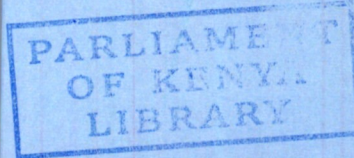


REPUBLIC OF KENYA



*Paper laid by  
Leader of majority  
on 15/2/2018  
Shumbi*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- LANGATA  
CONSTITUENCY**

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



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
LANGATA 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)

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LANGATA  
CONSTITUENCY**

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

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**KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The National Government - *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the National Government - *Constituencies Development Fund*.

**(b) Key Management**

The *LANGATA National Government Constituency's* day-to-day management is under the following key organs:

- i. National Government - 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 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Aziz M. Juma</b>
3.	Accountant	<b>C.O.Oyaro</b>

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 34833  
Wilson  
Nairobi, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LANGATA  
CONSTITUENCY**

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

**(f) LANGATANG - CDFCONTACTS**

Telephone: (254)  
E-mail: langatacdf@.go.ke  
Website: www.cdf.go.ke

**(g) LANGATANG - CDF Bankers**

1. Bank Name: Equity bank  
Branch: Nairobi west  
Account Name: LANGATA NG - CDF  
Account Number: 1280262114687  
Address: 75104 Nairobi

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LANGATA  
CONSTITUENCY**

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

**I. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND  
COMMITTEE (NG - CDFC)**

Total disbursement by LANGATANG - CDF for financial year 2015/2016 was kshs **47,000,000**  
Down from **kshs121, 287,482.50** disbursed for FY 2014/2015. This was caused by the delay by NG-CDF  
Board to release funds.

Our key focus during FY 2014/15 implementation was on education (schools infrastructural development and  
issuance of bursaries to needy students) which ranks the constituency's priority number one. However we  
equally performed well in the following sectors:-

- a) General infrastructural development (chiefs offices)
- b) Environmental activities ( planting of trees and clean-up in LANGATA constituency)
- c) Sports for the youth (we run successful sports tournament for our youth) the sporting activities  
included football for men, women, volleyball for men and women and netball.

**Key achievements**

1. Construction of bus shelters e.g in high-rise And Karen bus shelter.
2. Construction of a new NG - CDF offices in Wilson D.OS offices
3. Education bursary was disbursed to over 2,500 needy students.
4. Construction of toilets i.e Wilson ablution block and madaraka ablution block.
5. Construction of secondary and primary schools.

**Emerging issues:-**

1. Arising from the impact so far created at the grass roots and the high expectation from the local  
community there is need to enhance NG - CDF kitty from the current 2.5% to at least 7.5%.
2. Due heavy responsibility bestowed on the chairman's position, the national NG - CDF board should  
enhance the chairperson's allowance to be commensurate to the duties and this should cascade to other  
NG - CDF members.

**Implementation challenges.**

1. Delay in disbursement of NG - CDF funds. The board should strive to release funds to the NG - CDFC  
in the first quarter of each financial year. It will also be helpful if the funds are released in at least two  
tranches in a year.
2. The NG - CDF relies fully on ministerial technical departments for support in areas like construction  
of bridges, building and other technical work. This includes the production of BQs, technical design  
and drawing for such technical projects, delays normally occur as the personnel involved are not under  
direct control of NG - CDFC. The national NG - CDF board should have own technical experts within  
her structures.
3. Some projects may require long span of implementation creating a big variance between initial budget  
and actual cost during implementation. The national NG - CDF board needs to be flexible on financing  
of such projects.

We humbly look forward to working very closely with the national NG - CDF board with a view to  
enhancing accountability and efficiency in project management

Signed:



**Jared Akama.  
CHAIRMAN NG - CDFC**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LANGATA  
CONSTITUENCY**

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

**II. STATEMENT OF NG - 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 NG - 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

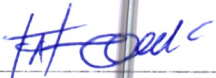
The Accounting Officer in charge of LANGATANG - CDF is responsible for the preparation and presentation of the NG - CDF's financial statements, which give a true and fair view of the state of affairs of the NG - CDF for and as at the end of the financial year ended on June 30, 2016. This responsibility 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 NG - CDF; (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 NG - CDF; (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 LANGATA NG - CDF accepts responsibility for the NG - CDF'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 NG - CDF's financial statements give a true and fair view of the state of NG - CDF's transactions during the financial year ended June 30, 2016, and of the NG - CDF's financial position as at that date. The Accounting Officer in charge of the LANGATANG - CDF further confirms the completeness of the accounting records maintained for the NG - CDF, which have been relied upon in the preparation of the NG - CDF's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the LANGATANG - CDF confirms that the NG - CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG - CDF'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 NG - CDF'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 NG - CDF's financial statements were approved and signed by the Accounting Officer on 2016



**Chairman - NG - CDFC**



**Fund Account Manager**



# REPUBLIC OF KENYA

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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 - LANGATA 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 - Langata Constituency set out on pages 5 to 21, which comprise the statement of assets and liabilities 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 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 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

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

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes 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 qualified audit opinion.

### **Basis for Qualified Opinion**

#### **1. Unexplained Comparative Figures**

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:

<b>Item</b>	<b>2014/2015 Comparative Figures Kshs</b>	<b>2014/2015 Audited Balance Kshs</b>	<b>Variance  Kshs</b>
Compensation of employees	1,751,000	1,727,000	24,000
Use of goods and services	12,998,775	7,088,775	5,910,000
Committee expenses	-	5,910,000	(5,910,000)
Social security benefits	-	24,000	(24,000)

However, the differences have not been explained in the notes to the financial statements. In addition, the nature of the errors and the respective amounts of the corrections for the items have not been disclosed or explained.

#### **2. Bank Balance**

The statement of assets and liabilities reflects a bank balance of Kshs.2,843,279.24 as at 30 June, 2016. However, the cashbook as at that date reflects a negative balance of Kshs.5,989,526.48 resulting in an unexplained difference of Kshs.8,832,805.72. Further, although the trial balance as at 30 June 2016 provided by the Fund Management reflects a balance of Kshs.12,409,805.75 in the account maintained at the Co-operative Bank, the balance has been excluded from the financial statements for unexplained reasons.

In the circumstance, the accuracy of bank balance of Kshs.2,843,279 as at 30 June 2016 cannot be confirmed.

## Qualified Opinion

In my opinion, except for the effect of 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 – Langata 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. Budget and Budgetary Performance

The summary statement of appropriation reflects a final budget figure of Kshs.112,161,700 against actual expenditure of Kshs.61,395,515 resulting in an under-expenditure of Kshs.50,766,185 as detailed below:

Item		Final Budget Kshs.	Actual Expenditure Kshs.	Utilization Difference Kshs.	% Utilization
Compensation of Employees		2,027,424	1,893,845	133,579	93
Use of Goods and Services		7,015,632	2,481,620	4,534,012	35
Transfer to Other Government Units		25,128,988	3,828,000	21,300,988	15
Other Grants and Transfers		74,805,096	51,692,050	23,113,046	69
Acquisition of Assets		3,184,559	1,500,000	1,684,559	47
<b>Total</b>		<b>112,161,700</b>	<b>61,395,515</b>	<b>50,766,185</b>	<b>55</b>

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

### 2. Non-Implementation of Projects

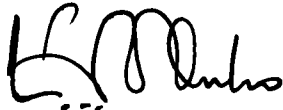
As at the 30 June 2016, six projects detailed below budgeted for at Kshs.20,300,000 had not been implemented:

Project	Budgeted Amount Kshs
Ngong Forest Primary School	2,000,000
Highrise Primary School	5,500,000
Conditional Grant Kongoni Primary	800,000

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

Madaraka Secondary School	5,000,000
Karen Secondary School - Computer Lab	4,000,000
Karen Secondary School	3,000,000
<b>Total</b>	<b>20,300,000</b>

Consequently, the residents of Langata Constituency did not obtain the benefits due from these six projects that were budgeted for but not implemented.



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

**Nairobi**

**12 January 2018**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LANGATA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

**III. - STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	47,000,000.00	121,287,482.50
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>47,000,000.00</b>	<b>121,287,482.50</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,893,845.00	1,751,000.00
Use of goods and services	5	2,481,620.00	12,998,774.60
Transfers to Other Government Units	6	0.00	48,667,534.96
Other grants and transfers	7	55,520,049.80	57,423,755.60
Acquisition of Assets	8	1,500,000.00	9,458,220.82
Other Payments	9	-	3,000,000.00
<b>TOTAL PAYMENTS</b>		<b>61,395,514.80</b>	<b>133,299,285.98</b>
<b>SURPLUS/DEFICIT</b>		<b>(14,395,514.80)</b>	<b>(12,011,803.48)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The LANGATA NG - CDF financial statements were approved on \_\_\_\_\_ 2016 and signed by:

**Jared Akama**  
**Chairman - NG - CDFC**

**Aziz M. Juma**  
**Fund Account Manager**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LANGATA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2016**

**IV.- STATEMENT OF ASSETS AND LIABILITIES**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)EQUITY	10A	2,843,279.24	4,828,988.32
Bank Balances ( as per the cash book)CO-OP			12,409,805.75
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,843,279.27</b>	<b>17,238,794.07</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...2015	13	17,238,794.07	29,250,597.55
Surplus/Deficit for the year		(14,395,514.80)	(12,011,803.48)
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b>2,843,279.27</b>	<b>17,238,794.07</b>

The accounting policies and explanatory notes to these financial statements form an integral part of The financial statements, The LANGATA NG - CDF financial statements were approved on --

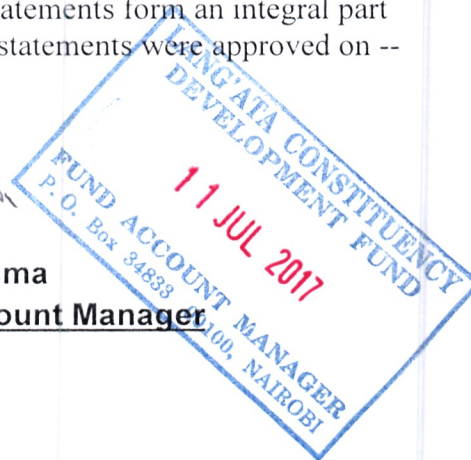
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2016 and signed by:



**Jared Akama**  
**Chairman - NG - CDFC**



**Aziz M. Juma**  
**Fund Account Manager**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LANGATA  
CONSTITUENCY**

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

**V. - STATEMENT OF CASHFLOW**

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	47,000,000.00	121,287,482.50
Other Receipts	3	-	-
		47,000,000.00	121,287,482.50
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,893,845.00	1,751,000.00
Use of goods and services	5	2,481,620.00	12,998,774.60
Transfers to Other Government Units	6	0.00	48,667,534.96
Other grants and transfers	7	55,520,049.80	57,423,755.60
Other Payments	9	-	3,000,000.00
<b>Adjusted for:</b>			
Adjustments during the year		-	-
		59,895,514.80	(123,841,065.16)
<b>Net cash flow from operating activities</b>		<b>(12,895,514.80)</b>	<b>(2,555,582.66)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	1,500,000.00	9,458,220.82
<b>Net cash flows from Investing Activities</b>		<b>(1,500,000.00)</b>	<b>(9,458,220.82)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(14,395,514.80)</b>	<b>(12,011,803.48)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	10A	17,238,794.07	29,250,597.55
<b>Cash and cash equivalent at END of the year</b>	16	2,843,279.27	17,238,794.07

The financial statements. The LANGATA NG - CDF financial statements were approved on -----  
2016 and signed by:



Jared Akama Aziz M. Juma  
Chairman – NG - CDFC



Funds accounts manager



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LANGATA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

VI. 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	94,922,906.00	17,238,794.07	112,161,700.07	47,000,000.00	65,161,700.07	41.90%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
<b>PAYMENTS</b>						
Compensation of Employees	2,027,424.00	-	2,027,424.00	1,893,845.00	133,579.00	93.41%
Use of goods and services	7,015,632.40	-	7,015,632.40	2,481,620.00	4,534,012.40	35.37%
Transfers to Other Government Units	20,300,000.00	4,828,988.32	25,128,988.32		25,128,988.32	0.00%
Other grants and transfers	62,395,290.20	12,409,805.75	74,805,095.95	55,520,049.80	19,285,046.15	74.22%
Acquisition of Assets	3,184,559.40	-	3,184,559.40	1,500,000.00	1,684,559.40	47.10%
Other Payments	-	-	-	-	-	
<b>TOTALS</b>	<b>94,922,906.00</b>	<b>17,238,794.07</b>	<b>112,161,700.07</b>	<b>61,395,514.80</b>	<b>50,766,185.27</b>	<b>54.74%</b>

The LANGATA NG - CDF financial statements were approved on \_\_\_\_\_ 2016 and signed by:

Jared Akama



Chairman - NG - CDFC

Aziz M. Juma.



Fund Account Manager

LANGATA CONSTITUENCY  
DEVELOPMENT FUND

11 JUL 2017

FUND ACCOUNT MANAGER  
P.O. Box 84888 00100, NAIROBI

## **VII. 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.

*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, 2016.

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**IX NOTES TO THE FINANCIAL STATEMENTS**

GF CO					
<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>					
<b>Description</b>			<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
1330407	Normal Allocation	AIE NO...750266	<b>20,000,000.00</b>	<b>31,573,050.50</b>	
		AIE NO...750267	<b>27,000,000.00</b>	<b>22,428,608.00</b>	
		AIE NO...750268		<b>13,457,165.00</b>	
		AIE NO...750269		<b>22,428,608.00</b>	
		AIE NO...750270		<b>31,400,051.00</b>	
		AIE NO...750271			
1330408	Conditional grants	AIE NO...	-		
		AIE NO...	-		
1330409	Receipt from other Constituency		-		
	<b>TOTAL</b>		<b>47,000,000.00</b>	<b>121,287,482.50</b>	
<b>2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>					
<b>Description</b>			<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
3510202	Receipts from the Sale of Buildings			-	
3510601	Receipts from the Sale of Vehicles and Transport Equipment			-	
3510801	Receipts from the Sale Plant Machinery and Equipment			-	
3510803	Receipts from the Sale of office and general equipment			-	
		<b>Total</b>	-	-	
<b>3 OTHER RECEIPTS</b>					
<b>Description</b>			<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
1410107	Interest Received		-	-	

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1410405	Rents		-	-
1410405	Sale of tender documents		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	<b>Total</b>		-	-
2110000	<b>4 COMPENSATION OF EMPLOYEES</b>			
	<b>Description</b>		<b>2015 - 2016</b>	<b>2014 - 2015</b>
			<b>Kshs</b>	<b>Kshs</b>
2110201	Basic wages of contractual employees		1,879,845.00	1,727,000.00
2110202	Basic wages of casual labour		-	-
	<b>Personal allowances paid as part of salary</b>			
2110301	House allowance		-	-
2110314	Transport allowance		-	-
2110320	Leave allowance			
2120101	Employer contribution to NSSF		14,000.00	24,000.00
2110326	Other personnel payments		-	-
2710120	gratuity			
	<b>Total</b>		<b>1,893,845.00</b>	<b>1,751,000.00</b>
2200000	<b>5 USE OF GOODS AND SERVICES</b>			
	<b>Description</b>		<b>2015 - 2016</b>	<b>2014 - 2015</b>
			<b>Kshs</b>	<b>Kshs</b>
2210100	Utilities, supplies and services		200,000.00	400,000.00
2210104	Office rent			
2210200	Communication, supplies and services		-	600,000.00
2210300	Domestic travel and subsistence		-	800,000.00
2210500	Printing, advertising and information supplies & services		221,000.00	1,000,000.00

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2210000	Rentals of produced assets		-		
2210000	Training expenses		-	2,500,000.00	
2210802	Other committee expenses		-	3,500,000.00	
2210809	Committee allowance	1,950,800.00		2,410,000.00	
2210800	Hospitality supplies and services		-		
2210900	Insurance costs		-		
2211000	Specialised materials and services/strategic plan		-	849,326.00	
2211100	Office and general supplies and services		-	753,231.00	
2211200	Fuel ,oil & lubricants		-		
2211300	Other operating expenses/b charges	109,820.00		186,217.60	
2220100	Routine maintenance – vehicles and other transport equipment		-		
2220200	Routine maintenance – other assets		-		
			-		
	<b>Total</b>	<b>2,481,620.00</b>		<b>12,998,774.60</b>	
2630200	<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>				
	<b>Description</b>		<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
2630204	Transfers to primary schools		-	21,563,612.50	
2630205	Transfers to secondary schools			27,103,922.46	
2630206	Transfers to Tertiary institutions				
2630207	Transfers to Health institutions				
	<b>TOTAL</b>			<b>48,667,534.96</b>	
2640000	<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>				
	<b>Description</b>		<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
2640101	Bursary -Secondary		13,818,000.00	10,784,500.00	

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2640102	Bursary -Tertiary		10,000,000.00	10,784,500.00	
2640104	Bursary-Special schools				
2640105	Mocks & CAT		1,469,000.00		
2640504	water/Sewers		6,520,422.70	14,043,544.10	
2640505	Agriculture (food security)				
2640506	Electricity projects				
2640507	Security		5,271,339.60	9,391,161.50	
2640508	Roads		8,949,785.00		
2640509	Sports		1,891,000.00	1,516,250.00	
2640510	Environment		1,881,000.00	1,000,000.00	
2640200	Emergency Projects (specify)		3,487,000.00	5,026,650.00	
2640511	Development - factories/stadiums/B.s helters		2,232,502.50	4,877,150.00	
	<b>Total</b>		<b>55,520,049.80</b>	<b>57,423,755.60</b>	
3100000	<b>8 ACQUISITION OF ASSETS</b>				
	<b><u>Non Financial Assets</u></b>		<b>2015 - 2016</b>	<b>2014 - 2015</b>	
			<b>Kshs</b>	<b>Kshs</b>	
3110102	Purchase of Buildings		-		
3110202	Construction of Buildings		1,500,000.00	9,458,220.82	
3110302	Refurbishment of Buildings				
3110701	Purchase of Vehicles				
3110704	Purchase of Bicycles & Motorcycles				
3110801	Overhaul of Vehicles				
3111001	Purchase of Office furniture and fittings				
3111002	Purchase of computers ,printers and other IT equipments				
3111005	Purchase of photocopier				
3111009	Purchase of other office equipments				
3111112	Purchase of soft ware				
3130101	Acquisition of Land				

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Total		1,500,000.00	9,458,220.82	
<b>9 OTHER PAYMENTS</b>				
		2015 - 2016	2014 - 2015	
		Kshs	Kshs	
legal fees		-	3,000,000.00	
specify		-	-	
<b>TOTAL</b>		-	<b>3,000,000.00</b>	
<b>10A: Bank Balances (cash book bank balance)</b>				
Name of Bank	Account Number	2015 - 2016	2014 - 2015	
		Kshs (30/6/2016)	Kshs (30/6/2015)	
Equity bank - NAIROBI WEST	1280262114687	2,843,279.27	4,828,988.32	
CO OP BANK			12,409,794.07	
<b>Total</b>		<b>2,843,279.27</b>	<b>17,238,794.07</b>	
<b>10B: CASH IN HAND</b>				
		2015 - 2016	2014 - 2015	
		Kshs (30/6/2016)	Kshs (30/6/2015)	
Location 1		-	-	
Location 2		-	-	
Location 3		-	-	
Other receipts (specify)		-	-	
<b>Total</b>		-	-	
<i>[Provide cash count certificates for each]</i>				
<b>11: OUTSTANDING IMPRESTS</b>				
<b>Name of Officer</b>	<b>Date imprest taken</b>	<b>Amount Taken</b>		<b>Balance (30/6/2015)</b>
		Kshs		Kshs
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-



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		Kshs	Kshs	
Construction of buildings		-	-	
Construction of civil works		-	-	
Supply of goods		-	-	
Supply of services		-	-	
<b>TOTAL</b>		-	-	
<b>15.2: PENDING STAFF PAYABLES (See Annex 2)</b>				
		2015 - 2016	2014 - 2015	
		Kshs	Kshs	
Senior management		-	-	
Middle management		-	-	
Unionisable employees		-	-	
Others ( <i>specify</i> )		-	-	
		-	-	
<b>15.3: OTHER PENDING PAYABLES (See Annex 3)</b>				
		2015 - 2016	2014 - 2015	
		Kshs	Kshs	
Amounts due to other Government entities (see attached list)		-	-	
Amounts due to other grants and other transfers (see attached list)		-	-	
Others ( <i>specify</i> )		-	-	
		-	-	

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
			c	2014	
	a	b			
<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>					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Outstanding Balance	
				2015	Outstanding Balance 2014
		a	b	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>Others (specify)</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2015/16	2014/15
Land		
Buildings and structures	9,744,660.82	8,244,660.82
Transport equipment		
Office equipment, furniture and fittings	1,213,560.00	1,213,560.00
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>10,958,220.82</b>	<b>9,458,220.82</b>

