

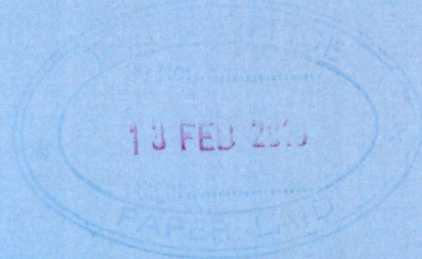
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*Paper Land*  
*By Hon. Daniel Komeny*  
*13/2/2018*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND  
EMURUA DIKIRR CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

07 JUN 2017

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**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

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

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Moses Karakacha
3.	Accountant	Tony Oringo
4.		

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Emurua dikirr Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the Ng-Constituency Development Fund Committee (NG-CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) EMURUA DIKIRR NG-CDF Headquarters**

P.O. Box 1 19 CHEBUNYO  
Sub County Commissioner Trans Mara East Building  
EMURUA DIKIRR

# NG-CONSTITUENCY DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY

## Reports and Financial Statements

For the year ended June 30, 2016

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**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
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**(e) EMURUA DIKIRR NG-CDF Headquarters**

P.O. Box 119 CHEBUNYO  
Sub County Commissioner Trans Mara East Building  
EMURUA DIKIRR

**(f) EMURUA DIKIRR NG-CDF Contacts**

Telephone: (254) 723896642  
E-mail: [cdfemuruadikirr@cdf.go.ke](mailto:cdfemuruadikirr@cdf.go.ke)  
Website: [www.ng-cdf.go.ke](http://www.ng-cdf.go.ke)

**(g) Emurua Dikirr Ng-Cdf Bankers**

Equity bank  
Kilgoris branch  
A/c number 1230261760486  
P.o.box 203  
Kilgoris

**(h) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Haram bee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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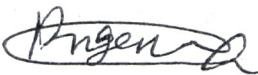
**II. FORWARD BY THE CHAIRMAN EMURUA DIKIRR NATIONAL GOVERNMENT  
CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

The Emurua Dikirr Ng-constituency development fund in the financial year 2015/16 was allocated kshs 109,913,055 one hundred and nine million nine hundred thirteen thousand fifty five shillings by the cdf board. During the financial year kshs 79,937,433.95 was disbursed to the constituency by end of June 2016. This left a balance of kshs 55,913,055 as funds due to the constituency from the ng-cdf board to fund the various projects as per our budget proposal. Our budget therefore has been funded 50%. In the year ended transfers to other government entities took kshs 47,650,000.00 accounting for 54% of its allocation. Other grants took kshs 24,579,643.65 accounting for 71 % of its allocation. The ng-cdfc was able to disburse the funds to the project management committees as soon as the funds were available. The projects implemented by the PMCs are at various stages of completion. The bursary for the financial year has been paid over 80% of its allocation as at end of the financial year.

The project management committee is the model used in the constituency for the implementation of projects. In the year ended most of the projects reported inadequacy of funds allocated for the completion of their projects this could be attributed to inadequate allocations and /or increasing costs for the various projects materials and labour. Cases of misappropriation may also not be ruled out.

For the year ended some of the projects on budget had not received funds due to the delay of release of funds by the ng-cdf board. The board should try to release funds in two instalments of 50% each before end of the financial year to enable the ng-cdfc implement its projects as budgeted within the financial year.

We look forward to better performance in the next financial year 2016/17.

  
Richard Ng'eno  
CHAIRMAN NG-CDFC

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

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

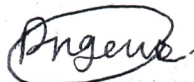
The Accounting Officer in charge of the **Emurua dikirr Ng-cdf** is responsible for the preparation and presentation of the **NGCDF's** financial statements, which give a true and fair view of the state of affairs of the **NGCDF** for and as at the end of the financial year (period) ended on June 30, 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 **Emurua dikirr ng-cdf** 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 **Emurua dikirr ng-cdf** 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 **Emurua dikirr Ng-cdf** 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 **Emurua dikirr NG-CDF's** financial statements were approved and signed by the Accounting Officer on ...14/09/..... 2016.



Richard Ng'eno  
Chairman NG-Cdfc



Moses Karakacha  
Fund Account Manager

FUND ACCOUNT MANAGER  
EMURUA DIKIRR CONSTITUENCY  
P.O. Box 119-20401  
CHEBUNYO.

# 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 – EMURUA DIKIRR CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Emurua Dikirr Constituency set out on pages 5 to 25, 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 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, 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 this audit.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable 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 Sections 48 of the Public Audit, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

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

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 entity'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**

#### **1.0 Understatement of Compensation of Employees**

The statement of receipts and payments reflects compensation of employees' expenditure of Kshs.1,091,040.20 and social security benefits of Kshs.31,760 all totaling Kshs.1,122,800.20 as at 30 June 2016. However, an examination of the monthly payrolls for the period 1 July 2015 to 30 June 2016 disclosed an expenditure of Kshs.1,294,834.95 resulting to an unexplained and unreconciled understatement of Kshs.172,034.75. In the circumstances, the accuracy of the statement of receipts and payments could not be confirmed.

#### **2.0 Inaccurate Summary Statement of Appropriation: Recurrent and Development Combined**

The summary statement of appropriation as at 30 June 2016 reflects a final budget of receipts of Kshs.143,433,748.62 after an adjustment of Kshs.33,520,693.62. However, it was noted that the unspent fund balance for the year ended 30 June 2015 was Kshs.7,573,260.31 and it is therefore not clear how the adjustments of Kshs.33,520,693.62 reflected in the statement were arrived at as no related document was presented for audit verification. Further, the statement of receipts and payments reflects other receipts of Kshs.10,000 which were not reflected in the summary statement of appropriation for the year ended 30 June 2016. In addition, it was noted that Kshs.81,365,607.35 was spent out of the final budget of Kshs.143,433,748.62 leaving a balance of Kshs.62,068,141.27 as unutilized funds which differed with the cash and cash equivalents balance of Kshs.6,155,086.91 by Kshs.55,913,054.36. In the circumstances, the completeness and accuracy of the summary statement of appropriation cannot 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- Emurua Dikirr 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**

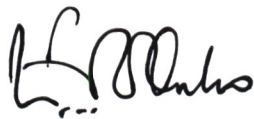
### **1.0 Irregular Procurement**

The Constituency Development Fund Committee approved and disbursed funds totaling Kshs.37,650,000 to various projects during the year under review. However, perusal of the project files did not disclose the details on the projects such as project designs, bills of quantities and the project implementation plans. In addition, no procurement documents were made available for audit review in respect of goods, services and works procured during the year. In the absence of procurement documents, it was not possible to confirm that goods, works and services applied in the projects were procured in accordance with Section 37 of the National Government Constituencies Development Fund Act, 2015 which requires all works and services relating to projects under the Act to be procured in accordance with the provisions of the Public Procurement and Disposal Act, 2005

### **2.0 Incomplete/Stalled Projects**

Examination of the Project Implementation Status Reports for the financial years 2013/2014 and 2014/2015 disclosed that disbursement totaling Kshs.19,017,931 were made to various projects mainly related to construction of classrooms, construction of laboratory and construction of new pit latrines in Emurua Dikiir Constituency. However, the projects had not been completed as at 30 June 2016.

Although it has been explained that the projects were being implemented in phases, no evidence was presented for audit verification to confirm the funding of the projects in the year 2015/2016. Consequently, the projects have stalled due to lack of funding.



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

**Nairobi**

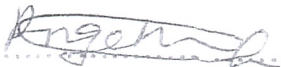
**20 November 2017**

**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1	79,937,433.95	77,812,303.05
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	10,000.00	-
<b>TOTAL RECEIPTS</b>		<u>79,947,433.95</u>	<u>77,812,303.05</u>
<b>PAYMENTS</b>			
Compensation of Employees	4	1,091,040.20	1,023,041.55
Use of goods and services	5	7,379,978.10	7,355,186.00
Committee Expenses	6	-	2,430,790.00
Transfers to Other Government Units	7	47,650,000.00	54,966,257.00
Other grants and transfers	8	24,579,643.65	21,164,200.00
Social Security Benefits	9	31,760.00	31,990.00
Acquisition of Assets	10	600,000.00	83,996.00
Other Payments	11	33,185.40	39,466.19
<b>TOTAL PAYMENTS</b>		<u>81,365,607.35</u>	<u>87,094,926.74</u>
<b>SURPLUS/DEFICIT (Balance c/d)</b>		<u>(1,418,173.40)</u>	<u>(9,282,623.69)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMURUA DIKIRR NG-CDF financial statements were approved on...14/07/2016... 2016 and signed by:

  
 Chairman NG-CDFC

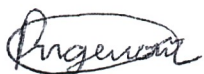
FUND ACCOUNT MANAGER  
 EMURUA DIKIRR CONSTITUENCY  
 P.O. Box 113 20407  
 NAIROBI

  
 Fund Account Manager

V. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	6,155,086.91	7,473,260.31
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	100,000.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,155,086.91</b>	<b>7,573,260.31</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd.			
Surplus/Deficit for the year	13	7,573,260.31	16,855,884.00
Prior year adjustments		(1,418,173.40)	(9,282,623.69)
<b>NET FINANCIAL POSITION</b>	14	<b>-</b>	<b>-</b>
		<b>6,155,086.91</b>	<b>7,573,260.31</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMURUA DIKIRR NG-CDF financial statements were approved on 14/09/2016 and signed by:



Chairman NG-CDFC



Fund Account Manager

FUND ACCOUNT MANAGER  
EMURUA DIKIRR CONSTITUENCY  
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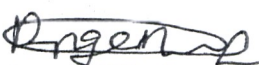
**NG-CONSTITUENCY DEVELOPMENT FUND- EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**VI. STATEMENT OF CASHFLOW**

Receipts for operating income		2015-2016	2014 - 2015
Transfers from CDF Board	1	79,937,433.95	77,812,303.05
Other Receipts	3	10,000.00	
		<b>79,947,433.95</b>	<b>77,812,303.05</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,091,040.20	1,023,041.55
Use of goods and services	5	7,379,978.10	7,355,186.00
Committee Expenses	6		2,430,790.00
Transfers to Other Government Units	7	47,650,000.00	54,966,257.00
Other grants and transfers	8	24,579,643.65	21,164,200.00
Social Security Benefits	9	31,760.00	31,990.00
Other Payments	11	33,185.40	39,466.19
<b>Adjusted for:</b>			
Adjustments during the year			0
		<b>80,765,607.35</b>	<b>87,010,930.74</b>
<b>Net cash flow from operating activities</b>		<b>(818,173.40)</b>	<b>(9,198,627.69)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		
Acquisition of Assets	10	600,000.00	83,996.00
<b>Net cash flows from Investing Activities</b>		<b>600,000.00</b>	<b>83,996.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(1,418,173.40)</b>	<b>(9,282,623.69)</b>
Cash and cash equivalent at BEGINNING of the year	15	7,573,260.31	16,855,884.00
Cash and cash equivalent at END of the year	16	6,155,086.91	7,573,260.31

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The EMURUA DIKIRR NG-CDF financial statements were approved on 14/09/2016 2016

And signed by:

  
 Chairman NG-CDFC

FUND ACCOUNT MANAGER  
 EMURUA DIKIRR CONSTITUENCY  
 P.O. Box 119-20407  
 CHESEDUNYA

  
 Fund Account Manager

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**


**EMURUA DIKIRR NG-CONSTITUENCY DEV FUND**  
**SUMMARY STATEMENT OF APPROPRIATION: RECURRENT & DEVELOPMENT**

FINANCIAL YEAR 2015-2016 ENDED 30TH JUNE 2016

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation (Variance)
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,913,055.00	33,520,693.62	143,433,748.62	79,947,433.95	63,486,314.67	56
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts(balance b/d)	-	-	-	-	-	
	109,913,055.00	33,520,693.62	143,433,748.62	79,947,433.95	63,486,314.67	56
<b>PAYMENTS</b>						
Compensation of Employees	1,632,000.00	103,000.00	1,735,000.00	1,122,800.20	612,199.80	65
Use of goods and services	8,117,147.00	2,020,983.76	10,138,130.76	7,379,978.10	2,758,152.66	73
Transfers to Other Government Units	71,700,000.00	16,295,674.00	87,995,674.00	47,650,000.00	40,345,674.00	54
Other grants and transfers	24,963,908.00	9,440,615.46	34,404,523.46	24,579,643.65	9,824,879.81	71
Acquisition of Assets	3,000,000.00	5,126,235.00	8,126,235.00	600,000.00	7,526,235.00	7
Other Payments	500,000.00	534,185.40	1,034,185.40	33,185.40	1,001,000.00	3
<b>TOTALS</b>	109,913,055.00	33,520,693.62	143,433,748.62	81,365,607.35	62,068,141.27	57

- (a) During the year the only receipts were from the cdf board vide AIEs. We did not have any AIA Item.
- (b) The item of acquisition of assets that had utilisation of 2% relate to an allocation of kshs 4,000,000 for the construction of the cdf office which has not commenced as funds have not been received. The preparation of the necessary project tender documents has been finalised.
- (c) The other budget items performed well as per budget.
- (d) Employees' compensation rose to ksh 1,134,000 and had utilisation at 90% as three more employees were hired during the year and their salaries paid as per the cdf board circular of 2013.

The EMURUA DIKIRR NG-CDF financial statements were approved on 14/09/2016 and signed by:

  
Chairman NGCDF

  
Fund Account Manager

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

EMURUA DIKIRR NG-CONSTITUENCY DEV FUND

TRIAL BALANCE

FINANCIAL YEAR 2015-2016 ENDED 30TH JUNE 2016

		KSHS	KSHS
		DR	CR
<b>Cash and Cash equivalents</b>			
	Bank Balances	6,155,087	
	Cash Balances	-	
	Outstanding Imprest	-	
<b>Payments</b>			
	Compensation of Employees	1,091,040.20	
	Social security benefits	31,760.00	
	Use of goods and services	7,379,978	
	Transfers to Other Government Units	47,650,000	
	Other grants and transfers	24,579,644	
	Acquisition of Assets	600,000	
	Other Payments	33,185	
<b>Receipts</b>			
	Transfers from the Board		79,937,434
	Proceeds from sale of assets		-
	Others receipts		10,000
<b>Fund Balance b/f</b>			7,573,260
<b>TOTAL</b>		<b>87,520,694</b>	<b>87,520,694</b>

**NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

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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 NG-*CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG-*CDF*'s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NG-*CDF*'s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**8. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

## VIII. SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of compliance and basis of preparation

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

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

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

### 2. Recognition of revenue and expenses

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year. Page 25 of 30

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015-2016	2014 - 2015
	Kshs	Kshs
Normal Allocation		
	A750437	25,937,434.25
	A796538	14,562,460.55
	A796728	11,374,974.00
	A797191	25,937,434.25
	A796206	15,937,433.95
	A724045	10,000,000.00
	A724075	10,000,000.00
	A724213	10,000,000.00
	A820548	10,000,000.00
	A820876	24,000,000.00
Conditional grants		
Receipt from other Constituency		
<b>TOTAL</b>	<b>79,937,433.95</b>	<b>77,812,303.05</b>

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

	2015-2016	2014 - 2015
	Kshs	Kshs
	0	-
Receipts from sale of Buildings	0	-
Receipts from the Sale of Vehicles and Transport Equipment	0	-
Receipts from sale of office and general equipment	0	-
Receipts from the Sale Plant Machinery and Equipment	0	-
	0	-
<b>Total</b>	<b>0</b>	<b>0</b>

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.3 OTHER RECEIPTS

	2015-2016 Kshs	2014 - 2015 Kshs
Interest Received	0	
Rents	0	
Receipts from Sale of tender documents	10,000.00	
Other Receipts Not Classified Elsewhere	0	
<b>Total</b>	<b>10,000.00</b>	

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2015-2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	1,091,040.20	1,033,041.55
Basic wages of contractual employees	-	
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
gratuity		
Employer contribution to NSSF	31,760.00	
<b>Total</b>	<b>1,122,800.20</b>	<b>1,033,041.55</b>

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY  
**Reports and Financial Statements**  
**or the year ended June 30, 2016**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

1.1.1.1.1.1.5 USE OF GOODS AND SERVICES

	2015-2016 Kshs	2014 - 2015 Kshs
Utilities, supplies and services	0	-
Office rent	0	-
Communication, supplies and services	0	-
Domestic travel and subsistence	0	113,000.00
Printing, advertising and information supplies & services	0	3,398,500.00
Rentals of produced assets	0	-
Training expenses	755,000.00	-
Hospitality supplies and services	0	-
Insurance costs	0	-
Specialised materials and services	0	1,800,000.00
Office and general supplies and services	412,383.10	230,100.00
Fuel ,oil & lubricants	485,700.00	520,000.00
Other operating expenses		-
Routine maintenance – vehicles and other transport equipment	1,159,007.00	1,293,586.00
Routine maintenance – other assets		-
Other committee expenses	1,755,500.00	-
Committee allowance	2,812,388.00	2,430,790.00
<b>Total</b>	<b>7,379,978.10</b>	<b>9,785,976.00</b>

1.1.1.1.1.1.6 COMMITTEE EXPENSES

	2015-2016 Kshs	2014 - 2015 Kshs
Committee allowances		2,430,790.00
Other committee expenses		
<b>Total</b>		<b>2,430,790.00</b>

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015-2016 Kshs	2014 - 2015 Kshs
Transfers to National Government entities:		
Transfers to primary schools (see attached list)	26,750,000.00	26,300,000.00
Transfers to secondary schools (see attached list)	10,900,000.00	28,666,257.00
Transfers to tertiary institutions (see attached list)	10,000,000.00	-
Transfers to health institutions (see attached list)	0	-
<b>TOTAL</b>	<b>47,650,000.00</b>	<b>54,966,257.00</b>

1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS

	2015-2016 Kshs	2014 - 2015 Kshs
Bursary -Secondary	7,265,500.00	5,119,000.00
Bursary -Tertiary	6,572,495.81	7,871,000.00
Bursary-Special schools	33,000.00	-
Mocks & CAT	-	-
water	-	495,000.00
Agriculture (food security)	-	-
Electricity projects	-	-
Security	-	-
Roads	800,000.00	850,000.00
Sports	1,540,000.00	-
Environment	-	1,044,600.00
Health	2,798,647.84	1,316,600.00
Emergency Projects (specify)	5,570,000.00	4,468,000.00
<b>TOTAL</b>	<b>24,579,643.65</b>	<b>21,164,200.00</b>

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY  
Reports and Financial Statements  
for the year ended June 30, 2016

1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS

	2015-2016	2014 - 2015
	Kshs	Kshs
Employer contribution to NSSF	31,760	31,990
<b>Total</b>	<b>31,760</b>	<b>31,990</b>

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2016

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

1.1.1.1.1.1.1.10 ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015-2016 Kshs	2014 - 2015 Kshs
Purchase of Buildings		-
Construction of Buildings		-
Refurbishment of Buildings		-
Purchase of Vehicles		-
Purchase of Bicycles & Motorcycles		-
Overhaul of Vehicles		-
Purchase of Office furniture and fittings		-
Purchase of computers ,printers and other IT equipment		-
Purchase of photocopier		-
Purchase of other office equipment		-
Purchase of soft ware		83,996.00
Acquisition of Land	600,000.00	-
<b>Total</b>	<b>600,000.00</b>	<b>83,996.00</b>

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.11 OTHER PAYMENTS

	2015-2016	2014 - 2015
	Kshs	Kshs
Bank Charges	33,185.40	39,466.19
Office administration		-
		-
		-
		-
		-
<b>TOTAL</b>	<b>33,185.40</b>	<b>39,466.19</b>

12A: Bank Accounts (cash book bank balance)

	2015-2016	2014 - 2015
Name of Bank, Account No. & currency	Kshs	Kshs
Equity Bank, Kilgoris, A/C Number 1230261760486	6,155,086.91	7,473,260.31
		-
		-
		-
<b>Total</b>	<b>6,155,086.91</b>	<b>7,473,260.31</b>

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

	2015-2016 Kshs	2014 - 2015 Kshs
Cashier	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

*[Provide cash count certificates for each]*

12C: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Fund Account Manager</i>	30.6.2016	0	00	00
<b>Total</b>				<b>00</b>

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

13. BALANCES BROUGHT FORWARD

	2015-2016 Kshs	2014 - 2015 Kshs
Bank accounts	7,473,260.31	16,142,884.00
Cash in hand	-	48,000.00
Imprest	100,000.00	665,000.00
<b>Total</b>	<b>7,573,260.31</b>	<b>16,855,884.0</b>
<i>[Provide short appropriate explanations as necessary]</i>		

14. PRIOR YEAR ADJUSTMENTS

	2015-2016 Kshs	2014 - 2015 Kshs
Bank accounts	00	00
Cash in hand	00	00
Imprest	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

NG-CONSTITUENCIES DEVELOPMENT FUND – EMURUA DIKIRR CONSTITUENCY  
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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015-2016 Kshs	2014 - 2015 Kshs
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
	<u>00</u>	<u>00</u>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2015-2016	2014 - 2015
Senior management	00	00
Middle management	00	00
Unionisable employees	00	00
Others ( <i>specify</i> )	00	00
	<u>00</u>	<u>00</u>

15.3: OTHER PENDING PAYABLES (See Annex 3)

	2015-2016	2014 - 2015
Amounts due to other Government entities (see attached list)	40,000,000	15,687,931
Amounts due to other grants and other transfers (see attached list)	5,865,647	3,237,798
Others ( <i>specify</i> )	9,247,408	7,011,705
	<u>55,913,055</u>	<u>25,937,434</u>

15.4 PENDING RECEIVABLES FROM THE CDF BOARD (See statement of appropriation)

FINANCIAL YEAR	KSHS
2014/15	0
2015/16	55,913,055
<b>TOTAL</b>	<u><u>55,913,055</u></u>

**NATIONAL GOVERNMENT ENTITY - EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs)**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**NATIONAL GOVERNMENT ENVIHY - EMUKUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Semior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

**NATIONAL GOVERNMENT ENTITY – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs)**

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1.	Primary schools grants	0			0	2,187,931	
2.	Secondary schools grants	0			0	3,500,000	
3.	Tertiary institutions grants	40,000,000			40,000,000	10,000,000	
	<b>Sub-Total</b>	<b>40,000,000</b>			<b>40,000,000</b>	<b>15,687,931</b>	
<b>Amounts due to other grants and other transfers</b>							
4.	Agriculture	0			0	600,000	
5.	Water	0			0	100,000	
6.	Emergency	2,267,647.00			2,267,647.00	500,259	
7.	Bursary	1,400,000			1,400,000	537,539	
8.	Environment	2,198,000.00			2,198,000.00	1,500,000	
	<b>Sub-Total</b>	<b>5,865,647</b>				<b>3,237,798</b>	
<b>Others (Specify)</b>							
9.	Office construction	3,000,000			3,000,000	4,000,000	
10.	External audit	500,000			500,000	500,000	
11.	Goods & services	4,349,146.90			4,349,146.90	1,160,158	
12.	Sports	2,198,261.10			2,198,261.10	1,351,547	
	<b>Sub-Total</b>	<b>9,247,408</b>				<b>7,011,705</b>	
	<b>Grand Total</b>	<b>55,913,055</b>			<b>55,913,055</b>	<b>25,937,434</b>	

**NATIONAL GOVERNMENT ENTITY – EMURUA DIKIRR CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs)**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments

NATIONAL GOVERNMENT ENTITY – EMURUA DIKIRR CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2016 (Kshs)

ANNEX 5 – TRIAL BALANCE  
 EMURUA DIKIRR CONSTITUENCY DEV FUND

TRIAL BALANCE		KSHS	
FINANCIAL YEAR 2015-2016 ENDED 30TH JUNE 2016		DR	CR
<b>Cash and Cash equivalents</b>			
	Bank Balances	6,155,087	
	Cash Balances	-	
	Outstanding Imprest	-	
<b>Payments</b>			
	Compensation of Employees	1,091,040.2	
	Social security benefits	31,760	
	Use of goods and services	7,379,978	
	Transfers to Other Government Units	47,650,000	
	Other grants and transfers	24,579,644	
	Acquisition of Assets	600,000	
	Other Payments	33,185	
<b>Receipts</b>			
	Transfers from the Board		79,937,434
	Proceeds from sale of assets		-
	Others receipts		10,000
	Fund Balance b/f		7,573,260
<b>TOTAL</b>		<b>87,520,694</b>	<b>87,520,694</b>

**NATIONAL GOVERNMENT ENTITY – EMURUA DIKIRR CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs)**

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

Asset class	Item Description	Serial no. /Registration	Year of Purchase	Historical cost 2014/15 (Kshs)	Historical cost 2015/16 (Kshs)
ICT Equipment, Software and Other ICT Assets	Monitor	CN-07CR4-72872-33P-FFCL	2013	Supplied by cdf board	Supplied by cdf board
ICT Equipment, Software and Other ICT Assets	Back ups	3B1304X12214	2013	Supplied by cdf board	Supplied by cdf board
ICT Equipment, Software and Other ICT Assets	CPU	161246/90	2013	Supplied by cdf board	Supplied by cdf board
ICT Equipment, Software and Other ICT Assets	Scanjet 5590	CN2CAVHOCVX	2013	Supplied by cdf board	Supplied by cdf board
ICT Equipment, Software and Other ICT Assets	Camera	A6HZCNKDB00025	2013	7,000	0
ICT Equipment, Software and Other ICT Assets	Photocopier		2014	156,078	78,000.00
Office equipment, furniture and fittings	Stapler- Kangaroo	ST-0795 DS210	2013	433.55	216.70
ICT Equipment, Software and Other ICT Assets	LaserJet 401DN Printer	VNH6726421	2014	27,599.80	13,799.90
ICT Equipment, Software and Other ICT Assets	Deskjet1000 Printer	CN35R18J8S	2014	4,269	2,134.50
Office equipment, furniture and fittings	Office Point Heavy -Duty Stapler		2014	2,601.30	1,300.65
Office equipment, furniture and fittings	Self-Inking rubber stamp		2013	1,667.50	833.75
Office equipment, furniture and fittings	Self-Inking rubber stamp		2014	3,001.50	1500.75
Office equipment, furniture and fittings	Office table	WML-254	2014	7,937.30	3,968.65
Office equipment, furniture and fittings	High back ergonomic leather chair		2014	32,016	16,008.00
Transport equipment	Motor vehicle	GK B 074F	2014	3,450,000	2,587,500.00
Office equipment, furniture and fittings	Office furniture		2014	442,101.60	221,050.80
Office equipment, furniture and fittings	Office furniture	4 file cabinets	2015	83,996	55,997.33
<b>TOTAL</b>				<b>4,218,701.55</b>	<b>2,982,311.03</b>

**Notes:**

1. The depreciation rate applied on Office equipment, furniture and fittings and ICT Equipment, Software and Other ICT Assets is 33.333% per annum
2. The depreciation rate applied on the Transport equipment is 25% per annum