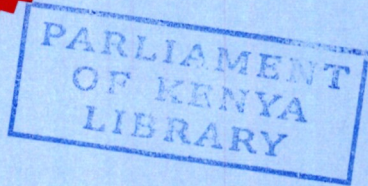


*Paper laid
by the Hon. B. W. Mutahi
14/3/2018*

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
SUNA EAST 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 –
SUNA EAST 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 CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC).....	3
III. STATEMENT OF NGCDF 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	9
IX. NOTES TO THE FINANCIAL STATEMENTS.....	11

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

- i. 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	Peter Agoi kibisu
3.	Accountant	Abel Omuga
4.		

(d) Fiduciary Oversight Arrangements

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

NG-CDF Office Building,
P.O Bo 923-40400
Suna Migori.

(f) SUNA EAST NG-CDF Contacts

Telephone: (254) 0790 212900

E-mail: cdfsunaeast@cdf.go.ke

(g) SUNA EAST NG-CDF Bankers

- 1 Cooperative Bank of Kenya
P.O Box 481
Suna Migori

(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

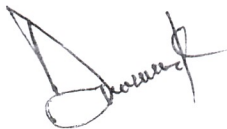
The Attorney General
State Law Office
Harambee Avenue
P O Box 40112
City Square 00200
Nairobi, Kenya

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

The Suna East NG-CDF has received tremendous accolades towards its performance with the Constituency Development Funds especially in areas of Education, Security, water and the roads sectors. Many needy students have been able to acquire education due to the fare distribution of the bursary funds; security has improved with the construction of five administration police posts and installation of solar lights.

Despite the success stories, there have been challenging issues such as late and piecemeal disbursement of funds from the Board, legal issues over the CDF leading to uncertainty of the fund, political rhetoric's.

However despite the challenges the Fund has improved the welfare of the common mwananchi.



Sign.....

CHAIRMAN NG-CDFC

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

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government NGCDF shall prepare financial statements in respect of that NGCDF. 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 Suna East NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


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

The Accounting Officer in charge of the Suna East NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NGCDF'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 NGCDF's financial statements were approved and signed by the Accounting Officer on 8th Sept. 2016.


 Fund Account Manager


 Chairman

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON FINANCIAL STATEMENTS OF NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SUNA EAST 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 – Suna East Constituency set out on pages 5 to 16, 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 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 (ISSAIs). 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 – Suna East 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. Inaccuracies in the Financial Statements

During the year under review, the following figures relating to the 2014/2015 financial year have been retrospectively restated.

	Restated Comparative Figure as at 30 June 2016	Audited Figure as at 30 June 2015	Difference
	Kshs.	Kshs.	Kshs.
Compensation of Employees	1,485,216	1,797,109	311,893
Use of Goods and Services	3,507,830	3,505,100	(2,730)
Committee Expenses	7,820,500	10,650,500	2,830,000
Other Grants and Transfers	77,089,294	81,902,794	4,813,500

Consequently, the accuracy of the financial statements cannot be confirmed.

2. Other Grants and Transfers

2.1 Construction of Latrines at the Nyabiswa Administration Police Post

Included in other grants and transfers balance of Kshs.58,787,244 is payment of Kshs.2,000,000 to a construction firm for the construction of pit latrines at the Nyabiswa Administration Police Post. However, an audit verification exercise carried out on 15 May 2017 revealed that the latrines had not been built even though a site inspection report by the management dated 26 January 2016 indicated that the works were inspected on the same date and found to be satisfactory.

Consequently, the propriety of the expenditure of Kshs.2,000,000 incurred on the project cannot be confirmed.

2.2 Construction of Culverts at Rayudhi

Included in other grants and transfers balance of Kshs.58,787,244 is payment of Kshs.5,400,000 to a local construction firm for construction of a box culvert at Rayudhi at a contract sum of Kshs.6,127,485 and a contract period of three (3) months. However, the contractor had not completed the work as at May 2017 and was in addition, not on site. The CDF management had not taken any necessary steps to address the situation, yet the objective upon which the box culvert was constructed has not been achieved as residents and the school children still cross the river using makeshift bridge.

Consequently, the constituents did not receive value for the constituents' money invested in this project.

3. Cash and Cash Equivalents

The cash and cash equivalents balance of Kshs.54,049,433 as analysed in the bank reconciliation statement and the cash book revealed the following anomalies:

- i) The cash book balance as per the bank reconciliation statement is indicated as Kshs.27,499,310 which is at variance with the financial statement's balance of Kshs.54,049,433 leading to an unreconciled difference of Kshs.26,550,123.
- ii) Cheques of Kshs.1,914,175 were unrepresented for payment in the bank for more than six months after issue and were therefore stale but had not been reversed in the cash book as at 30 June 2016.
- iii) Payments totalling Kshs.20,091,964 had not been posted to the cash books even though they had been cleared by the bank.

Consequently, it has not been possible to confirm that the cash and cash equivalents bank balance of Kshs.54,049,433 as at 30 June 2016 as fairly stated.

4. Statement of Appropriation – Recurrent and Development

The summary statement of appropriation for recurrent and development expenditure indicates that the original budget estimates totalled Kshs.137,996,500. However, the approved budget as per the National Government Constituencies Development Fund Board was Kshs.112,753,524 thus leading to an unexplained difference of Kshs.25,242,976. In addition, subsequent adjustments totalling Kshs.28,280,710 reflected in the statement have not been supported.

Consequently, the accuracy of the summary statement of appropriation cannot be confirmed.

5. Pending Accounts Payables

Note 15.1 to the financial statements reflects pending bills of Kshs.19,057,148 and Note 15.2 indicates other pending payables as at 30 June 2016 of Kshs.20,377,456. However, no documents have been provided to support these balances.

Consequently, the accuracy of the pending accounts payables and other pending payables balances cannot be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund -Suna East 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

Suna East Constituency's approved budget for 2015/2016 amounted to Kshs. 166,277,210. During the year under review, the fund incurred expenditure of Kshs.83,984,530 or 51% of the approved budget resulting to an under-expenditure of Kshs.82,292,680 as detailed below:

	Approved Budget (Kshs)	Actual (Kshs)	Difference (Kshs)	%
Receipts				
Transfers from NG-CDF Board	166,277,210	166,277,210	0	0%
Payments				
Compensation of Employees	6,917,617	1,989,590	4,928,027	71%
Use of Goods and Services	23,919,228	8,519,765	15,399,463	64%
Transfers to Other Government Units	58,123,121	14,687,931	43,435,190	75%
Other Grants and Transfers	77,317,244	58,787,244	18,530,000	24%
Total	166,277,210	83,984,530	82,292,680	49%

Failure to fully utilize the funds denied the constituents of Suna East the benefits accruing to them.

1.2. Project Verification

Works on twenty two (22) projects valued at Kshs.22,700,000 were verified during the audit. The observations made are outlined below:

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

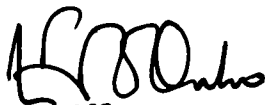
	Project Name	Activity	Budget (Kshs)	Level of Completion %	Observations
1	Ombo Primary School	Construction of administration block	800,000	60	Work was in progress
2	Migori Muslim Primary School	Construction of 2 classrooms	1,000,000	100	Complete
3	Ochieng Orwa Primary School	Plastering and fitting of 6 classrooms	900,000	80	Work was in progress
4	Nyamanga Primary School	Construction of a classroom	500,000	100	Completed
5	Nyango Secondary School	Installation of laboratory tables and piping	500,000	80	Work was in progress
6	Kikoma Primary School	Various works	500,000	90	Work was in progress
7	Kikoma Secondary School	Installation of laboratory tables and piping	500,000	90	Work was in progress
8	Segegi Secondary School	Co-funding of the school bus	2,000,000	100	Complete.
9	Mwache Secondary School	Construction of a class	500,000	50	Project activity was changed
10	Muhaya Primary School	Construction of administration block	500,000	50	Project activity was changed
11	Anjogo Secondary School	Co-funding of the school bus	2,000,000	100	Complete
12	St. Catherine Bonda Primary School	Construction of a classroom	500,000	70	Work was in progress
13	Nyasare Primary School	Construction of a classroom	500,000	100	Project activity was changed
14	Siling Primary School	Construction of a classroom	500,000	100	Complete
15	Kilimanjaro Primary School	Construction of a classroom	500,000	100	Complete

16	Godjope Primary School	Construction of a classroom	500,000	100	Complete
17	Nyamongo Secondary School	Roofing, plastering and fitting admin. block	500,000	80	Work was in progress
18	Kwa Secondary School	Construction of dormitory	1,000,000	50	Work was in progress
19	Kwa Primary School	Construction of a classroom	500,000	80	Project activity was changed
20	Alara Primary School	Construction of a classroom	500,000	30	Work was in progress
21	Nyabisawa AP Post	Construction of 6 units of AP Houses	2,000,000	0	The work was undone
22	Rayudhi Primary/Secondary Onyalo Primary/Secondary Schools box culvert	Construction of box culvert joining the institutions	6,000,000	88	The project had stalled
		Total	22,700,000		

Overall, 7 projects were completed while the remainder 15 projects were in various stages of completion.

2. Previous Year Matters

The Constituency did not indicate in the financial statements for the year under review, the status and follow up of audit issues reported in the previous year in the 2015/2016 financial statements as required by Public Sector Accounting Standards Board Reporting Template. As a result, it has not been possible to confirm whether the matters have been resolved.



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

Nairobi

31 January 2018

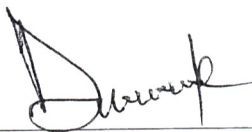
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SUNA EAST
CONSTITUENCY

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

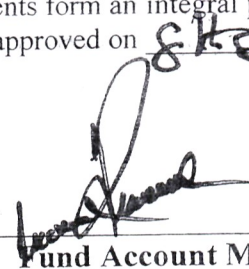
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	137,996,500.00	78,166,027.50
TOTAL RECEIPTS		137,996,500.00	78,166,027.50
PAYMENTS			
Compensation of employees	2	1,989,590 .00	1,485,216.90
Use of goods and services	3	8,519,765 .00	3,507,830.80
Transfers to Other Government Units	4	14,687,931.00	29,100,000.00
Other grants and transfers	5	58,787,244.00	77,089,294.75
Acquisition of Assets	6	-	450,000 .00
Social security benefits			65,720.00
Committee expenses			7,820,500.00
TOTAL PAYMENTS		83,984,530.00	119,518,562.45
SURPLUS/DEFICIT		54,011,970.00	(41,352,534.95)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Suna East NGCDF financial statements were approved on 8/12/2015 and signed by:



Chairman - NGCDFC



Fund Account Manager

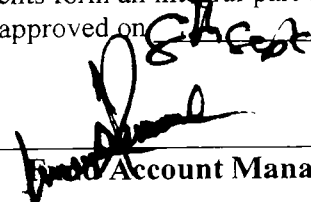
Reports and Financial Statements
 For the year ended June 30, 2016

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	54,049,433.35	37,463.35
TOTAL FINANCIAL ASSETS		54,049,433.35	37,463.35
REPRESENTED BY			
Retention	12	-	
Fund balance b/fwd 1st July...	13	37,463.35	41,389,998.30
Surplus/Deficit for the year		54,011,970.00	(41,352,534.95)
NET LIABILITIES		54,049,433.35	37,463.35

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Suna East NGCDF financial statements were approved on 8th Oct 2016 and signed by:


 Chairman - NGCDFC


 Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SUNA EAST
 CONSTITUENCY

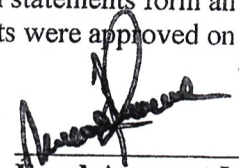
Reports and Financial Statements
 For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	137,996,500.00	78,166,027.50
Payments for operating expenses			
Compensation of Employees	2	1,989,590 .00	1,485,216.90
Use of goods and services	3	8,519,765 .00	3,507,830.80
Transfers to Other Government Units	4	14,687,931.00	29,100,000.00
Other grants and transfers	5	58,787,244.00	77,089,294.75
Committee expenses	-	-	7,820,500.00
Social security benefits			65,720.00
Acquisition of assets			450,000.00
Adjusted for:			
Net cash flow from operating activities		54,011,970.00	(41,352,534.95)
NET INCREASE IN CASH AND CASH EQUIVALENT		54,011,970.00	(41,352,534.95)
Cash and cash equivalent at BEGINNING of the year	13	37,463.35	41,389,998.30
Cash and cash equivalent at END of the year		54,049,433.35	37,463.35

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Suna East NGCDF financial statements were approved on 5th Oct 2016 and signed by:


 Chairman NGCDFC


 Fund Account Manager

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	137,996,500.00	28,280,710.00	166,277,210.00	166,277,210.00	-	100.0%
TOTAL	137,996,500.00	28,280,710.00	166,277,210.00	166,277,210.00	-	100.0%
PAYMENTS						
Compensation of Employees	5,607,309.00	1,310,308.00	6,917,617.00	1,989,590.00	4,928,027.00	28.8%
Use of goods and services	22,279,169.00	1,640,059.00	23,919,228.00	8,519,765.00	15,400,463.00	35.6%
Transfers to Other Government Units	40,349,778.00	17,773,343.00	58,123,121.00	14,687,931.00	43,435,190.00	25.3%
Other grants and transfers	69,760,244.00	7,557,000.00	77,317,244.00	58,787,244.00	18,530,000.00	76.0%
TOTAL	137,996,500.00	28,280,710.00	166,277,210.00	83,984,530.00	82,292,680.00	50.5%

- i. For underutilisation was due to delay in disbursement of funds from the NG-CDF board
 ii. Over utilisation was due to receipt of the funds early the beginning of the financial year brought forward to the preceding year.

The Suna East NGCDF financial statements were approved on 8th Feb 2016 and signed by:



Chairman NGCDF



Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NGCDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NGCDF.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the NGCDF in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the NGCDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the NGCDF at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NGCDF’s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NGCDF’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SUNA EAST
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal Allocation	A796157	25,293,246.00	7,300,000.00
	A724056	2,950,000.00	19,302,318.50
	A796451	20,000,000.00	9,000,000.00
	A820647	10,000,000.00	15,961,391.00
	A820793	26,000,000.00	26,602,318.50
	A825609	28,000,000.00	
	A825683	25,753,254.00	-
TOTAL		137,996,500.00	78,166,028.00

2. COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,903,085.00	1,485,216.90
Employer contribution to NSSF	86,505.00	-
Total	1,989,590.00	1,485,216.90

3. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	177,805.00	474,300.00
Communication, supplies and services	6,960.00	333,303.00
Domestic travel and subsistence	293,000.00	259,000.00
Other committee expenses	4,574,000.00	
Committee allowance	2,198,000.00	
Specialised materials and services	-	300,015.00
Office and general supplies and services	-	881,290.00
Fuel ,oil & lubricants	1,020,000.00	899,449.50
Routine maintenance – vehicles and other transport equipment	250,000.00	357,743.00
Total	8,519,765.00	3,505,100.80

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	6,950,000.00	14,950,000
Transfers to secondary schools	6,937,931.00	9,350,000
Transfers to Health institutions	800,000.00	4,800,000
TOTAL	14,687,931.00	29,100,000

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	14,099,000.00	14,803,000.00
Bursary -Tertiary	5,069,000.00	5,784,500.00
Bursary-Universities	-	7,388,000.00
water	-	10,381,051.00
Electricity projects	-	1,700,000.00
Security	5,280,000.00	4,500,000.00
Roads	31,919,244.00	22,809,087.00
Sports	1,160,000.00	1,380,000.00
Other capital grants and transfer	560,000.00	1,323,657.00
Emergency Projects (specify)	700,000.00	7,020,000.00
Total	58,787,244.00	77,089,294.75

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SUNA EAST
 CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

COMMITTEE EXPENSES		
Description		2014 - 2015
		Kshs
Other committee expenses		4,909,500.00
Committee allowance		2,911,000.00
TOTAL		7,820,500.00

6. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Construction of Buildings	-	450,000
Purchase of Office furniture and fittings	-	-
Total	-	450,000

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		2015 - 2016	2014 - 2015
	Account Number	Kshs (30/6/2016)	Kshs (30/6/2015)
Cooperative, Migori Branch	1120481849500	54,049,433.35	37,463.35
Total		54,049,433.35	37,463.35

11: OUTSTANDING IMPRESTS

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2015)
	Date imprest taken	Kshs	Kshs	Kshs

13. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts	37,463.35	41,389,998
Imprest		3,470,000
Total	37,463.35	44,859,998

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings	13,250,000	2,400,000
Construction of civil works	5,807,148	8,600,000
TOTAL	19,057,148	11,000,000


15.2: OTHER PENDING PAYABLES (See Annex 2)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	13,250,000	9,625,180
Amounts due to other grants and other transfers (see attached list)	5,807,148	4,020,180
Staff Salary and statutory	1,320,308	-
	20,377,456	13,645,360

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

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Buildings and structures	5,450,000.00	5,450,000.00
Transport equipment	4,538,169.00	4,538,169.00
Office equipment, furniture and fittings	7,056,355.00	7,056,355.00
ICT Equipment, Software and Other ICT Assets	260,000.00	260,000.00
Total	17,304,524.00	17,304,524.00

Prepared by:


Peter Agoi Kibisu
Fund Account Manager
Suna East