....

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – AWENDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

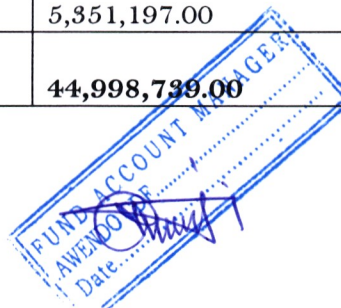
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT UNITS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	17,364,723.20	5,182,431
Transfers to secondary schools	21,775,758.00	18,250,000
Transfers to Tertiary institutions	7,503,500.00	1,600,000
Transfers to Health institutions	700,000.00	10,975,000
TOTAL	47,343,981.20	36,007,431

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	7,832,905.00	7,300,000
Bursary -Tertiary	15,161,000.00	15,325,000
Bursary-Special schools		300,000
Mocks & CAT	800,000.00	450,000
water		100,000
Security	13,775,000.00	13,300,000
Sports	2,031,500.00	2,444,500
Environment	47,137.00	307,500
Emergency Projects (Attached)	5,351,197.00	4,880,000
Total	44,998,739.00	44,407,000



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – AWENDO
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
Construction of Buildings		19,350,000.00	5,601,570.65
Purchase of Vehicles			-
Purchase of Bicycles & Motorcycles			451,300.00
Purchase of Office furniture and fittings			423,913.00
Purchase of computers ,printers and other IT equipment			-
Total		19,350,000.00	6,476,783.65

9. OTHER PAYMENTS

Description		2015- 2016	2014 - 2015
		Kshs	Kshs
Revision Books		-	-
School Lab Equipment			4,149,500
Awendo CDF Strategic Plan			2,798,600
DCC Office Furniture			260,791



 FUND ACCOUNT MANAGER
 AWENDO
 Date.....

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – AWENDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A. BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Branch. & currency	Account No.	2015 - 2016	2014 - 2015
		Kshs (30/6/2015)	Kshs (30/6/2014)
<i>Cooperative Bank, Migori Branch (KES)</i>	01141481534500		3,122,191
<i>Equity Bank (Kenya) Limited, Awendo Branch (KES)</i>	1430263965406	7,955,387.85	25,505,049
Total		7,955,387.85	28,627,240

13. BALANCES BROUGHT FORWARD

Description	2015 - 2016	2014 - 2015
	Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts	28,627,239.50	29,816,949
Cash in hand		-
Imprest		25,000
Total	28,627,239.50	29,816,949



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – AWENDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

EMERGENCY PROJECTS

	BENEFICIARY	DESCRIPTION	FIN.YR	AMOUNT KSHS.
1.	Danga Construction	Rehabilitation of water	2015/16	99,800.00
2.	Kan - Kad Women Group	Spring water	2015/16	233,750.00
3.	Wawaga primary school	Construction of 2 classroom	2015/16	1,100,000.00
4.	Sony Sugar mixed sec school	Repair of 6no. classroom roofing	2015/16	850,000.00
5.	Self Hope Enterprises	Construction of pit latrine	2015/16	100,000.00
6.	Kokuro Sec. School	Renovation of Dinning hall	2015/16	467,647.00
7.	Kokuro Sec. School	Renovation of Dinning hall	2015/16	1,300,000.00
8.	Angogo Mixed Sec. School	Construction of 3 classroom	2015/16	1,200,000.00
9.				
10.				
	TOTAL			5,351,197.00

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings		568,750.00
Construction of civil works		583,900.00
TOTAL		1,152,650.00-

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
Construction of buildings						
1. Santur & Sons Co. Ltd	7,125,000	2014	6,806,250	0	318,750	5% Retention
2. Giefcon Limited	15,000,000	2015	15,000,000.00	0	250,000.00	5% Retention
Sub-Total	12,125,000			0	0	
Construction of civil works						
3. Amden Limited	7,500,000	2015	5,250,000.00	1,250,000	0	5% Retention
4. Operational Water Drillers	178,000	2015		8,900	169,000	5% Retention
Sub-Total				583,900	0	
Grand Total				1,152,650	0	

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2016 (Kshs'000)

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Transport equipment	4,794,300	4,794,300.00
Office equipment, furniture and fittings	423,913.00	423,913.00
Office Building	19,350,000.00	
Total	24,568,213.00	5,218,213.00