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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
NORTH MUGIRANGO CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**



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



Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)	3
III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS	5
V. STATEMENT OF ASSETS	6
VI. STATEMENT OF CASHFLOW	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	9
IX. NOTES TO THE FINANCIAL STATEMENTS	11

CONSTITUENCY DEVELOPMENT FUND- NOTH MUGIRANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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 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 North Mugirango Constituency's day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Wilson Okumu
3.	Accountant	Mr. Stanley Agoi

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of North Mugirango 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) NORTH MUGIRANGO NG-CDF Headquarters

P.O. Box 105-40500 Nyamira
Deputy County Commissioners Office Building
Nyamira
KENYA

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

(f) North Mugirango NGCDF Contacts

Telephone: (254) 0722 700485
E-mail: cdfnmugirango@cdf.go.ke
Website: www.cdf.go.ke

(g) North Mugirango NGCDF Bankers

Bank Name: Equity Bank Ltd
Branch: Nyamira
Account Name: North Mugirango NG-CDF
Account Number: 0502062112242
Address: 105-40500

(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 (NGCDFC)**

It is my pleasure to present to you North Mugirango 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 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 schools has assisted in increasing student enrolment, the CDF bursary has helped retain in schools students from low income families.

Emerging issues related to the 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 operationalized.
- The NG-CDF Act and the constitution limits the operations of CDF to Education and National security functions, leaving out all the devolved functions.

Hesbon N.Arao

NG-CDFC Chairman

Designation

Sign.....



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH
MUGIRANGO 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.

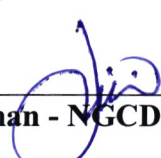
The Accounting Officer in charge of the North Mugirango NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This 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 North Mugirango 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 North Mugirango 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 North Mugirango 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 31/6 2016.


Chairman - NGCDFC


Fund Account Manager

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH MUGIRANGO 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 – North Mugirango Constituency set out on pages 5 to 20, which comprise the statement of assets as at 30 June 2016, statement of receipts and payments, statement of cash flows and a summary statement of appropriation: recurrent and development 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 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 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 assessments 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

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

of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Cash and Cash Equivalents

1.1. Bank Balance

The bank balance of Kshs.36,555,000 as analysed by bank reconciliation statement includes un-presented cheques totalling Kshs.6,591,072 out of which cheques of Kshs.680,551 had not been presented for more than six months and hence stale. These cheques had not been cleared in the subsequent months and neither had they been replaced or reversed in the cash book. In addition bank charges totalling Kshs.48,097 were included as reconciling items instead of financial costs.

1.2. Outstanding Imprest

The outstanding imprest of Kshs.1,660,000 as analysed by the Board of Survey was not supported by imprest register.

Consequently, it has not been possible to confirm that cash and cash equivalents balance of Kshs.38,215,000 as at 30 June 2016 is fairly stated.

2. Compensation of Employees

Compensation of employees of Kshs.1,616,198 had not been supported with payment schedules and other relevant documentation.

In addition, in the months of May and June 2016, three additional employees were included in the payroll, and whose details are as below:

Number	P/No	Name	Designation	ID number
1	CDF/272/008	Sagero Monicah	Office Clerk	32248469
2	CDF/272/009	Agaki Otenyo Philemon	Unknown	25386397
3	CDF/272/010	Rebecca Kwamboka Mbuga	Secretary	34120260

Management did not avail personnel files and therefore the terms of their engagement could not be confirmed.

Consequently, the accuracy and validity of the balance of compensation of employees of Kshs.1,616,198 could not be confirmed.

3. Use of Goods and Services

The use of goods and services reflects a figure of Kshs.8,739,000 which however, was not supported by any documentary evidence.

Consequently, the accuracy and validity of use of goods and service of Kshs.8,739,000 could not be confirmed.

4. Transfers to Other Government Units

The transfers to other government units reflects a figure of Kshs.27,600,000 out of which transfers to secondary schools amounting to Kshs.15,800,000 was supported to the tune of Kshs.9,019,966 and hence leading to an unexplained variance of Kshs.6,780,034.

Consequently, the accuracy and validity of transfers to other government units of Kshs.27,600,000 could not be confirmed.

5. Other Grants and Transfers

Included in the statement of receipts and payments is other grants and transfers figure of Kshs.88,531,233. However, the following anomalies were noted from the scrutiny of the payments:

(a) Bursaries

- (i) Bursaries disbursed to secondary schools, tertiary institutions and mocks of Kshs.13,831,188 were supported with relevant documents of Kshs.10,283,280 and thus resulting to an unreconciled difference of Kshs.3,547,908.
- (ii) Bursaries were awarded to various students in various institutions of learning at varying rates of Kshs.10,000, Kshs.8,000, Kshs.7,000, and Kshs.6,000. However, the criteria used to arrive at these rates was not provided.
- (iii) The management did not produce the entire list of all beneficiaries and corresponding amounts awarded.
- (iv) Students with details listed below were awarded bursaries twice in the year without any explanations as to why they benefited more than others.

	Payment Date	Amount (Kshs)	Payment Date	Amount (Kshs)	Total (Kshs)
Itibo location					
Nyamwembe Teresa Moraa	26 Jan 2016	10,000	4 May 2016	10,000	20,000
Bokeira Location					
Tuti Walter Onger	26 Jan 2016	10,000	4 May 2016	10,000	20,000
Ratemo Dorothy Moraa	26 Jan 2016	10,000	4 May 2016	10,000	20,000
Anne Moraa Onduko	26 Jan 2016	10,000	4 May 2016	10,000	20,000

Bokeira Location					
Fred Monari Onyancha	12 Feb 2016	6,000	12 Feb 2016	6,000	12,000
Geoffrey O. Otochi	„	6,000	„	6,000	12,000
Lameck Oyieko	„	6,000	„	6,000	12,000
Henry Monari Ouru	„	6,000	„	6,000	12,000
Jared Onyancha Oginga	„	6,000	„	6,000	12,000

In addition, Nyangau Catherine Kwamboka who had been awarded a bursary of Kshs.6,000 on 12 February 2016 in Bokeira location was again awarded another Kshs.6,000 on the same date in Obwari location, and Nyangau Jescah Nyabonyi was also awarded two bursaries of Kshs.6,000 in Obwari location and Kshs.6,000 in Borangi location on the same date of 12 February 2016 as shown below;

	Payment Date	Amount (Kshs)	Total (Kshs)
Bokeira Location			
Nyangau Catherine Kwamboka	12 Feb 2016	6,000	6,000
Obwari Location			
Nyangau Catherine Kwamboka	12 Feb 2016	6,000	6,000
Nyangau Jescah Nyabonyi	12 Feb 2016	6,000	6,000
Borangi Location			
Nyangau Jescah Nyabonyi	12 Feb 2016	6,000	6,000

(b) Water Projects

Included in other grants and transfers balance of Kshs.88,531,233 is Kshs.35,000,000 disbursed to cater for various water projects. However, payments amounting to Kshs.4,000,000 were not supported with payment vouchers, invoices and verification. In addition, the bills of quantities for the water projects were not provided for audit review.

(c) Roads and Bridges Projects

Included in other grants and transfers balance of Kshs.88,531,233 are payments relating to roads and bridges of Kshs.11,132,398. However, the supporting schedule availed for audit were for payments worth Kshs.16,478,000 and therefore leading to an unexplained difference of Kshs.5,345,602.

(d) Emergency Projects

Included in other grants and transfers balance of Kshs.88,531,233 are payments relating to emergency projects of Kshs.5,767,647. However, payment summary availed did not specify the names of the specific projects undertaken.

(e) Other Projects

Other projects not supported by payment summaries included electricity, environment, cultural projects and strategic plan of Kshs.6,500,000, Kshs.1,200,000, Kshs.7,000,000 and Kshs.1,000,000 respectively.

Consequently, the accuracy and validity of other grants and transfers of Kshs.88,531,233 could not be confirmed.

6. Disclosure of Assets

Included in the statement of receipts and payments is acquisition of assets balance of Kshs.3,214,012. However, documents availed for audit review indicated that assets worth Kshs.712,100 purchased and paid for during the year under review had not been incorporated in the acquisition of assets figure.

Consequently, the accuracy and validity of acquisition of assets figure of Kshs.3,214,012 for the year ended 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 - North Mugirango 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 National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budget Performance Analysis

Analysis of the budget for the year revealed that the expenditure exceeded the budget without approval on various budget items as listed below. No explanation was provided by management for the anomaly. In addition the management spent on two (2) items which were not budgeted for namely transfer to tertiary institutions and strategic plan as shown below;

Item	Budget (Kshs)	Actual (Kshs)	Variance (Kshs)	Level of Absorption (%)
Employee Salaries	1,000,000	1,552,198	(552,198)	155%
Printing, advertising and information	900,000	3,400,000	(2,500,000)	378%
NSSF	50,000	64,000	(14,000)	128%
Committee Allowances	3,500,000	5,339,000	(1,839,000)	153%
Environment	526,000	1,200,000	(674,000)	228%

Transfer to Secondary Schools	15,700,000	15,800,000	(100,000)	101%
Transfers to tertiary institutions	-	300,000	(300,000)	
Water Sector	25,000,000	35,000,000	(10,000,000)	140%
Transfer to Health Institutions	1,000,000	3,300,000	(2,300,000)	330%
Sports/Cultural projects	1,026,000	7,100,000	(6,074,000)	692%
CDF office furniture /equipment	2,000,000	2,930,000	(930,000)	147%
Security-Nyamusi AP Camp	1,500,000	2,000,000	(500,000)	133%
Electricity	2,000,000	6,500,000	(4,500,000)	325%
Strategic plan	-	1,000,000	(1,000,000)	

During the year under review, the approved budget for the CDF was Kshs.117,067,847 but received Kshs.144,680,045 surpassing their budget by Kshs.27,612,198.

The management budgeted expenditure of Kshs.117,067,847 but ended up spending Kshs.129,700,443 resulting to over absorption by Kshs.12,632,596.

The over expenditure was however not sanctioned by the National Government Constituencies Development Fund Board.

2. Projects Status Report

The project status reports of the projects verified physically were as follows:

Project Name	Project Activity	Amount Budgeted (Kshs)	Disbursement (Kshs)	Status	Level of completion (%)
Nyairanga Sec School	Purchase of school bus in Nyairanga	-	2,000,000	Bus KCE 563D was purchased and functional	100%
Nyairanga Borehole	Drilling Nyairanga Borehole	3,000,000	3,000,000	Drilling & piping to ground surface. Piping to reservoir not done	70%
Nyamonye-	Construction of	-	2,000,000	Opening and	80%

Otondo road	Nyamonge-Otondo road			gravelling done	
St. Kaizer Sec School	Purchasing school bus		4,000,000	Bus KCA652F was purchased and functional	100%
St. Kaizer Sec school	Construction of new classroom	400,000	200,000	Used for plastering 4 classrooms	100%
Nyamonge Borehole	Drilling, piping & casing Nyamonge borehole	4,000,000	4,000,000	Drilling & piping to ground surface. Piping to reservoir not done	70%
Misambi Borehole	Drilling Misambi Borehole	4,000,000	4,000,000	Drilled and tank installed. Tank holder is broken	80%
Nasari-Misambi-Karota road	Gravelling Nasari-Misambi-Karota road	-	2,500,000	Gravelling done	80%
Kebobora-Egetonto-Nyamusi road	Maintenance of Kebobora-Egetonto-Nyamusi road	2,500,000	2,500,000	Gravelling done	80%
Egetonto Primary	Construction Egetonto Pri	-	400,000	Roofing 6 doors classroom	100%
Kiomara Health Centre	Completion of staff house	1,000,000	3,000,000	Plastering, flooring, fixing windows & doors done. Sitting rooms of twin staff houses not tiled	80%

3. Prior Year Matters

The management did not indicate the status and follow-up of audit issues reported in the previous year as required by Public Sector Accounting Standards Board reporting template.



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

NAIROBI

12 March 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH
MUGIRANGO 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 CDF board-AIEs' Received	1	144,680,045	121,505,792.50
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	250,000	-
TOTAL RECEIPTS		144,930,045	121,505,792.50
PAYMENTS			
Compensation of employees	4	1,616,198	741,684
Use of goods and services	5	8,739,000	9,721,627
Transfers to Other Government Units	6	27,600,000	53,582,294
Other grants and transfers	7	88,531,233	42,195,324.65
Acquisition of Assets	8	3,214,012	3,000
Other Payments	9	-	-
TOTAL PAYMENTS		129,700,443	106,243,929.65
SURPLUS/DEFICIT		15,229,602	16,005,617.05

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The North Mugirango NGCDF financial statements were approved on 30/6/2016 and signed by:

Chairman - NGCDFC

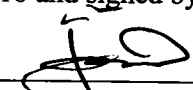
Fund Account Manager

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

V. STATEMENT OF ASSETS
1

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	36,555,000	22,985,398
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	1,660,000	
TOTAL FINANCIAL ASSETS		38,215,000	22,985,398
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	22,985,398	6,979,781
Surplus/Deficit for the year		15,229,602	16,005,617
Prior year adjustments	14	-	-
NET LIABILITIES		38,215,000	22,985,398

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The North Mugirango NGCDF financial statements were approved on 30/6/16 and signed by:


Chairman - NGCDFC


Fund Account Manager

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

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	144,680,045	121,505,793
Other Receipts	3	250,000	-
Payments for operating expenses		144,930,045	121,505,793
Compensation of Employees	4	1,616,198	741,684
Use of goods and services	5	8,739,000	9,721,627
Transfers to Other Government Units	6	27,600,000	53,582,294
Other grants and transfers	7	88,531,233	42,195,325
Other Payments			
Total		126,486,431	106,243,931
Adjustments during the year			
Net cash flow from operating activities		18,443,614	16,008,618
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets	8	(3,214,012)	(3,000)
Net cash flows from Investing Activities		(3,214,012)	(3,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		15,229,602	16,005,617
Cash and cash equivalent at BEGINNING of the year		22,985,398	6,979,780
Cash and cash equivalent at END of the year		38,215,000	22,985,398

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The North Mugirango NGCDF financial statements were approved on 30/6 2016 and signed by:

Chairman NGCDFC

Fund Account Manager

NATIONAL GOVERNMENT CONSILIARIES DEVELOPMENT FUND – NORTH MUGIRANGO 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 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 CDF Board	117,067,847	22,985,398	140,053,245	144,680,045	4,626,800	103%
Proceeds from Sale of Assets						
Other Receipts	250,000		250,000		250,000	
TOTAL RECEIPTS	117,317,847	22,985,398	140,303,245	144,680,045	4,376,800	103%
PAYMENTS						
Compensation of Employees	1,064,000	398	1,064,398	1,616,198	551,800	151%
Use of goods and services	7,739,000	985,000	8,724,000	8,739,000	15,000	100.2%
Transfers to Government Units	25,000,000	8,000,000	33,000,000	27,600,000	5,400,000	83.6%
Other grants and transfers	66,731,233	14,000,000	80,731,233	88,531,233	7,800,000	109.7%
Acquisition of Assets	3,214,012	0	3,214,012	3,214,012	0	100%
Other Payments						
TOTAL	103,748,245	22,985,398	126,733,643	129,700,443	2,966,800	102.3%

de below a commentary on significant underutilization (below 50% of utilization) and any overutilization)
The North Mugirango NGCDF financial statements were approved on 25/6/2016 and signed by:




(Provi

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 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.

2. 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.

3. 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.

4. Cash and cash equivalents

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

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 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.

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 – NORTH
MUGIRANGO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

TRIAL BALANCE AS AT 30TH JUNE 2016			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	36,555,000	
	Cash Balances	-	
	Outstanding Imprest	1,660,000	
Payments			
	Compensation of Employees	1,616,198	
	Use of goods and services	8,739,000	
	Transfers to Other Government Units	27,600,000	
	Other grants and transfers	88,531,233	
	Acquisition of Assets	3,214,012	
	Other Payments	-	
Receipts			
	Transfers from the Board		144,680,045
	Proceeds from sale of assets		-
	Others receipts		250,000
	Prior Year Adjustment		-
	Fund Balance b/f		22,985,398
	TOTAL	167,915,443	167,915,443

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
MUGIRANGO CONSTITUENCY
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
Normal allocation	AIE NO:	27,612,198.25	121,505,792.50
	AIE NO:	10,000,000.0	
	AIE NO:	30,000,000.00	
	AIE NO:	8,000,000.00	
	AIE NO:	10,000,000.00	
	AIE NO:	59,067,847.00	
	AIE NO:		
	AIE NO:		
	AIE NO:		
	AIE NO:		
	TOTAL	144,680,045.25	121,505,792.50

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		

3. OTHER RECEIPTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received		
Rents		
Receipts from Sale of tender documents (Receipt from Isaih Mambogo cheque No.993231)	250,000.00	
Total	250,000.00	

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,552,198	727,284.00
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
Employer contribution to NSSF	64,000	14,400
Gratuity-contractual employees		
TOTAL	1,616,198	741,684.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services		475,857.00
Electricity		
Office rent		
Communication, supplies and services		112,950.00
Domestic travel and subsistence		
Printing, advertising and information supplies & services	900,000	36,250.00
Rentals of produced assets		
Training expenses	1,000,000	622,450.00
Hospitality supplies and services		96,500.00
Other committee expenses	1,839,000	
Committee allowance	3,500,000	6,914,379.00
Insurance costs		
Specialised materials and services		
Office and general supplies and services	1,500,000	
Fuel ,oil & lubricants		996,400.00
Other operating expenses		174,550.00
Bank Service Commission and Charges		
Security Operations		
Routine maintenance – vehicles and other transport equipment		292,291.00
Routine maintenance – other assets		
Total	8,739,000	9,721,627



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to Primary Schools	8,200,000	11,145,000
Transfers to Secondary Schools	15,800,000	12,050,000
Transfers to Tertiary Institutions	300,000	15,000,000
Transfers to Health Institutions	3,300,000	15,387,294
Total	27,600,000	53,582,294

7. OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	2,031,188	
Bursary -Tertiary	11,000,000	13,126,649
Bursary-Special schools		
Mocks & CAT	800,000	300,000
Water	35,000,000	2,345,000
Food security		
Electricity	6,500,000	
Security	2,000,000	1,500,000
Roads and Bridges	11,132,398	16,821,840
Sports	100,000	
Environment	1,200,000	856,500
Provincial Administration		
Cultural Projects	7,000,000	250,000
Agriculture	2,500,000	
Emergency Projects	5,767,647	323,000
Strategic plan	1,000,000	3,000,000
Market	2,500,000	1,000,000
	88,531,233	42,195,324.65

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
MUGIRANGO CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and other Transport Equipment		
Overhaul of Vehicles and other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment	2,930,000	
Purchase of ICT Equipment, Software and other ICT Assets	284,012	
Purchase of Specialised Plant, Equipment and Machinery		3,000.00
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
Total	3,214,012	300,000

9. OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Specify		
Total		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
MUGIRANGO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30; 2016**

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)
Equity Bank Limited Nyamira Branch A/C No.0520262112242		
Total	36,555,000.00	22,985,398.00

10B: CASH IN HAND

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

[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
Edward Ratemo	30/06/2016	1,660,000	-	1,660,000
Total		1,660,000		1,660,000

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

12. RETENTION

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
MUGIRANGO CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

Name of Bank, Account No. & Currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank Accounts	22,985,398	6,979,780.70
Cash in Hand		
Imprest		
Total	22,985,398	6,978,780.70

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank Accounts		
Cash in Hand		
Imprest		
Total		

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		
Amounts due to other grants and other transfers		
Others (<i>specify</i>)		
Total		

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
Amounts due to other Government entities		a	b	c	d=a-c		
1.							Funds had been disbursed but the AIE had not been sent
2.							
Sub-Total							
Amounts due to other grants and other transfers							
3.							
4.							
5.							
6.							
7.							
Sub-Total							
Grand Total							