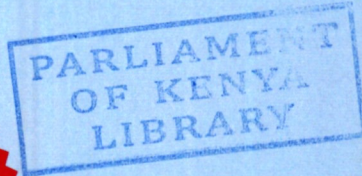
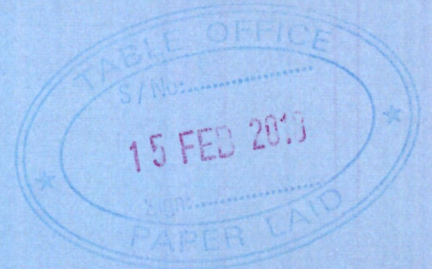


REPUBLIC OF KENYA



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

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**

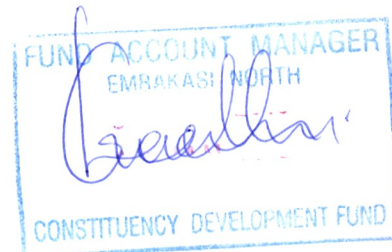


**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND-
EMBAKASI NORTH CONSTITUENCY**

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 – EMBAKASI
NORTH 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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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-CDFA) 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 *EMBAKASI NORTH 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 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Leah Waithera Guchu
3.	Accountant	Cleophas Oyaro

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of EMBAKASI NORTH Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the 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) EMBAKASI NORTH NG-CDF Headquarters

P.O Box 66984-00200
Nairobi
Living Goods Building 3rd Floor
Along Outering Road
Off Kariobang Round about
Adjacent KWFT Microfinance

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- EMBAKASI NORTH
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

(f) EMBAKASI NORTH NG-CDF Contacts

Telephone: (254) 725 433 427
E-mail: embakasinorth@ng-cdf.go.ke
Website: www.ng-cdf.go.ke

(g) EMBAKASI NORTH NG-CDF Bankers

1. Equity Bank Limited

City Hall Branch
P.O.Box 75104

1300261118717

...

...

...

(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 CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)

IPSAS is a catalyst for providing high-quality transparent financial statements and, more importantly, enabling sound public-finance management and improving operational performance.

Embakasi North CDF was allocated **Kshs.97, 287,696.00** in the Financial Year 2015/2016. Our budget utilisation stands at 98% remaining with 5 projects under procurement stage. We applaud the CDF Board for the timely disbursement of funds which has been the backbone of our implementation status and we are looking forward to continued support.

The major projects undertaken in the constituency include: Public Schools, Security, Roads, and Bursaries. These projects have contributed positively to the livelihoods of the Embakasi North residents.

However, these have been achieved with a lot of emerging issues such as high expectations from the public versus low CDF funding and continued misconception by the public in regard to CDF funds which they view it as a political fund.

CDF Embakasi North has however experienced some implementation challenges. Key among them, increased incidents of the Dandora garbage heap in phases 4 and 5 leaving no space for development, inadequate record keeping for the CDFC/PMCs, Low capacity for the CDFC/PMCs which can be curbed by collaboration with the Ministry of Lands to curtail land grabbing and increased funding by the CDF Board to cater for regular trainings for the CDFC/PMCs respectively

Sign



CHAIRMAN NG-CDFC



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- EMBAKASI NORTH
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 the Public Sector Accounting Standards Board of Kenya from time to time.

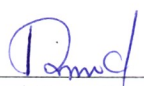
The Accounting Officer in charge of the (*indicate actual name of the NG-CDF*) is responsible for the preparation and presentation of the *NG-CDF's* financial statements, which give a true and fair view of the state of affairs of the *NG-CDF* for and as at the end of the financial year (period) ended on June 30, 20XX. 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.

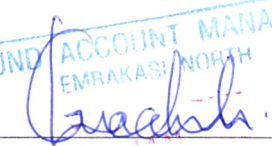
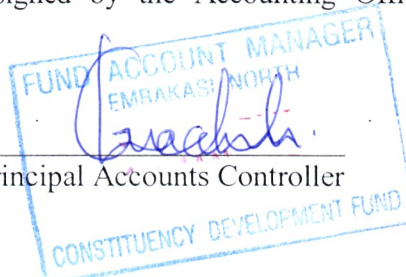
The Accounting Officer in charge of the (*name of the NG-CDF*) accepts responsibility for the *NG-CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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, 20XX, and of the *NG-CDF's* financial position as at that date. The Accounting Officer charge of the (*Embakasi North 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 (*name of the 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 June 2016.


Principal Secretary


Principal Accounts Controller


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 – EMBAKASI NORTH 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 – Embakasi North Constituency set out on pages 5 to 23, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation 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

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

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 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. Bank Balance

The statement of financial assets reflects a bank balance of Kshs.25,009,600 as at 30 June 2016. A review of the bank reconciliation statement for June 2016 revealed un-presented cheques amounting to Kshs.6,955,028 out of which cheques totalling Kshs.4,627,472 were stale and had not been reversed in the cashbook as at the time of the audit. Consequently, the accuracy of the bank balance of Kshs.25,009,600 as at 30 June 2016 can not be confirmed.

2. Unsupported and Unconfirmed Projects

2.1 Roads Construction Works

(i) Embakasi North Constituency Fund paid Kshs.84,115,140 during the year under review to four firms for construction of four roads, namely; Cinema Road-Dandora Phase II, AP Road-Dandora Phase V, Maitu Njeri Road-Dandora Phase I and DO Road-Dandora Phase III. However, supporting documents in respect of the four constructions were not provided for audit verification as they were claimed to be with the Ethics and Anti-Corruption Commission pending investigation for alleged fraud.

(ii) In addition, the Fund in 2015/2016 paid Kshs.1,200,000 to a firm for grading and murraming of Cardinal Otunga Road (0.6 Kms). In 2014/2015, the Fund made a payment of Kshs.4,782,349 for tarmacking, drainage and construction of sideways paths in respect of the same road. Physical verification did not however confirm grading and murraming works on the road.

Consequently, the propriety of payments totalling Kshs.85,315,140 made in 2015/2016 for road construction can not be confirmed.

2.2 Education Projects

(i) During the year 2015/2016, the Fund paid Kshs.1,088,870 to a firm for construction of perimeter wall in Ushirika Secondary School. Information available indicate that the Fund had transferred to the Project Management Committee account Kshs.625,000 and Kshs.3,074,700 in 2013/2014 and 2014/2015 respectively for the same project. Physical verification in 2014/2015 and 2015/2016 however, revealed that there were no notable changes in the construction of the perimeter wall. Further, supporting documents in respect of the payment of Kshs.1,088,870 were not provided for audit verification.

(ii) In addition, the Fund made a payment of Kshs.1,530,968 to a firm for construction of a kitchen at Dandora Girls Secondary School. No documents in support of the payment were however provided for audit verification.

The propriety of the payments totalling to Kshs.2,619,838 made in 2015/2016 for the two secondary schools projects can not be ascertained in the absence of supporting documents. It is not possible also under the circumstances to confirm that the public money has been applied lawfully and effectively on these projects.

2.3 Procurement of Works

During the year under review, the Fund engaged various contractors to undertake projects under transfers to other government units and other grants and transfers. However, the Fund did not provide documents to show how the contractors were sourced as analyzed below:-

PV NO.	Date	Project Name	Nature of Work	Amount Kshs.
11	30/11/2015	Dandora Girls	Construction of kitchen	1,448,764.20
18	31/12/2015	Kaduna	Toilet block	2,065,139.50
4	31/12/2015	Mutito Road	Road construction	5,689,655.20
12	30/11/2015	D.O Road	Road construction	7,206,896.50
				16,410,455.40
16	31/12/2015	Dandora Secondary School	Construction of hall	863,504.45
104	30/07/2015	AP Road	Road construction	4,608,762.20
5	30/09/2015	AP Road	Road construction	6,290,136.50
12	30/11/2015	Maitu Njeri Road	Road construction	7,586,206.90
9	31/05/2016	Maitu Njeri Road	Road construction	5,689,200.00
				25,037,810.05
103	30/09/2015	Cinema Road	Road construction	7,111,694.55

105	30/08/2015	Ushirika Secondary School	Perimeter wall	1,037,167.20
17	31/12/2015	Cardinal Otunga Road	Road construction	1,137,931.05
10	30/07/2015	Cinema Road	Road construction	4,609,230.95
				13,896,023.75
			Total	55,344,289.20

Consequently, it is not possible to confirm whether the contractors were competitively sourced and whether the constituents of Embakasi North got value for money in respect of the expenditure of Kshs.55,344,289.20 incurred on the projects in question.

3. Payment for Unutilized Office Space

Included in use of goods and services expenditure of Kshs.5,274,160 is office rent which increased from Kshs.450,000 in 2014/2015 to Ksh.1,410,000 in 2015/2016 an increase of 213%. The increment was caused by a review of lease agreement on 1 April 2015 which required the Fund to occupy double the space it had been occupying at twice the initial cost. Verification of the extra office space acquired revealed that, it had not been occupied two years after the date of the new lease agreement. A review of rent paid between 1 April 2015 and 30 June 2016 revealed that the Fund paid Kshs.700,000 for the space not occupied. Consequently, the Fund did not obtain value for money on Kshs.700,000 spent on unoccupied office space.

4. Unremitted Statutory Deductions

A review of payment vouchers and unrepresented cheques as at 30 June 2016 revealed long outstanding cheques in respect of pay as you earn, VAT, withholding tax and National Hospital Insurance Fund, all totalling Kshs.2,912,056, which had not been remitted to the respective statutory bodies as at the time of the audit. No justification has been provided for non-remittance of the cheques thereby exposing the Fund to the risk of incurring penalties.

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 – Embakasi North 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 (IPSAS) Cash Basis and comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budgetary and Budgetary Control

During the year under review, Embakasi North Constituency Development Fund incurred expenditure totalling Kshs.86,316,488 against an approved budget of Kshs.139,602,297 resulting in under expenditure of Kshs.53,285,808 as shown below:

Item	Budgeted Amount	Actual Expenditure	Under/Over Expenditure
	Kshs	Kshs	Kshs
Compensation of Employees	1,314,720	1,242,570	72,150
Use of goods and Services	7,629,426	5,274,160	2,355,266
Transfers to Other Govnt.	25,950,000	4,801,664	21,148,336
Other Grants and Transf.	104,708,150	74,998,094	29,710,056
Total	139,602,297	86,316,488	53,285,808

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 Embakasi North Constituency.

2. Implementation of Projects

2.1 Transfers to Other Government Entities

The Constituency Fund budgeted to spend Kshs.12,450,000 on six projects under transfers to other government entities during the year as per the records provided but spent Kshs.4,801,664 resulting in net under expenditure of Kshs.7,648,336 as detailed below:

Project	Year	Budgeted Amount	Actual Expenditure	Over/Under Expenditure
Dandora Girls Sec School	2015/2016	5,150,000	1,462,005	3,687,995
Ushirika Sec School	2015/2016	5,000,000	1,088,870	3,911,130
Dandora Secondary School	2015/2016	1,000,000	912,954	87,046

Kariobangi North Girls Sec	2015/2016	1,000,000	0	1,000,000
James Gichuru Pri School	2015/2016	300,000	0	300,000
Tom Mboya Pri School		0	1,337,835	(1,337,835)
Total		12,450,000	4,801,664	7,648,336

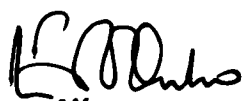
Consequently, the Constituents of Embakasi North did not obtain benefits for the six projects budgeted but not fully implemented during the year.

2.2 Other Grants and Transfers

The Constituency Fund budgeted to spend Kshs.69,755,343 on seven items under other grants and transfers during the year as per records provided but spent Kshs.74,998,094 resulting in over expenditure of Kshs.5,242,751 as detailed below;

Project	Budgeted Amount	Actual Expenditure	Over/ Under Expenditure
Bursary/CATs/Mocks	17,000,000	17,760,000	(760,000)
Emergency	5,767,647	4,180,525	1,587,122
Roads and Bridges	30,700,000	53,057,570	(22,357,570)
Security projects	12,287,696	0	12,287,696
Environment activities	1,500,000	0	1,500,000
Sports	1,000,000	0	1,000,000
Market Shades	1,500,000	0	1,500,000
Total as per Records	69,755,343	74,998,095	(5,242,752)

Consequently, the Constituents of Embakasi North did not obtain benefits for the projects budgeted but not fully implemented during the year.



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

Nairobi

11 January 2018

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- EMBAKASI NORTH
CONSTITUENCY

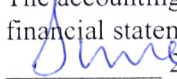
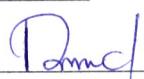
Reports and Financial Statements


For the year ended June 30, 2016

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	92,464,294.50	45,964,294.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	40,000.00
TOTAL RECEIPTS		92,464,294.50	46,004,294.00
PAYMENTS			
Compensation of employees	4	1,242,570.00	1,331,809.00
Use of goods and services	5	5,274,160.00	4,707,502.00
Transfers to Other Government Units	6	4,801,664.20	28,544,503.23
Other grants and transfers	7	74,998,094.07	21,914,362.80
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		86,316,488.27	56,498,177.03
SURPLUS/DEFICIT		6,147,806.23	(10,493,883.03)

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



Chairman - NG-CDFC


Fund Account Manager
EMBAKASI NORTH
CONSTITUENCY DEVELOPMENT FUND

II. STATEMENT OF FINANCIAL ASSETS

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- EMBAKASI NORTH
CONSTITUENCY

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

	Note	2015-2016	2014-2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	25,009,599.73	18,861,793.50
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		25,009,599.73	18,861,793.50
REPRESENTED BY			
Fund balance b/fwd 1st July...2015	13	18,861,793.50	29,355,676.53
Surplus/Deficit for the year		6,147,806.23	(10,493,883.03)
Prior year adjustments	14	-	-
NET LIABILITIES		25,009,599.73	18,861,793.50

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMBAKASI NORTH NG-CDF financial statements were approved on June 2016 and signed by:

Donat
Chairman NG-CDFC

Graciano
Fund Account Manager



IV. SUMMARY STATEMENT OF CASH FLOW

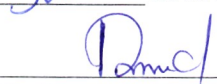
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- EMBAKASI NORTH
CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2016

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	92,464,294.50	45,964,294.00
Other Receipts	3	-	40,000.00
		92,464,294.50	46,004,294.00
Payments for operating expenses			
Compensation of Employees	4	1,242,570.00	1,331,809.00
Use of goods and services	5	5,274,160.00	4,707,502.00
Transfers to Other Government Units	6	4,801,664.20	28,544,503.23
Other grants and transfers	7	74,998,094.07	21,914,362.80
Other Payments	8	-	-
Adjusted for:			
Adjustments during the year		-	-
		86,316,488.27	56,498,177.03
Net cash flow from operating activities		6,147,806.23	(10,493,883.03)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		6,147,806.23	(10,493,883.03)
NET INCREASE IN CASH AND CASH EQUIVALENT		6,147,806.23	(10,493,883.03)
Cash and cash equivalent at BEGINNING of the year	10a	18,861,793.50	29,355,676.53
Cash and cash equivalent at END of the year	10b	25,009,599.73	18,861,793.50

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMBAKASI NORTH NG-CDF financial statements were approved on June 2016 and signed by:


Chairman - NG-CDFC


Fund Account Manager
CONSTITUENCY DEVELOPMENT FUND

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

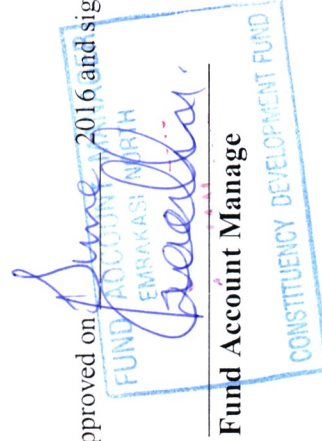
V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	88,787,696.00	50,814,601.00	139,602,297.00	111,326,088.00	28,276,209.00	80.00%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	1,314,720.00	-	1,314,720.00	1,242,570.00	72,150.00	95.00%
Use of goods and services	5,267,633.00	2,361,793.50	7,629,426.50	5,274,160.00	2,355,266.50	69.00%
Transfers to Other Government Units	12,450,000.00	13,500,000.00	25,950,000.00	4,801,664.20	21,148,335.80	19.00%
Other grants and transfers	69,755,343.00	34,952,807.50	104,708,150.50	74,998,094.07	29,710,056.43	72.00%
Acquisition of Assets	-	-	-	-	-	0.00%
Other Payments						
TOTALS	88,787,696.00	50,814,601.00	139,602,297.00	86,316,488.27	53,285,808.73	62.00%

(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]

The EMBAKASI NORTH NG-CDF financial statements were approved on June 2016 and signed by:


 Chairman NG-CDF



Fund Account Manager

VI. 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

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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 *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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IFS CO DES				
1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2015-2016	2014-2015
			Kshs	Kshs
1330 407	Normal Allocation	AIE NO...A709973	31,952,807.50	20,982,147.00
		AIE NO...A735547	12,511,487.00	13,789,288.00
		AIE NO...A796759	10,000,000.00	11,192,859.00
			10,000,000.00	
			28,000,000.00	
1330 408	Conditional grants	AIE NO...		-
		AIE NO...		-
1330 409	Receipt from other Constituency			-
	TOTAL		92,464,294.50	45,964,294.00
2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
	Description		2015-2016	2014-2015
			Kshs	Kshs
1510 202	Receipts from the Sale of Buildings			
1510 601	Receipts from the Sale of Vehicles and Transport Equipment			
1510 801	Receipts from the Sale Plant Machinery and Equipment			
1510 803	Receipts from the Sale of office and general equipment			
	Total		-	

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3 OTHER RECEIPTS				
Description		2015-2016	2014-2015	
		Kshs	Kshs	
1400 000				
1410 107	Interest Received	-		
1410 405	Rents	-		
1420 601	Sale of tender documents	-	40,000.00	
1450 207	Other Receipts Not Classified Elsewhere (specify)	-		
	Total	-	40,000.00	
4 COMPENSATION OF EMPLOYEES				
Description		2015-2016	2014-2015	
		Kshs	Kshs	
2110 201	Basic wages of contractual employees	1,221,770.00	1,301,009.00	
2110 202	Basic wages of casual labour	-		
	Personal allowances paid as part of salary			
2110 301	House allowance	-		
2110 314	Transport allowance	-		
2110 320	Leave allowance			
2120 101	Employer contribution to NSSF	20,800.00	30,800.00	
2110 326	Other personnel payments	-		
2710 120	gratuity			
	Total	1,242,570.00	1,331,809.00	
5 USE OF GOODS AND SERVICES				
Description		2015-2016	2014-2015	
		Kshs	Kshs	
2200 000				

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2210 100	Utilities, supplies and services		413,000.00	150,000.00	
2210 104	Office rent		1,410,000.00	450,000.00	
2210 200	Communication, supplies and services		100,000.00	200,000.00	
2210 300	Domestic travel and subsistence		200,000.00	127,000.00	
2210 500	Printing, advertising and information supplies & services		200,000.00	150,387.00	
2210 600	Rentals of produced assets		-		
2210 700	Training expenses		-	942,000.00	
2210 802	Other committee expenses		1,266,000.00	2,024,500.00	
2210 809	Committee allowance		1,368,000.00	642,000.00	
2210 800	Hospitality supplies and services		-		
2210 900	Insurance costs		-		
2211 000	Specialised materials and services		-		
2211 100	Office and general supplies and services		300,000.00		
2211 200	Fuel ,oil & lubricants				
2211 300	Other operating expenses/b charges		17,160.00		
2220 100	Routine maintenance – vehicles and other transport equipment			21,615.00	
2220 200	Routine maintenance – other assets				
	Total		5,274,160.00	4,707,502.00	
2630 200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES				
	Description		2015-2016	2014-2015	
			Kshs	Kshs	
2630 204	Transfers to primary schools		1,337,835.00	4,238,313.00	

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2630 205	Transfers to secondary schools		3,463,829.20	24,306,190.23	
2630 206	Transfers to Tertiary institutions				
2630 207	Transfers to Health institutions				
	TOTAL		4,801,664.20	28,544,503.23	
2640 000	7 OTHER GRANTS AND OTHER PAYMENTS				
	Description		2015-2016	2014-2015	
			Kshs	Kshs	
2640 101	Bursary -Secondary		17,760,000.00	6,192,500.00	
2640 102	Bursary -Tertiary			6,192,500.00	
2640 104	Bursary-Special schools				
2640 105	Mocks & CAT				
2640 504	water/Sewers				
2640 505	Agriculture (Markets)				
2640 506	Electricity projects				
2640 507	Security				
2640 508	Roads		53,057,569.57	5,694,589.60	
2640 509	Sports			634,853.20	
2640 510	Environment				
2640 200	Emergency Projects (specify)		4,180,524.50	3,199,920.00	
2640 511	Development - factories/stadiums				
	Total		74,998,094.07	21,914,362.80	
3100 000	8 ACQUISITION OF ASSETS				
	Non Financial Assets		2015-2016	2014-2015	
			Kshs	Kshs	
3110 102	Purchase of Buildings		-		
3110 202	Construction of Buildings				

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3110 302	Refurbishment of Buildings			
3110 701	Purchase of Vehicles		-	
3110 704	Purchase of Bicycles & Motorcycles		-	
3110 801	Overhaul of Vehicles		-	
3111 001	Purchase of Office furniture and fittings		-	
3111 002	Purchase of computers ,printers and other IT equipments		-	
3111 005	Purchase of photocopier			
3111 009	Purchase of other office equipments			
3111 112	Purchase of soft ware			
3130 101	Acquisition of Land			
	Total		-	-

9 OTHER PAYMENTS

	2015-2016	2014-2015
	Kshs	Kshs
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		25,009,599.73	18,861,793.50
		-	
		-	
Total		25,009,599.73	18,861,793.50

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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	Balance (30/6/2015)
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy	-		-
Name of Officer	dd/mm/yy	-		-
Total				-
12 Retention				
	Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
13 BALANCES BROUGHT FORWARD				
		2015 - 2016	2014 - 2015	
		Kshs (1/7/2015)	Kshs (1/7/2014)	
Bank accounts		18,861,793.50	29,355,676.53	
Cash in hand		-		
Imprest		-		

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Total		18,861,793.50	29,355,676.53	
	<i>[Provide short appropriate explanations as necessary]</i>			
14 PRIOR YEAR ADJUSTMENTS				
		2015 - 2016	2014 - 2015	
		Kshs	Kshs	
Bank accounts				
Cash in hand		-		
Imprest		-		
		-		
Total		-		
15 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 (<i>specify</i>)		-		
		-		
15.3: OTHER PENDING PAYABLES (See Annex 3)				

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		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>)		-		

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
				2014	
	a	b	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.					
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	Outstanding Balance	
				2015	2014
		a	b	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					

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Outstanding Balance	
				2015	2014
		a		c	d=a-c
Amounts due to other Government entities					
1.					
2.					
3.					
Sub-Total					

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Amounts due to other grants and other transfers				
4.				
5.				
6.				
Sub-Total				
Others (specify)				
7.				
8.				
9.				
Sub-Total				
Grand Total				

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost	Historical Cost
	(Kshs)	(Kshs)	(Kshs)
	2015/16	2014/15	2013/14
Land	-	-	
Buildings and structures	-	-	-
Transport equipment	-	-	-
Office equipment, furniture and fittings	605,325.00	605,325.00	605,325.00
ICT Equipment, Software and Other ICT Assets	604,000.00	604,000.00	604,000.00
Other Machinery and Equipment	-	-	-
Heritage and cultural assets	-	-	
Intangible assets	-	-	
Total	1,209,325.00	1,209,325.00	1,209,325.00

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ASSET REGISTER

TYPE OF ASSET	ASSET NUMBER	ACQUISITION DATE	CURRENT CONDITION	COST(KSHS)	ASSET SERIAL NUMBER
26 Flat screen sumsang LED TV	EN/CDF/STV/01	18.10.2013	Working	66,000.00	LGDG3DCD501278
HP Flat screen personal computer	EN/CDF/CP/01	18.10.2013	Working	108,000.00	TRF3100FRS
HP Flat screen personal computer	EN/CDF/CP/02	18.10.2013	Working	158,000.00	TRF3090Q2C
HP Flat screen personal computer	EN/CDF/CP/03	18.10.2013	Working	158,000.00	MXL53103DT
HP mediam size photocopier machine	EN/CDF/P/01	18.10.2013		80,000.00	CND8F7PB8C
Samsung Microwave	EN/CDF/SM/01	18.10.2013	Working	18,000.00	J68C7WFD500931P
Hotpoint small size refrigerator	EN/CDF/HTR/01	18.10.2013	Working	25,000.00	H10197212110190120
A set of gas cooker of two burners (UKEN)and 13kg gas cylinder	EN/CDF/UKEN/01	18.10.2013	Working	18,000.00	2.01307E+12
11 board table seats	EN/CDF/S11/01	18.10.2013	Working	242,000.00	
2 filing cabinet- metallic	EN/CDF/2CM/01	18.10.2013	Working	51,000.00	
Board Room table 9 by 3	EN/CDF/BR/01	18.10.2013	Working	45,000.00	
Ramtons water dispenser	EN/CDF/RWD/01	18.10.2013	Working	25,000.00	Q355/10039
4 office tables	EN/CDF/4OT/01	18.10.2013	Working	140,000.00	
1 coffee table plus 2 stools	EN/CDF/1CT/2S/01	18.10.2013	Working	35,000.00	
HP Colour printer	EN/CDF/HPCP/01	18.10.2013	Working	50,000.00	CNFGV00222
HP Colour printer	EN/CDF/HPCP/02	18.10.2013	Working	50,000.00	CNFG00213
CDF Board computer-dell	EN/CDF/BCD/01	18.10.2013	Working		6.58031E+13
CDF Board HP Scanner	EN/CDF/BHPS/01	18.10.2013			CN2BJVHO3W
Paper punch	EN/CDF/PP/01	18.10.2013	Working	265.00	

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Stapler	EN/CDF/S/01	18.10.2013	Working	360.00	
Ruber stamp	EN/CDF/RS/01	18.10.2013	Working	700.00	