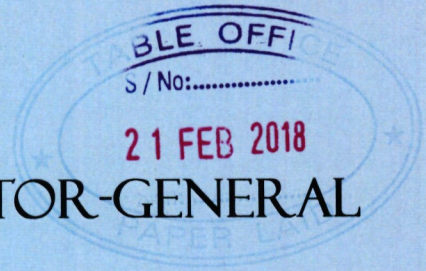
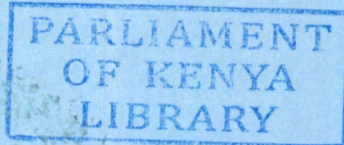


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper laid by the
leader of the Majority
Party Hon Aden
Dorate, MP, on
21.2.2018
IBM*

REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



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

Reports and Financial Statements

For the year ended June 30, 2016

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**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND-RUARAKA
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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The *National government 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 *Constituencies Development Fund*.

(b) Key Management

The *RUARAKA 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	Joshua Orero
3.	Accountant	C.O.Oyaro

(d) Fiduciary Oversight Arrangements

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

P.O. Box 10482-00100
GPO Nairobi
KENYA



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND- RUARAKA
CONSTITUENCY**

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

(f) RUARAKA NG-CDF CONTACTS

Telephone: (254)722739501
E-mail: ruarakaconstituency@gmail.com
Website: www.NG-CDF.go.ke

(g) RUARAKA-NG-CDF Bankers

1. Bank Name: Equity bank
Branch: kariobangi branch
Account Name: RUARAKA- NG-CDF
Account Number: 0320261619654
Address: 75104 Nairobi

(h) Independent Auditors

Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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



II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)

Total disbursement by RUARAKA NG - NG-CDF for financial year 2015/2016 was kshs **102,147,470.00** up from kshs **96,478,805.00** disbursed in FY 2014/2015. This indicates a marked improvement following increased projects activities during the third year of the constituencies operations.

Our key focus during FY 2015/16 implementation was on education (schools infrastructural development and issuance of bursaries to needy students) which ranks the constituency's priority number one. However we equally performed well in the following sectors:-

- a) General infrastructural development (modern markets & social halls)
- b) Environmental activities (planting of trees and cleanup in RUARAKA constituency)
- c) Sports for the youth (we run successful sports tournament for our youth) the sporting activities included football for men, women, volleyball for men and women and netball.

Key achievements

1. Education bursary was disbursed to over 1,700 needy students.
1. Construction of water storms in the constituency.
2. General infrastructural development (modern markets & social halls) which helps in emowering the youths and women


Emerging issues:-

1. Arising from the impact so far created at the grass roots and the high expectation from the local community there is need to enhance NG-CDF kitty from the current 2.5% to at least 7.5%.
2. Due heavy responsibility bestowed on the chairman's position, the national NG-CDF board should enhance the chairperson's allowance to be commensurate to the duties and this should cascade to other NG-CDF members.

Implementation challenges.

1. Delay in disbursement of NG-CDF funds. The board should strive to release funds to the NG-CDFC in the first quarter of each financial year. It will also be helpful if the funds are released in at least two trances in a year.
2. The NG-CDF relies fully on ministerial technical departments for support in areas like construction of bridges, building and other technical work. This includes the production of BQs, technical design and drawing for such technical projects, delays normally occur as the personnel involved are not under direct control of NG-CDFC. The national NG-CDF board should have own technical experts within her structures.
3. Some projects may require long span of implementation creating a big variance between initial budget and actual cost during implementation. The national NG-CDF board needs to be flexible on financing of such projects.

We humbly look forward to working very closely with the national NG-CDF board with a view to enhancing accountability and efficiency in project management


Signed:
CHARLES AGAR
CHAIRMAN NG-CDFC



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND- RUARAKA
CONSTITUENCY**

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

III. STATEMENT OF NG-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 NG-CDF shall prepare financial statements in respect of that NG-CDF. 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 RUARAKA 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, 2015. 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 RUARAKA 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, 2015, and of the *NG-CDF's* financial position as at that date. The Accounting Officer in charge of the RUARAKA 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.

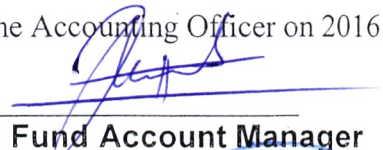
The Accounting Officer in charge of the RUARAKA NG-CDF confirms that the *NG-CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *NG-CDF's* funds received during the year under audit were used for the eligible purposes 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 2016



Chairman - NG-CDFC



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 – RUARAKA 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 - Ruaraka Constituency set out on pages 5 to 22, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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 Standard (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 with a view to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

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. Inconsistent Values/Figures

The statement of compliance and basis of preparation indicate that all values are rounded off to the nearest shilling. However, figures in the financial statements have not been rounded off to the nearest shilling. The financial statements are, therefore, not consistent with the declared basis of their preparation and have not been properly identified and are, therefore, do not fully conform to the format prescribed by the Public Sector Accounting Standards Board.

2. Unexplained Amended Comparative Figures

The following differences have been noted between comparative figures (2014/2015) reflected in the financial statements for the year ended 30 June 2016 and the balances shown in the audited financial statements for 2014/2015:

	2014/2015 Comparative Figures Kshs	2014/2015 Audited Balances Kshs.	Variance Kshs.
Compensation of Employees	1,471,467	1,449,867	21,600
Use of Goods	10,264,092	5,953,092	4,311,000
Committee Expenses	-	4,311,000	(4,311,000)
Social Security	-	21,600	(21,600)

However, no explanation has been provided for the above differences. In addition, the nature of the errors and respective amounts of the corrections in these comparative figures have not been disclosed in the notes to the financial statements.

2. Transfers from CDF Board

The summary statement of appropriation reflects transfers of Kshs.111,025,883 from the Constituencies Development Fund Board while the statement of receipts and payments reflects Kshs.95,239,403 resulting in unexplained difference of Kshs.15,786,480. Consequently, the accuracy of the transfers cannot be confirmed.

Qualified Opinion

In my opinion, except for the effect of 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 – Ruaraka Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year ended in accordance with International Public Sector Accounting Standard (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budget and Budgetary Performance

During the year under review, Ruaraka Constituency Fund incurred expenditure totalling Kshs.113,977,499 against an approved budget of Kshs.162,173,353 resulting in under expenditure of Kshs.48,195,854 as shown below:

	Budgeted Amount Kshs	Actual Expenditure Kshs	Utilization Difference Kshs
Compensation of Employees	3,113,960.00	1,671,175.60	1,463,585.00
Use of goods and services	6,177,424.08	5,895,336.65	282,087.43
Transfers to Other Government Units	58,160,423.60	13,247,931.00	44,912,492.60
Other grants and transfers	91,905,574.32	90,895,924.89	1,009,649.43
Acquisition of Assets	2,815,971.48	2,287,931.00	528,040.48
Total	162,173,353.48	113,998,299.14	48,195,854.94

The under expenditure is an indication of funds not utilized fully and approved programs not implemented. The budget did not, therefore, fully meet the objectives of improving delivery of services to the residents of Ruaraka Constituency.

2. Implementation of Projects

2.1 Transfers to Other Government Entities

The Constituency budgeted Kshs.58,160,424 on transfers to other government entities out of which Kshs.13,247,931 was utilized resulting in under expenditure of Kshs.44,912,493 or about 77% as shown below. No explanation has been provided for the low absorption of the funds.

Project	Amount Budgeted Kshs	Actual Expenditure Kshs	Under/Over Expenditure Kshs
Drive Inn Primary School - Classrooms	2,500,000	2,500,000	0
Babadogo Secondary School -Bus	8,000,000	7,600,000	400,000
Korokocho Hospital	3,500,000	3,341,712	158,288
Unexplained variance	44,160,424	193,781	43,966,643
Total	58,160,424	13,247,931	44,912,493

2.2 Other Grants and Transfers

The Constituency budgeted Kshs.91,905,574 on other grants and transfers but spent Kshs.90,895,925 resulting in a net under expenditure of Kshs.1,009,649 as detailed below:

Project	Amount Budgeted Kshs	Actual Expenditure Kshs	Under/Over Kshs
Bursary-Secondary	10,000,000	9,822,500	177,500
Bursary-Tertiary	10,000,000	9,822,500	177,500
4A Water Storm	2,000,000	1,870,345	129,655
Utalii Water Storm	2,000,000	1,477,241	522,759
Korogocho Water Storm	2,000,000	2,115,172	-115,172
Baba Dogo Water Storm	2,508,734	2,350,000	158,734
Baba Dogo Modern Market	9,000,000	8,851,000	149,000
Lucky Summer Modern Market	9,000,000	8,389,531	610,469
Renovation-Ruaraka Police Office	7,000,000	6,672,026	327,974
Constituency Sports Tournament	3,500,000	3,179,100	320,900
Tree Planting	2,000,000	1,436,124	563,876
Emergency	5,767,647	5,332,241	435,406
Others	27,129,193	29,578,145	-2,448,952
Total	91,905,574	90,895,925	1,009,649

3. Revenue

The Constituency budgeted receipts of Kshs.162,173,354 from the Constituency Development Fund Board but only realized Kshs.95,239,403 resulting in underfunding of Kshs.66,933,951. The management has not explained the reasons for non-receipt of funds as budgeted. The underfunding adversely affected delivery of goods and services to the constituents of Ruaraka.

4. Bursary Disbursements

As disclosed at Note 7 to the financial statements, other grants and transfers balance of Kshs.90,895,925 includes bursaries to secondary schools and tertiary institutions of Kshs.19,645,000. However, bursary cheques totalling Kshs.8,426,000 had not been presented to the intended beneficiaries as at 30 June 2016. No explanation has been provided by management for failure to issue cheques to the identified beneficiaries.



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

Nairobi

18 December 2017

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND- RUARAKA
CONSTITUENCY**

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

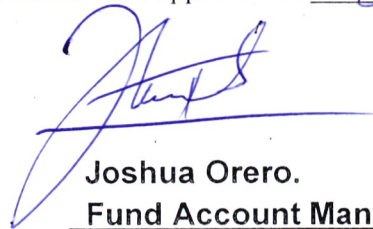
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	95,239,403.00	86,044,881.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		95,239,403.00	86,044,881.00
PAYMENTS			
Compensation of employees	4	1,650,375.60	1,471,467.40
Use of goods and services	5	5,895,336.65	10,264,092.50
Transfers to Other Government Units	6	13,247,931.00	1,250,000.00
Other grants and transfers	7	90,895,924.89	56,653,309.12
Acquisition of Assets	8	2,287,931.00	8,440,167.00
Other Payments	9	-	-
TOTAL PAYMENTS		113,977,499.14	78,079,036.02
SURPLUS/DEFICIT		(18,738,096.14)	7,965,844.98

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The RUARAKA NG-CDF financial statements were approved on 30/6/16 2016 and signed by:



Charles Agar.
Chairman - NG-CDFC



Joshua Orero.
Fund Account Manager



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND- RUARAKA
CONSTITUENCY**

Reports and Financial Statements

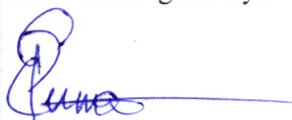
For the year ended June 30, 2016


V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2015-2016	2014-2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	(2,951,615.66)	15,786,480.48
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		(2,951,615.66)	15,786,480.48
REPRESENTED BY			
Fund balance b/fwd 1st July...2015	12	15,786,480.48	7,820,635.50
Surplus/Deficit for the year		(18,738,096.14)	7,965,844.98
Prior year adjustments	13	-	-
NET LIABILITIES		(2,951,615.66)	15,786,480.48

The accounting policies and explanatory notes to these financial statements form an integral part of The financial statements, The RUARAKA NG -CDF financial statements were approved on ---

2016 and signed by:


Charles Agar
Chairman - NG-CDFC


Joshua Orero
Fund Account Manager



**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND- RUARAKA
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	95,239,403.00	86,044,881.00
Other Receipts	3	-	-
		95,239,403.00	86,044,881.00
Payments for operating expenses			
Compensation of Employees	4	1,650,375.60	1,471,467.40
Use of goods and services	5	5,895,336.65	10,264,092.50
Transfers to Other Government Units	6	13,247,931.00	1,250,000.00
Other grants and transfers	7	90,895,924.89	56,653,309.12
Other Payments	9	-	-
Adjusted for:			
Adjustments during the year		-	-
		111,689,568.14	69,638,869.02
Net cash flow from operating activities		(16,450,165.14)	16,406,011.98
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	2,287,931.00	8,440,167.00
Net cash flows from Investing Activities		(18,738,096.14)	7,965,844.98
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	12	15,786,480.48	7,820,635.50
Cash and cash equivalent at END of the year	10A	(2,951,615.66)	15,786,480.48

The financial statements. The RUARAKA NG-CDF financial statements were approved on -----

2016 and signed by:



Charles Agar
Chairman - NG-CDFC



Joshua Orero
Fund Account Manager

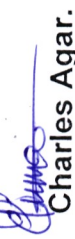


NATIONAL GOVERNMENT - CONSTITUENCIES DEVELOPMENT FUND – RUARAKA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

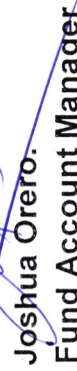
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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	102,147,470.00	60,025,883.48	162,173,353.48	113,977,499.14	48,195,854.34	70.00%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	3,110,760.00	3,200.00	3,113,960.00	1,650,375.60	1,463,584.40	53.00%
Use of goods and services	6,063,424.08	114,000.00	6,177,424.08	5,895,336.65	282,087.43	95.00%
Transfers to Other Government Units	9,841,711.60	48,318,712.00	58,160,423.60	13,247,931.00	44,912,492.60	23.00%
Other grants and transfers	83,131,574.32	8,774,000.00	91,905,574.32	90,895,924.89	1,009,649.43	99.00%
Acquisition of Assets	-	2,815,971.48	2,815,971.48	2,287,931.00	528,040.48	81.00%
Other Payments						
TOTALS	102,147,470.00	60,025,883.48	162,173,353.48	113,977,499.14	48,195,854.34	70.00%

The RUARAKA NG-CDF financial statements were approved on 30/6/16 2016 and signed by:

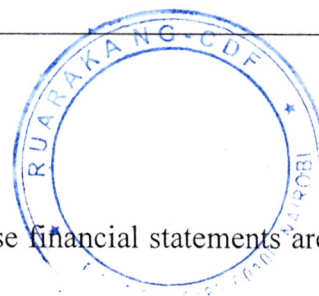

Charles Agar.

Chairman - NG-CDFC


Joshua Oremo.

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 *NG-CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to

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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.



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IX. NOTES TO THE FINANCIAL STATEMENTS

SFS CODES				
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2015-2016	2014-2015
			Kshs	Kshs
1330407	Normal Allocation	AIE NO...750266	44,239,403.00	33,805,478.50
		AIE NO...750267	25,000,000.00	31,521,914.00
		AIE NO...750268	26,000,000.00	10,000,000.00
				10,717,488.50
1330408	Conditional grants	AIE NO...		-
		AIE NO...		-
1330409	Receipt from other Constituency			-
	TOTAL		95,239,403.00	86,044,881.00
3510000	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
	Description		2015-2016	2014-2015
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings			
3510601	Receipts from the Sale of Vehicles and Transport Equipment			
3510801	Receipts from the Sale Plant Machinery and Equipment			
3510803	Receipts from the Sale of office and general equipment			
		Total		-

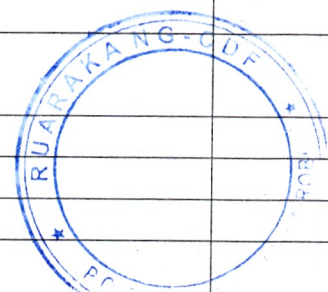


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1400000	3 OTHER RECEIPTS			
	Description		2015-2016	2014-2015
			Kshs	Kshs
1410107	Interest Received		-	
1410405	Rents		-	
1420601	Sale of tender documents		-	
1450207	Other Receipts Not Classified Elsewhere (specify)		-	
	Total		-	
2110000	4 COMPENSATION OF EMPLOYEES			
	Description		2015-2016	2014-2015
			Kshs	Kshs
2110201	Basic wages of contractual employees		1,629,575.60	1,471,467.40
2110202	Basic wages of casual labour		-	
	Personal allowances paid as part of salary			
2110301	House allowance		-	
2110314	Transport allowance		-	
2110320	Leave allowance			
2110326	Other personnel payments		-	
	employer contribution to NSSF		20,800.00	
2710120	gratuity			
	Total		1,650,375.60	1,471,467.40
2200000	5 USE OF GOODS AND SERVICES			
	Description		2015-2016	2014-2015
			Kshs	Kshs
2210100	Utilities, supplies and services			
2210104	Office rent			
2210200	Communication, supplies and services		198,333.80	200,000.00
2210300	Domestic travel and subsistence		144,000.00	155,000.00



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2210500	Printing, advertising and information supplies & services		220,402.00	800,000.00	
2210600	Rentals of produced assets				
2210700	Training expenses		3,785,000.00	5,811,000.00	
2210800	Hospitality supplies and services				
2210900	Insurance costs				
2211000	Specialised materials and services				
2211100	Office and general supplies and services		450,000.00	900,000.00	
2211200	Fuel ,oil & lubricants		500,000.00		
2211300	Other operating expenses/b charges		158,934.65	652,649.50	
2220100	Routine maintenance – vehicles and other transport equipment		438,666.20	542,443.00	
2220200	Routine maintenance – other assets		-	1,203,000.00	
	Total		5,895,336.65	10,264,092.50	
2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES				
	Description		2015-2016	2014-2015	
			Kshs	Kshs	
2630204	Transfers to primary schools		4,147,931.00	1,250,000.00	
2630205	Transfers to secondary schools		7,600,000.00		
2630206	Transfers to Tertiary institutions		-		
2630207	Transfers to Health institutions		1,500,000.00		
	TOTAL		13,247,931.00	1,250,000.00	
2640000	7 OTHER GRANTS AND OTHER PAYMENTS				
	Description		2015-2016	2014-2015	
			Kshs	Kshs	
2640101	Bursary -Secondary		9,822,500.00	9,886,500.00	

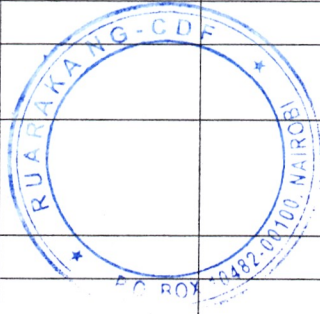
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2640102	Bursary -Tertiary		9,822,500.00	9,886,500.00
2640104	Bursary-Special schools			
2640105	Mocks & CAT			
2640504	water/Sewers		7,812,758.40	6,290,000.00
2640505	Agriculture (Markets)		45,517,135.00	10,800,000.00
2640506	Electricity projects		1,301,541.00	3,456,000.00
2640507	Security		6,672,025.49	4,209,140.32
2640508	Roads		-	-
2640509	Sports		3,179,100.00	-
2640510	Environment		1,436,124.00	1,810,000.00
2640200	Emergency Projects (specify)		5,332,241.00	8,931,000.00
2640511	Development - factories/stadiums		-	1,384,168.80
	Total		90,895,924.89	56,653,309.12

3100000 **8 ACQUISITION OF ASSETS**

Non Financial Assets		2015-2016	2014-2015
		Kshs	Kshs
3110102	Purchase of Buildings	-	
3110202	Construction of Buildings		1,750,000.00
3110302	Refurbishment of Buildings		
3110701	Purchase of Vehicles	-	4,493,167.00
3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	-	-
3111001	Purchase of Office furniture and fittings	-	2,197,000.00
3111002	Purchase of computers ,printers and other IT equipments	-	
3111005	Purchase of photocopier	-	
3111009	Purchase of other office equipments	1,946,551.70	
3111112	Purchase of soft ware	341,379.30	
3130101	Acquisition of Land	-	
	Total	2,287,931.00	8,440,167.00



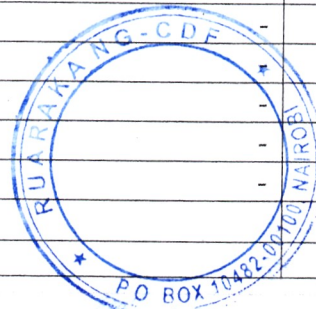
9 OTHER PAYMENTS

		2015-2016	2014-2015
		Kshs	Kshs

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specify			-	
specify			-	
TOTAL			-	
10A: Bank Balances (cash book bank balance)				
Name of Bank	Account Number		2015 - 2016	2014 - 2015
			Kshs (30/6/2016)	Kshs (30/6/2015)
Equity bank - kariobangi baranch			(2,951,615.66)	15,786,480.48
			-	
			-	
Total			(2,951,615.66)	15,786,480.48
10B: CASH IN HAND				
			2015 - 2016	2014 - 2015
			Kshs (30/6/2016)	Kshs (30/6/2015)
Location 1			-	
Location 2			-	
Location 3			-	
Other receipts (specify)			-	
Total			-	
<i>[Provide cash count certificates for each]</i>				
11: OUTSTANDING IMPRESTS				
Name of Officer	Date imprest taken		Amount Taken	Amount Taken
			Kshs	Kshs
<i>Name of Officer</i>	<i>dd/mm/yy</i>		-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>		-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>		-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>		-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>		-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>		-	-
Total			-	-

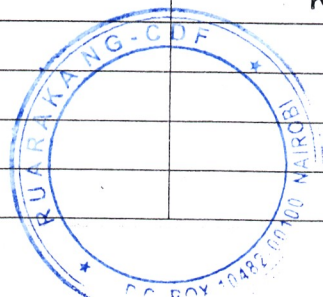


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12 BALANCES BROUGHT FORWARD				
		2015 - 2016	2014 - 2015	
		Kshs (1/1/7/2015)	Kshs (1/1/7/2014)	
Bank accounts		15,786,480.48	7,820,635.50	
Cash in hand		-		
Imprest		-		
Total		15,786,480.48	7,820,635.50	
<i>[Provide short appropriate explanations as necessary]</i>				
13 PRIOR YEAR ADJUSTMENTS				
		2015 - 2016	2014 - 2015	
		Kshs	Kshs	
Bank accounts				
Cash in hand		-		
Imprest		-		
Total		-		
14 OTHER IMPORTANT DISCLOSURES				
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)				
		2015 - 2016	2014 - 2015	
		Kshs	Kshs	
Construction of buildings		-		
Construction of civil works		-		
Supply of goods		-		
Supply of services		-		
TOTAL		-		
15.2: PENDING STAFF PAYABLES (See Annex 2)				
		2015 - 2016	2014 - 2015	
		Kshs	Kshs	
Senior management		-		
Middle management		-		
Unionisable employees		-		
Others (specify)		-		



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			-		
15.3: OTHER PENDING PAYABLES (See Annex 3)					
			2015 - 2016	2014 - 2015	
			Kshs	Kshs	
	Amounts due to other Government entities (see attached list)		-		
	Amounts due to other grants and other transfers (see attached list)		-		
	Others (<i>specify</i>)		-		
			-		



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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11. RUARAKA						
*12.						
Sub-Total						
Grand Total						



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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						



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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						



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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs)	
	2015/16	2014/15
Land		-
Buildings and structures		1,750,000.00
Transport equipment		4,493,167.00
Office equipment, furniture and fittings	1,946,551.70	
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		2,197,000.00
Heritage and cultural assets	341,379.30	
Intangible assets		
Total	2,287,931.00	8,440,167.00

