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OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



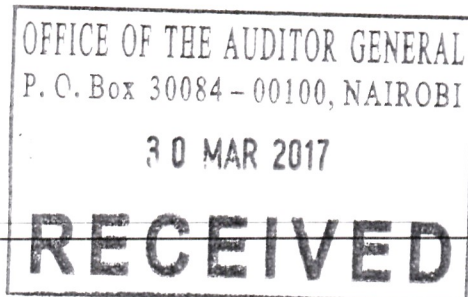


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
MASINGA CONSTITUENCY**

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 – MASINGA
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The *Constituencies Development Fund (NG-CDF)* was set up under the NG-CDF Act, 2003 now repealed by the NG-CDF Act, 2014. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and fight against poverty in the constituency level.

(b) Key Management

The *Masinga 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 (F.A.M)	Ezekiel K Mwangangi
3.	District Accountant	Muthui Mbiti Musyok
4.		

(d) Fiduciary Oversight Arrangements

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

P.O. Box 121 -90141
CDF Office,
Masinga Market, KENYA

*NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MASINGA
CONSTITUENCY*

Reports and Financial Statements

For the year ended June 30, 2016

(f) MASINGA NG-CDF Contacts

Telephone: (254) 723636367

E-mail: masingacdf@gmail.com

Website: www.cdf.go.ke

(g) MASINGA NG-CDF Bankers

1. Kenya Commercial Bank
Matuu Branch
0725986963
Matuu Town.

(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

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

INTRODUCTION

MASINGA Constituency is in Masinga District, Machakos County, where it was created in 2009 from the larger Yatta District. The overall population by 1999 census figures were 125,940 with the population expected to grow in the next ten years, Population density is influenced by land productivity and water availability.

The NG-CDFC Masinga has always dedicated time to ensure prudent allocation of resources received from the NG-CDF board within the five wards of the constituency. Since its inception, the NG-CDFC has completed several development projects that are geared towards infrastructural development, wealth creation and fighting against poverty in the constituency.

During the financial year 2015/2016, the NG-CDFC was able to utilize 73% of its allocated resources. At the closure of the financial year, the constituency had unutilised fund amounting to Kshs. 50,757,546.00 out of the budgeted allocation of Kshs 124,201,519.00. The implementation of funded projects is satisfactory.

2015 /2016 FINANCIAL YEAR ACHIEVEMENTS

During the financial year 2015/2016, NG-CDF was able to put new education facilities like classrooms and laboratories which have helped to create a conducive learning environment for the students, in fact the top school in the KCSE Results for last year was a CDF school, build from scratch by the CDF Funds. Security sector has also benefited to a great extend; a new police station was constructed in Ndithini Division with the help of CDF Funds.

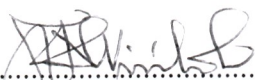
EMERGING ISSUES

During the financial year 2015/2016, NG-CDF was unable to proceed with some of the projects it had been engaging in due to devolution of some departments such as health and water. The court case that was challenging the legality of the fund has been a challenge causing delay in disbursement of funds. The performance contracting that was introduced for NG-CDFCs improved the performance of NG-CDFC to a greater extent.

IMPLEMENTATION CHALLENGES

Political influence from local leaders to some extent became challenges in the allocation of resources within the constituency. Such influence could affect the fair distribution of resources. Failure to involve the technical department in the implementation of NG-CDF projects by the PMCs. This is however prompted by the fact that there are no enough officers in the technical departments.

It is recommended that the learning institutions should invest in water harvesting tanks so that they are able to nurture the seedlings even during the dry spell. The NG-CDFCs should be keen on fair distribution of resources despite the political pressure. The national Government should consider deploying more officers working in the technical departments.



.....
CHAIRMAN NG-CDFC

III. STATEMENT OF NG-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 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 *Masinga 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 *Masinga 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 charge of the *Masinga 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 *Masinga 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 onSeptember 2016.

Fund Account Manager



Chairman- NG-CDFC

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MASINGA 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 - Masinga 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. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standard (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

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

Basis for Adverse Opinion

1. Presentation and Disclosures of Financial Statements

1.1 Inconsistent Values/Figures

The statement of compliance and basis of preparation at page 10 of the financial statements indicate that all values are rounded off to the nearest shilling. However, the financial statements have not been rounded off to the nearest shilling. In the circumstance, the financial statements are not consistent with the statement of compliance and basis of preparation.

1.2 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.

Item	2014/2015 Comparative Figures Kshs	2014/2015 Audited Balances Kshs	Variance Kshs
Compensation of employees	1,639,170.00	1,491,330.00	147,840.00
Use of goods and services	9,454,265.10	3,458,420.76	5,995,844.34
Committee expenses	-	5,995,844.34	(5,995,844.34)
Social security benefits	-	147,840.00	(147,840.00)

However, contrary to the requirements of paragraph 1.5 of the IPSAS Cash Basis financial reporting framework, no disclosures have been made in the notes to the

financial statements to the effect that comparative information is restated. In addition, the nature of the error and the respective amounts of the corrections have similarly not been disclosed.

1.3 Other Inaccuracies

The following differences have been noted between the figures reflected under comparative balances and the corresponding notes to the financial statements:

- (i) The statement of assets and liabilities reflects bank balance comparative figure of Kshs.2,972,558.90 while the corresponding Note 10A reflects Kshs.2,986,598.90 resulting in an unexplained variance of Kshs.14,040.00.
- (ii) The statement of assets and liabilities also reflects comparative outstanding imprest of Kshs.14,040.00 but the respective Note 11 reflect nil balance.
- (iii) The statements of receipts and payments reflects use of goods and services figure of Kshs.8,265,291.99. However the trial balance reflects an amount of Kshs.8,188,612.99 resulting in unexplained and unreconciled difference of kshs.76,679.00.
- (iv) Other grants and other payments totalling Kshs.28,651,676.91 as disclosed at Note 7 to the financial statements includes bursaries of Kshs.10,000,000.00 while the supporting schedules provided reflect Kshs.7,590,000.00 resulting in unexplained difference of Kshs.2,410,000.00.

In the circumstance, the accuracy of the financial statements for the year ended 30 June 2016 cannot be confirmed.

2. Bank Balance

The statement of assets and liabilities reflects bank balance of Kshs.50, 457,565.00 as at 30 June 2016. A review of bank reconciliation statement for the month of June 2016 revealed un-presented cheques amounting to Kshs.1,691,865.00 out of which Kshs.55,746.00 were stale but had not been reversed in the cashbook as at 30 June 2016. In addition, the supporting schedule for payments in the bank statement not yet recorded in the cash book balance of Kshs.52,746.00 did not disclose the dates of the transactions.

Consequently, the accuracy of bank balance of Kshs.50,457,565.00 as at 30 June 2016 cannot be confirmed.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial

position of National Government Constituencies Development Fund – Masinga 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 do not comply with the National Government Constituencies Development Fund Act, 2015.

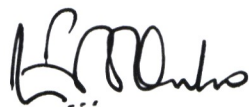
Other matter

Budget and Budgetary Controls

During the year under review, Masinga Constituency Fund incurred expenditure totalling Kshs.134,994,580 against an approved budget of Kshs.185,752,144 or approximately 73% of the budget resulting in under expenditure of Kshs.50,757,564 as shown below:

Item	Budget Kshs	Actual Receipts/ Payments Kshs	Variance Kshs	% of Utilization
Receipts	185,752,145	182,465,546	3,286,599	102
Compensation of employees	3,170,599	2,339,680	830,919	74
Use of goods and services	8,794,137	8,265,292	528,845	94
Transfers to other govt units	135,251,702	95,737,931	39,513,771	71
Other grants and transfers	38,535,707	28,651,679	9,884,030	74
Total payments	185,752,145	134,994,580	50,757,565	73

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 Masinga Constituency.



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

Nairobi

13 December 2017

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MASINGA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

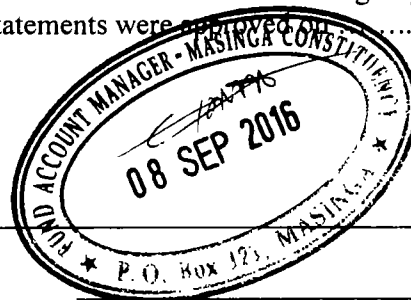
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
RECEIPTS			
Transfers from Other Government Entities	1	182,465,546.00	107,308,379.80
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		182,465,546.00	107,308,379.80
PAYMENTS			
Compensation of Employees	4	2,339,680.00	1,639,170.00
Use of goods and services	5	8,265,291.99	9,454,265.10
Transfers to Other Government Units	6	95,737,931.00	58,349,802.00
Other grants and transfers	7	28,651,676.91	35,040,086.00
Acquisition of Assets	8		
Other Payments	9		1,077,000.00
TOTAL PAYMENTS		134,994,579.90	105,560,323.10
SURPLUS/DEFICIT		47,470,966.10	1,748,056.70

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



Chairman - NG-CDFC



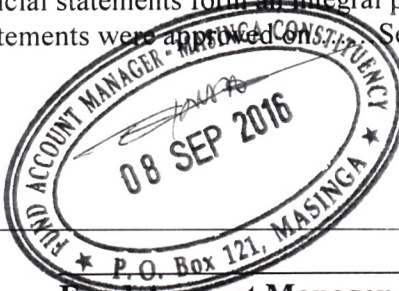
Fund Account Manager

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2015-2016	2014-2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	10A	50,457,565.00	2,972,558.90
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		14,040.00
TOTAL FINANCIAL ASSETS		50,457,565.00	2,986,598.90
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July	13	2,986,598.90	1,238,542.20
Surplus/Deficit for the year		47,470,966.10	1,748,056.70
Prior year adjustments			
NET FINANCIAL POSITION		50,457,565.00	2,986,598.90

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MASINGA NG-CDF financial statements were approved on September 8, 2016 and signed by:


Chairman - NG-CDFC


Fund Account Manager

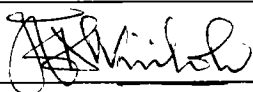
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MASINGA
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**Reports and Financial Statements
For the year ended June 30, 2016**

VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
Receipts for operating income			
Transfers from CDF Board	1	182,465,546.00	107,308,379.80
Other Receipts	3		
Payments for operating expenses			
Compensation of Employees	4	2,339,680.00	1,639,170.00
Use of goods and services	5	8,265,291.99	9,454,265.10
Transfers to Other Government Units	6	95,737,931.00	58,349,802.00
Other grants and transfers	7	28,651,676.91	35,040,086.00
Other Payments	9		1,077,000.00
Adjusted for:			
Adjustments during the year			
Net cash flow from operating activities		47,470,966.10	1,748,056.70
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	8		
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		47,470,966.10	1,748,056.70
Cash and cash equivalent at BEGINNING of the year	13	2,986,598.90	1,238,542.20
Cash and cash equivalent at END of the year		50,457,565.00	2,986,598.90

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MASINGA NG-CDF financial statements were approved on 08 September, 2016 and signed by:



Chairman NG-CDFC



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 a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	124,201,519.00	61,550,625.90	185,752,144.90	182,465,546.00	3,286,598.90	102
Proceeds from Sale of Assets						
Other Receipts						
Total Receipts	124,201,519.00	61,550,625.90	185,752,144.90	182,465,546.00	3,286,598.90	102
PAYMENTS						
Compensation of Employees	2,384,000.00	786,598.90	3,170,598.90	2,339,680.00	830,918.90	74
Use of goods and services	8,794,136.71		8,794,136.71	8,265,291.99	528,844.72	94
Transfers to Other Government Units	81,587,675.00	53,664,027.00	135,251,702.00	95,737,931.00	39,513,771.00	71
Other grants and transfers	31,435,707.29	7,100,000.00	38,535,707.29	28,651,676.91	9,884,030.38	74
Social Security Benefits						
Acquisition of Assets		b				
Other Payments						
TOTALS	124,201,519.00	61,550,625.90	185,752,144.90	134,994,579.90	50,757,565.00	73

Note. The adjustment column has a figure of Ksh 61,550,625.90 Which was the Opening Cash Book Balance at the beginning of year of Ksh 2,986,598.90 Plus an A.I.E of Ksh 58,564,027.00 of the previous Financial Year which was received and spend during the year .

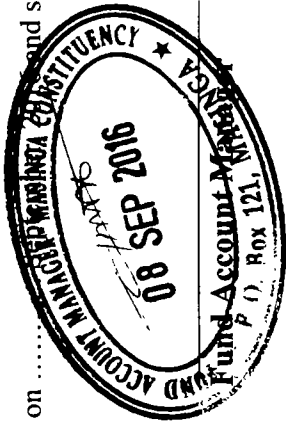
**Reports and Financial Statements
For the year ended June 30, 2016**

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

The budget under utilization was as a result of late release of funds by the CDF Board, which the committee received at the end of the financial year.

The MASINGA NG-CDF financial statements were approved on and signed by:


Chairman NG-CDF



VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *NG-CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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

For the year ended June 30, 2016

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 – MASINGA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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.

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Direct transfer	A790757	29,282,013.50	48,744,352.80
Direct transfer	A796223	28,682,013.50	58,564,027.00
Direct transfer	A724028	600,000.00	
Direct transfer	A724127	30,000,000.00	
Direct transfer	A820844	12,000,000.00	
Direct transfer	A796331	20,000,000.00	
Direct transfer	A825662	61,901,519.00	
TOTAL		182,465,546.00	107,308,379.80

2. PROCEEDS FROM SALE OF ASSETS

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

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3. OTHER RECEIPTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received		
Rents		
Receipts from Sale of tender documents		
Other Receipts Not Classified Elsewhere		
Total		

4. COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,337,360.00	1,265,330.00
Basic wages of casual labor		
House allowance	226,000.00	226,000.00
Staff Gratuity	659,680.00	
Employer Contribution to NSSF	116,640.00	147,840.00
Total	2,339,680.00	1,639,170.00

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5. USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services		
Office Rent	496,942.85	426,292.76
Communication, supplies and services	150,000.00	128,900.00
Domestic travel and subsistence	180,500.00	156,000.00
Printing, advertising and information supplies & services	230,000.00	210,000.00
Training expenses	800,000.00	800,000.00
Hospitality supplies and services	120,000.00	43,500.00
Committee expenses	4,820,251.14	5,995,844.34
Office and general supplies and services	488,000.00	345,800.00
Insurance Cost	124,598.00	
Fuel oil and lubricants	615,000.00	700,000.00
Other Operating expenses		
Routine Maintenance of vehicle and other transport Equipment	240,000.00	647,928.00
Routine Maintenance of other Assets		
TOTAL	8,265,291.99	9,454,265.10

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	22,637,931.00	7,380,002.00
Transfers to secondary schools	32,000,000.00	41,250,000.00
Transfers to tertiary institutions	36,000,000.00	
Transfers to health institutions	5,100,000.00	9,719,800.00
TOTAL	95,737,931.00	58,349,802.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2015- 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools	4,340,000.00	8,719,228.00
Bursary – tertiary institutions	5,660,000.00	4,420,000.00
Bursary – special schools		
Mocks & CAT		
Water projects		5,939,500.00
Agriculture		1,200,000.00
Electricity projects		5,000,000.00
Security projects	7,200,000.00	1,100,000.00
Roads projects	1,700,000.00	1,100,000.00
Sports projects	2,484,029.91	2,198,250.00
Environment projects	1,500,000.00	3,363,108.00
Emergency projects	5,767,647.00	2,000,000.00
Total	28,651,676.91	35,040,086.00

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016	2014 - 2015

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9. OTHER PAYMENTS

	2015 – 2016	2014 - 2015
	Kshs	Kshs
Strategic Plan		1,077,000.00
		1,077,000.00

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
Kenya Commercial Bank Matuu 1105310906	50,457,567.00	2,986,598.90
Total	50,457,567.00	2,986,598.90

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10B: CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Total		

11. OUTSTANDING IMPRESTS

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

12. RETENTION

Supplier/Contractor	P.V NO.	2015 - 2016	2014 - 2015
		Kshs	Kshs
Total			

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	2,986,598.90	1,748,056.00
Cash in Hand		
Imprests		
Total	2,986,598.90	1,748,056.00

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2012 - 2014
	Kshs	Kshs
Bank accounts		
Cash in hand		
Imprest		
Total		

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2015-2016	2014-2015
	Ksh	Ksh
Senior Management	xxx	xxx
Middle Management	xxx	xxx
Unionisable employees	xxx	xxx
Others (Specify)	xxx	xxx
Total	xxx	xxx

15.3: OTHER PENDING PAYABLES (See Annex 3)

	2015-2016	2014-2015
	Ksh	Ksh
Amounts due to other government entities(see attached)	xxx	xxx
Amounts due to other grants and transfers(see attached)	xxx	xxx
Others (Specify)	xxx	xxx
Total	xxx	xxx

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015-2016	Outstanding Balance 2014-2015	Comments
		a	B	C	d=(a+e)-c	e	
	Transfers to other Government units						
	Sub-Total						
	Amounts due to other grants and other transfers						
	Sub-Total						
	Others (specify)						
	Sub-Total						
	Grand Total						

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

a. FIXED ASSETS REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	200,000.00	200,000.00
Transport Equipment	4,500,000.00	4,500,000.00
Office Equipment	4,370,000.00	4,370,000.00
ICT Equipment , Software and other ICT Assets	1,065,465.00	1,065,465.00
Other Machinery and Equipments		
Heritage and Cultural Assets		
Intangible Assets		
Total	10,135,465.00	10,135,465.00