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**MOGOTIO NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT  
FUND**

**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)

27 JUN 2017



NG-NGCDF

National Government Constituencies Development Fund  
Mogotio Constituency  
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Website: .....

Our ref: MNGNGCDF /HDBRD/2016-2017/001

23 June, 2016

THE CHIEF EXECUTIVE OFFICER,  
NGNGCDF BOARD,  
P.O.BOX.46682-00100  
NAIROBI.

Dear Sir,

RE: AMENDED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2015/2016 FOR  
MOGOTIO NGCDF

The above subject refers.

Enclosed find the amended Financial Statements for Mogotio NGCDF for your action.

God bless.

Sincerely,

George Kamau  
Fund Account Manager  
Mogotio NGCDF

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MOGOTIO  
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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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 *Mogotio National Government Constituency Development Fund* day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. Constituency Development Fund Committee (NGCDFC)

**(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	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>George Kamau</b>
3.	Accountant	<b>Joseph Waweru</b>
4.		

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Mogotio Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the 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) Mogotio NGCDF Headquarters**

P.O. Box 75-20105  
Mogotio Sub-County Headquarters Compound  
Kipsogon Road  
Mogotio, KENYA

**(f) Mogotio NGCDF Contacts**

Telephone: (254)715988808  
E-mail: mogotioNGCDF2015@gmail.com  
Website: www.NGCDF go.ke

**(g) Mogotio NGCDF Bankers**

1. Equity Bank Limited  
Eldama Ravine Branch  
P.O. Box 75104  
Eldama Ravine

Account :1310262100064

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**II. FORWARD BY THE CHAIRMAN-MOGOTIO NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE.**  
**INTRODUCTION**

Mogotio Constituency is one of the six constituencies in Baringo County. The other five constituencies are Eldama Ravine, Baringo North, Baringo south, Baringo Central and Tiaty. The constituency has 3 wards namely: Mogotio, Kisanana and Eminging. Administratively the constituency has 23 locations and 44 sub-locations. The constituency is delineated IEBC 161. In the financial year 2015/2016, Mogotio constituency was allocated kshs.94,891,553.00. The allocation was budgeted as follows:

Budgeted Activity	Amount
Compensation of employees	1,699,500
Use of goods and services	2,909,634
Committee expenses	4,381,567
Transfer to other government units	60,050,000
Other grants and transfers	31,361,534
Social security benefits	50,000
<b>TOTAL</b>	<b>100,452,235</b>

The average budget absorption rate stood at 54% which is above average. The absorption rate was affected by the late disbursement of funds by the NGCDF Board. The absorption rate was however commendable as the funds were utilized by PMCs within a month culminating into faster implementation of projects. Mogotio NGCDF was allocated a total of kshs.100,452,235/ in the financial year 2015-2016. The funds were budgeted for as shown in the table above.

Sector specific allocations were as follows:

Primary school	Kshs .12,950,000	Bursary	Kshs.12,046,063
Secondary schools	Kshs. 21,150,000	Water	Kshs .4,525,000
Health institutions	Kshs.300,000	Sports	Kshs.1,876,000
Tertiary institutions	Kshs.500,000	Roads	Kshs..800,000
Agriculture	Kshs.243,070	Emergencies	Kshs.4,460,000

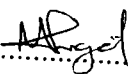
From this analysis, it is clear that education sector took the largest percentage at 46%. This is in line with the mandate of NGCDF to focus on National Government functions. The Mogotio NGCDF will continue to support infrastructure development in the education sector and security being the major functions of National Government.

As we continue implementing NGCDF projects there are a number of emerging issues and challenges. Key among them are:

- The case of ongoing projects in the sectors that have been devolved
- Uncertainty brought about by unending court cases
- The relationship between the two levels of government
- Insufficient funds

**Way forward**

There is need to increase the NGCDF funding to address more needs and build capacity of implementing agencies. The NGCDF will continue to engage all stakeholders in the implementation of projects.

Signature:  ..... Date: 23-06-2017  
 Chairman, Mogotio NGCDF

### 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.

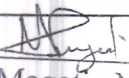
The Accounting Officer in charge of the *Mogotio NGCDF* is responsible for the preparation and presentation of the *NGCDF's* financial statements, which give a true and fair view of the state of affairs of the *NGCDF* for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *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.

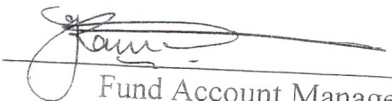
The Accounting Officer in charge of the *Mogotio NGCDF* accepts responsibility for the *NGCDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). 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 *Mogotio 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 *Mogotio 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 *Mogotio NGCDF's* financial statements were approved and signed by the Accounting Officer on ~~23-06-2016~~.

  
Mogotio NGCDFC Chairman

  
Fund Account Manager

# REPUBLIC OF KENYA

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E-mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MOGOTIO 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 - Mogotio Constituency set out on pages 6 to 24, 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 Section 48 of the Public Audit Act, 2015, and submit the audit report in compliance with Article 229 (7) of the constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those Standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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 of Opinion**

#### **1. Unaccounted for Expenditure for Sports**

The statement of receipts and payments for the year ended 30 June 2016 reflects under other grants and transfers Kshs.24,750,134 which includes total expenditure of Kshs.1,876,000.00 on sports. However, records on this expenditure were not presented for audit to confirm how these goods were received, how they were issued and the recipients or beneficiaries of the same. In the absence of these very important records, the expenditure was not properly accounted for.

#### **2. Unaccounted Expenditure at Sirwa Secondary School**

The management of Mogotio NG - CDF disbursed Kshs.1,800,000.00 to Sirwa Secondary for construction of two Classrooms and Staff Quarters. However, no expenditure returns were made available to the Constituency Committee for accounting. In the absence of expenditure return in has not been possible to confirm if the funds were used for the intended purpose as it remain unaccounted for as at 30 June 2016.

#### **3. Unaccounted for Bursary**

Records provided for audit confirmed that Kshs.12,046,063.00 was disbursed as Bursaries to various learning institutions. Out of the total funds disbursed, only Kshs.1,812,171.00 had been acknowledged as having been received by the various institutions. Thus leaving a balance of Kshs.10,233,892.00 which were funds disbursed but not acknowledged. It was therefore not possible to confirm that the bursaries were actually received by the said institutions.

### **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 the National Government Constituencies Development Fund – Mogotio Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year 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. Projects Audit**

#### **1.1 Stalled Projects**

A review of project implementation status report as at 30 June 2016 indicated that several projects were not completed as at that date and no funding had been provided for their completion during the year under review. It was confirmed by the management that the constituency has several projects which were funded since 2003 but have stalled. We sampled from the projects implementation status report, projects worth Kshs13,814,046.00 which were budgeted during 2013-2014 but have never been funded or completed. We also noted that some projects were allocated too little funds which may contribute to the projects taking a lot of time before completion. The projects include construction and completion of classrooms, health facilities and provision of water services, among others. We further noted that these projects do not have expenditure returns for the funds disbursed and utilized. Even though the projects had been commenced in earlier years, and were at various stages of completion, no explanation was given for failure to fund the projects to completion as required by CDF Act. The funds allocated to these projects may be wasted and remain unaccounted for.

#### **1.2 Stalled Project at Sagasagik Secondary School**

The management of Mogotio NG - CDF allocated and disbursed Kshs.500,000.00 to Sagasagik Secondary School for construction of a laboratory whose estimated cost was Kshs.3,950,000. A visit to the school for audit verification on 2 May 2017 revealed that the project had stalled at the foundation level. We further noted that the projects did not have expenditure returns for the funds disbursed and utilized. The funds allocated to the projects may not have been used for the intended purpose and remain unaccounted for.

### **2. Incomplete Projects**

Physical verification of projects carried out on 4 May, 2017 and 5 May, 2017 confirmed that some projects had not been completed. It was also noted that the projects had no bills of quantities (BQs), no approved building plans and no works certificates were produced for audit examination. Further, it was observed that some project activities were implemented without approval from the CDF Board. In the absence of the above mentioned documents, it was not possible to confirm whether the expenditure incurred was a proper charge to public funds.

### **3. Cash and Cash Equivalents**

The statement of assets reflects Cash and Cash Equivalents balance of Kshs.56,617,728. The amount is held at the Equity Bank Eldama Ravine branch account number 1310262100064, as at 30 June 2016. The bank reconciliation statement for the accounts as at 30 June 2016 reflects un-presented cheques totaling to Kshs.1,429,110. However, out of this amount, Kshs.1,041,021 were stale cheques, some dating as far back as 10 July 2014. It is not clear why the cheques were not validated or written back to cashbook.

#### **4. Failure to File Project Returns**

The audit of the project file revealed that no summaries of the Projects Returns' had been made for reconciling funds given with the supporting documents. In this regard, it was observed that the attached supporting documents in the projects' files could not be reconciled with the expenditure given while other files had no expenditure returns at all. Other files were lacking important documents like the bank statements to enable track funds deposited and withdrawn from the various projects' accounts and the outstanding bank balances. Records provided confirmed that the total funds disbursed during the year under review amounted to Kshs.12,950,000.00 while the expenditure returns filed in the Projects files was Kshs.8,744,993.00. Thus giving a variance of Kshs.4, 205,007.00 which was expenditure incurred but not accounted for. In the absence of supporting documents in the expenditure returns files, we were unable to ascertain that these funds were used for the intended purpose.



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

**Nairobi**


**17 November 2017**

**MOGOTIO NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND**  
**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 CDF board-AIEs' Received	1	99,252,235	94,891,553
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	199,600
<b>TOTAL RECEIPTS</b>		<b>99,252,235</b>	<b>95,091,153</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,847,405	1,353,300
Use of goods and services	5	3,133,228	3,999,222
Committee Expenses	6	3,284,096	4,251,240
Transfers to Other Government Units	7	34,900,000	56,152,958
Other grants and transfers	8	24,750,134	45,264,045
Social Security Benefits	9	48,000	36,000
Acquisition of Assets	10	-	5,335,646
Other Payments	11	-	-
<b>TOTAL PAYMENTS</b>		<b>67,962,863</b>	<b>116,392,411</b>
<b>SURPLUS/DEFICIT</b>		<b>31,289,372</b>	<b>(21,801,259)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MOGOTIO NGCDF financial statements were approved on 23-06-2017 2016 and signed by:

  
 Chairman - Mogotio NG CDFC

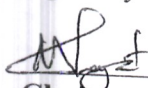
  
 Fund Account Manager

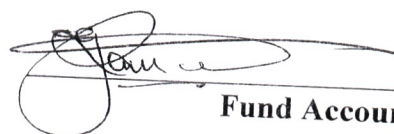
**MOGOTIO NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016**

**V. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	56,617,728	25,328,356
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	-
<b>TOTAL FINANCIAL ASSETS</b>		56,617,728	25,328,356
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July 2015	13	25,328,356	47,129,614
Surplus/Deficit for the year		31,289,372	(21,801,259)
Prior year adjustments	14	-	
<b>NET FINANCIAL POSITION</b>		56,617,728	25,328,356

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MOGOTIO NGCDF financial statements were approved on 23-06-2017 2016 and signed by:

  
**Chairman – Mogotio NGCDFC**

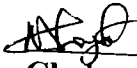
  
**Fund Account Manager**

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

**VI. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2015-2016</b>	<b>2014-2015</b>
		Kshs	Kshs
Transfers from CDF Board	1	99,252,235	94,891,553
Other Receipts	3	-	199,600
<b>total</b>			<b>95,091,153</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,847,405	1,353,300
Use of goods and services	5	3,133,228	3,999,222
Committee Expenses	6	3,284,096	4,251,240
Transfers to Other Government Units	7	34,900,000	56,152,958
Other grants and transfers	8	24,750,134	45,264,045
Social Security Benefits	9	48,000	36,000
Acquisition Assets	10	-	-
Other Payments	11	-	-
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>31,289,372</b>	<b>(16,465,613)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	-	5,335,646
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(5,335,646)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>31,289,372</b>	<b>(21,801,259)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>25,328,356</b>	<b>47,129,614</b>
<b>Cash and cash equivalent at END of the year</b>		<b>56,617,728</b>	<b>25,328,356</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MOGOTIO NGCDF financial statements were approved on 23/06/2017 and signed by:

  
**Chairman Mogotio NGCDFC**

  
**Fund Account Manager**

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

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	100,452,235	25,328,356	125,780,591	124,580,591	1,200,000	99
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts from year 2014- 2015	-	-	-	-	-	
<b>TOTAL</b>	<b>100,452,235</b>	<b>25,328,356</b>	<b>125,780,591</b>	<b>124,580,591</b>	<b>1,200,000</b>	<b>#DIV/0!</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,699,500	956,400	2,655,900	1,847,405	808,495	70
Use of goods and services	2,909,634	1,434,281	4,343,915	3,133,228	1,210,687	72
Committee Expenses	4,381,567	2,532,979	6,914,546	3,284,096	3,630,450	47
Transfers to Other Government Units	60,050,000	9,900,000	69,950,000	34,900,000	35,050,000	50
Other grants and transfers	31,361,534	9,980,695	41,342,229	24,750,134	16,592,095	60
Social Security Benefits	50,000	24,000	74,000	48,000	26,000	65
Acquisition of Assets	-	-	-	-	-	0
Other Payments - audit	-	500,000	500,000	-	-	0
<b>TOTALS</b>	<b>100,452,235</b>	<b>25,328,356</b>	<b>125,780,591</b>	<b>67,962,863</b>	<b>500,000</b>	<b>0</b>
					<b>57,817,728</b>	<b>54</b>

The MOGOTIO NNGCDF financial statements were approved on 23/10/17 2016 and signed by:



**Chairman Mogotio 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.

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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.

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**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
AIE NO.A820619		
AIE NO.A796442	20,000,000	47,445,776
AIE NO.A825803	30,000,000	23,722,888
	49,252,235	23,722,889
<b>TOTAL</b>	<b>99,252,235</b>	<b>94,891,553</b>

**1.1.1.1.1.1.2 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	xxx	xxx
Receipts from sale of office and general equipment	xxx	xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**1.1.1.1.1.1.3 OTHER RECEIPTS**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	xxx	xxx
Receipts from Sale of tender documents	xxx	xxx
Receipts from NGCDF tractor services	xxx	xxx
<b>Total</b>	<b>00</b>	<b>199,600</b>
	<b>00</b>	<b>199,600.00</b>

**1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,847,405	1,353,300
Basic wages of casual labour	xxx	xxx
<b>Personal allowances paid as part of salary</b>		
House allowance	xxx	xxx
Transport allowance	xxx	xxx
Leave allowance	xxx	xxx
Paternity	xxx	xxx
Other personnel payments	xxx	xxx
<b>Total</b>	<b>1,847,405</b>	<b>1,353,300</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.1.1.1.1.1.5 USE OF GOODS AND SERVICES**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	39,700	56,000
Communication, supplies and services	189,620	149,890
Domestic travel and subsistence	595,600	12,000
Printing, advertising and information supplies & services	611,300	300,000
Rentals of produced assets	0	xxx
Training expenses	0	1,400,000
Hospitality supplies and services	116,266	265,612
Insurance costs	0	xxx
Specialized materials and services	34,310	208,330
Office and general supplies and services	608,205	506,677
Other operating expenses	554,482	249,611
Routine maintenance – vehicles and other transport equipment	84,350	349,102
Routine maintenance – other assets	138,895	400,000
Computer accessories	160,500	0
<b>Total</b>	<b>3,133,228</b>	<b>3,999,222</b>

**1.1.1.1.1.1.1.6 COMMITTEE EXPENSES**

	<b>2015-2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee allowances	3,284,096	2,768,000
Other committee expenses	0	1,483,240
<b>Total</b>	<b>3,284,096</b>	<b>4,251,240</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to National Government entities	xx	xx
Transfers to primary schools (see attached list)	12,950,000	30,179,237
Transfers to secondary schools (see attached list)	21,150,000	17,409,782
Transfers to tertiary institutions (see attached list)	500,000	150,000
Transfers to health institutions (see attached list)	300,000	8,413,939
<b>TOTAL</b>	<b>34,900,000</b>	<b>56,152,958</b>

**1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools (see attached list)	12,046,063	14,033,115
Bursary – tertiary institutions (see attached list)	xxx	1,128,055
Bursary – special schools (see attached list)	xxx	xx
Mock & CAT (see attached list)	xxx	xx
Water projects (see attached list)	4,525,000	13,010,000
Agriculture projects (see attached list)	243,071	3,842,967
Electricity projects (see attached list)	Xxx	xx
Security projects (see attached list)	Xxx	2,830,000
Roads projects (see attached list)	800,000	2,679,000
Sports projects (see attached list)	1,876,000	1,411,070
Environment projects (see attached list)	800,000	1,138,698
Emergency projects (see attached list)	4,460,000	5,191,140
Other grants		
<b>Total</b>	<b>24,750,134</b>	<b>45,264,045</b>

**1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Employer contribution to NSSF	48,000	36,000
<b>Total</b>	<b>48,000</b>	<b>36,000</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.1.1.1.1.1.10 ACQUISITION OF ASSETS**

**Non -Financial Assets**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	XX	XX
Construction of Buildings	XX	XX
Refurbishment of Buildings	XX	XX
Purchase of Vehicles and Other Transport Equipment	XX	5,335,646
Overhaul of Vehicles and Other Transport Equipment	XX	XX
Purchase of Household Furniture and Institutional Equipment	XX	XX
Purchase of Office Furniture and General Equipment	XX	XX
Purchase of ICT Equipment, Software and Other ICT Assets	XX	XX
Purchase of Specialised Plant, Equipment and Machinery	XX	XX
Rehabilitation and Renovation of Plant, Machinery and Equip.	XX	XX
Acquisition of Land	XX	XX
Acquisition of Intangible Assets	XX	XX
<b>Total</b>	<b>XX</b>	<b>5,335,646</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12B: CASH IN HAND**

	2015 - 2016 Kshs	2014 - 2015 Kshs
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations ( <i>specify</i> )	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</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>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<b>Total</b>		<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

*clude an annex of the list is longer than 1 page.]*

**CONSTITUENCIES DEVELOPMENT FUND – MOGOTIO CONSTITUENCY**  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**13. BALANCES BROUGHT FORWARD**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
1. Equity Bank limited, Account No.1310262100064		
Cash in hand	25,328,356	47,129,614
Imprest	xxx	-
	xxx	-
<b>Total</b>	<u>25,328,356</u>	<u>47,129,614</u>
<i>[Provide short appropriate explanations as necessary]</i>		

**14. PRIOR YEAR ADJUSTMENTS**

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

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

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

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>Kshs</b>	<b>Kshs</b>
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others ( <i>specify</i> )	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	xxx	xxx
Amounts due to other grants and other transfers (see attached list)	xxx	xxx
Others ( <i>specify</i> )	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

**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>						

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>Senior 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>						

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1.							
2.							
3.							
	<b>Sub-Total</b>						
<b>Amounts due to other grants and other transfers</b>							
4.							
5.							
6.							
	<b>Sub-Total</b>						
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
7.							
8.							
9.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						