

REPUBLIC OF KENYA



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

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OFFICE OF THE AUDITOR-GENERAL

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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**



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

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# NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KASIPUL 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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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 Kasipul 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 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Eunice Irene Awuor
3.	Accountant	Jacob Tom Ojwando

### (d) Fiduciary Oversight Arrangements

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

P.O. Box 264-40222 Oyugis  
CDF Office Building  
Kisii Ahero Road  
Oyugis, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASIPUL  
CONSTITUENCY**

**Reports and Financial Statements**

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

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**(f) KASIPUL NGCDF Contacts**

Telephone: (254) 0721-411569

E-mail: [cdfkasipul@cdf.go.ke](mailto:cdfkasipul@cdf.go.ke)

Website: [www.cdf.go.ke](http://www.cdf.go.ke)

**(g) KASIPUL NGCDF Bankers**

Bank Name: Kenya Commercial Bank

Branch: Oyugis

Account Name: Kasipul NG-CDF

Account Number: 1146215614

Address: 170 - 40222, Oyugis

**(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 CONSTITUENCY DEVELOPMENT FUND- KASIPUL  
CONSTITUENCY**

**Reports and Financial Statements**

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

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

It is my pleasure to present to you Kasipul NG-CDF's annual report and financial statements for the financial year 2015/2016. In the year under review, we are pleased with our overall performance which aligns very well with our vision and also our proven track record of consistent delivery and value for money.

The actual amounts utilised by the constituency in its various expense items were more than 50% of its budget performance, however the target should be 100% if funds are availed in time during the financial year.

**Key achievements for the Kasipul NG-CDF**

- By providing funds directly to each constituency for fighting poverty, CDF assists in ironing out regional imbalances due to patronage.
- In the education sector, CDF funding of infrastructure in schools has assisted in increasing student enrolment and provided conducive learning environments, and the CDF bursary has helped retain students from low income families in schools.

**Emerging issues related to the NG-CDF**


Entrenching CDF in the new constitutional dispensation, since it is facing a lot of legal challenges, hence Members of Parliament should enact legislations which do not contravene the constitution in order to protect the NGCDF.

**Implementation challenges and recommended way forward**

- Late disbursement of funds, lead to rise in project costs due to factors like inflation due to time value of money and also the public do not get the value of the funds in time, a good case is in late bursary awards, to remedy this, funds should be released by CDF Board in time.
- Frequent development forums and awareness forums should be held to intuit the public with information concerning the development initiatives, from various funding agencies and stakeholders and CDF, County Government and other development stakeholders plan together to avoid duplication of projects
- Lack of a simple but standardized practical curriculum for training PMC's in order to enhance their capacity to implement the projects, hence a PMC training manual should be operationalised.
- The NG-CDF Act and the constitution limits the operations of CDF to Education and National security functions, leaving out all the devolved functions.

**Walter O. Aoko**  
Name

**NG-CDFC Chairman**  
Designation

  
.....  
Sign.

**12<sup>th</sup> Sept, 2016**  
.....  
Date

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASIPUL  
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 Kasipul 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 Kasipul NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Kasipul 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 Kasipul 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 12<sup>th</sup> Sept, 2016.



**Chairman - NGCDFC**



**Fund Account Manager**



# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASIPUL 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 Constituencies Development Fund - Kasipul Constituency set out on pages 6 to 20, 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 to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Kasipul 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 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 audit opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kasipul Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Constituencies Development Fund Act, 2015.

### Other Matter

#### 1.0 Budgetary Control and Performance

#### Budget Performance

Kasipul Constituency's Fund final budget for 2015/2016 amounted to Kshs.220,598,698 and the Fund recorded expenditure of Kshs.111,862,349 or 50.7% of the approved budget resulting in under-expenditure of Kshs.108,736,349 of the final budget as detailed below:

<b>Performance Analysis</b>				
<b>Expenditure Item</b>	<b>Final Budget Kshs.</b>	<b>Actual Expenditure Kshs.</b>	<b>Variance Kshs.</b>	<b>Absorption Rate %</b>
Compensation of Employees	3,538,074	1,920,291	1,617,783	54.3
Goods and Services	5,694,122	4,883,796	810,326	85.8
Social Security Benefits	60,000	0	60,000	0
Committee Expenses	4,989,0167	2,495,194	2,493,823	50
Acquisition of Assets	368,486	367,990	496	99.9
Capacity Building and Public Awareness	1,587,800	0	1,587,800	0



Emergency	7,977,106	6,000,788	1,976,318	75.2
Bursary - Secondary Schools	10,700,000	7,887,000	2,813,000	73.7
Bursary- Tertiary School	10,038,357	8,990,000	1,048,357	89.6
Bursary -Special School	300,000	190,000	110,000	63.3
Mocks & CATS	3,500,000	1,500,000	2,000,000	42.9
Transfers to Primary Schools	24,876,290	3,826,290	21,050,000	15.4
Transfers to Secondary Schools	16,750,000	5,950,000	10,800,000	35.1
Transfers to Tertiary Schools	18,500,000	18,500,000	0	100
Health	4,350,000	4,350,000	0	100
water	24,000,000	24,000,000	0	100
	4,800,000	2,509,000	2,291,000	52.3
Roads	19,718,296	16,500,000	3,218,296	83.6
Environment	600,000	92,000	508,000	15.3
Cultural Projects	0	1,900,000	-1,900,000	-100
Others	13,350,000	0	13,350,000	0
<b>Total</b>	<b>220,598,698</b>	<b>111,862,349</b>	<b>108,736,349</b>	<b>50.7%</b>

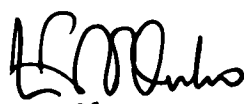
## 2.0 Projects Implementation

The constituency was allocated Kshs.114,699,520 in the financial year 2015/2016, which was disbursed in full by the CDF Board. However, the constituency Development Fund committee had not disbursed funds to the earmarked projects in full. Out of the total amount of Kshs.114,699,520 that had been allocated, only Kshs.56,699,520 had been disbursed to projects by the close of the financial year, resulting in a delay in implementation of earmarked projects as summarized below:

Category	Amount Allocated Kshs.	Amount Disbursed Kshs.	Difference Kshs.
Compensation of Employees	1,010,000	0	1,010,000
Use of Goods and Services	650,000	0	650,000
Committee Expenses	1,371,873	0	1,371,873
Emergency	1,867,647	0	1,867,647
Bursary - Secondary Schools	1,900,000	0	1,900,000
Bursary - Special School	100,000	0	100,000
Mocks & CATS	2,000,000	0	2,000,000.00
Transfers to Primary Schools	15,550,000	0	15,550,000
Transfers to Secondary Schools	10,300,000	0	10,300,000

Transfers to Tertiary Schools	10,000,000	0	10,000,000
Security	2,250,000	0	2,250,000
Sports	700,000	0	700,000
Cultural Activities	1,000,000	0	1,000,000
CDF Motor Vehicle	8,000,000	0	8,000,000
<b>Total</b>	<b>56,699,520</b>		<b>56,699,520</b>

The projected activities to be undertaken during the year were delayed and only 76.4% of approved budget was implemented resulting to 23.6% of the projects not implemented by 30 June 2016 with a likelihood of not rendering enough services to residents of the constituency.



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

**Nairobi**

**13 December 2017**



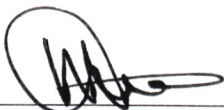
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASIPUL  
CONSTITUENCY**

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

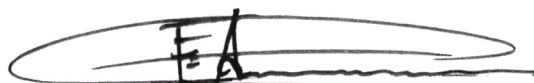
**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from other Government Entities	1	166,581,102	62,418,948
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>166,581,102</b>	<b>62,418,948</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,920,291	1,302,111
Use of goods and services	5	7,378,990	7,170,849
Transfers to Other Government Units	6	32,626,290	46,170,690
Other grants and transfers	7	69,568,788	43,690,449
Acquisition of Assets	8	367,990	281,514
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>111,862,349</b>	<b>98,615,613</b>
<b>SURPLUS/DEFICIT</b>		<b>54,718,753</b>	<b>(36,196,665)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kasipul NGCDF financial statements were approved on 12<sup>th</sup> Sept. 2016 and signed by:



**Chairman - NGCDFC**



**Fund Account Manager**

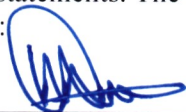
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASIPUL  
CONSTITUENCY**

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

**V. STATEMENT OF ASSETS**

	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	63,335,208	8,616,455
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>63,335,208</b>	<b>8,616,455</b>
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd 1st July...	13	8,616,455	44,813,120
Surplus/Deficit for the year		54,718,753	(36,196,665)
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b>63,335,208</b>	<b>8,616,455</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kasipul NGCDF financial statements were approved on 12<sup>th</sup> Sept, 2016 and signed by:



**Chairman - NGCDFC**



**Fund Account Manager**



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KASIPUL  
CONSTITUENCY

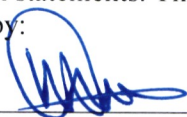
Reports and Financial Statements

For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from other Government Entities	1	166,581,102	62,418,948
Other Receipts	3	-	-
		<b>166,581,102</b>	<b>62,418,948</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,920,291	1,302,111
Use of goods and services	5	7,378,990	7,170,849
Transfers to Other Government Units	6	32,626,290	46,170,690
Other grants and transfers	7	69,568,788	43,690,449
Other Payments	9	-	-
		<b>111,494,359</b>	<b>98,334,099</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>55,086,743</b>	<b>(35,915,151)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(367,990)	(281,514)
<b>Net cash flows from Investing Activities</b>		<b>(367,990)</b>	<b>(281,514)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>54,718,753</b>	<b>(36,196,665)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>8,616,455</b>	<b>44,813,120</b>
<b>Cash and cash equivalent at END of the year</b>		<b>63,335,208</b>	<b>8,616,455</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kasipul NGCDF financial statements were approved on 12<sup>th</sup> Sept, 2016 and signed by:

  
Chairman NGCDFC

  
Fund Account Manager

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

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	114,199,520	61,498,037	175,697,557	175,197,557	500,000	99.7%
Proceeds from Sale of Assets	0	-	-	-	-	
Other Receipts	0	-	-	-	-	
<b>TOTAL RECEIPTS</b>	<b>114,199,520</b>	<b>61,498,037</b>	<b>175,697,557</b>	<b>175,197,557</b>	<b>500,000</b>	<b>99.7%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,060,000	1,538,074	3,598,074	1,920,291	1,677,783	53.4%
Use of goods and services	7,621,873	7,557,752	15,179,625	7,378,990	7,800,635	48.6%
Transfers to other Government Units	45,950,000	16,526,290	62,476,290	32,626,290	29,850,000	52.2%
Other grants and transfers	58,267,647	35,807,435	94,075,082	69,568,788	24,506,294	74.0%
Acquisition of Assets	300,000	68,486	368,486	367,990	496	99.9%
Other Payments	-	-	-	-	-	
<b>TOTAL PAYMENTS</b>	<b>114,199,520</b>	<b>61,498,037</b>	<b>175,697,557</b>	<b>111,862,349</b>	<b>63,835,208</b>	<b>63.7%</b>

**(a) (Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization)**

- i. There was underutilisation of the use of goods and services since during the transition to NG-CDF Act 2015, the previous committees term lapsed, as such there were no committee expenses incurred and staff salaries paid in March 2016 and April 2016

The Kasipul NGCDF financial statements were approved on 12<sup>th</sup> Sept. 2016 and signed by:

  
**Chairman NGCDF**

  
**Fund Account Manager**



## **VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **a) 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.

### **b) 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.

### **c) 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.

### **d) 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 – KASIPUL  
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**Reports and Financial Statements**

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

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

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**e) 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.

**f) 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.

**g) Comparative figures**

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

**h) 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 – KASIPUL  
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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal Allocation from NG-CDF Board	AIE NO. 2014/2015/1039	26,940,791	
	AIE NO. 2014/2015/1218	25,940,791	
	AIE NO. 2015/2016/085	10,000,000	
	AIE NO. 2015/2016/476	20,000,000	
	AIE NO. 2015/2016/625	27,000,000	
	AIE NO. 2015/2016/908	56,699,520	
	AIE NO. 2014/2015/298		25,940,791
	AIE NO. 2014/2015/554		16,164,474
	AIE NO. 2014/2015/776		11,776,317
Receipt from Kasipul Kabondo Constituency			8,337,366
Receipt from Ministry of Interior and Coordination and National Government			200,000
<b>Total</b>		<b>166,581,102</b>	<b>62,418,948</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts from Sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from Sale of Office and General Equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3. OTHER RECEIPTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,193,352	932,673
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	169,600	38,400
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	147,000	-
Employer contribution to NSSF	41,760	45,798
Gratuity-contractual employees	368,579	285,240
<b>Total</b>	<b>1,920,291</b>	<b>1,302,111</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASIPUL  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	188,694	179,310
Electricity	52,055	35,265
Office rent		
Communication, supplies and services	131,470	95,180
Domestic travel and subsistence	567,185	157,800
Printing, advertising and information supplies & services	126,900	68,128
Rentals of produced assets		
Training expenses	1,194,235	1,370,200
Hospitality supplies and services	712,830	78,990
Other committee expenses	1,092,300	663,777
Committee allowance	1,402,894	2,162,500
Insurance costs		
Specialised materials and services		
Office and general supplies and services	275,119	148,120
Fuel ,oil & lubricants	400,000	607,000
Other operating expenses	13,960	6,960
Bank Service Commission and Charges		46,791
Security Operations	361,920	361,920
Routine maintenance – vehicles and other transport equipment	857,968	1,120,538
Routine maintenance – other assets	1,460	68,370
<b>Total</b>	<b>7,378,990</b>	<b>7,170,849</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASIPUL  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to Primary Schools	3,826,290	7,037,931
Transfers to Secondary Schools	5,950,000	11,850,000
Transfers to Tertiary Institutions	18,500,000	12,500,000
Transfers to Health Institutions	4,350,000	14,782,759
<b>Total</b>	<b>32,626,290</b>	<b>46,170,690</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	7,887,000	5,591,000
Bursary -Tertiary	8,990,000	8,453,000
Bursary-Special schools	190,000	150,000
Mocks & CAT	1,500,000	
Water	24,000,000	13,600,000
Food security		
Electricity		1,400,000
Security	950,000	
Roads and Bridges	16,500,000	5,261,504
Sports		2,300,000
Environment	92,000	
Provincial Administration	1,559,000	750,000
Cultural Projects	1,900,000	500,000
Agriculture		500,000
<b>Emergency Projects</b>	<b>6,000,788</b>	<b>5,184,945</b>
<b>Total</b>	<b>69,568,788</b>	<b>43,690,449</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASIPUL  
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**Reports and Financial Statements**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

<u>Non-Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and other Transport Equipment	0	0
Overhaul of Vehicles and other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	95,690	33,819
Purchase of ICT Equipment, Software and other ICT Assets	272,300	247,695
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
<b>Total</b>	<b>367,990</b>	<b>281,514</b>

**9. OTHER PAYMENTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Specify	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & Currency	2015 - 2016	2014 - 2015
	Kshs (30/6/2016)	Kshs (30/6/2015)
Kenya Commercial Bank, Oyugis Branch A/C no.1146215614	63,335,208	8,616,455
<b>Total</b>	<b>63,335,208</b>	<b>8,616,455</b>

**10B: CASH IN HAND**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*[Provide cash count certificates for each]*

**11. OUTSTANDING IMPRESTS**

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
N/A	N/A	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>

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

**12. RETENTION**

Supplier/Contractor	PV No .	2015 - 2016	2014 - 2015
		Kshs	Kshs
<b>Total</b>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASIPUL  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**13. BALANCES BROUGHT FORWARD**

Name of Bank, Account No. & Currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank Accounts	8,616,455	44,176,120
Cash in Hand	0	0
Imprest	0	637,000
<b>Total</b>	<b>8,616,455</b>	<b>44,813,120</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank Accounts	0	0
Cash in Hand	0	0
Imprest	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**15. OTHER IMPORTANT DISCLOSURES**

**15.1 OTHER PENDING PAYABLES TO PMCS (See Annex 1)**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Amounts due to other Government entities	29,850,000	0
Amounts due to other grants and other transfers	10,467,296	6,157,435
Others ( <i>specify</i> )		0
<b>Total</b>	<b>40,317,296</b>	<b>6,157,435</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASIPUL CONSTITUENCY**  
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**ANNEX 1- ANALYSIS OF OTHER PENDING PAYABLES TO PMCS**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
<b>Amounts due to other Government entities</b>							
1. Primary Schools		a	b	c	d=a-c		
		19,550,000	0	0	19,550,000	0	Funds had been disbursed but the AIE had not been sent
2. Secondary Schools		10,300,000	0	0	10,300,000	0	Funds had been disbursed but the AIE had not been sent
<b>Sub-Total</b>		<b>29,850,000</b>			<b>29,850,000</b>		
<b>Amounts due to other grants and other transfers</b>							
3. Security Projects		2,441,000	0	0	2,441,000	0	Funds had been disbursed but the AIE had not been sent
4. Roads and Bridges Projects		18,296	0	0	18,296	0	Funds had been disbursed but the AIE had not been sent
5. Environmental Projects		1,008,000	0	0	1,008,000	0	Funds had been disbursed but the AIE had not been sent
6. Cultural Activities		1,300,000	0	0	1,300,000	0	Funds had been disbursed but the AIE had not been sent
7. Sports Activities		700,000	0	0	700,000	0	Funds had been disbursed but the AIE had not been sent
8. Electrification and Lighting		5,000,000	0	0	5,000,000	0	Funds had been disbursed but the AIE had not been sent
<b>Sub-Total</b>		<b>10,467,296</b>			<b>10,467,296</b>		
<b>Grand Total</b>		<b>40,317,296</b>			<b>40,317,296</b>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASIPUL  
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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset Class</b>	<b>Historical Cost (Kshs) 2015/2016</b>	<b>Historical Cost (Kshs) 2014/2015</b>
Land	0	0
Office Buildings and structures	5,762,239	5,762,239
Transport equipment	4,057,402	4,057,402
Office equipment, furniture and fittings	1,209,171	1,113,481
ICT Equipment, Software and Other ICT Assets	1,126,634	854,334
Other Machinery and Equipment	20,880,000	20,880,000
Heritage and cultural assets	0	0
Intangible assets	0	0
<b>Total</b>	<b>33,035,446</b>	<b>32,667,456</b>