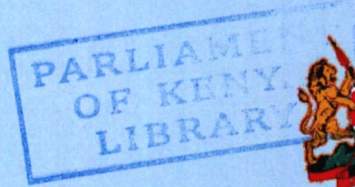
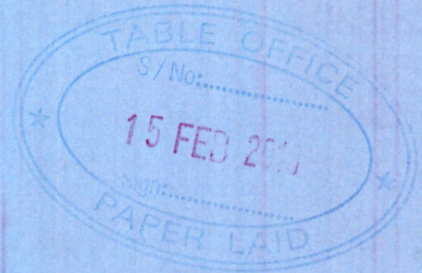


REPUBLIC OF KENYA



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

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**





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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016**

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**Prepared in accordance with the Cash Basis of Accounting Method under the International  
Public Sector Accounting Standards (IPSAS)**

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

**Reports and Financial Statements**

**For the year ended June 30, 2016**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI  
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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

**(b) Key Management**

The *EMBAKASI SOUTH Constituency's* day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (NG-CDFB)
- ii. NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND Committee (NG-CDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Peter Mukhanji</b>
3.	Accountant	<b>C.O.Oyaro</b>

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 10445-100  
Nairobi, KENYA



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

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs.)**

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**(f) EMBAKASI SOUTHNG-CDF CONTACTS**

Telephone: 0728524023

E-mail: [info@embakasisouth.NG-CDF.go.ke](mailto:info@embakasisouth.NG-CDF.go.ke)

Website: [www.Embakasi South.NG-CDF.go.ke](http://www.Embakasi South.NG-CDF.go.ke)

**(g) EMBAKASI SOUTHNG-CDF Bankers**

1. Bank Name: Equity bank  
Branch: TAJ MALL  
Account Name: EMBAKASI SOUTH NG-CDF  
Address: 75104 Nairobi

**(h) Independent Auditors**

Auditor General  
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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI SOUTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs.)**

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

Embakasi South NG-CDF had an allocation of Kshs.99,195,865 in the financial year 2015/2016. We have been able to implement most of the projects. The constituency has so far received Kshs.49,000,000 from the NG-CDF Board and disbursed the same to the beneficiaries. During the financial year, 2015/2016, a considerable number of projects have been completed. These includes; Construction of abolition block at Mukuru Kwa Njenga, Renovation of Mukuru Health Centre, Taking part in sports activities, and issuing of bursaries to needy students. 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. Separation here becomes an uphill task. A negative attitude towards the fund is also another big challenge to the implementers.

A lot of sensitization is necessary to change the community's' mind set towards development.

Sign: ..........

**CHAIRPERSON NG-CDFC**



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

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs.)**

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**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 EMBAKASI SOUTH 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, 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 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 EMBAKASI SOUTH 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, 2016, and of the NG-CDF's financial position as at that date. The Accounting Officer in charge of the EMBAKASI SOUTH 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 EMBAKASI SOUTH 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


  
\_\_\_\_\_  
Funds Accounts Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI  
SOUTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs.)**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	82,519,675.00	86,329,705.90
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>82,519,675.00</b>	<b>86,329,705.90</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,644,377.20	1,820,674.80
Use of goods and services	5	6,554,863.54	7,619,797.02
Transfers to Other Government Units	6	23,511,144.16	11,443,126.72
Other grants and transfers	7	88,345,061.39	32,559,730.32
Acquisition of Assets	8	848,798.90	611,968.00
Other Payments	9	-	1,139,766.80
<b>TOTAL PAYMENTS</b>		<b>120,904,245.19</b>	<b>55,195,063.66</b>
<b>SURPLUS/DEFICIT</b>		<b>(38,384,570.19)</b>	<b>31,134,642.24</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMBAKASI SOUTHNG-CDF financial statements were approved on 30th June 2016 and signed by:

Alice were   
**Chairperson - NG-CDFC**

Peter Mukhanji   
**Fund Account Manager**



# REPUBLIC OF KENYA

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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 SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Embakasi South Constituency set out on pages 5 to 22, which comprise the statement of assets and liabilities 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.

#### **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 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

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



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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

### **1. Presentation and Disclosures of the Financial Statements**

The statement of compliance and basis of preparation indicate that all values are rounded off to the nearest shilling. However, balances in the financial statements have not been rounded off to the nearest shilling. The financial statements are, therefore, not consistent with the basis of preparation and do not therefore conform to the format prescribed by the Public Sector Accounting Standard 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:

	<b>2014/2015</b>	<b>2014/2015</b>	
	<b>Comparative</b>	<b>Audited</b>	
	<b>Figures</b>	<b>Balances</b>	<b>Variance</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
Compensation of Employees	1,820,674	1,804,274	16,400
Use of Goods and Services	7,619,797	4,529,797	3,090,000
Committee Allowance	-	3,090,000	(3,090,000)
Social Security Benefits	-	16,400	(16,400)

However, no explanation has been provided for these 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.

### **3. Unexplained Adjustment**

The statement of assets and liabilities reflects unexplained prior year adjustment of Kshs.7,919,256.59. Further, contrary to paragraph 1.5 of IPSAS Cash Basis reporting framework, the nature and amount of the error corrected have not been explained.



#### 4. Unsupported Expenditure

Supporting documents and analyses for the following expenditure components totalling Kshs.120,904,245.19 have not been provided for audit review.

Item	Amount Kshs
Compensation of Employees	1,644,377.20
Use of Goods and Services	6,554,863.54
Transfers to other Government Units	23,511,144.16
Other Grants and Transfers	88,345,061.39
Acquisition of assets	<u>848,798.90</u>
<b>Total</b>	<b><u>120,904,245.19</u></b>

Consequently, the validity and propriety of the expenditures totalling Kshs.120,904,245.19 for the year ended 30 June 2016 cannot be confirmed.

#### 5. Budget and Budgetary Control

During the year under review, Embakasi South Constituency Fund incurred expenditure totalling Kshs.120,904,245.19 against an approved budget of Kshs.164,875,039.82 resulting in under expenditure of Kshs.43,970,794.63 as shown below:

Item	Budgeted Amount Kshs	Actual Expenditure Kshs	Over /Under expenditure Kshs
Compensation of Employees	2,715,000.00	1,644,377.20	1,070,622.80
Use of Goods and Services	7,032,625.00	6,554,863.54	477,761.46
Transfers to other Govt Units	52,464,712.00	23,511,144.16	28,953,567.84
Other grants and Transfers	101,759,525.00	88,345,061.39	13,414,463.61
Acquisition of assets	903,177.82	848,798.90	54,378.92
<b>Total</b>	<b>164,875,039.82</b>	<b>120,904,245.19</b>	<b>43,970,794.63</b>

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 South Constituency.

## **6. Revenue**

The Constituency budgeted to receive Kshs.164,875,040 but only realized Kshs.114,679,175 in 2015/2016 financial year, resulting to underfunding of Kshs.50,195,865, a 30% short fall in receipts from the Constituency Development Fund Board. No explanation has been provided for the underfunding.

## **7. Un-remitted Statutory Deductions**

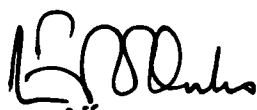
Examination of payment documents and bank statements revealed that statutory deductions amounting to Kshs.216,053 in respect of 2015/2016 financial year had not been remitted to the various statutory bodies as of 30 June 2016 thus exposing the Fund to penalties. No reasons have been provided for non-remittance of the amount.

## **8. Bursaries to Students**

As disclosed in Note 7 to the financial statements, other grants and transfers expenditure of Kshs.88,345,061 includes bursaries totalling Kshs.18,914,000 allocated to secondary schools and tertiary institutions during the year under review. However, bursary cheques totalling Kshs.2,743,760 had not been presented to the intended beneficiaries as at 30 June 2016. No explanation has been provided for failure to present the cheques to the beneficiaries.

## **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly I do not express an opinion on the financial statements.



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

**Nairobi**

**18 January 2018**



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

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs.)**

**V. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	(6,225,069.78)	40,078,757.00
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		
<b>TOTAL FINANCIAL ASSETS</b>		<b>(6,225,069.78)</b>	<b>40,078,757.00</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd 1st July...2015</b>	12	<b>40,078,757.00</b>	<b>8,944,114.76</b>
<b>Surplus/Deficit for the year</b>		<b>(38,384,570.19)</b>	<b>31,134,642.24</b>
<b>Prior year adjustments</b>	13	<b>(7,919,256.59)</b>	
<b>NET LIABILITIES</b>		<b>(6,225,069.78)</b>	<b>40,078,757.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMBAKASI SOUTHNG-CDF financial statements were approved on 30<sup>th</sup> June 2016 and signed by:

Alice were   
Chairperson - NG-CDFC

Peter Mukhanji   
Fund Account Manager

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

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs.)**

**I. STATEMENT OF CASHFLOW**

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	82,519,675.00	86,329,705.90
Other Receipts	3		
		82,519,675.00	86,329,705.90
Payments for operating expenses			
Compensation of Employees	4	1,644,377.20	1,820,674.80
Use of goods and services	5	6,554,863.54	7,619,797.02
Transfers to Other Government Units	6	23,511,144.16	11,443,126.72
Other grants and transfers	7	88,345,061.39	32,559,730.32
Other Payments	9		1,139,766.80
		120,055,446.29	54,583,095.66
Adjusted for:		7,919,256.59	
Adjustments during the year		127,974,702.88	54,583,095.66
Net cash flow from operating activities		(45,455,027.88)	31,746,610.24
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		(45,455,027.88)	31,746,610.24
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	8	848,798.90	611,968.00
Net cash flows from Investing Activities		(848,798.90)	(611,968.00)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		(46,303,826.78)	31,134,642.24
Cash and cash equivalent at BEGINNING of the year	12	40,078,757.00	8,944,115.60
Cash and cash equivalent at END of the year	10A	(6,225,069.78)	40,078,757.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMBAKASI SOUTHNG-CDF financial statements were approved on 30th June 2016 and signed by:

Alice were   
**Chairperson - NG-CDFC**

Peter Mukhanji   
**Fund Account Manager**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI  
SOUTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs.)**

**VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND  
DEVELOPMENT COMBINED**

<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilisation Difference</b>	<b>% of Utilisation</b>
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	99,195,865.00	65,679,175.41	164,875,040.41	114,679,175.41	50,195,865.00	70.00%
Proceeds from Sale of Assets			-		-	
Other Receipts			-		-	
	99,195,865.00	65,679,175.41	164,875,040.41	114,679,175.41	50,195,865.00	70.00%
<b>PAYMENTS</b>						
Compensation of Employees	2,715,000.00	-	2,715,000.00	1,644,377.20	1,070,622.80	61.00%
Use of goods and services	6,032,625.00	1,000,000.00	7,032,625.00	6,554,863.54	477,761.46	93.00%
Transfers to Other Government Units	52,464,712.00	-	52,464,712.00	23,511,144.16	28,953,567.84	45.00%
Other grants and transfers	37,783,522.00	63,976,003.59	101,759,525.59	88,345,061.39	13,414,464.20	87.00%
Acquisition of Assets	200,006.00	703,171.82	903,177.82	848,798.90	54,378.92	94.00%
Other Payments			-		-	
<b>TOTALS</b>	99,195,865.00	65,679,175.41	164,875,040.41	120,904,245.19	43,970,795.22	73.00%

Alice were   
Chairperson - NG-CDFC

Peter Mukhanji   
Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – EMBAKASI  
SOUTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs.)**

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**VII. 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 authorised public

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

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs.)**

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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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**VIII. NOTES TO THE FINANCIAL STATEMENTS**

<b>GFS CODES</b>					
	<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>				
	<b>Description</b>		<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
<b>1330407</b>	Normal Allocation	<b>AIE NO...750266</b>	<b>33,519,675.00</b>	<b>39,472,100.40</b>	
		<b>AIE NO...750267</b>	<b>20,000,000.00</b>	<b>46,857,605.50</b>	
		<b>AIE NO...750268</b>	<b>29,000,000.00</b>		
<b>1330408</b>	Conditional grants	AIE NO...		-	
		AIE NO...		-	
<b>1330409</b>	Receipt from other Constituency			-	
	<b>TOTAL</b>		<b>82,519,675.00</b>	<b>86,329,705.90</b>	
<b>3510000</b>	<b>2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>				
	<b>Description</b>		<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
<b>3510202</b>	Receipts from the Sale of Buildings		-	-	
<b>3510601</b>	Receipts from the Sale of Vehicles and Transport Equipment		-	-	
<b>3510801</b>	Receipts from the Sale Plant Machinery and Equipment		-	-	



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3510803	Receipts from the Sale of office and general equipment		-	-	
			-	-	
		<b>Total</b>	-	-	
1400000	<b>3 OTHER RECEIPTS</b>				
	<b>Description</b>		<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
1410107	Interest Received		-	-	
1410405	Rents		-	-	
1420601	Sale of tender documents		-	-	
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-	
	<b>Total</b>		-	-	
2110000	<b>4 COMPENSATION OF EMPLOYEES</b>				
	<b>Description</b>		<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
2110201	Basic wages of contractual employees		<b>1,644,377.20</b>	<b>1,804,274.80</b>	
2110202	Basic wages of casual labour		-	-	
	<b>Personal allowances paid as part of salary</b>		-	-	
2110301	House allowance		-	-	
2110314	Transport allowance		-	-	
2110320	Leave allowance		-	-	
2110326	Other personnel payments		-	-	

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	employer contribution to NSSF			<b>16,400.00</b>	
<b>2710120</b>	gratuity			-	
	<b>Total</b>		<b>1,644,377.20</b>	<b>1,820,674.80</b>	
<b>2200000</b>	<b>5 USE OF GOODS AND SERVICES</b>				
	<b>Description</b>		<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
<b>2210100</b>	Utilities, supplies and services		<b>200,000.00</b>	<b>1,314,000.00</b>	
<b>2210104</b>	Office rent		<b>1,285,682.92</b>	<b>934,797.02</b>	
<b>2210200</b>	Communication, supplies and services		<b>100,000.00</b>		
<b>2210300</b>	Domestic travel and subsistence		<b>215,709.22</b>		
<b>2210500</b>	Printing, advertising and information supplies & services		<b>80,000.00</b>	<b>150,000.00</b>	
<b>2210600</b>	Rentals of produced assets				
<b>2210700</b>	Training expenses		<b>1,960,000.00</b>	<b>1,761,000.00</b>	
<b>2210809</b>	Committee allowance		<b>1,736,000.00</b>	<b>1,786,000.00</b>	
<b>2210800</b>	committee expenses		<b>600,000.00</b>	<b>1,304,000.00</b>	
<b>2210800</b>	Hospitality supplies and services		-		
<b>2210900</b>	Insurance costs		-		
<b>2211000</b>	Specialised materials and services		-		
<b>2211100</b>	Office and general supplies and services		<b>300,000.00</b>	<b>370,000.00</b>	
<b>2211200</b>	Fuel ,oil & lubricants				
<b>2211300</b>	Other operating expenses/b charges		<b>77,471.40</b>		



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2220100	Routine maintenance – vehicles and other transport equipment				
2220200	Routine maintenance – other assets				
	<b>Total</b>		<b>6,554,863.54</b>	<b>7,619,797.02</b>	
<b>2630200</b>	<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>				
	<b>Description</b>		<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
2630204	Transfers to primary schools		<b>8,800,507.00</b>	<b>5,382,790.00</b>	
2630205	Transfers to secondary schools		<b>13,480,070.35</b>		
2630206	Transfers to Tertiary institutions				
2630207	Transfers to Health institutions		<b>1,230,566.81</b>	<b>6,060,336.72</b>	
	<b>TOTAL</b>		<b>23,511,144.16</b>	<b>11,443,126.72</b>	
<b>2640000</b>	<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>				
	<b>Description</b>		<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
2640101	Bursary -Secondary		<b>9,457,000.00</b>	<b>10,500,000.00</b>	
2640102	Bursary -Tertiary		<b>9,457,000.00</b>	<b>10,496,000.00</b>	
2640104	Bursary-Special schools			<b>773,398.57</b>	
2640105	Mocks & CAT			<b>1,800,000.00</b>	
2640504	water/Sewers		<b>1,766,032.40</b>		
2640505	Agriculture (Markets)				



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2640506	Electricity projects				
2640507	Security		1,461,260.00		
2640508	Roads		42,816,451.75		
2640509	Sports		3,191,689.65	1,750,000.00	
2640510	Environment		3,009,660.05	493,000.00	
2640200	Emergency Projects (specify)		6,668,178.34	6,747,331.75	
2640511	Development - factories/stadiums		10,517,789.20		
	<b>Total</b>		<b>88,345,061.39</b>	<b>32,559,730.32</b>	
<b>3100000</b>	<b>8 ACQUISITION OF ASSETS</b>				
	<b><u>Non-Financial Assets</u></b>		<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
3110102	Purchase of Buildings		-		
3110202	Construction of Buildings		-		
3110302	Refurbishment of Buildings		-		
3110701	Purchase of Vehicles		-		
3110704	Purchase of Bicycles & Motorcycles		-		
3110801	Overhaul of Vehicles		-		
3111001	Purchase of Office furniture and fittings		848,798.90		
3111002	Purchase of computers ,printers and other IT equipments		-	611,968.00	
3111005	Purchase of photocopier		-		
3111009	Purchase of other office equipments		-		
3111112	Purchase of soft ware		-		

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30101	Acquisition of Land		-		
			-		
	<b>Total</b>		<b>848,798.90</b>	<b>611,968.00</b>	
	<b>9 OTHER PAYMENTS</b>				
			<b>2015-2016</b>	<b>2014-2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
	TOILETS		-	<b>1,139,766.80</b>	
	specify		-		
	<b>TOTAL</b>		<b>-</b>	<b>1,139,766.80</b>	
	<b>10A: Bank Balances (cash book bank balance)</b>				
	<b>Name of Bank</b>	<b>Account Number</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
			<b>(30/6/2016)</b>	<b>(30/6/2015)</b>	
	<i>Equity bank - kariobangi baranch</i>		<b>(6,225,069.78)</b>	<b>40,078,757.00</b>	
			-		
	<b>Total</b>		<b>(6,225,069.78)</b>	<b>40,078,757.00</b>	
	<b>10B: CASH IN HAND</b>				
			<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
			<b>(30/6/2016)</b>	<b>(30/6/2015)</b>	

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	Location 1		-		
	Location 2		-		
	Location 3		-		
	Other receipts (specify)		-		
	<b>Total</b>		-		
					<i>[Provide cash count certificates for each]</i>
<b>11: OUTSTANDING IMPRESTS</b>					
	<i>Name of Officer</i>	<b>Date imprest taken</b>	<i>Amount Taken</i>	<i>Amount Taken</i>	<i>Balance (30/6/2015)</i>
			<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
	<i>Name of Officer</i>	dd/mm/yy	-		-
	<i>Name of Officer</i>	dd/mm/yy	-		-
	<i>Name of Officer</i>	dd/mm/yy	-		-
	<i>Name of Officer</i>	dd/mm/yy	-		-
	<i>Name of Officer</i>	dd/mm/yy	-		-
	<i>Name of Officer</i>	dd/mm/yy	-		-
	<b>Total</b>				-
<b>12 BALANCES BROUGHT FORWARD</b>					
			<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs (1/7/2015)</b>	<b>Kshs (1/7/2014)</b>	
	Bank accounts		<b>40,078,757.00</b>	<b>8,944,115.60</b>	



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	Cash in hand		-	
	Imprest		-	
	<b>Total</b>		<b>40,078,757.00</b>	<b>8,944,115.60</b>
			<i>[Provide short appropriate explanations as necessary]</i>	
	<b>13 PRIOR YEAR ADJUSTMENTS</b>			
			<b>2015 - 2016</b>	<b>2014 - 2015</b>
	Bank accounts		<b>(7,919,256.59)</b>	<b>Kshs</b>
	Cash in hand		-	
	Imprest		-	
			-	
	<b>Total</b>		<b>(7,919,256.59)</b>	
	<b>14 OTHER IMPORTANT DISCLOSURES</b>			
	<b>15.1: PENDING ACCOUNTS PAYABLE (See Annex I)</b>			
			<b>2015 - 2016</b>	<b>2014 - 2015</b>
			<b>Kshs</b>	<b>Kshs</b>
	Construction of buildings		-	
	Construction of civil works		-	
	Supply of goods		-	
	Supply of services		-	
	<b>TOTAL</b>		-	

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<b>15.2: PENDING STAFF PAYABLES (See Annex 2)</b>					
		2015 - 2016		2014 - 2015	
		Kshs		Kshs	
	Senior management		-		
	Middle management		-		
	Unionisable employees		-		
	Others ( <i>specify</i> )		-		
			-		
<b>15.3: OTHER PENDING PAYABLES (See Annex 3)</b>					
		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> )		-		
			-		
<b>ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE</b>					
Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date		Outstanding Balance 2014
			c		
<b>Construction of buildings</b>					
	1.				
	2.				



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	3.				
	<b>Sub-Total</b>				
	<b>Construction of civil works</b>				
	4.				
	5.				
	6.				
	<b>Sub-Total</b>				
	<b>Supply of goods</b>				
	7.				
	8.				
	9.				
	<b>Sub-Total</b>				
	<b>Supply of services</b>				
	10.				
	11.				
	12.				
	<b>Sub-Total</b>				
	<b>Grand Total</b>				

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Outstanding Balance
				2015
		a	b	d=a-c
<b>Senior Management</b>				
1.				
2.				
3.				
<b>Sub-Total</b>				
<b>Middle Management</b>				
4.				
5.				
6.				
<b>Sub-Total</b>				
<b>Unionisable Employees</b>				
7.				
8.				

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	9.				
	<b>Sub-Total</b>				
	<b>Others (specify)</b>				
	10.				
	11.				
	12.				
	<b>Sub-Total</b>				
	<b>Grand Total</b>				
<b>ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES</b>					
	<b>Name</b>	<b>Brief Transaction Description</b>	<b>Original Amount</b>	<b>Date Payable Contracted</b>	<b>Outstanding Balance 2015</b>
			a		c
	<b>Amounts due to other Government entities</b>				
	1.				
	2.				
	3.				
	<b>Sub-Total</b>				
	<b>Amounts due to other grants and other transfers</b>				
	4.				
	5.				
	6.				
	<b>Sub-Total</b>				
	<b>Others (specify)</b>				
	7.				
	8.				
	9.				
	<b>Sub-Total</b>				
	<b>Grand Total</b>				
<b>ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER</b>					
	<b>Asset class</b>	<b>Historical Cost (Kshs)</b>	<b>Historical Cost (Kshs)</b>	<b>Historical Cost (Kshs)</b>	



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		<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>	
	Land		-		
	Buildings and structures			-	
	Transport equipment			-	
	Office equipment, furniture and fittings	<b>848,798.90</b>			
	ICT Equipment, Software and Other ICT Assets		<b>611,968.00</b>		
	Other Machinery and Equipment			-	
	Heritage and cultural assets				
	Intangible assets				
	<b>Total</b>	<b>848,798.90</b>	<b>611,968.00</b>	-	