

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**

*Paper laid by the
Leader of Majority
Party Hon. Aden
Dore, MP on
21.2.2018
1B2*



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KASARANI
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)**

RECEIVED
KASARANI
DEVELOPMENT FUND
16/09/16.

**FUNDS ACCOUNT MANAGER
KASARANI CONSTITUENCY
DEVELOPMENT FUND
Date:.....**

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

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

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10/10/16

FUNDS ACCOUNT MANAGER
KASARANI CONSTITUENCY
DEVELOPMENT FUND
Date:.....

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituencies 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:

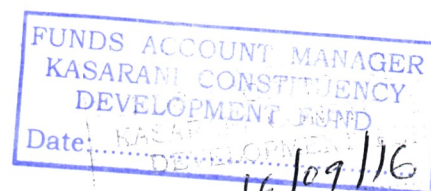
No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E Holder	Elias .M.Mate
3.	Accountant	Cleophas Oyaro

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of KASARANI 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) KASARANI NGCDF Headquarters

P.O. Box 7542-00300,
BWG Grandview Court, 1st Floor,
Along Kasarani-Mwiki Road
Nairobi, KENYA



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

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

(f) KASARANI CDF Contacts

Telephone: (020) 2317003

E-mail: cfdkasarani@cdf.go.ke

Website: www.go.ke

(g) KASARANI CDF Bankers

1. Equity Bank Ltd,
Kasarani Branch,
P.O Box 75104
Nairobi, Kenya

(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

FUNDS ACCOUNT MANAGER
KASARANI CONSTITUENCY
DEVELOPMENT FUND
Date:.....

16/09/16

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

The NGNGCDFCs 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 Kasarani.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NGNGCDFCs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Sign.....
CHAIRPERSON NGCDFC

FUNDS ACCOUNT MANAGER
KASARANI CONSTITUENCY
DEVELOPMENT FUND
Date:.....

16/09/16

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KASARANI
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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.

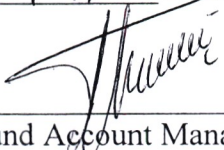
The Accounting Officer in charge of the Kasarani NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility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

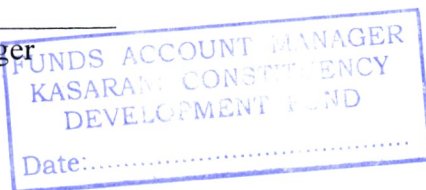
The Accounting Officer in charge of the Kasarani NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). 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 kasarani 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 Kasarani 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 16/09/2016 2016.


Fund Account Manager




Chairperson

16/09/16

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 – KASARANI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kasarani 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 and 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 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 the 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 the International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluation of 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 adverse audit opinion.

Basis for Adverse Opinion

1. Presentation and Disclosures of the Financial Statements

1.1 Presentation of the Financial Statements

Pages 9 to 23 of the financial statements are missing. In addition, the statement of compliance and basis of preparation at page 25 of the financial statements indicate that all values are rounded off to the nearest shilling. However, the balances reflected in the financial statements have not been rounded off to the nearest shilling. The financial statements are, therefore, not consistent with the declared basis of their preparation and have not been properly identified and therefore do not conform to the format prescribed by the Public Sector Accounting Standard Board.

1.2 Comparative Balances

The following differences have been noted between comparative figures (2014/2015) reflected in the financial statements for the year ended 30 June 2016 and the balances shown in the audited financial statements for 2014/2015:

Item	2014/2015 Comparative Figures Kshs.	2014/2015 Audited Balance Kshs.	Variance Kshs.
Compensation of Employees	2,094,915	2,073,955	20,960
Use of goods	8,013,900	6,283,900	1,730,000
Committee expenses	-	1,730,000	(1,730,000)
Social Security benefits	-	21,000	(21,000)

However, contrary to the requirements of paragraphs 1.4.19 and 1.5 of the IPSAS Cash Basis reporting framework, no disclosures have been made in the notes to the financial statements to indicate that comparative information relating to these specific items is restated. In addition, the nature of the error and the respective amounts of the corrections for the items have not been disclosed.

1.3 Statement of Cash Flow

The statement of cash flow at page 7 of the financial statements does not reflect operating receipts of Kshs.99,260,554 for the year ended 30 June 2016. However, the net cash flow from operating activities balance of Kshs.6,648,566 is net of the operating receipts balance.

1.4 Opening Accounts Balances

As reported in the previous year, the Kasarani Constituency was divided into two additional other electoral areas of Roysambu and Ruaraka shortly before the general elections of 2013. Information and records available indicated that no opening cash balances and assets were inherited and accounted for in the books of account from the original Kasarani Constituency Development Fund. Consequently, the accuracy and propriety of the opening and closing bank balances of Kshs.21,654,692 and Kshs.24,921,253 respectively cannot be confirmed.

2. Cash and Cash Equivalents

The statement of assets reflects bank balance of Kshs.24,921,253 as at 30 June 2016. A review of the bank reconciliation statement for June 2016 indicated that unpresented cheques amounted to Kshs.4,113,187 out of which cheques totalling Kshs.304,760 and some dating back to 2014 were stale but had not been reversed in the cashbook as at 30 June 2016. In addition, the bank confirmation certificate in support of the bank balance has not been provided for audit verification. Consequently, the accuracy of the cash and cash equivalents balance of Kshs.24,921,253 as at 30 June 2016 cannot be confirmed.

3. Other Grants and Transfers

As disclosed at Note 7 to the financial statements, other grants and transfers balance of Kshs.35,310,545 includes bursaries to secondary schools and tertiary institutions of Kshs.10,548,000 and Kshs.3,520,000 respectively. However, bursary cheques totalling Kshs.857,500 had not been presented to the intended beneficiaries as at 30 June 2016. No explanation has been provided for failure to disburse the amount to the respective beneficiaries.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund – Kasarani 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 do not comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budget and Budgetary Controls

During the year under review, Kasarani Constituency Fund incurred expenditure totalling Kshs.95,993,992 against an approved budget of Kshs.119,851,246 or approximately 80% of the budget resulting in under expenditure of Kshs.23,857,254 as shown below:

Item	Budgeted Amount Kshs.	Actual Expenditure Kshs.	Under/Over Expenditure Kshs.
Compensation of Employees	2,271,085	2,268,003	3,082
Use of Goods and Services	6,240,712	6,569,314	(328,602)
Transfers to Other Government Units	62,864,966	48,464,125	14,400,841
Other Grants and Transfers	44,538,689	35,310,545	9,228,144
Acquisition of Assets	3,935,793	3,382,005	553,788
Total	119,851,245	95,993,992	23,857,254

The under-expenditure is an indication of funds not utilized fully and approved programs not implemented. The budget did not, therefore, fully meet the intended objectives of improving delivery of services to the residents of Kasarani Constituency.

2. Project Implementation

2.1 Non-implemented Projects

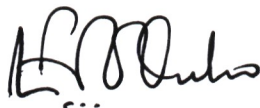
As at the 30 June 2016, projects with a total budget of Kshs.21,335,793 as detailed below had not been implemented.

Project	Budgeted Amount Kshs.	Actual Expenditure Kshs.	Over/Under Kshs.
Purchase of equipments	935,793	-	935,793
Drumvale Primary School	1,839,035	-	1,839,035
Njiru Secondary School	7,500,000	-	7,500,000
Kamulu Polytechnic	5,060,965	-	5,060,965
Kamunyonge AP Camp	3,000,000	-	3,000,000
Mwengeny Resource Centre	3,000,000	-	3,000,000
Total	21,335,793	-	21,335,793

Consequently, the constituents of Kasarani did not obtain the intended services from the six projects that were not implemented during the year.

2.2 Environmental Impact Assessment on Njiru Secondary School

During the year under review, the Fund allocated Kshs.7,500,000 towards construction of Njiru Secondary School. It was, however, noted that the school is located about 100 metres from the Njiru sewer outfall and just 200 metres from the Njiru quarry. Construction of phase one of the classrooms was about 60 % by the time of audit. Management did not however present for audit review environmental impact assessment report of the project given its location next to the two facilities. In the absence of the environmental impact assessment report, it is not possible to confirm the extent to which the school will be impacted by the two facilities.



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

Nairobi

13 December 2017

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

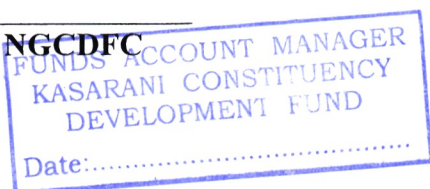
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	99,196,554.00	88,906,951.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	64,000.00	
TOTAL RECEIPTS			
		99,260,554.00	88,906,951.00
PAYMENTS			
Compensation of employees	4	2,268,002.80	2,094,915.00
Use of goods and services	5	7,069,314.30	8,013,900.00
Transfers to Other Government Units	6	48,464,125.35	49,071,289.00
Other grants and transfers	7	35,310,545.00	31,148,250.00
Acquisition of Assets	8	3,382,005.00	349,617.07
Other Payments	9	-	-
TOTAL PAYMENTS			
		96,493,992.45	90,677,971.07
SURPLUS/DEFICIT			
		2,766,561.55	(1,771,020.07)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kasarani NGCDF financial statements were approved on 16/09/ 2016 and signed by:

[Signature]

Chairperson - NGCDFC



[Signature]

Fund Account Manager

16/09/16

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

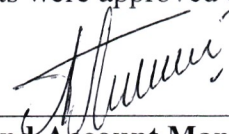
V. STATEMENT OF ASSETS

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	24,921,253.48	21,654,691.93
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		24,921,253.48	21,654,691.93
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	21,654,691.93	23,425,712.00
Surplus/Deficit for the year		2,766,561.55	(1,771,020.07)
Prior year adjustments	14	500,000.00	-
NET LIABILITIES		24,921,253.48	21,654,691.93

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KASARANI NGCDF financial statements were approved on 16/09/2016 and signed by:



Chairperson - NGCDFC



Fund Account Manager

16/09/16

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KASARANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

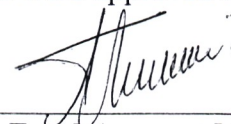
VI. STATEMENT OF CASHFLOW

Payments for operating expenses			
Compensation of Employees	4	2,268,002.80	2,094,915.00
Use of goods and services	5	7,069,314.30	8,013,900.00
Transfers to Other Government Units	6	48,464,125.35	49,071,289.00
Other grants and transfers	7	35,310,545.00	31,148,250.00
Other Payments	9	-	-
		93,111,987.45	90,328,354.00
Adjusted for:			
Adjustments during the year	14	500,000.00	-
Net cash flow from operating activities		6,648,566.55	(1,421,403.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(3,382,005.00)	(349,617.07)
Net cash flows from Investing Activities		(3,382,005.00)	(349,617.07)
NET INCREASE IN CASH AND CASH EQUIVALENT		3,266,561.55	(1,771,020.07)
Cash and cash equivalent at BEGINNING of the year	13	21,654,691.93	23,425,712.00
Cash and cash equivalent at END of the year		24,921,253.48	21,654,691.93

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kasarani NGCDF financial statements were approved on 16/6/16 2016 and signed by:



Chairperson NGCDFC



Fund Account Manager

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	96,196,554.00	23,654,691.93	119,851,245.93	120,851,245.93	(1,064,000.00)	101%
Proceeds from Sale of Assets				-	-	
Other Receipts				64,000.00	-	
TOTAL	96,196,554.00	23,654,691.93	119,851,245.93	120,915,245.93	(1,064,000.00)	101%
PAYMENTS						
Compensation of Employees	2,268,000.00	3,085.00	2,271,085.00	2,268,002.80	3,082.20	100%
Use of goods and services	5,953,896.62	286,815.53	6,240,712.15	6,569,314.30	(328,602.15)	105%
Transfers to Other Government Units	44,224,999.98	18,639,966.36	62,864,966.34	48,464,125.35	14,400,840.99	77%
Other grants and transfers	39,813,864.16	4,724,825.04	44,538,689.20	35,310,545.00	9,228,144.20	79%
Acquisition of Assets	3,935,793.24		3,935,793.24	3,382,005.00	553,788.24	86%
Other Payments			-		-	
TOTAL	96,196,554.00	23,654,691.93	119,851,245.93	95,993,992.45	23,857,253.48	80%

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI
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**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 KASARANI NGCDF financial statements were approved on 16/09/ 2016 and signed by:

Chairperson NGCDF



Fund Account Manager

16/09/16

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 – KASARANI
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the NGCDF at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI
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
Normal Allocation	A 796239	3,000,000.0	19,726,737.60
	A 724096	10,000,000.0	22,726,738.00
	A 724336	10,000,000.0	9,090,695.00
	A 820568	28,000,000.0	13,636,042.65
	A 825656	24,000,000.0	15,426,737.75
	A 825757	24,196,554.0	7,300,000.00
			1,000,000.00
Conditional grants			-
	AIE NO...	-	
Receipt from other Constituency	AIE NO...	-	
TOTAL		99,196,554.0	88,906,951.0

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		

12/09/16

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Interest Received	-	-
Other Receipts Not Classified Elsewhere (Tenders)	64,000.0	-
Total	64,000.0	-

4. COMPENSATION OF EMPLOYEES

Description

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	2,039,042.8	1,911,915.0
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF gratuity	228,960.0	21,000.0
	-	162,000.0
Total	2,268,002.8	2,094,915.0

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

5. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	428,032.5	-
Office rent	225,000.0	255,000.0
Communication, supplies and services	117,619.0	446,000.0
Domestic travel and subsistence	143,765.0	97,860.0
Printing, advertising and information supplies & services	118,161.0	94,512.0
Rentals of produced assets	-	-
Training expenses	1,393,000.0	2,111,500.0
Hospitality supplies and services	142,904.0	292,724.0
Other committee expenses	1,333,000.0	780,000.0
Committee allowance	1,753,000.0	950,000.0
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	394,200.8	524,217.0
Fuel ,oil & lubricants	100,000.0	300,000.0
Other operating expenses-Website	500,000.0	-
Other operating expenses-Strategic Plan	-	1,500,000.0
Other operating expenses-Audit Fee	-	500,000.0
Routine maintenance – vehicles and other transport equipment	300,769.00	-
Routine maintenance – other assets	119,863.00	162,087.00
Total	7,069,314.3	8,013,900.0

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers To Primary Schools	11,525,000.0	4,437,000.0
Transfers To Secondary Schools	26,500,090.0	30,651,530.0
Transfers To Tertiary Institutions	4,939,035.4	-
Transfers To Health Institutions	5,500,000.0	13,982,759.0
TOTAL	48,464,125.4	49,071,289.0

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	10,548,000.0	10,605,000.0
Bursary -Tertiary	3,520,000.0	2,980,000.0
Bursary-Special schools	-	-
Mocks & CAT	-	-
water	2,800,000.0	4,579,390.0
Agriculture (food security)	-	-
Security	3,000,000.0	3,400,000.0
Roads	7,898,355.0	-
Sports	2,191,931.0	1,705,200.0
Environment	1,700,000.00	1,998,000.00
Other capital grants and transfer	-	-
Emergency Projects (Ruai Ward Fire Tragedy Victims)	-	1,580,660.00
Emergency Projects (Chokaa Main Rd)	-	2,400,000.00
Emergency Projects (Mlimani Deliverance Rd)	-	1,900,000.00
Emergency Projects (Hunters Mwirigo Rd)	1,100,259.00	-
Emergency Projects (Mysa Play Ground Renovation)	2,552,000.00	-
Total	35,310,545.0	31,148,250.0

2015/16/17/18

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	3,000,000.0	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of Office furniture and fittings	382,005.0	159,617.1
Purchase of computers ,printers and other IT equipment	-	190,000.0
Purchase of photocopier	-	-
Purchase of other office equipment	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
Total	3,382,005.0	349,617.1

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

9 Other Payments	2015 - 2016	2014 - 2015
specify	-	-
specify	-	-
specify	-	-
TOTAL	-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Kshs	
	2015 - 2016	2014 - 2015
	Kshs (30/6/2016)	Kshs (30/6/2015)
EQUITY BANK-KASARANI A/C NO.1180261612372	24,921,253.48	21,654,691.93
Total	24,921,253.48	21,654,691.93
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	-	-
	<i>[Provide cash count certificates for each]</i>	

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI
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 For the year ended June 30, 2016

TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
N/A				

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts	21,654,691.93	23,425,712.00
Cash in hand	-	-
Imprest		-
Total	21,654,691.93	23,425,712.00

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	500,000.0	-
Cash in hand	-	-
Imprest	-	-
Total	500,000.0	-

Ksh. 500,000 was reversed being payment of audit fee financial year 2014/15

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI
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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	649,675.4	-
TOTAL	649,675.4	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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)	12,100,000.00	-
Amounts due to other grants and other transfers (see attached list)	12,171,578.08	-
Others (specify)	-	-
	24,271,578.08	-

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
	a			b		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7. Purchase of Equipment	649,675.40				0.00	
8.				649,675.40		
9.						
Sub-Total	649,675.40			649,675.40	0.00	

10/19/2016

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI CONSTITUENCY
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For the year ended June 30, 2016 (Kshs'000)

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		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI CONSTITUENCY
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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2,016	2,015	
	a	b	c	d=a-c			
Amounts due to other Government entities							
1. Drumvale Primary School		1,839,035.35		-	1,839,035		
2. Njiru Secondary School		5,200,000.00		-	5,200,000		
3. Kasarani TTI		5,060,964.65		-	5,060,965		
Sub-Total		12,100,000.00	-	-	12,100,000.00	-	-
Amounts due to other grants and other transfers							
4. Gituamba Water Project		500,000.00		-	500,000		
5. Bursary		1,932,000.00			1,932,000		
6. Mwingenye Youth Resource		3,000,000.00		-	3,000,000		
7. Kamunyonge AP Camp		3,000,000.00		-	3,000,000		
8. Environment		223,931.08			223,931		
9. Emergency Reserve		3,515,647.00			3,515,647		
Sub-Total		12,171,578.08	-	-	12,171,578.08	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI CONSTITUENCY
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Others (specify)									
8.									
9.									
Sub-Total		-	-	-	-	-	-	24,271,578.08	-
Grand Total								24,271,578.08	-

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KASARANI CONSTITUENCY
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For the year ended June 30, 2016 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015-2016	Historical Cost (Kshs) 2014-2015
Land		
Buildings and structures	3,000,000.00	
Transport equipment		
Office equipment, furniture and fittings	541,622.07	159,617.07
ICT Equipment, Software and Other ICT Assets	370,000.00	370,000.00
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	3,911,622.07	529,617.07

Elias Mate
Fund Account Manager
KASARANI

16/07/2016
 40 25