

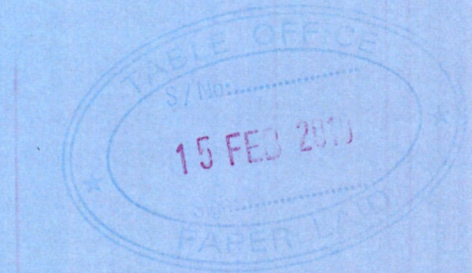
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*Paper laid by
Leader of Majority
on 15/2/2018*

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
- DAGORETTI SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2016



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
DAGORETTI SOUTH 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 –
DAGORETTI SOUTH CONSTITUENCY**

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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Development Fund (CDF) was established under the Constituency Development Fund (CDF) Act 2003, amended in 2007 and repealed by the CDF Act 2013.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

- i. Constituencies Development Fund Board (NGCDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC)

(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	Julius Juma Andera
3.	Accountant	Cleophas Oyaro
4.		

(d) Fiduciary Oversight Arrangements

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

(e) Dagoretti South NGCDF Headquarters

NGCDF Office Building.
P.O Bo 19879-00202
KNH.
Nairobi

(f) DAGORETTI SOUTH NGCDF Contacts

Telephone: (254) 0777 427 239 , 020-202-048-5

E-mail: cdfdagorettisouth@cdf.go.ke

Website: www.dagorettisouthconstituency.co.ke

(g) DAGORETTI SOUTH NGCDF Bankers

1. Equity Bank Kenya
P.O Box 27076
Kawangware
...
...

(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)

Dagoretti South NG-CDF had an allocation of Kshs. 96,439,588.00 in the financial year 2015/2016. We have been able to implement most of the projects. The constituency has so far received Kshs. **197,217,931.00** from the CDF Board for the year 2013/2014/2015/2016 and disbursed the same to the beneficiaries. The total disbursement of the financial year 2015/2016 was 70,783,626 with and AIA OF Ksh. 324,400.

Key achievements

- 1) During the financial year, 2015/2016, a considerable number of projects have been completed. These includes; reconditioning of Kwa – Hassan Road, Wambiri Road, PC Kinyanjui and several other roads. We also issued of bursaries to needy and deserving students.
- 2) The committee utilized a total of Ksh. 14,736,834.05 of security projects, Ksh. 32,228,663.08 was utilized on roads, Ksh. 2,085,770.00 was utilized on sports, and Ksh. 3,427,444.06 was utilized on various emergency projects.

Emerging issues

During the financial year the committee faced the following challenges;

- 1) Slow disbursement of funds due to the re-organization of the committee following the enactment of NG-CDF 2015.
- 2) The other issue is percentage of the fund should be increased from 2.5% to 5% to ensure that the committee can undertake project of magnitude within the constituency.
- 3) The Board should come up with a long term employment procedure for the CDF staff to ensure better transition during change of guard.

Implementation Challenges and Recommended

- NG-CDF being the backbone of development in the Constituency is an integral part in any development agenda. The Constitutional crisis arising on NG-CDF should be taken as a critical decision for the survival of NG-CDF.
- NG-CDF as a development wheel is faced with numerous challenges. The society is yet to embrace it as a non-political fund hence a negative attitude towards the fund is also another big challenge to the implementers. Nevertheless, we hope following the enactment of NG-CDF Act 2015 this will change as we focus on project that are of interest to the National Government.
- A lot of sensitization is necessary to change the community's' mind set towards development.

Sign.....

CHAIRMAN NGCDFC

CONSTITUENCY DEVELOPMENT FUND- DAGORETTI SOUTH CONSTITUENCY
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 Dagoretti South 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 Dagoretti South 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, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Dagoretti South 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 Dagoretti South 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 _____ 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 NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI SOUTH 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 – Dagoretti South Constituency set out on pages 7 to 26, 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 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 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 statements, whether due to fraud or error. In making those risk

Report of the Auditor-General on National Government Constituencies Development Fund-Dagoretti South Constituency for the year ended 30 June 2016

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

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	1,179,705	1,155,405	24,300
Use of goods	7,482,847	2,768,514	4,714,333
Committee expenses	-	4,714,333	(4,714,333)
Social security benefits	-	24,300	(24,300)

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

Qualified Opinion

In my opinion, except for the effects of matter 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 – Dagoretti South 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 Standards (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, Dagoretti South Constituency Fund incurred expenditure totalling Kshs.75,294,484 against an approved budget of Kshs.120,326,371 resulting in a net under expenditure of Kshs.45,031,887 as shown below:

	Budgeted Amount Kshs	Actual Expenditure Kshs	Utilization Difference Kshs
Compensation of Employees	4,044,981	1,409,263	2,635,718
Use of goods and services	6,193,188	5,829,383	363,804
Transfers to Other Government Units	19,300,000	-	19,300,000
Other grants and transfers	86,440,025	66,788,596	19,651,429
Acquisition of Assets	1,848,177	1,267,242	580,935
Other payments	2,500,000	-	2,500,000
Total	120,326,371	75,294,484	45,031,887

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

2. Delay in Projects Implementation

A review of projects implementation status revealed that thirty projects with a total budget of Kshs.53,388,700 approved between 2013/2014 and 2015/2016 had either not started or had not been completed as at 30 June 2016 as detailed below;

Project Name	Project Activities	Location	Financial Year	Allocation (Kshs.)
Boda Boda Sheds	Construction Of Boda Boda Sheds At Lenana Area	Ngando	2013/2014	600,000.00
Boda Boda Sheds	Construction Of Boda Boda Sheds At Dagoretti Market	Mutuini	2013/2014	600,000.00
Dagoretti Empowerment Centre	Expansion of Existing Structure by Constructing an Extra Slab For Other Floors at the Top	Universal	2013/2014	6,000,000.00

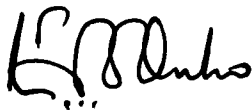
Documentary and Recording Equipments	Purchase of Pd Camera, Still Camera, Mac Book, Radio Recorder, Television Set, Led Screen and Mobile Phone	Universal	2013/2014	630,000.00
Information Management Equipments and Software	Purchase of Information Management Equipment And Software	Universal	2013/2014	600,000.00
Kagondo Road	Excavation of Extra Rocks And Box Culvert Construction	Uthiru/Ruthimitu	2013/2014	1,930,000.00
Kahuho Road	Rehabilitation of Kahuho Road	Riruta	2013/2014	2,987,088.00
Prefabricated Staff Houses	Construction of Medical Health Staff Houses In Dagoretti Sub District Hospital	Mutuini	2013/2014	2,241,379.50
Prefabricated Staff Houses	Construction of Medical Health Staff Houses In Dagoretti Sub District Hospital	Waithaka	2013/2014	2,241,379.50
Sports	Sports Activities	Universal	2013/2014	1,132,412.69
CDF Office	Extension of CDF Office to include a file registry and an extra office	Universal	2015/2016	2,000,000.00
Kagira Primary School	Renovation of 4 Classrooms	Uthiru/Ruthimitu	2015/2016	2,000,000.00
Mukarara Primary School	Renovation of 4 Classrooms and Staff offices/administration block	Waithaka	2015/2016	3,000,000.00
Kirigu Primary School	Construction of a Septic Tank	Mutuini	2015/2016	500,000.00
Kirigu Primary School	Renovation of 4 Classrooms and Staff offices/administration block	Mutuini	2015/2016	3,000,000.00

Kabiria Primary School	Construction of a 2 new classrooms and a Septic Tank	Waithaka	2015/2016	3,800,000.00
Riruta Satellite Priamry School	Renovation of 4 Classrooms and Staff offices/Administration block	Riruta	2015/2016	3,000,000.00
Nembu Girls High School	Part funding of classrooms	Waithaka	2015/2016	2,000,000.00
Dagoretti High School	Part funding of perimeter wall	Uthiru/Ruthimitu	2015/2016	2,000,000.00
Muthama - Ndwaru Road	Rehabilitation of the Road	Waithaka	2015/2016	1,500,000.00
Renovation of County Commissioners office	Renovation of the Office	Riruta	2015/2016	2,000,000.00
Administration Police Housing	Construction of Administration Police Houses at Waithaka	Waithaka	2015/2016	3,000,000.00
Administration Police Housing	Construction of AP Houses at Ngando	Ngando	2015/2016	3,000,000.00
Environment Water Tower	Construction of a Water tower stand and purchase of water tank at CDF Office	Riruta	2015/2016	400,000.00
Environment Water Tower	Construction of a Water tower stand and purchase of water tank at Waithaka Assistant county commissioner's ground	Waithaka	2015/2016	400,000.00
Environment Landscapping	Landscapping of Beth Mugo high School ground and installation of a new gate	Waithaka	2015/2016	300,000.00
Environment Landscapping	Landscapping of Nembu Primary School ground	Waithaka	2015/2016	200,000.00
Environment Landscapping	Landscapping of Ruthimitu Primary School ground	Uthiru/Ruthimitu	2015/2016	197,648.12

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Environment Landscapping	Landscapping of Ndururu Primary School ground	Riruta	2015/2016	200,000.00
Sports	Carry out Constituency Sports tournament for registered sports teams and school based teams where the teams will be awarded with trophies, balls and sports kits.	Universal	2015/2016	1,928,791.76
TOTAL				53,388,700.00

Consequently, the constituents of Dagoretti South did not obtain the intended benefits from the thirty projects budgeted, but not implemented fully as at 30 June 2016.



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

Nairobi

15 January 2018

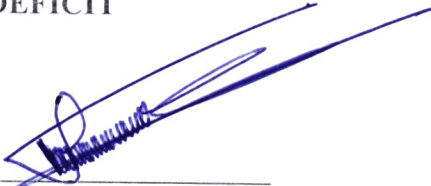
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Dagoretti South NGCDF financial statements were approved on _____ 2016 and signed by:

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	70,783,626	100,800,934
Proceeds from Sale of Assets	2	-	
Other Receipts	3	324,400	130,000
TOTAL RECEIPTS		71,108,026	100,930,934
PAYMENTS			
Compensation of employees	4	1,409,263	1,179,705
Use of goods and services	5	5,829,383	7,482,847
Transfers to Other Government Units	6	-	19,818,250
Other grants and transfers	7	66,788,596	53,098,269
Acquisition of Assets	8	1,267,242	3,251,823
Other Payments	9	-	-
TOTAL PAYMENTS		75,294,484	84,830,894
SURPLUS/DEFICIT		(4,186,458)	16,100,040



 Chairman – NGCDFC



 Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- DAGORETTI SOUTH CONSTITUENCY
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V. STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,700,325	23,886,783
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		<u>19,700,325</u>	<u>23,886,783</u>
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	23,886,783	7,786,742
Surplus/Deficit for the year		(4,186,458)	16,100,040
Prior year adjustments	14	-	-
NET LIABILITIES		<u>19,700,325</u>	<u>23,886,782</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Dagoretti South NGCDF financial statements were approved on _____ 2016 and signed by:



 Chairman – NGCDFC



 Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- DAGORETTI SOUTH CONSTITUENCY
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VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
Receipts for operating income			
Transfers from CDF Board	1	70,783,626	100,800,934
Other Receipts	3	324,400	130,000
		71,108,026	100,930,934
Payments for operating expenses			
Compensation of Employees	4	1,409,263	1,179,705
Use of goods and services	5	5,829,383	7,482,847
Transfers to Other Government Units	6	-	19,818,250
Other grants and transfers	7	66,788,596	53,098,269
Other Payments	9	-	-
		74,027,242	81,579,071
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(2,919,216)	19,351,863
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,267,242)	(3,251,823)
Net cash flows from Investing Activities		(1,267,242)	(3,251,823)
NET INCREASE IN CASH AND CASH EQUIVALENT		(4,186,458)	16,100,040
Cash and cash equivalent at BEGINNING of the year	13	23,886,783	7,786,743
Cash and cash equivalent at END of the year		19,700,325	23,886,783

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Dagoretti South NGCDF financial statements were approved on _____ 2016 and signed by:



Chairman NGCDF



Fund Account Manager

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	96,439,588	23,886,783	120,326,371	70,783,626	49,542,745	59%
Proceeds from Sale of Assets				-	-	
Other Receipts	0		324,400	324,400		
TOTAL	96,439,588	23,886,783	120,650,771	71,108,026	49,542,745	59%
PAYMENTS						
Compensation of Employees	2,486,375.28	1,558,606	4,044,981	1,409,263	2,635,718	35%
Use of goods and services	6,193,188		6,193,188	5,829,383	363,804	94%
Transfers to Other Government Units	19,300,000		19,300,000	-	19,300,000	0%
Other grants and transfers	65,960,025	20,480,000	86,440,025	66,788,596	19,651,429	77%
Acquisition of Assets		1,848,177	1,848,177	1,267,242	580,935	69%
Other Payments	2,500,000		2,500,000		2,500,000	
TOTAL	96,439,588	23,886,783	120,326,371	75,294,484	45,031,887	63%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI SOUTH CONSTITUENCY

**Reports and Financial Statements
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- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- i. XXXX
 - ii. XXXX
 - iii. XXXX
 - iv. XXXX
 - v. XXXX

by: The Dagoretti South NGCDF financial statements were approved on _____ 2016 and signed



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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

Reports and Financial Statements

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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 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 – DAGORETTI SOUTH 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		19,083,626.40	31,220,056.20
		3,700,000.00	7,300,000.00
		24,000,000.00	15,483,626.00
	A820952	24,000,000.00	1,230,000.00
			13,670,175.60
			9,113,450.00
			22,783,626.00
Conditional grants			
	AIE NO...		
Receipt from other Constituency	AIE NO...		
TOTAL		70,783,626	100,800,934

2. PROCEEDS FROM SALE OF ASSETS

	2015 – 2016	2014 – 2015
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total		

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

3. NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Interest Received	-	-
Rents	-	-
Interest Received	-	-
Other Receipts Not Classified Elsewhere (specify)	324,400.00	130,000
Total	324,400	130,000

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	1,214,463	1,155,405
Basic wages of casual labour	170,000	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF gratuity	24,800	24,300.00
Total	1,409,263	1,179,705

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

5 USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	43,372.55	615,797.00
Office rent		
Communication, supplies and services	485,310.25	350,000.00
Domestic travel and subsistence	32,500.00	150,000.00
Printing, advertising and information supplies & services	431,400.46	281,880.00
Rentals of produced assets		
Training expenses	1,200,000.00	1,000,000.00
Hospitality supplies and services		
Other committee expenses	522,300.00	
Committee allowance	2,222,000.00	4,714,333.00
Insurance costs		286,323.00
Specialised materials and services		
Office and general supplies and services	707,500.00	68,514.00
Fuel ,oil & lubricants		
Other operating expenses		
Routine maintenance – vehicles and other transport equipment		
Routine maintenance – other assets	185,000.00	16,000.00
Total	5,829,383	7,482,847

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers to primary schools		19,251,000.00
Transfers to secondary schools		567,250.00
Transfers to Tertiary institutions		
Transfers to Health institutions		
TOTAL	0.00	19,818,250

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Bursary -Secondary	7,712,500.00	7,151,000.00
Bursary -Tertiary	6,167,500.00	8,000,000.00
Bursary-Special schools	340,000.00	
Mocks & CAT		
water		
Agriculture (food security)		
Electricity projects		
Security	14,736,834.05	900,000.00
Roads	32,228,663.08	28,732,958.05
Sports	2,085,770.00	447,700.00
Other capital grants and transfer	89,885.00	2,626,815.00
Emergency Projects (specify)	3,427,444.06	5,239,795.60
Total	66,788,596	53,098,269

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2015 - 2016 Kshs	2014 - 2015 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	522,105.10
Purchase of School office furniture and fittings	1,267,242	2,729,717.80
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
Total	1,267,242	3,251,823

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 Other Payments

specify	-	-
specify	-	-
specify	-	-
TOTAL	-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs (30/6/2016)	2014 - 2015 Kshs (30/6/2015)
Account Number		
Equity - Kawangware Branch	19,700,325	23,886,783
Account no.0630262089069	-	-
	-	-
Total	19,700,325	23,886,783

10B: CASH IN HAND)

	2015 - 2016 Kshs (30/6/2015)	2014 - 2015 Kshs (30/6/2015)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs

0

[Include an annex of the list is longer than 1 page.]

12 Retention			
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
		Kshs	Kshs
DAGORETTI SOUTH CDF (Dosan Ltd)		97,615.00	
DAGORETTI SOUTH CDF (Miles Buliders Ltd)		91,386.50	
DAGORETTI SOUTH CDF (Premacy Agencies)		442,711.70	
DAGORETTI SOUTH CDF (Dosan Ltd)		42,783.50	
DAGORETTI SOUTH CDF (Rine General Contractor)		52,559.52	
DAGORETTI SOUTH CDF (Miles Builders Ltd)		50,222.78	
DAGORETTI SOUTH CDF (Rine General Contractor)		93,095.00	
DAGORETTI SOUTH CDF (SiriKhaya Holdings Ltd)		59,363.00	
DAGORETTI SOUTH CDF (Supper Tag General Contractors Ltd)		71,166.00	
DAGORETTI SOUTH CDF (Kaswa Ltd)		87,226.68	
DAGORETTI SOUTH CDF (Pashilloh Ltd)		94,732.13	
DAGORETTI SOUTH CDF (Westminster Ltd)		94,989.50	
DAGORETTI SOUTH CDF (Yamu Construction Ltd)		179,660.00	
DAGORETTI SOUTH CDF (Jakina Enterprises Ltd)		103,634.40	
DAGORETTI SOUTH CDF (Batch Hardware)		83,090.00	
DAGORETTI SOUTH CDF (Westminister Ltd)		94,989.00	
DAGORETTI SOUTH CDF (Sirikhaya Holdings Ltd)		59,363.00	
DAGORETTI SOUTH CDF (Supper Tag General Contractors Ltd)		71,166.00	
DAGORETTI SOUTH CDF (Star Sourcing & Supplies Ltd)		166,046.46	
DAGORETTI SOUTH CDF (Pashilloh Ltd)		94,052.80	
DAGORETTI SOUTH CDF (Kaswa Ltd)		87,226.88	
DAGORETTI SOUTH CDF (Jakina Enterprises Ltd)		132,599.60	
		2,160,677.95	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 BALANCES BROUGHT FORWARD

	2015 - 2016 Kshs (1/7/2015)	2014 - 2015 Kshs (1/7/2014)
Bank accounts	23,886,783	7,786,743
Cash in hand	-	-
Imprest	-	-
Total	23,886,783	7,786,743
[Provide short appropriate explanations as necessary]		

**14.
ADJUSTMENTS**

PRIOR YEAR

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2015 d=a-c	Outstanding Balance 2014	Comments
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.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT ENTITY - (Dagoretti South Constituency)

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

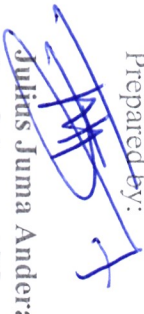
ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount A	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2015 d=a-c	Outstanding Balance 2014	Comments
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							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs)	
	2015/16	2014/15
Land	N/A	N/A
Buildings and structures (appreciation of 10% p.a)	67,815,681.71	61,650,619.73
Transport equipment	-	-
Office equipment, furniture and fittings	918,746.11	918,746.11
ICT Equipment, Software and Other ICT Assets	2,318,335.80	2,318,335.80
Other Machinery and Equipment	135,048.00	135,048.00
Heritage and cultural assets	-	-
Intangible assets	-	-
Other assets	738,000.00	738,000.00
Total	71,925,811.62	65,760,749.64

Prepared by:



Julius Juma Andera

Fund Account Manager

Dagoretti South Constituency

TRIAL BALANCE AS AT 30TH JUNE 2016			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	19,700,325	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	1,384,463	
	Use of goods and services	3,085,083	
	Committee Expenses	2,744,300	
	Transfers to Other Government Units	-	
	Other grants and transfers	66,788,596	
	Social Security Benefits	24,800	
	Acquisition of Assets	1,267,242	
	Other Payments	-	
Receipts			
	Transfers from the Board		70,783,626
	Proceeds from sale of assets		-
	Others receipts		324,400
	Prior Year Adjustment		-
	Fund Balance b/f		23,886,783
	TOTAL	94,994,809	94,994,809

(o)