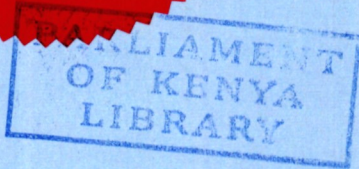


*Paper laid by
The Hon. B. W. Mutahi
14/3/2018*

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

NYATIKE 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 – NYATIKE
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE CABINET SECRETARY	2
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES.....	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
V. STATEMENT OF ASSETS.....	6
VI. STATEMENT OF CASHFLOW	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	10
IX. NOTES TO THE FINANCIAL STATEMENTS.....	13

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

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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 *Nyatike* National Government Constituency Development Fund'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	Marcelus Obondi Ayieko
3.	Accountant	William Omwange Motonu

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of National Government Constituency Development Fund Board provide overall fiduciary oversight on the activities of Nyatike National Government Constituency Development Fund Committee. The reports and recommendation of Audit and Risk Management Committee when adopted by the National Government Constituency Development Fund Board are forwarded to the National Government Constituency Development Fund Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NYATIKE National Government Constituency Development Fund Committee Headquarters

P.O. Box 1
WATH ONG'ER – MUHURU - SORI ROAD
WATH ONG'ER TRADING CENTRE
WATH ONG'ER
KENYA

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

(f) NYATIKE National Government Constituency Development Fund Committee Contacts

Telephone: 0711901505
E-mail: mayieko@cdf.go.ke
E-mail: E-mail: nyatikecdf@yahoo.com
Website:

(g) NYATIKE National Government Constituency Development Fund Committee Bankers

1. Cooperative Bank of Kenya
Migori Branch
P.O. Box
Suna
Kenya

(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 - NYATIKE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE

Nyatike National Government Constituency Development Fund Committee was allocated KShs.117,489,182. The total AIEs received was KShs. 145,200,002 as at 30th June 2016. After taking into account the budget adjustments from the last financial year, we spent KShs. 100,765,845 which translates to 64% budget utilization difference of the totals funds available for expenditure.


The NG-CDFCs budget utilization difference on Transfers to Other Government Units was 27% and these were funds meant for infrastructural development in the educational institutions. This was a key challenge for us because the funding of infrastructural facilities in our learning institutions was not given priority as funds were prioritized to the projects that were now devolved (roads and water projects) but were to be implemented by February, 2016 following the new NG-CDF Act, 2015.

We still get a lot of project proposals from the so called devolved functions; the funding of health, roads and water facilities. It is, therefore, an emerging issue that the felt needs of the members of the public should continue to receive funding by National Government Constituency Development Fund Committees for the good of neither the national nor the county government but for the common good of the people.

I, however, must admit that project implementation in our constituency was not void of challenges. We faced Monitoring and Evaluation challenges owing from the vast nature of our constituency; lack of capacity among Project Management Committees etc.

Most of the challenges faced during the Monitoring and Evaluation was due to frequent breaking down of the National Government Constituency Development Fund Committee vehicle. We are now purchasing a new vehicle to help us monitor projects more effectively.

We have also employed, among other staff, the clerk of works to help local artisans deliver quality projects. We shall always hold capacity building workshops before disbursing cheques to Project Management Committees.


Sign. _____
CHAIRMAN NG-CDFC

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

III. STATEMENT OF NG-CDFC 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 Constituency Development Fund Committee shall prepare financial statements in respect of that National Government Constituency Development Fund Committee. 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 Accounting Officer in charge of the Nyatike National Government Constituency Development Fund Committee is responsible for the preparation and presentation of the National Government Constituency Development Fund Committee's financial statements, which give a true and fair view of the state of affairs of the National Government Constituency Development Fund Committee for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the National Government Constituency Development Fund Committee; (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 National Government Constituency Development Fund Committee; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

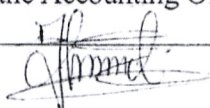
The Accounting Officer in charge of the Nyatike National Government Constituency Development Fund Committee accepts responsibility for the National Government Constituency Development Fund Committee's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the National Government Constituency Development Fund Committee's financial statements give a true and fair view of the state of National Government Constituency Development Fund Committee's transactions during the financial year ended June 30, 2016, and of the National Government Constituency Development Fund Committee's financial position as at that date. The Accounting Officer in charge of the Nyatike National Government Constituency Development Fund Committee further confirms the completeness of the accounting records maintained for the National Government Constituency Development Fund Committee, which have been relied upon in the preparation of the National Government Constituency Development Fund Committee's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Nyatike National Government Constituency Development Fund Committee confirms that the National Government Constituency Development Fund Committee has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the National Government Constituency Development Fund Committee'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 National Government Constituency Development Fund Committee'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 National Government Constituency Development Fund Committee's financial statements were approved and signed by the Accounting Officer on 15/09/2016.

Chairman



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 - NYATIKE 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 - Nyatike Constituency set out on pages 5 to 21, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development 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 - Nyatike 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 adverse audit opinion.

Basis for Adverse Opinion

1. Use of Goods and Services

The figure for use of goods and services of Kshs.6,410,738 was supported by documentation of only Kshs.5,735,396 thereby resulting in an unexplained difference of Kshs.675,342.

Consequently, it has not been possible to confirm the accuracy and validity of use of goods and services of Kshs.6,410,738.

2. Transfers to Other Governments Units

The Nyatike Constituency Development Fund Committee disbursed a total of Kshs.10,837,931 in the form of transfers to other Government units during the year under review. These funds were administered through Project Management Committees (PMCs) spread throughout the constituency. However, disbursements totalling Kshs.4,500,000 out of a total of Kshs.10,837,931 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 we could not confirm the propriety of the funds disbursed to those PMCs during the year.

3. Other Grants and Transfers

3.1 Roads Projects

Included in other grants and transfers figure of Kshs.82,522,203 are payments for construction of roads amounting to Kshs.19,510,000 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. Further, even though tender evaluation documents for the selection of the contractors were availed, they were not signed by all members of tender evaluation committee.

3.2 Water Projects

Included in other grants and transfers figure of Kshs.82,522,203 are payments for water projects amounting to Kshs.31,548,786 as per Note 7 to the financial statements out of which payments totalling Kshs.15,448,936 were not supported with payment vouchers. In addition, for those with payment vouchers, crucial documents such as expenditure returns, cashbooks, bank statements, invoices, site minutes, inspection certificates, and other relevant accounting documents were not provided for audit review.

3.3 Environment Projects

Included in other grants and transfers figure of Kshs.82,522,203 are payments for environmental projects amounting to Kshs.1,995,165 as per Note 7 to the financial statements. These payments were for the planting of trees by various schools. However, expenditure returns from the project implementation committees were not availed for audit review. It was also noted that the trees have since dried up and therefore value for money to the public was not achieved.

3.4 Security Projects

Included in other grants and transfers figure of Kshs.82,522,203 are payments for security projects amounting to Kshs.9,334,983 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 Kshs.46,289,084 included in other grants and transfers could not be ascertained.

4. Cash and Cash Equivalents

4.1 Outstanding Imprests

The outstanding imprests balance as at 30 June 2016 of Kshs.471,450 represents an unaccounted for amount contrary to the provisions of Section 93 (5) of the Public Finance Management Act (County Governments Regulations), 2015, which states that "a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to the duty station".

Consequently, the management was in breach of the law and regulations governing issuance and accounting of imprest.

5. Statement of Appropriation – Recurrent and Development

The summary statement of appropriation for recurrent and development expenditure indicates adjustments of Kshs.46,756,794 of transfers from CDF board. These

adjustments however have not been supported by revised budget allocation estimates from the National Government Constituencies Development Fund Board. Further, the actual on comparable basis figure for transfers from CDF board indicated as Kshs.164,245,976 differs with the amount shown in the statement of receipts and payments figure of Kshs.145,200,002 by an unexplained difference of Kshs.19,045,974.

Consequently, the accuracy of the summary statement of appropriation - recurrent and development could not be confirmed.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Nyatike 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 do not comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budgetary Control and Performance

1.1 Budget Performance

Nyatike Constituency's approved budget for 2015/2016 amounted to Kshs.164,245,976. During the year, the Fund made payments totalling Kshs.100,765,845 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	164,245,976	85,710,820	78,535,156	48%
Payments				
Salaries	5,373,682	994,973	4,378,709	81%
Use of goods and services	6,514,446	6,410,738	103,708	2%
Transfers to other Government units	39,487,931	10,837,931	28,650,000	73%
Other grants and transfers	112,296,708	82,522,203	29,774,505	27%
Acquisition of assets	1,300,000	0	1,300,000	100%
Other payments	500,000	0	500,000	100%
Total	165,472,767	100,765,845	64,706,922	39%

As at the end of the year, the Fund had Kshs.64,706,922 in its bank account not yet utilized. This was largely due to funds for the current year being disbursed late from the NGCDF board.

1.2 Project Implementation Status

During the year under review, seventeen (17) projects costing Kshs.37,560,000 were verified and the implementation status is as shown below:

S/No	Project Name	Activity	Disbursement 2015/2016 (Kshs)	Cumulative Achievement	Status
1	Osiri secondary school	Construction of a class room	600,000	85%	The classroom is not plastered, fitted and painted as per the description of works in the code list.
2	Kibuon secondary school	Construction of a dormitory	1,500,000	85%	The project was diverted from construction of a dormitory to twin classrooms.
3	Duruma secondary school	Construction of a class room	1,300,000	85%	The classrooms are not plastered, fitted and painted as per the description of works in the code list. The cables have collapsed.
4	Okenge mixed secondary school	Dining hall construction	600,000	85%	The project was diverted from construction of one classroom to completion of dining hall.
5	Kurukongo primary school	Construction of a class room	500,000	85%	The classroom is not plastered, fitted and painted as per the description of works in the

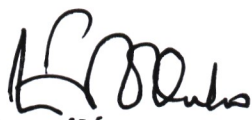
					code list.
6	Obalwanda primary school	Construction of two class rooms	1,000,000	100%	Complete and in use
7	Obolo secondary school	Construction of a class room	600,000	100%	Complete and in use
8	Kea Primary School	Construction of toilets	350,000	100%	Complete and in use
9	Adugo Primary School	Construction of toilets	350,000	100%	Complete and in use
10	St. Joseph Alendo Primary School	Construction of toilets	400,000	100%	Complete and in use
11	St. Sabianus Owich Sec. School	Construction of toilets	400,000	100%	Complete and in use
12	Kochar - Pundo Agolo Muok Comm Road	Opening, grading spot Graveling and Culverts	5,000,000	100%	Complete and in use
13	Mang'u - Obolo Winjo Comm. Road	Opening, grading spot Graveling and Culverts	5,000,000	100%	Complete and in use
14	Pap Rombe - Kowuor Primary School Community Road	Grading, Culverts and Graveling	5,000,000	100%	Complete and in use
15	Puche Community Water Pan	Construction of Water pan and fencing	5,000,000	100%	Complete and in Use
16	Nyakiringoto Water Pan	Construction of Water pan and fencing	4,960,000	100%	Complete and in Use
17	Nyawkaka. Water Pan	Construction of Water pan and fencing	5,000,000	100%	Complete and in Use
	Total		37,560,000		

In spite of many of these projects being completed, they did not have sign posts as required by the NG-CDF Act, 2015.

There is therefore risk that there may be duplication of works by other public agencies.

2. 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.



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

Nairobi


18 January 2018

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
RECEIPTS			
Transfers from NG- CDF board	1	145,200,002.00	83,132,460.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3		
TOTAL RECEIPTS		145,200,002.00	83,132,460.00
PAYMENTS			
Compensation of employees	4	994,973.30	227,000.00
Use of goods and services	5	6,410,737.75	8,959,479.00
Transfers to Other Government Units	6	10,837,931.00	16,690,231.00
Other grants and transfers	7	82,522,203.00	52,117,554.40
Acquisition of Assets	8	-	-
Other Payments	9		305,790.00
TOTAL PAYMENTS		100,765,845.05	78,300,054.40
SURPLUS/DEFICIT		44,434,156.95	4,832,405.60

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NYATIKE National Government Constituency Development Fund Committee financial statements were approved on 15/9/ 2016 and signed by:



Chairman - Constituency Development Fund Committee




Fund Account Manager

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

V. STATEMENT OF ASSETS

	Note	2015-2016	2014-2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	64,706,922.95	19,045,974.00
Cash Balances (cash at hand)	10B	-	
Outstanding Imprests	11	471,450.00	1,698,242.00
TOTAL FINANCIAL ASSETS		65,178,372.95	20,744,216.00
REPRESENTED BY			
Payables eg retention , gratuity	12		
Fund balance b/fwd 1st July...	13	20,744,216.00	15,913,610.00
Surplus/Deficit for the year		44,434,156.95	4,832,406.00
Prior year adjustments	14		(1,800.00)
NET LIABILITIES		65,178,372.95	20,744,216.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NYATIKE National Government Constituency Development Fund Committee financial statements were approved on 15/9/2016 and signed by:



 Chairman - Constituency Development Fund Committee



 Fund Account Manager



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - NYATIKE CONSTITUENCY

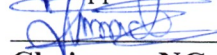
Reports and Financial Statements

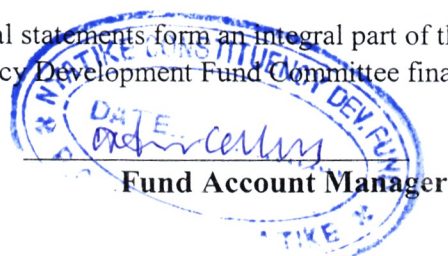
For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	145,200,002	83,132,460
Other Receipts	3		-
		145,200,002	83,132,460
Payments for operating expenses			
Compensation of Employees	4	994,973	227,000
Use of goods and services	5	6,410,737.75	8,959,479.00
Transfers to Other Government Units	6	10,837,931	16,690,231
Other grants and transfers	7	82,522,203	52,117,554
Acquisition of Assets	8		
Other Payments	9	-	305,790.00
		100,765,845	78,300,054
Adjusted for:			
Adjustments during the year	14		1,800
Changes in accounts receivables	11	(471,450.00)	
Net cash flow from operating activities		43,962,707	156,601,909
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	-
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		43,962,707	4,830,606
Cash and cash equivalent at BEGINNING of the year	13	20,744,216	15,913,610
Cash and cash equivalent at END of the year	10A	64,706,922.95	20,744,216

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NYATIKE National Government Constituency Development Fund Committee financial statements were approved on 15/9/2016 and signed by:


Chairman NG-CDFC


Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYATIKE CONSTITUENCY

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	117,489,182.00	46,756,794.00	164,245,976.00	164,245,976.00	-	100
Proceeds from Sale of Assets				-	-	
Other Receipts					-	
TOTAL RECEIPTS	117,489,182.00	46,756,794.00	164,245,976.00	164,245,976.00	-	100
PAYMENTS						
Compensation of Employees	2,763,261.00	2,610,421.00	5,373,682.00	994,973.30	4,378,708.70	19
Use of goods and services	4,940,031.00	1,574,415.80	6,514,446.80	6,410,737.75	103,709.05	98
Transfers to Other Government Units	31,550,000.00	7,937,931.00	39,487,931.00	10,837,931.00	28,650,000.00	27
Other grants and transfers	76,935,890.00	34,134,026.20	111,069,916.20	82,522,203.00	28,547,713.20	74
Acquisition of Assets	1,300,000.00		1,300,000.00	-	1,300,000.00	0
Other Payments		500,000.00	500,000.00	-	500,000.00	0
TOTALS	117,489,182.00	46,756,794.00	164,245,976.00	100,765,845.05	63,480,130.95	61

(a) EXPLANATORY NOTES

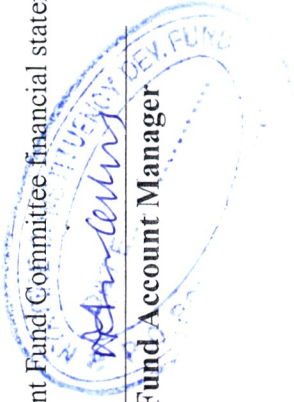
- i. Compensation of Employees: The National Government Constituency Development Fund Committee recruited additional staff towards the end of the financial year hence low utilization rate.

CONSTITUENCIES DEVELOPMENT FUND – NYATIKE CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2015**

- ii. Transfers to Other Government Units: The utilization under this category is low because the Board did not approve our proposal in full and the re-submissions took time to be approved.
- iii. Acquisition of Assets: The utilization under **acquisition of assets** is nil because it was prioritized in the later AIEs that came after the end of the financial year.
- iv. Also, the utilization under **other payments** is zero because the funds here were meant to facilitate audit but such expenditures were stopped by the board and the committee has not re-allocated the funds.

The NYATIKE National Government Constituency Development Fund Committee financial statements were approved on 15/9/2016 and signed by [Signature]



Chairman Constituency Development Fund Committee

Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYATIKE
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 National Government Constituency Development Fund Committee 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 National Government Constituency Development Fund Committee.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the National Government Constituency Development Fund Committee 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 National Government Constituency Development Fund Committee 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

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

Reports and Financial Statements

For the year ended June 30, 2016

commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the National Government Constituency Development Fund Committee 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 Constituency Development Fund Committee’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 National Government Constituency Development Fund Committee’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

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

Reports and Financial Statements

For the year ended June 30, 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES				
	1. TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
1330407	Normal Allocation		27,710,820	28,267,716
			10,000,000	10,000,000
			20,000,000	17,153,924
			28,000,000	27,710,820
			59,489,182	
	TOTAL		145,200,002	83,132,460

	2 . PROCEEDS FROM SALE OF ASSETS			
			2015 - 2016	2014 - 2015
	Description		Kshs	Kshs

	3 . OTHER RECEIPTS			
			2015 - 2016	2014 - 2015
	Description		Kshs	Kshs

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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

COMPENSATION OF EMPLOYEES

4 COMPENSATION OF EMPLOYEES				
2110000	Description		2015 - 2016	2014- 2015
			Kshs	Kshs
2110202	Basic wages of casual labour		944,634.25	227,000.00
	Personal allowances paid as part of salary			
2110301	House allowance		-	-
2110314	Transport allowance		-	-
2110320	Leave allowance		-	-
2110326	Other personnel payments		-	-
2710120	gratuity			
2120101	Employer contribution to NSSF		50,339	-
	Total		994,973	227,000

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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

USE OF GOODS AND SERVICES

5 USE OF GOODS AND SERVICES				
2200000				
	Description		2015 - 2016	2014- 2015
			Kshs	Kshs
2210100	Utilities, supplies and services		200,000.00	151,300.00
2210104	Office rent		-	
2210200	Communication, supplies and services		300,000.00	139,000.00
2210300	Domestic travel and subsistence		400,000.00	
2210500	Printing, advertising and information supplies & services		200,000.00	450,000.00
2210600	Rentals of produced assets		-	
2210700	Training expenses		448,850.75	
2210800	Hospitality supplies and services		76,792.00	
2210900	Insurance costs		-	
2211000	Specialised materials and services		-	
2211100	Office and general supplies and services		250,000.00	
2211200	Fuel ,oil & lubricants		100,000.00	633,700.00
2211300	Other operating expenses		-	
2220100	Routine maintenance – vehicles and other transport equipment		613,295.00	714,404.00
2220200	Routine maintenance – other assets		-	366,500.00
2210802	Other committee expenses		2,437,300	4,821,575
2210809	Committee allowance		1,384,500	1,683,000
			-	
	Total		6,410,737.75	8,959,479.00

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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

TRANSFER TO OTHER GOVERNMENT ENTITIES

6 TRANSFER TO OTHER GOVERNMENT ENTITIES				
2630200				
	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
2630204	Transfers to primary schools		4,937,931	13,890,231
2630205	Transfers to secondary schools		5,900,000	2,800,000
2630206	Transfers to Tertiary institutions		-	-
2630207	Transfers to Health institutions		-	-
	TOTAL		10,837,931	16,690,231

7 OTHER GRANTS AND OTHER PAYMENTS				
2640000				
	Description		2015 - 2016	2014 - 2015
			Kshs	Kshs
2640101	Bursary -Secondary		7,219,000	8,207,000
2640102	Bursary -Tertiary		5,997,402	7,481,220
2640104	Bursary-Special schools		-	-
2640105	Mocks & CAT		500,000	950,000
2640504	water		31,548,786	5,950,000
2640505	Agriculture (food security)		-	-
2640506	Electricity projects		-	-
2640507	Security		9,334,983	6,650,004
2640508	Roads		19,510,000	15,572,759
2640509	Sports		2,216,867	1,202,190
2640510	Environment		1,995,165	1,854,381
2640200	Emergency Projects (specify)		4,200,000	4,250,000
	Total		82,522,203	52,117,554

8 . ACQUISITION OF ASSETS				
			2015 - 2016	2014 - 2015
	Description		Kshs	Kshs

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

OTHER PAYMENTS

9 . OTHER PAYMENTS			
		2015 - 2016	2014 - 2015
Description		Kshs	Kshs
Commissioner of Income Tax			305,790 .00

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2015 - 2016	2014 - 2015
		Kshs (30/6/2016)	Kshs (30/6/2015)
<i>Cooperative Bank, Migori Branch A/C no.</i>		64,706,922.95	19,045,974.00
		-	-
		-	-
Total		64,706,922.95	19,045,974.00

11: OUTSTANDING IMPRESTS				
Name of Officer	Date imprest taken	Amount Taken	Amount Surrendered	Balance (30/6/2016)
		Kshs	Kshs	Kshs
<i>Julius D. Langi</i>		122,500	0	122,500
<i>Julius D. Langi</i>		199,000	0	199,000
<i>Marcelus O. Ayieko</i>		150,000	0	150,000
		-	-	-
		-	-	-
		-	-	-
Total		471,450		471,450

12. Payables eg retention , gratiuty		2015 - 2016	2014 - 2015
Description		Kshs	Kshs
		-	-
		-	-

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

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

13 BALANCES BROUGHT FORWARD			
		2015 - 2016	2014 - 2015
		Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts		19,045,974	12,210,110
Imprest		1,698,242	3,703,500
Total		20,744,216	15,913,610

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2016	2015	
		a	b	c	d=a-c		
Amounts due to other Government entities							
Rabuor Karungu Primary School	Construction of 1 No. classroom	900,000		0	900,000		
	Sub-Total	900,000		0	900,000		
Amounts due to other grants and other transfers							
Bursary		2,188,893		0	2,188,893		
Environment		147,605		0	147,605		
	Sub-Total	2,336,498			2,336,498		
Others (specify)							
Compensation of employees		616,942		0	616,942		
Goods and Services		481,493		0	481,493		
Committee Expenses		282,550		0	282,550		
Committee allowances		100,257		0	100,257		
Constituency Audit		500,000		0	500,000		
	Sub-Total	1,981,242			1,981,242		
	Grand Total	5,217,740			5,217,740		

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

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Buildings and structures: CDFC Office	1,000,000	1,000,000
Transport equipment: CDF VEHICLE GKA 683R	3,114,999	3,114,999
Office equipment, furniture and fittings: 185 No. plastic chairs, 1 No. office table,3 No. cabinets, 1 No. office shelf.	250,000	250,000
ICT Equipment, Software and Other ICT Assets: 1 No. HP Desktop Computer,1 No. HP Monitor 1 No. HP Printer	NG-CDF BOARD	NG-CDF BOARD
Other Machinery and Equipment:2 NO Tractors (GKA2265,GKA2275)	7,200,000	7,200,000
Total	11,564,999	11,564,999

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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)