

PARLIAMENT
OF KENYA
LIBRARY

REPUBLIC OF KENYA



Paper Label
By LOMP, Hon Daudi
on 20/2/2015 at
the Table

OFFICE OF THE AUDITOR-GENERAL

S/No.....
20 FEB 2015
PAPER LAID



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
RONGO 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 –
RONGO 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 CABINET SECRETARY	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.....	9
VIII. SIGNIFICANT ACCOUNTING POLICIES	25
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26

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Development Fund (CDF) was established under the Constituencies Development Fund Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

The Rongo Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Enock Nyasende
3.	Accountant	Jared Orinda

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provides overall fiduciary oversight on the activities of Rongo 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) RONGO NGCDF Headquarters

NGCDF Office Building.
P.O Bo 542-40404
Rongo.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RONGO
CONSTITUENCY**

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

(f) RONGO NGCDF Contacts

Telephone: (254) 0723 362 923
E-mail:ngcdffrongo@NGCDF.go.ke
Website: www.ngcdffrongo.go.ke

(g) RONGO NGCDF Bankers

1. Kenya Commercial Bank
P.O Box 266
Rongo.

(h) Independent Auditors

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- RONGO
CONSTITUENCY**

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

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

The NGCDFC of Rongo has been working tirelessly to ensure that all the residents of Rongo Constituency benefit from the development programmes and activities it is undertaking in the Constituency. During the just ended 2015/2016 financial year the Constituency's NGCDFC embarked on the process of developing a five year strategic plan which will serve as a roadmap to equitable socio-economic development throughout the Constituency. The document is now ready and will guide the Constituency till the financial year 2021/2022.

The enactment of the new NGCDF Act of 2015 in February 2016 heralded a change in the functions which would be financed by the NGCDF Board henceforth. The Act restricts the Fund to national government functions of education and security. During the just ended financial year the NGCDFC financed education projects including bursaries to bright and needy students. There were also security projects which were undertaken during that period. The exact amounts spent on the various projects is contained in these accounts am privileged to present to you.

A number of challenges were also noted during the implementation of various projects within the Constituency. Most project management committees faced challenges in implementing various projects. However their capacity to oversee the projects has been enhanced through capacity building seminars and workshops. On the national level, the litigations against the Board have served to delay disbursement of funds and implementation of projects.

Sign. 

CHAIRMAN NGCDFC



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RONGO
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 Rongo 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 Rongo 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 in charge of the Rongo 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 Rongo 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 1st September 2016.



Fund Account Manager




Chairman


REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - RONGO 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 - Rongo Constituency set out on pages 5 to 20, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, 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 the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

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

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

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

auditor's judgement, including the assessment of 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 qualified audit opinion.

Basis for Qualified Opinion

1. Transfers to Other Governments Units

The Constituency Development Fund Committee disbursed a total of Kshs.68,345,502 in form of transfers to other Government units during the year under review as reflected under note 6 to the financial statements. These funds were administered through Project Management Committees (PMCs) spread throughout the constituency. However, disbursements totaling Kshs.41,225,502 made to various PMCs were not adequately supported with complete expenditure returns including cashbooks, bank statements, stores records, minutes and other relevant accounting documents. Further, Kshs.1,710,057 was transferred to various medical facilities to fund health activities that have been prohibited under section 24 of the Constituencies Development Fund Act, 2015 which came into effect on 19 February 2016. Under the Act, health activities are undertaken by devolved units.

Consequently, in the absence of the support documents it has not been possible to confirm the propriety of Kshs.41,225,502 disbursed for various activities during the year ended 30 June 2016.

2. Other Grants and Transfers

Included in other grants and transfers figure of Kshs.33,817,221 are payments of Kshs.6,000,000 to Miyare Agricultural Training Centre for the purchase of tractors. These funds were transferred to the Institution on 7 June 2016 yet section 24 of the National Government Constituencies Development Fund Act, 2015 which came into effect on 19 February 2016 prohibited funding of agricultural activities that are undertaken by devolved units.

Consequently the use of Kshs.6,000,000 for the purchase of tractors contravened the provisions of the Act.

3. Use of Emergency Funds

During the year under review, Rongo Constituency Development Fund spent emergency funds amounting to Kshs.3,181,360 as indicated in note 7 to the financial statements. However, the use of emergency funds did not meet the thresholds set

for urgent and unforeseen need for expenditure as required by section 8 (3) of the National Government Constituencies Development Fund Act, 2015. The funds were disbursed to the following projects:

Payee	Amount (Kshs)
Road construction (Miyare ATC Kondoung road)	2,481,360
Sango Primary School	700,000
Total	3,181,360

Consequently, the use of emergency funds amounting to Kshs.3,181,360 contravened the provisions of the Act.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statement present fairly, all material respect, the financial position of National Government Constituencies Development Fund – Rongo 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

1.0 Budgetary Control and Performance

Rongo Constituency's approved budget for 2015/2016 amounted to Kshs.138,668,229 comprising of 2015/2016 allocation of Kshs.105,830,685 and unspent balance brought forward from 2014/2015 of Kshs.32,837,544. During the same period, the Fund incurred expenditure of Kshs.130,344,808 or 94% of the approved budget resulting to under-expenditure of Kshs.8,323,421 or 6% of the final budget as detailed below;

Receipt/Expense Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Under Expenditure (Kshs)	% of Utilisation
Receipts				
Transfers From CDF Board	138,668,229	138,668,229	0	100.00%
Total	138,668,229	138,668,229	0	100.00%
Payments				
Compensation of Employees	2,426,000	1,828,766	597,234	75.38%
Use of goods and services	16,967,679	11,395,233	5,572,446	67.16%
Transfers to Other Government Units	68,345,502	68,345,502	0	100.00%
Other grants and transfers	33,843,864	33,817,221	26,643	99.92%

Acquisition of Assets	14,958,571	14,958,086	485	100.00%
Other Payments	2,126,613	0	2,126,613	0.0
Total	138,668,229	130,344,808	8,323,421	94.00%

2.0 Project Verification

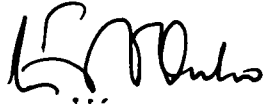
During the year under review, sixteen (16) projects valued at Kshs.45,230,045 were verified in the month of May 2016 and twelve (12) projects were found to be complete and in use while the other four were on-going as shown below:

S/No	Project Name	Activity	Disbursement 2015/2016 (Kshs)	Cumulative Achievement %	Status
1	Dago Kodero Primary School	Renovation of 8 Class Rooms	1,200,000	100%	Complete and in Use
2	Kamagambo Primary School	Construction of two classes	1,600,000	100%	On Going
3	Kitere Primary school	Renovation of 8 No class Rooms	3,000,000	100%	Complete and in Use
4	Miyare Primary school	Renovation of office block and one Class Room	1,500,000	100%	Complete and in Use
5	Arundo Secondary School	Construction of One Class Room	1,000,000	100%	Complete and in Use
6	Banda Secondary School	Completion of a dining hall	2,600,000	70%	On Going
7	Kangeso Secondary School	Construction of a Dining Hall	2,226,614	70%	On Going
8	St Marys Nyangao Mixed Secondary school	Construction of an administration office and Library	1,500,000	70%	On Going
9	Winyo Secondary School	Construction of a laboratory Block	2,000,000	100%	complete
10	Miyare ATC	Construction of a lecture hall	1,000,000	100%	Complete
11	Kangeso dispensary	Completion of an outpatient block	2,489,943	100%	Complete and in Use
12	Rongo District Hospital	Construction of a surgical ward	1,710,057	90%	Complete but not yet equipped for use
13	Rongo Primary school	Renovation of 7 classrooms	1,800,000	100%	Complete and in Use
14	Road Construction	Miyare ATC Konduong Rd	2,481,360	100%	Complete and in Use
15	CDF office Building	Construction of a CDF office	13,122,071	100%	Complete and in Use
16	Miyare ATC	Procurement of a Tractor	6,000,000	100%	verified
		Total	45,230,045		

It was however noted that these projects did not have sign posts as required by the National Government Constituencies Development Fund Act, 2015 and may lead to duplication of works by other public agencies.

3.0 Previous Year Matters

The Constituency did not indicate the status and follow up of audit issues reported in the previous year in the financial statements as required by Public Sector Accounting Standards Board Reporting Template.



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

Nairobi

21 December 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RONGO
CONSTITUENCY**


Reports and Financial Statements

For the year ended June 30, 2016


IV. STATEMENT OF RECEIPTS AND PAYMENTS

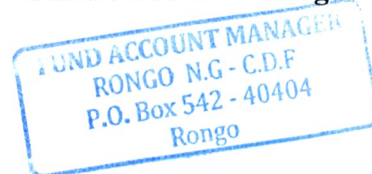
	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF Board	1	105,830,685	103,545,557
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	88,000
TOTAL RECEIPTS		105,830,685	103,633,557
PAYMENTS			
Compensation of employees	4	1,828,766	1,474,720
Use of goods and services	5	11,395,233	8,411,622
Transfers to Other Government Units	6	68,345,502	55,533,438
Other grants and transfers	7	33,817,221	38,325,512
Acquisition of Assets	8	14,958,086	12,708,698
Other Payments	9		-
TOTAL PAYMENTS		130,344,808	116,453,990
SURPLUS/DEFICIT		(24,514,123)	(12,820,433)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Rongo NGCDF financial statements were approved on 1st September 2016 and signed by:


Chairman - NGCDFC




Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RONGO
CONSTITUENCY**

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

V.STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,323,421	32,837,544
Cash Balances (cash at hand)	10B	-	-
		8,323,421	32,837,544
Receivables- Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		8,323,421	32,837,544
REPRESENTED BY			
Payables-Retention	12	-	-
Fund balance b/fwd 1st July...	13	32,837,544	45,657,977
Surplus/Defict for the year		(24,514,123)	(12,820,433)
Prior year adjustments	14	-	-
NET LIABILITIES		8,323,421	32,837,544

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Rongo NGCDF financial statements were approved on 1st September 2016 and signed by:


Chairman - NGCDF

**CHAIRMAN
RONGO NG- C.D.F
P.O. BOX 542 - 40404
RONGO**


Fund Account Manager

**FUND ACCOUNT MANAGER
RONGO N.G - C.D.F
P.O. Box 542 - 40404
Rongo**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RONGO
CONSTITUENCY**

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	105,830,685	103,545,557
Other Receipts	3	-	88,000
		105,830,685	103,633,557
Payments for operating expenses			
Compensation of Employees	4	1,828,766	1,474,720
Use of goods and services	5	11,395,233	8,411,622
Transfers to Other Government Units	6	68,345,502	55,533,438
Other grants and transfers	7	33,817,221	38,325,512
Other Payments	9	-	-
		115,386,722	103,745,292
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(9,556,037)	(111,735)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(14,958,086)	(12,708,698)
Net cash flows from Investing Activities		(14,958,086)	(12,708,698)
NET INCREASE IN CASH AND CASH EQUIVALENT		(24,514,123)	(12,820,433)
Cash and cash equivalent at BEGINNING of the year	13	32,837,544	45,657,977
Cash and cash equivalent at END of the year		8,323,421	32,837,544

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Rongo NGCDF financial statements were approved on 1st September 2016 and signed by:

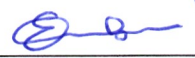
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RONGO
CONSTITUENCY**

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



Chairman NGCDEC





Fund Account Manager



CONSTITUENCIES DEVELOPMENT FUND RONGO CONSTITUENCY

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	105,830,685	32,837,544	138,668,229	138,668,229	(0)	100.0%
Proceeds from Sale of Assets						
Other Receipts	-					
TOTAL	105,830,685	32,837,544	138,668,229	138,668,229	(0)	100.0%
PAYMENTS						
Compensation of Employees	2,426,000		2,426,000	1,828,766	597,234	75.4%
Use of goods and services	9,298,124	7,669,555	16,967,679	11,395,233	5,572,447	67.2%
Transfers to Other Government Units	43,246,613	25,098,889	68,345,502	68,345,502	0	100.0%
Other grants and transfers	33,843,864		33,843,864	33,817,221	26,643	99.9%
Acquisition of Assets	14,889,471	69,100	14,958,571	14,958,086	485	100.0%
Other Payments	2,126,613		2,126,613		2,126,613	0.0%
TOTAL	105,830,685	32,837,544	138,668,229	130,344,808	8,323,421	94.0%

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RONGO
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 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 – RONGO
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	Kshs
Normal Allocation	A796298	10,000,000.00	7,300,000
	A 796361	10,000,000.00	17,798,889
	A 796497	20,000,000.00	14,059,334
	A820998	13,000,000.00	11,039,556
	A825575	33,000,000.00	25,098,889
	A825679	19,830,685.00	25,098,889
			3,150,000
Conditional grants			-
		-	
Receipt from other Constituency		-	
TOTAL		105,830,685	103,545,557

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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Interest Received		-	-
Rents		-	-
Interest Received		-	-
Receipts from the Sale of Tender Documents		-	88,000
Total		-	88,000

4. COMPENSATION OF EMPLOYEES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Basic wages of contractual employees		1,803,946	1,452,320
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		24,820	22,400
gratuity			
Total		1,828,766	1,474,720

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RONGO
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	41,918,888.35	23,962,902
Transfers to secondary schools	19,226,613.70	9,300,000
Transfers to Tertiary institutions	3,000,000	12,050,000
Transfers to Health institutions	4,200,000	10,220,536
TOTAL	68,345,502	55,533,438

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	3,533,900	194,000
Bursary -Tertiary	12,415,451	20,500,706
Bursary-Special schools	-	-
Mocks & CAT	-	-
water	-	-
Agriculture (food security)	6,000,000	1,901,615
Security	2,400,000	1,300,000
Roads	-	5,225,800
Sports	2,310,860	3,445,000
Environment	2,425,650	2,076,000
Emergency Projects (specify)	4,731,360	3,682,391
Total	33,817,221	38,325,512



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RONGO
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	185,450	1,022,715
Office rent	66,000	66,000
Communication, supplies and services		
Domestic travel and subsistence		400,000
Printing, advertising and information supplies & services		267,267
Rentals of produced assets	-	-
Training expenses	400,950	-
Hospitality supplies and services	-	
Other committee expenses	267,900	1,540,000
Committee allowance	1,933,000	2,372,065
Insurance costs	-	
Specialised materials and services	794,832	
Office and general supplies and services	7,333,266	1,679,592
Fuel ,oil & lubricants	300,000	420,000
Other operating expenses		643,984
Routine maintenance – vehicles and other transport equipment	113,835	
Routine maintenance – other assets	-	
	-	
Total	11,395,233	8,411,622

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RONGO
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
	Account Number	Kshs (30/6/2016)	Kshs (30/6/2015)
KCB Rongo Branch	1121172210	8,323,421.20	32,837,544
NBK Awendo Branch			-
		-	-
Total		8,323,421.20	32,837,544

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

Reports and Financial Statements

For the year ended June 30, 2016

8. ACQUISITION OF ASSETS

Non Financial Assets		2015 - 2016	2014 - 2015
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings		13,122,071	5,890,870
Refurbishment of Buildings		-	-
Purchase of Vehicles		-	6,548,843
Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles		-	-
Purchase of office furniture and fittings		1,836,015	103,985
Purchase of computers ,printers and other IT equipments		-	165,000
Total		14,958,086	12,708,698

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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

		2015 - 2016	2014 - 2015
		Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts		32,837,544	44,143,277
Cash in hand		-	-
Imprest			1,514,700
Total		32,837,544	45,657,977

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	-	501,642
Cash in hand	-	-
Imprest	-	-
Total	-	501,642

20

Vertical line of text on the right margin

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

Reports and Financial Statements

For the year ended June 30, 2016

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

		2015 - 2016	2014 - 2015
		Kshs	Kshs
Construction of buildings		-	13,089,471
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
TOTAL		-	13,089,471



ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	N/A	N/A
Buildings and structures	19,012,941.00	5,890,870.00
Transport equipment	11,098,843.00	11,098,843.00
Office equipment, furniture and fittings	1,836,015.00	393,985.00
ICT Equipment, Software and Other ICT Assets	286,000.00	286,000.00
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	32,233,799.00	17,669,698.00

Prepared by: **MANAGER**
 ACCOUNT MANAGER
 RONGO - C.D.F.
 Box 542 - 40104
Endek.O.Nyasende
Fund Account Manager
Rongo NGCDF