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REPORT

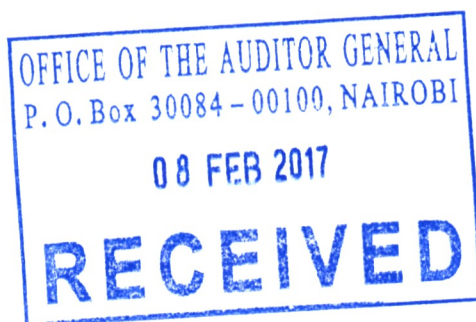
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
BALAMBALA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2016



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
BALAMBALA 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 CONSTITUENCIES DEVELOPMENT FUND –
BALAMBALA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BALAMBALA 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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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 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-CDFA) 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 Balambala Constituency's day-to-day management is under the following key organs:

- i. 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	Ibrahim A. Tawane
3.	Accountant	Joseph K. Gikera

(d) Fiduciary Oversight Arrangements

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

NG-CDF Office Building
P.O Box 1501 - 70100
GARISSA, KENYA

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

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

(f) BALAMBALA NGCDF Contacts

Telephone: (254) 0723 794 740
E-mail: cdfbalambala@ngcdf.go.ke
Website: www.ng-cdf.go.ke

(g) BALAMBALA NGCDF Bankers

1. Chase Bank
Garissa Branch
Account Number:-8212210001
P.O Box 259 - 70100
Garissa

(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 CONSTITUENCIES DEVELOPMENT FUND –
BALAMBALA CONSTITUENCY**

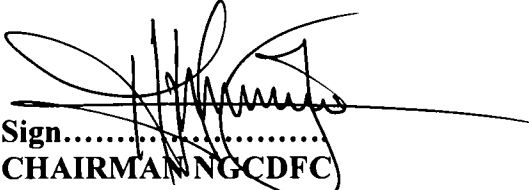
**Reports and Financial Statements
For the year ended June 30, 2016**

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

The NGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Balambala.

However there have been emerging issues like political, economic, social challenges influencing the implementation of NGCDF Projects. The biggest challenge was that our banker Chase Bank (k) ltd put under receivership by CBK citing that the bank couldn't meet its financial obligations. During which the implementation of projects became impossible for lack of funds available.

Other issues affecting the project implementation process were the late disbursement of funds, late approved of proposals and reallocations.


Sign.....
CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BALAMBALA 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.

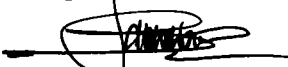
The Accounting Officer in charge of the Balambala NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility 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 Balambala 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, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Balambala 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.

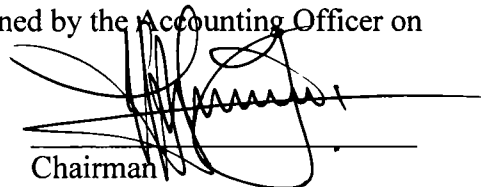
The Accounting Officer in charge of the Balambala NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes 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 **21st September 2016.**



Fund Account Manager



Chairman

REPUBLIC OF KENYA

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Fax: +254-20-311482
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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BALAMBALA 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 – Balambala Constituency set out on pages 6 to 22, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, the statement of cash flows, the summary statement of appropriation and a summary of significant accounting policies and other explanatory information for the year then ended in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with Standards of Supreme Auditing 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 judgment, including the assessment of the risks of material misstatement of

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

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 NG-CDF Balambala Constituency 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

1.0 Cash and Cash Equivalents

The Statement of assets reflects cash and cash equivalents balance of Kshs.23,891,044 as at 30 June 2016. However, records of bank accounts opened by Projects Management Committees (PMC) were not maintained and quarterly reports were not tabled as required by Section 15(10)(a) and (10)(b) of the National Government CDF Regulations, 2016. Further, although bank statements for bank accounts held by the various project management committees were maintained by NG-CDF Balambala office. No PMC's cash books were maintained subsequently, no bank reconciliations were carried out for the PMCs accounts.

Consequently, it is not possible to confirm whether the funds or grants disbursed to the PMCs were managed properly and the cash and cash equivalents balance of Kshs.23,891,044 as at 30 June 2016 was complete and accurate.

2.0 Irregular Award of Capital Projects

Examination of payment vouchers, project files and other records held at NG-CDF Balambala office revealed that capital contracts totaling Kshs.24,110,689 in value were awarded irregularly during the year under review. Project records lacked tender opening minutes, technical evaluation reports, bills of quantities, inspection and acceptance committee reports, certificates of work completion, contract agreements, confidential business questionnaires and relevant tender security documents and questionnaires.

In the circumstances, it has not been possible to confirm that proper procurement procedures were followed in identifying and eventual awarding the contracts to the firms that were awarded the tenders. As a result, it has not been possible to confirm that value for money was realized in the contracts.

3.0 Unaccounted for Bursary Award

During the Financial year 2015/2016, the NG-CDF Balambala disbursed bursaries amounting to Kshs.20,966,000 to various institutions in order to benefit needy students. However, the money disbursed to various institutions was not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions. There was no cheque dispatch register maintained to record and trace the cheques issued out to the various institutions. Further, Kshs.191,000 paid from the emergency vote was not supported with NG-CDFC Minutes. No explanation was provided for using the emergency funds to pay for bursaries meant for emergency issues.

Under the circumstances, it has not been possible to confirm that the grants totaling Kshs.20,966,000 reached the intended institutions and benefited deserving students as intended.

4.0 The Constituency Oversight Committee

National Government Constituency Development Fund (NG-CDF) Act, 2015, Section 53(1) requires the Constituency Oversight Committee to be appointed to oversee governance of CDF projects. However, there was no committee formed for Balambala Constituency fund as required. No explanation was provided by management for failure to appoint the committee as required by NG-CDF Act, 2015. The Fund management therefore breached the law.

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 – Balambala 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 Budget Control and Performance

During the year under review, the National Government Constituency Development Fund – Balambala final budget amounted to Kshs.144,916,180. with Kshs.132,343,41 or 91% and Kshs.12,572,769.67 or 9% allocated to development projects and recurrent expenditure respectively. Out of the total budget of Kshs.144,916,180, Kshs.32,669,507 was unspent balance brought forward from financial year 2014/2015.

The budget analysis on budgeted allocation and expenditure by items are reflected in the table below:

1.1 Development (Projects) Expenditure

Item	Budget Allocation Kshs.	Actual Expenditure Kshs.	Over/Under Absorption Kshs.
Development (Projects)			
Transfer to Government units	56,890,438	28,773,276	28,117,162
Other grants and Transfers	75,452,972	53,576,633	21,876,339
Totals	132,343,410	82,349,909	49,993,501

1.2 Recurrent Expenditure

Item	Budget Allocation Kshs.	Actual Expenditure Kshs.	Over/Under Absorption Kshs.
Administration			
Use of Goods & Services	10,555,970	5,530,743	5,025,226
Employee Compensation	2,016,800	1,380,649	636,151
Total	12,572,770	6,911,392	5,661,377

The NG-CDF Balambala Constituency had planned to implement 51 projects during the year under review. However, by the end of the financial year, there was only 48 projects completed and therefore three (3) projects were not implemented.

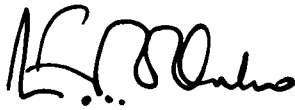
A review of the total budget for the Constituency revealed that the total budget allocation for development was Kshs.132,343,410 and the actual expenditure was Kshs.82,349,909 with a balance of Kshs.49,993,501 as at 30 June, 2016. The total allocation for recurrent budget was Kshs.12,572,770 but the NG-CDF Balambala management spent only Kshs.6,911,392.28 which was only half of the allocation and thus left an unspent balance of Kshs.5,661,377.39. As a result a total of Ksh.55,654,879 under development and recurrent votes was not spent in 2015/2016.

No explanation was given for the failure to spend the whole approved budget for the benefit the constituents.

2.0 Unresolved Prior-year's Issues (2014/2015)

1. Budget performance Analysis - The NG-CDF Balambala under spent its budget by Kshs.59,153,183.60 during the year ended 30 June 2015.
2. Unaccounted for Goods - An amount of Kshs.3,645,282 was spent on purchase of goods. However, no records were provided to show how the goods were received in the stores and taken on charge.

3. Monitoring and Evaluation Expenditure - An amount of Kshs.1,335,000 was paid in respect of monitoring and evaluation. However, the respective payment vouchers were not supported with relevant documents.
4. Unsupported Bursary Awards - bursaries worth Kshs.6,803,000 disbursed to various institutions were not supported with official receipts and acknowledgement letters from the institutions.
5. Irregular Award of Contracts - projects worth Kshs.9,055,000 lacked quotations, letters of notification to unsuccessful bidders. Also bills of quantities for the winning bidders lacked tenderers' signature and stamp.



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

Nairobi

02 February 2018

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

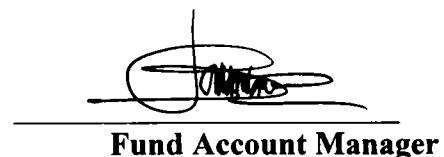
**Reports and Financial Statements
For the year ended June 30, 2016**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	80,482,837.99	79,451,031
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		80,482,837.99	79,451,031
PAYMENTS			
Compensation of employees	4	1,380,649.00	1,152,729
Use of goods and services	5	5,530,743.28	8,468,285
Transfers to Other Government Units	6	28,773,275.90	29,734,483
Other grants and transfers	7	53,576,632.90	46,094,962
Acquisition of Assets	8	-	9,050,270
Other Payments	9	-	-
TOTAL PAYMENTS		89,261,301.08	94,500,730
SURPLUS/DEFICIT		(8,778,463.09)	(15,049,698.30)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Balambala NGCDF financial statements were approved on **21st September 2016** and signed by:


Chairman NGCDFC


Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BALAMBALA 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	23,891,043.55	32,669,506.64
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		23,891,043.55	32,669,506.64
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	32,669,506.64	47,719,204.94
Surplus/Defict for the year		(8,778,463.09)	(15,049,698.30)
Prior year adjustments	14	-	-
NET LIABILITIES		23,891,043.55	32,669,506.64

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Balambala NGCDF financial statements were approved on **21st September 2016** and signed by


Chairman - NGCDFC


Fund Account Manager

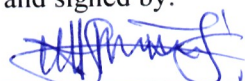
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
BALAMBALA CONSTITUENCY**

**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	80,482,837.99	79,451,031.20
Other Receipts	3	-	-
		80,482,837.99	79,451,031.20
Payments for operating expenses			
Compensation of Employees	4	1,380,649.00	1,152,729.00
Use of goods and services	5	5,530,743.28	8,468,285.35
Transfers to Other Government Units	6	28,773,275.90	29,734,483.10
Other grants and transfers	7	53,576,632.90	46,094,962.05
Other Payments	9	-	-
		89,261,301.08	85,450,459.50
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		(8,778,463.09)	(5,999,428.30)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(9,050,270.00)
Net cash flows from Investing Activities		-	(9,050,270.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		(8,778,463.09)	(15,049,698.30)
Cash and cash equivalent at BEGINNING of the year	13	32,669,506.64	47,719,204.94
Cash and cash equivalent at END of the year		23,891,043.55	32,669,506.64

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Balambala NGCDF financial statements were approved on **21st September 2016** and signed by:



Chairman NGCDF



Fund Account Manager

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	112,246,673.00	59,153,183.44	171,399,856.44	113,152,344.63	58,247,511.81	66.0%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	112,246,673.00	59,153,183.44	171,399,856.44	113,152,344.63	58,247,511.81	66.0%
PAYMENTS						
Compensation of Employees	1,516,800.00	500,000.00	2,016,800.00	1,380,649.00	636,151.00	68.5%
Use of goods and services	8,462,933.84	2,093,035.83	10,555,969.67	5,530,743.28	5,025,226.39	52.4%
Transfers to Other Government Units	53,300,000.00	30,074,114.71	83,374,114.71	28,773,275.90	54,600,838.81	34.5%
Other grants and transfers	48,966,939.16	26,486,032.90	75,452,972.06	53,576,632.90	21,876,339.16	71.0%
Acquisition of Assets						0.0%
Other Payments						
TOTAL	112,246,673.00	59,153,183.44	171,399,856.44	89,261,301.08	82,138,555.36	52.1%

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

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

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- i. XXXX
 - ii. XXXX
 - iii. XXXX
 - iv. XXXX
 - v. XXXX

The BALAMBALA NGCDF financial statements were approved on **21st September 2016** and signed by:


Chairman NGCDF


Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

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 –
BALAMBALA CONSTITUENCY
Reports and Financial Statements
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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 –
BALAMBALA 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	A 790769	24,482,837.99	26,483,677.00
	A 724062	10,000,000.00	14,890,206.20
	A 724194	10,000,000.00	11,593,471.00
	A 820698	16,000,000.00	26,483,677.00
	A 820529	20,000,000.00	-
		-	-
		-	-
Conditional grants		-	-
	AIE NO...	-	-
Receipt from other Constituency	AIE NO...	-	-
TOTAL		80,482,837.99	79,451,031.20

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	-	-

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

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,352,849.00	1,143,329.00
2110202	Basic wages of casual labour	-	-
	Personal allowances paid as part of salary	-	-
2110301	House allowance	-	-
2110314	Transport allowance	-	-
2110320	Leave allowance	-	-
2110326	Other personnel payments	-	-
2120101	Employer contribution to NSSF	27,800.00	9,400.00
2710120	gratuity	-	-
	Total	1,380,649.00	1,152,729.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –

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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
2210100	Utilities, supplies and services	1,139,461.28	1,821,085.00
2210104	Office rent	620,000.00	840,000.00
2210200	Communication, supplies and services	-	-
2210300	Domestic travel and subsistence	-	-
2210500	Printing, advertising and information supplies & services	-	-
2210600	Rentals of produced assets	-	-
2210700	Training expenses	-	-
2210800	Hospitality supplies and services	-	-
2210802	Other committee expenses	-	1,973,200.35
2210809	Committee allowance	2,171,750.00	3,834,000.00
2210900	Insurance costs	-	-
2211000	Specialised materials and services	-	-
2211100	Office and general supplies and services	1,000,000.00	-
2211200	Fuel ,oil & lubricants	-	-
2211300	Other operating expenses	-	-
2220100	Routine maintenance – vehicles and other transport equipment	599,532.00	-
2220200	Routine maintenance – other assets	-	-
		-	
	Total	5,530,743.28	8,468,285.35

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2630204	Transfers to primary schools	22,595,000.00	22,565,000.00
2630205	Transfers to secondary schools	4,600,000.00	3,080,000.00
2630206	Transfers to Tertiary institutions	-	-
2630207	Transfers to Health institutions	1,578,275.90	4,089,483.10
	TOTAL	28,773,275.90	29,734,483.10

7. OTHER GRANTS AND OTHER PAYMENTS

	Description	2015 - 2016	2014 - 2015
		Kshs	Kshs
2640101	Bursary -Secondary	10,000,000.00	10,244,000.00
2640102	Bursary -Tertiary	10,000,000.00	10,748,648.05
2640104	Bursary-Special schools	-	-
2640105	Mocks & CAT	500,000.00	-
2640504	water	16,130,000.00	11,420,000.00
2640505	Agriculture (food security)	-	-
2640506	Electricity projects	-	-
2640507	Security	3,550,000.00	-
2640508	Roads	7,200,000.00	7,800,000.00
2640509	Sports	1,005,344.00	-
2640510	Environment	2,010,688.90	1,187,392.00
2640511	Other capital grants and transfer	-	-
2640200	Emergency Projects (specify)	3,180,600.00	4,694,922.00
	Total	53,576,632.90	46,094,962.05

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –

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For the year ended June 30, 2016

OTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	Non Financial Assets	2015 - 2016	2014 - 2015
		Kshs	Kshs
3110102	Purchase of Buildings	-	-
3110202	Construction of Buildings	-	-
3110302	Refurbishment of Buildings	-	-
3110701	Purchase of Vehicles	-	8,050,270.00
3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	-	-
3111001	Purchase of office furniture and fittings	-	1,000,000.00
3111002	Purchase of computers ,printers and other IT equipments	-	-
3111005	Purchase of photocopier	-	-
3111009	Purchase of other office equipments	-	-
311112	Purchase of soft ware	-	-
3130101	Acquisition of Land	-	-
			-
	Total	-	9,050,270.00

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**Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Specify		

10A: Bank Accounts (cash book bank balance)

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency		2015 - 2016	2014 - 2015
	Account Number	Kshs (30/6/2016)	Kshs (30/6/2015)
Chase Bank, Garissa Branch	8212210001	23,891,043.55	32,669,506.64
		-	-
		-	-
		-	-
Total		23,891,043.55	32,669,506.64
10B: CASH IN HAND)			
		2015 - 2016	2014 - 2015
		Kshs (30/6/2015)	Kshs (30/6/2015)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
Total		-	-

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

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
				0

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

12 Retention			
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
		Kshs	Kshs
TOTAL			

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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	32,669,506.64	47,719,204.94
Cash in hand	-	-
Imprest	-	-
Total	32,669,506.64	47,719,204.94

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts		
Cash in hand	-	-
Imprest	-	-
	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-
	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (specify)	-	-
	-	-

PROGRESS ON FOLLOW UP OF AUDITOR RECCOMENDATION

The following is the summary of issues raised by eexternal auditor , the management comments that were provided to the auditor. we have nominated focal persons to reolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit report	Issue/observations from auditor	Management comments	Focal point person to resolve the issue (name and designation)status (resolved/not resolved)	Status: resolved/not resolved	Time frame: (put a date when you expect the issue to be resolved)
2	Un accounted for goods 3,6 45,282.00	Response in progress	FAM	unresolved	20/03/2017
1	Monitoring and evaluation 1,335,000.00	Response in progress	FAM	unresolved	20/03/2017
3	Unsupported Bursary 6,803,000.00	Response in progress	FAM	unresolved	20/03/2017
4	Irregular award of contract 9,055,000.00	Response in progress	FAM	unresolved	20/03/2017

Guidance notes:

- i. Use the same reference numbers as contained in the external audit report;
- ii. Obtain the “Issue/Observation”, required above, form final external audit report that is signed by management;
- iii. Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- iv. Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.


NG CDF Fund Account Manager

Date:.....


NG CDF Chairman

Date:.....