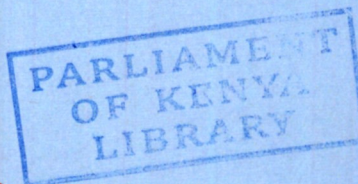


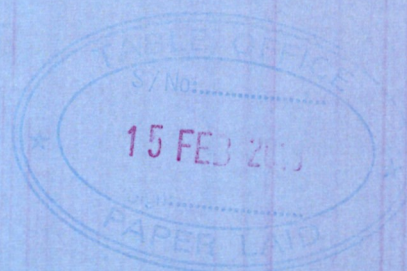
REPUBLIC OF KENYA



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



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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





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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
MOLO 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 – MOLO  
CONSTITUENCY**

**Reports and Financial Statements**

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO  
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The *Constituencies Development Fund (NG-CDF)* was set up under the NG-CDF Act, 2003 now repealed by the NG-CDF Act, 2013. 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*.

**(b) Key Management**

The *Molo 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	Samuel Mwangi
3.	Accountant	Peter kihanda

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 24- 20102  
Kanyiri Building  
Nakuru – Molo Road  
Turi centre,  
Elburgon, Kenya

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO  
CONSTITUENCY**

**Reports and Financial Statements**

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

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**(f) MOLO NG-CDF Contacts**

Telephone: (254) XXXXXXXX

E-mail: NG-CDFmolo@go.ke

Website: www.go.ke

**(g) MOLO NG-CDF Bankers**

1.	Bank Name:	<b>Equity bank</b>
	Branch:	<b>MOLO</b>
	Account Name:	<b>Molo NG-CDF</b>
	Account Number:	<b>0230262025900</b>

**(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- MOLO  
CONSTITUENCY**

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

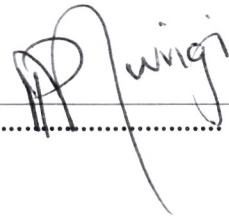
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**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY  
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

On behalf of Molo NG- CDFC, I am pleased to present annual report and financial statements for the financial year 2015/2016. In the year under review our overall performance was average due to several factors among them the dissolving of the committee on 19<sup>th</sup> February, 2016. The key achievements for Molo NG-CDFC is that have managed to disburse funds directly to each project through the PMC hence assist constituency for fighting poverty and involve the community directly for them to own the projects. Molo NG-CDF has been able to open rural access roads (feeder roads). Through the Health Sector NG-CDF has made it possible for the public to easily access health facilities Water projects have been implemented to enhance access to clean though the rate of absorption is low due to the fact that they were massive and a lot of activities were required. In the education sector, NG-CDF funding of schools has assisted in improving the infrastructure hence increasing student enrolment. NG-CDF bursary has helped retain in students from low income families in tertiary and secondary schools.

Emerging issues related to the NG-CDF is the enactment of the NG-CDF act and the legal impediments. Implementation challenges and recommended way forward are among others late disbursement of funds which lead to rise in project costs due to factors like inflation. Frequent development forums and awareness forums should be held to bring awareness to the public and the PMC's should be trained in order to enhance their capacity in project implementation.

Despite all the challenges associated with the NG- CDF it only the remaining mechanism to address local development and bridge the development gaps left between the county and the national government.

<b>Name</b>	<b>Designation</b>	<b>Sign.</b>	<b>Date</b>
<b>Peter Mwirigi Kenda</b>	<b>NG-CDFC Chairman</b>		<b>5/9/16</b>



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO  
CONSTITUENCY**

**Reports and Financial Statements**

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

**III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government NG-CDF shall prepare financial statements in respect of that NG-CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the *MOLO NG-CDF* is responsible for the preparation and presentation of the *NG-CDF's* financial statements, which give a true and fair view of the state of affairs of the *NG-CDF* for and as at the end of the financial year (period) ended on June 30, 2015. 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 *Molo* 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, 2015, and of the *NG-CDF's* financial position as at that date. The Accounting Officer charge of the (*Molo 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 *Molo* 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

5/9/16 2016.

\_\_\_\_\_  
Principal Secretary

\_\_\_\_\_  
Principal Accounts Controller



# REPUBLIC OF KENYA

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Fax: +254-20-311482  
E-mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://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 - MOLO 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 – Molo Constituency set out on pages 6 to 25, which comprise the statement of financial assets and liabilities as at 30 June 2016, and the statement of receipts and payments, 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 representation of these financial statements in accordance with the International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable 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(1) of the Public Audit Act, 2015.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on the 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 of the Constitution. The audit was conducted in accordance with the 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

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



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 management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## **1.0 Basis for Qualified Opinion**

### **1.1 Cash and Cash Equivalent**

### **1.2 Bank Reconciliation**

The statement of financial assets as at 30 June 2016 reflects a bank balance of Kshs.34,600,910.30. Bank reconciliation statement provided for audit in support of the balance reported payments in cash books not yet recorded in bank statements of Kshs.7,944,102 and payments in bank statement not recorded in cash book of Kshs.47,263.95. Included in payments in cash books not recorded in bank statement are cheques totaling Kshs.340,740 which have not presented to the bank dating back to 30 June 2014 thereby, becoming stale. Similarly, there are bank charges totaling Kshs.47,263.95 and dating back to 1 February 2014 which have not been recorded in the cash book. The stale cheques have not been cancelled and reversed in the cash book while the entries in the cash book and not in the bank statements have not been explained.

### **1.3 Omitted Bank Account**

In the previous year, a qualification paragraph was raised in respect of a bank account number 1122194781 maintained at Kenya Commercial Bank Njoro branch that had a balance of Kshs.22,895,239.90 as at 30 June 2015 which was not disclosed in the financial statements. The account has not been disclosed in this year's financial statements and the bank statements produced for audit showed the bank balance is still standing in the bank. In the circumstance, the accuracy of cash and cash Equivalent balance of Kshs.34,600,910.30 as at 30 June 2016 could not be confirmed.

## **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Molo Constituency as at 30 June 2016, and of its financial performance 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 the National Government Constituencies Development Fund Act, 2015.

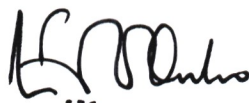
## **Other Matter**

### **1. Under Absorption of Funds**

The summary statement of appropriation indicates that the National Government Constituency Development Fund Molo had in their final budget expected to receive an income of Kshs.165,412,624 from the Constituency Development Fund Board. However, actual receipts were Kshs.97,713,448 an indication that Molo Constituency was under funded by Kshs.67,699,176. However, out of the total receipt of Ksh.97,713,448, the fund was only able to absorb Kshs.87,365,102 implying that even with the underfunding the CDF could not absorb 12% of the released fund. In the circumstance, the resident of the constituency were denied the full services due to under absorption and under funding.

### **2. Other Grants and Transfers**

The approved budget for other grants and transfers was Kshs.48, 867,647 against an actual of Kshs.54, 631,032 resulting to over expenditure on bursaries to secondary schools and water projects of Kshs.1,871,000 and Kshs.6,974,773 respectively. The over expenditure has not been explained and supported. In the circumstance, the expenditure of Kshs.54,631,032 could not be confirmed as properly chargeable to public funds.



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

**Nairobi**

**16 January 2018**



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO  
CONSTITUENCY

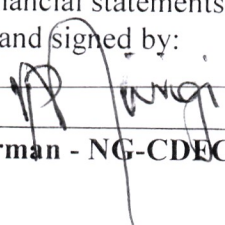
Reports and Financial Statements

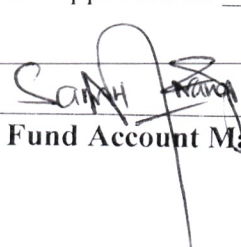
For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	97,713,448.00	82,831,821.50
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>97,713,448.00</b>	<b>82,831,821.50</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,231,682.00	1,266,900.00
Use of goods and services	5	5,552,044.00	5,667,992.00
Transfers to Other Government Units	6	25,950,344.00	28,937,225.00
Other grants and transfers	7	54,631,032.00	42,902,652.20
Acquisition of Assets	8	-	-
Other Payments	9	-	2,080,000.00
<b>TOTAL PAYMENTS</b>		<b>87,365,102.00</b>	<b>80,854,769.20</b>
<b>SURPLUS/DEFICIT</b>		<b>10,348,346.00</b>	<b>1,977,052.30</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Molo NG-CDF financial statements were approved on 5/9/16 2016 and signed by:

  
Chairman - NG-CDEC

  
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO  
CONSTITUENCY**

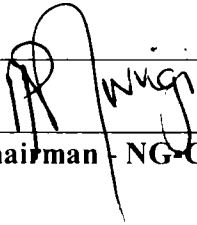
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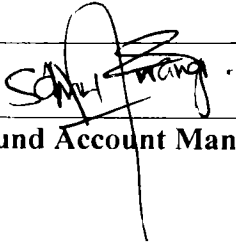
**For the year ended June 30, 2016**

**V. STATEMENT OF FINANCIAL ASSETS**

	Note	2015-2016	2014-2015
		Kshs	Ksh
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	34,600,910.30	11,252,564.30
Cash Balances (cash at hand)	10 B	-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>34,600,910.30</b>	<b>11,252,564.30</b>
<b>REPRESENTED BY:</b>			
Retention	12	-	
Fund balance b/fwd 1st July...	13	11,252,564.30	9,275,512.00
Surplus/Deficit for the year		10,348,346.00	1,977,052.30
Prior year adjustments	14	13,000,000.00	-
<b>NET LIABILITIES</b>		<b>34,600,910.30</b>	<b>11,252,564.30</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MOLO NG-CDF financial statements were approved on 5/9/16 2016 and signed by:

  
Chairman - NG-CDFC

  
Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO  
CONSTITUENCY**

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

**VI. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2015 - 2016</b>	<b>2014 - 2015</b>
Transfers from CDF Board	1	97,713,448.00	82,831,821.50
Other Receipts	3	-	-
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,231,682.00	1,266,900.00
Use of goods and services	5	5,552,044.00	5,667,992.00
Transfers to Other Government Units	6	25,950,344.00	28,937,225.00
Other grants and transfers	7	54,631,032.00	42,902,652.20
Other Payments	9	-	2,080,000.00
		<b>87,365,102.00</b>	<b>80,854,769.20</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	13,000,000.00	-
<b>Net cash flow from operating activities</b>		<b>10,348,346.00</b>	<b>1,977,052.30</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>23,348,346.00</b>	<b>1,977,052.30</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>11,252,564.30</b>	<b>9,275,215.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b>34,600,910.30</b>	<b>11,252,564.30</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MOLO NG-CDF financial statements were approved on 5/19/16 2016 and signed by:

  
Chairman NG-CDFC

  
Fund Account Manager

**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 Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	103,160,060.00	62,252,564.30	165,412,624.30	108,966,012.30	56,446,612.00	66
Proceeds from Sale of Assets	-	-	-	-	-	0
Other Receipts	-	-	-	-	-	0
<b>Total</b>	<b>103,160,060.00</b>	<b>62,252,564.30</b>	<b>165,412,624.30</b>	<b>108,966,012.30</b>	<b>56,446,612.00</b>	<b>66</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,202,800.00	1,176,200.00	3,379,000.00	1,231,682.00	2,147,318.00	36
Use of goods and services	6,500,000.00	4,572,212.42	11,072,212.42	5,552,044.00	5,520,168.42	50
Transfers to Other Government Units	35,662,413.00	18,312,413.00	53,974,826.00	25,950,344.00	28,024,482.00	48
Other grants and transfers	58,317,647.00	38,191,738.88	96,509,385.88	54,631,032.00	41,878,353.88	57
Acquisition of Assets	477,200.00	-	477,200.00	-	477,200.00	0
Other Payments	-	-	-	-	-	-
<b>TOTALS</b>	<b>103,160,060.00</b>	<b>62,252,564.30</b>	<b>165,412,624.30</b>	<b>87,365,102.00</b>	<b>78,047,522.30</b>	<b>53</b>

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

➤ During the F/Y under review Molo NG-CDF had no AIA

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

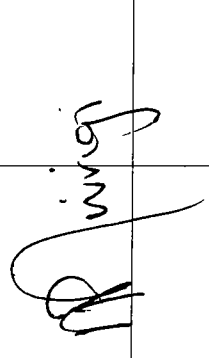
*(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]*

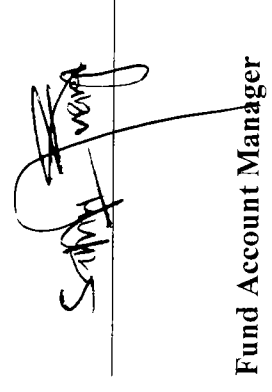
**i. COMPENSATION TO EMPLOYEES:**

- *The total utilization was at 36 %. This is due to the fact that the budget must be adhered to for the whole F/Y and the first disbursement in that financial year was at the second quarter of the financial year.*
- ii. *Transfer to Other Government Units*
  - *The overall utilization rate was 48%. This was due to the fact that the NG-CDF didn't approve one project worth ksh 15,000,000.00 hence we could not implement it. The TTI funds amounting to ksh 10,000,000.00 could not be disbursed after the committee was disbudded.*

**iii. Acquisition of asset**

- *The assets could not be bought as we wait for the last allocation of funds.*

  
 \_\_\_\_\_  
**Chairman NG-CDF**

  
 \_\_\_\_\_  
**Fund Account Manager**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO  
CONSTITUENCY**

**Reports and Financial Statements**

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

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**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**

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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

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*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

authorised public 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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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2015-2016</b>	<b>2014 - 2015</b>
		<b>Kshs</b>	<b>Kshs</b>
Normal Allocation	AIE NO.A 759739	<b>46,713,448.00</b>	<b>34,118,374.00</b>
	AIE NO.A 820686	<b>10,000,000.00</b>	<b>24,356,724.00</b>
	AIE NO A 820905	<b>20,000,000.00</b>	<b>24,356,723.50</b>
	AIE NO A825591	<b>21,000,000.00</b>	-
Conditional grants	AIE NO...	-	-
	AIE NO...		-
Receipt from other Constituency		-	-
<b>TOTAL</b>		<b>97,713,448.00</b>	<b>82,831,821.50</b>

**1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS**

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from the Sale of Buildings	-	
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	
Receipts from the Sale of office and general equipment	-	
<b>Total</b>	-	-



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.3 OTHER RECEPTS

Description	2015 - 2016	2014- 2015
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,176,200.00	1,191,600.00
Employer contribution to NSSF	55,482.00	75,300.00
<b>Personal allowances paid as part of salary</b>	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
gratuity	-	-
<b>Total</b>	<b>1,231,682.00</b>	<b>1,266,900.00</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.1.1.1.1.1.5 USE OF GOODS AND SERVICES**

<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>
Utilities, supplies and services	154,144.00	-
Office rent	630,000.00	315,000.00
Communication, supplies and services	50,000.00	1,437,592.00
Domestic travel and subsistence	15,900.00	
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,150,000.00	564,000.00
Hospitality supplies and services	50,000.00	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	700,000.00	-
Fuel ,oil & lubricants	-	350,000.00
Other operating expenses	50,000.00	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	100,000.00	-
Other committee expenses	1,998,000.00	1,804,400.00
Committee allowance	654,000.00	1,197,000.00
<b>Total</b>	<b>5,552,044.00</b>	<b>5,667,992.00</b>



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1.1.1.1.1.1.1.6 TRANSFER TO OTHER GOVERNMENT ENTITIES

6 TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	7,937,931.00	15,400,000.00
Transfers to secondary schools	7,512,413.00	5,054,466.00
Transfers to Tertiary institutions	10,000,000.00	-
Transfers to Health institutions	500,000.00	8,482,759.00
<b>TOTAL</b>	<b>25,950,344.00</b>	<b>28,937,225.00</b>

1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	7,937,931.00	15,400,000.00
Transfers to secondary schools	7,512,413.00	5,054,466.00
Transfers to Tertiary institutions	10,000,000.00	-
Transfers to Health institutions	500,000.00	8,482,759.00
<b>TOTAL</b>	<b>25,950,344.00</b>	<b>28,937,225.00</b>

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

**1.1.1.1.1.1.2 OTHER GRANTS AND OTHER PAYMENTS**

<b>8 OTHER GRANTS AND OTHER PAYMENTS</b>		
<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary –Secondary	7,871,000.00	1,413,260.00
Bursary –Tertiary	5,155,000.00	7,779,450.00
Bursary-Special schools	-	-
Mocks & CAT	4,500,000.00	2,300,000.00
Water	29,374,773.00	16,400,000.00
Agriculture (food security)	-	600,000.00
Electricity projects	-	-
Security	1,000,000.00	2,700,000.00
Roads	-	7,699,942.20
Sports	1,000,000.00	1,000,000.00
Environment	-	1,000,000.00
Emergency Projects (specify)	5,730,259.00	2,010,000.00
<b>Total</b>	<b>54,631,032.00</b>	<b>42,902,652.20</b>

**ACQUISITION OF ASSETS**

<b>Non-Financial Assets</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-

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Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of Office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>Total</b>	-	-

**10 A: Bank Balances (cash book bank balance)**

Name of Bank, Account No. & currency	Account Number	2015 - 2016 Kshs (30/6/2016)	2014 - 2015 Kshs (30/6/2015)
<i>Equity Bank- Molo branch</i>	0230262025900	42,497,748.35	25,411,582.35
<b>Total</b>		<b>42,497,748.35</b>	<b>25,411,582.35</b>

**10 B: CASH IN HAND)**

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

*[Provide cash count certificates for each]*



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<b>Date imprest taken</b>	<i>Amount Taken</i>	<i>Amount Surrendered</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	-	-
<b>Total</b>			

12: RETENTION

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier/ Contractor	-	-
<b>Total</b>	-	-

13 BALANCES BROUGHT FORWARD

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs (1/7/2015)</b>	<b>Kshs (1/7/2014)</b>
Bank accounts	11,252,564.30	9,275,512.00
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>11,252,564.30</b>	<b>9,275,512.00</b>

14 PRIOR YEAR ADJUSTMENTS

<b>Description</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts		
Cash in hand	-	-
Imprest	-	-
Other grants and payments	13,000,000.00	-
<b>Total</b>	<b>13,000,000.00</b>	<b>-</b>

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015 - 2016 Kshs	2014 - 2015 Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

15.2: PENDING STAFF PAYABLES (See Annex 2)

15.2: PENDING STAFF PAYABLES (See Annex 2)		
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (NG- CDFC Employees)	121,633.00	-
<b>Total</b>	<b>121,633.00</b>	<b>0.00</b>

15.3: OTHER PENDING PAYABLES (See Annex 3)

Amounts due to other Government entities (see attached list)		
	ksh	ksh
Primary schools	700,000.00	-
Kambala sec sch	1,400,000.00	-
kapsita dispensary	500,000.00	1,000,000.00
Others ( <i>specify</i> )	-	-
Strategic plan	1,800,000.00	1,800,000.00
Emergency	1,670,000.00	1,000,000.00
M/E	1,085,311.00	20,220.00
Admin	992,633.42	228,192.42
Water	12,351,814.08	2,887,000.00
Road	-	1,600,057.80
Marioshoni Road	1,600,000.00	-

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

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Turi Road	3,200,000.00	-
Molo road	2,500,000.00	-
Elburgon Road	3,500,057.80	-
Sports( Molo sport association)	1,500,000.00	1,000,000.00
Security( D.Os office Molo	200,000.00	700,000.00
Bursary	1,001,094.00	1,017,094.00
Environment	600,000.00	
	<b>34,600,910.30</b>	<b>11,252,564.22</b>



**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Outstanding Balance		Comments
				2016	2015	
		a	b	d=a-c		
<b>Amounts due to other Government entities</b>						
1. Transfers to Primary Schools	Construction and rehabilitation of classrooms	1,800,000.00		-	6,837,931.00	Waiting release of funds by NG-CDFB
2. Transfers to Secondary Schools	Construction and rehabilitation of classrooms	20,712,413.00		15,000,000.00	2,000,000.00	Waiting release of funds by NG-CDFB
3. Transfers to Tertiary Institutions	Construction of classroom and fencing	10,000,000.00		-	1,400,000.00	Waiting release of funds by NG-CDFB
4. Transfers to Health Institutions	Rehabilitation of dispensary	3,350,000.00		3,350,000.00	500,000.00	Waiting release of funds by NG-CDFB
<b>Sub-Total</b>		<b>35,862,413.00</b>		<b>18,350,000.00</b>		Waiting release of funds by NG-CDFB
5. Bursary		17,500,000.00		-		Waiting release of funds by NG-CDFB
5. Transfers to Water Projects	Construction of water tanks, piping and intakes	22,200,000.00		15,712,413.00		Waiting release of funds by NG-CDFB
6. Transfers to Roads Projects	Rehabilitation of roads	8,250,000.00		8,250,000.00		Waiting release of funds by NG-CDFB

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7. Transfers to Environment	Ploanting of trees in public institutions	700,000.00		700,000.00		Waiting release of funds by NG-CDFB
8. Transfers to Emergency Projects	Emergency concurrencies	5,767,647.00		3,767,647.00		Waiting release of funds by NG-CDFB
<b>Sub-Total</b>		<b>54,417,647.00</b>		<b>28,430,060.00</b>		
<b>Others (specify)</b>						
11. Administration		6,180,000.00		2,680,000.00		Waiting release of funds by NG-CDFB
12. Monitoring and Evaluation		3,000,000.00		1,000,000.00		Waiting release of funds by NG-CDFB
13. Audit Fees		500,000.00		500,000.00		Waiting release of funds by NG-CDFB
14. Transfers to Electricity Projects		1,200,000.00		1,200,000.00		Waiting release of funds by NG-CDFB
15. Transfers to Sports Projects		1,500,000.00		-		Waiting release of funds by NG-CDFB
9. Transfers to Security Projects		500,000.00		-		Waiting release of funds by NG-CDFB
	<b>Sub-Total</b>	<b>12,880,000.00</b>		<b>5,380,000.00</b>		
	<b>Grand Total</b>	<b>103,160,060.00</b>		<b>52,160,060.00</b>		

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

**a. FIXED ASSETS REGISTER**

TYPE OF FURNITURE.	ASSET SERIAL NO.	ACQUISITION DATE.	QTY	UNIT COST (KSH).	TOTAL COST	CURRENT CONDITION.
BANQUETTING CHAIRS.	NG-CDF/166/001 - 027	25/03/2014	27	4,000.00	108,000.00	GOOD CONDITION.
OFFICE CHAIRS CHROME BASE.	NG-CDF/166/029 - 031.	25/03/2014	3	17,571.00	52,713.00	GOOD CONDITION.
SECRETARY CHAIR PANSY.	NG-CDF/166/032 - 033.	25/03/2014	2	10,035.00	20,070.00	GOOD CONDITION.
SECRETARY CHAIR.	NG-CDF/166/034	25/03/2014	1	13,500.00	13,500.00	GOOD CONDITION.
CONFERENCE TABLE.	NG-CDF/166/035.	25/03/2014	1	65,138.00	65,138.00	GOOD CONDITION.
EXECUTIVE OFFICE TABLE	NG-CDF/166/036.	25/03/2014	1	55,000.00	55,000.00	GOOD CONDITION.
OFFICE TABLE.	NG-CDF/166/037	25/03/2014	1	35,019.00	35,019.00	GOOD CONDITION.
OFFICE TABLE MAHOGANY	NG-CDF/166/038 - 039.	25/03/2014	2	14,334.00	28,668.00	GOOD CONDITION.
WRITING TABLE.	NG-CDF/166/040.	25/03/2014	1	25,800.00	25,800.00	GOOD CONDITION.
OFFICE TABLE MELAMINE.	NG-CDF/166/041.	25/03/2014	1	28,000.00	28,000.00	POOR CONDITION
BOOK RACK WITH GLASS	NG-CDF/166/043	25/03/2014	2	19,250.00	38,500.00	GOOD CONDITION.
HP LASERJET PRO M1132	NG-CDF/166/001.	25/03/2014	1	20,530.00	20,530.00	GOOD CONDITION.
ACER DUO CORE COMPUTER MACHINE	NG-CDF/166/002.	25/03/2014	1	51,000.00	51,000.00	GOOD CONDITION.
DELL LAPTOP CELERON	NG-CDF/166/003.	25/03/2014	1	52,000.00	52,000.00	GOOD CONDITION.
TOYOTA VIRGO DOUBLE CAB GK A 432 V	NG-CDF/166/004.				4,500,000.00	GOOD CONDITION.



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Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	-	-
Buildings and structures	-	-
Transport equipment	4,500,000.00	4,500,000.00
Office equipment, furniture and fittings	470,408.00	470,408.00
ICT Equipment, Software and Other ICT Assets	123,530.00	123,530.00
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
<b>Total</b>	<b>5,093,938.00</b>	<b>5,093,938.00</b>