

REPUBLIC OF KENYA



*Paper laid by LOM
Wednesday 11/10/17
Afternoon
sitting
Adk*

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



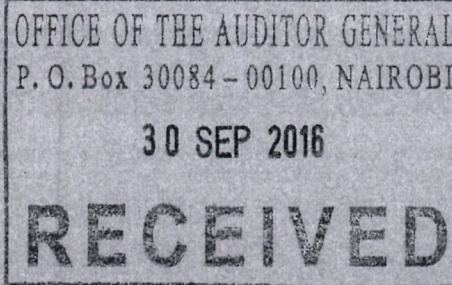
NG-CDF BOARD

National Government Constituencies Development Fund Board
Harambee Plaza, 10th Floor
Junction of Haile Selassie Avenue & Uhuru Highway
P.O Box 46682-00100
Nairobi, Kenya
Tel: 020-2230015/9, 2230027, 2230032 | Cell: 0709894000
Email: info@cdf.go.ke | Website: www.cdf.go.ke

CDF BOARD/AUDITOR GENERAL/2016/099

SEPTEMBER 29, 2016

Mr. Edward Ouko, CBS
The Auditor General
P.O Box 30084 – 00100
NAIROBI



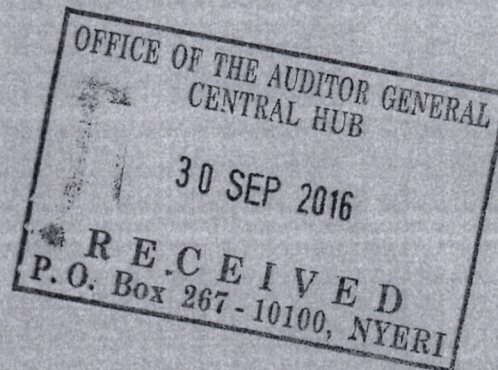
Dear Sir

**RE: NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
FINANCIAL STATEMENTS FOR 2015/2016 FINANCIAL YEAR**

Pursuant to Section 81 of the Public Finance Management Act, 2012 and Section 39 (4) of the National Government Constituencies Development Fund (amendment) Act, 2015, we wish to submit 2015/2016 financial year annual accounts of **Nyeri Town Constituency** for your necessary action.

Yours sincerely

YUSUF MBUNO
Ag. CHIEF EXECUTIVE OFFICER





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI

30 SEP 2016

RECEIVED



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
NYERI TOWN CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
NYERI TOWN CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYERI TOWN
CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NGCDF) was set up under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the NGCDF 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) falls under the Department of Planning in 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 Nyeri Town Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Wanderi Samuel
3.	Accountant	Charles Mutisya

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Nyeri Town 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) NYERI TOWN CDF Headquarters

P.O. Box 1976-10100
CDF Building
Next to Ruring'u stadium
Nyeri, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYERI
TOWNCONSTITUENCY**

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

(f) NYERI TOWN NGCDF Contacts

P.O Box 1976-10100
NYERI
E-mail: nyeritowncdf@gmail.com

(g) NYERI TOWN NGCDF Bankers

1. Equity Bank
Nyeri Branch
P.O. Box 2064-10100
Nyeri, Kenya
2. Consolidated Bank
Nyeri Branch
P.O Box 935-10100
Nyeri, 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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYERI
TOWNCONSTITUENCY**

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

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

The Nyeri Town NGCDFC hereby presents the financial statements for the year ended 30th June 2016 as prepared under Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

The overall budget performance for the year stands at 58% which is above average but is way below our expected performance as had been set earlier. The decline in the actual performance has been attributed to delays in release of funds to the constituency from the CGCDF Board as well as the period of inactivity at the constituency between February 2016 when the previous CDFC was disbanded and June 2016 upon which the current NGCDFC was gazetted. However, I look forward to achieving a performance of 75% and above in the financial year 2016/2017.

The NGCDFC has a greater role to play in ensuring the responsibilities and objectives as set out under the NGCDF act 2015 and NGCDF regulations are achieved and particularly in ensuring that the NGCDFC implements projects that are in support of the National Government Development Agenda at the Constituency Level.

Sign.....
CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYERI
TOWNCONSTITUENCY**

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

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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


The Accounting Officer in charge of the Nyeri Town 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 Nyeri Town 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, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Nyeri Town 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 Nyeri Town 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
15/9/2016 2016.



Fund Account Manager



Chairman



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NYERI TOWN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Nyeri Town Constituency set out on pages 5 to 26, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined 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 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 judgement, including the assessment of risks of material misstatement of

Report of the Auditor-General on the financial statements of National Government Constituencies Development Fund - Nyeri Town 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 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 audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund–Nyeri Town 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 comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Bursary Awards

Note 7 to the financial statements for the year ended 30 June 2016 on other grants and other payments reflects under bursary awards to secondary and tertiary institutions account balance of Kshs.6,153,558 and Kshs.4,494,899 respectively. However, there was no documentary evidence indicating how the amount awarded to each beneficiary was determined since most of the beneficiaries were paid Kshs.2,000 each irrespective of economic status of the parents or guardians, whether orphans or single parents and the poverty level which should be used as a guide in awarding the bursary. As a result, it has not been possible to confirm the criteria used to award the bursary to the needy students.

2. Overall Budget Performance

During the financial year under review, Nyeri Town CDF received a total of Kshs.87,990,248 from the National Government Constituencies Development Fund Board against budgeted amount of Kshs.142,963,440 or 62% of the budget. Further, the actual expenditure for the year total Kshs.83,088,008 representing absorption rate of 58% as analyzed below:



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NYERI TOWN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

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Management`s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting 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.

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Report of the Auditor-General on the financial statements of National Government Constituencies Development Fund - Nyeri Town Constituency for the year ended 30 June 2016

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I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Item	Budget-Kshs	Actual-Kshs.	Budget utilization Difference-Kshs.	Actual as % of Budget
Receipts	142,963,440	87,990,248	54,973,192	62
Expenditure	142,963,440	83,088,008	59,875,432	58

Management attributes the low absorption of funds to delay by the NG-CDF Board in releasing funds to the constituency. There is need therefore for the CDF to take appropriate measures to ensure that approved projects are implemented within the set timelines.

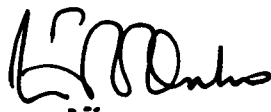
3. Project Implementation

The approved budget against the actual expenditure analysis for the year ended 30 June 2016 is as follows:

Project Category	No. of projects Budgeted	Completed projects	No. On-going	No. not started	Budget-Kshs.	Actual-Kshs.	Variance Kshs.
Primary Schools	8	1	2	5	23,200,000	12,919,000	10,281,000
Secondary Schools	4	0	4	2	17,100,000	20,200,000	-3,100,000
Health	3			3	6,482,759	2,900,000	3,582,759
Tertiary School	1			1	500,000	0	500,000
Environment	4			4	1,916,704	0	1,916,704
Security	5	1	0	4	14,000,000	3,348,000	10,652,000
Roads	7	7	0	0	17,900,000	18,466,647	-566,647
Water					0	1,500,000	-1,500,000
Nyeri CDF Office	1		1		3,100,000	0	3,100,000
Bodaboda & SME trade kiosks	5			5	10,600,000		10,600,000
Total	38	9	7	24			
Others							
Emergency					5,767,647	0	5,767,647
Sports					1,899,463	0	1,899,463
Bursary					23,000,000	10,756,957	12,243,043
Mock/Cats					743,298	0	743,298
Compensation of employees					1,140,000	844,137	295,863
Use of goods and services					9,432,812	7,993,267	1,439,545
Acquisition of land					6,180,757	4,160,000	2,020,757
Total					142,963,440	83,088,008	59,875,432

The above analysis indicate an overall under expenditure of Kshs.59,875,432. Other observations noted include:

- (i) The under expenditure on health facilities includes Kshs.3,582,759 approved in 2013/2014 earmarked for projects in Karia Dispensary, Gatitu and Kiganjo Health Centers which have not been implemented.
- (ii) The CDF committee had planned to implement thirty five (38) projects, out of which only nine (9) projects were completed and 24 had not started as at the year end.
- (iii) Included in the approved budget under secondary schools account is an amount of Kshs.3,500,000 set aside for Gitathi-ini secondary school which was not implemented but instead three new projects not in the initial budget, were funded at a cost of Kshs.10,600,000. Further, construction of Nyakinywa primary school with an approved allocation of Kshs.900,000 received Kshs.5,900,000 during the year. No documentary evidence was presented for audit review approving the reallocation and excess funding of projects.
- (iv) None of the security projects budgeted for during the year with allocation of Kshs.14,000,000 was implemented. Funds for two projects amounting to Kshs.3,348,000 was released to project management committees for implementation of projects rolled over from 2014/2015 financial year. No explanation was presented for the failure to implement projects as per the approved budget.



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

Nairobi

06 September 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYERI
TOWNCONSTITUENCY**


Reports and Financial Statements

For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	62,440,378.50	67,321,135.50
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		62,440,378.50	67,321,135.50
PAYMENTS			
Compensation of employees	4	844,137.00	685,947.00
Use of goods and services	5	7,993,267.00	7,095,467.00
Transfers to Other Government Units	6	36,019,000.00	33,272,759.00
Other grants and transfers	7	34,071,604.00	35,505,232.00
Acquisition of Assets	8	4,160,000.00	1,559,297.00
Other Payments	9	-	-
TOTAL PAYMENTS		83,088,008.00	78,118,702.00
SURPLUS/DEFICIT		(20,647,629.50)	(10,797,566.50)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyeri Town NGCDF financial statements were approved on 15/9/ 2016 and signed by:


Chairman - NGCDFC


Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYERI
TOWNCONSTITUENCY

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

V. STATEMENT OF ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	<i>Difference</i> 10A	7,364,712.95	25,549,869.45
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	1,951,000.00
TOTAL FINANCIAL ASSETS		7,364,712.95	27,500,869.45

94,237.45

CB. 7,270,475.50 X

REPRESENTED BY

Retention	12		
Fund balance b/fwd 1st July 2015	13	27,500,869.45	38,298,435.95
Surplus/Deficit for the year		(20,647,629.50)	(10,797,566.50)
Prior year adjustments	14	511,473.00	-
NET LIABILITIES		7,364,712.95	27,500,869.45

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyeri Town NGCDF financial statements were approved on 15/19/2016 and signed by:


Chairman - NGCDFC


Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYERI
TOWNCONSTITUENCY

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

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015-2016	2014-2015
Transfers from CDF Board	1	62,440,378.50	67,321,135.50
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	844,137.00	685,947.00
Use of goods and services	5	7,993,267.00	7,095,467.00
Transfers to Other Government Units	6	36,019,000.00	33,272,759.00
Other grants and transfers	7	34,071,604.00	35,505,232.00
Other Payments	9	-	-
Adjusted for:			
Adjustments during the year		511,473.00	-
Net cash flow from operating activities		(15,976,156.50)	(9,238,269.50)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(4,160,000.00)	(1,559,297.00)
Net cash flows from Investing Activities		(4,160,000.00)	(1,559,297.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		(20,136,156.50)	(10,797,566.50)
Cash and cash equivalent at BEGINNING of the year	13	27,500,869.45	38,298,435.95
Cash and cash equivalent at END of the year	14	7,364,712.95	27,500,869.45

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyeri Town NGCDF financial statements were approved on 15/19/2016 and signed by:


Chairman NGCDF


Fund Account Manager

VII. 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 %
RECEIPTS						
Transfers from CDF Board	94,973,192.00	47,990,247.95	142,963,439.95	87,990,247.95	54,973,192.00	62
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	1,140,000	-	1,140,000.00	844,137.00	295,863.00	74
Use of goods and services	7,023,321	2,409,490.95	9,432,811.95	7,993,267.00	1,439,544.95	85
Transfers to Other Government Units	32,500,000	23,000,000.00	55,500,000.00	36,019,000.00	19,481,000.00	65
Other grants and transfers	49,309,871.00	21,400,000.00	70,709,871.00	34,071,604.00	36,638,267.00	48
Acquisition of Assets	5,000,000	1,180,757.00	6,180,757.00	4,160,000.00	2,020,757.00	67
Other Payments						
TOTALS	94,973,192.00	47,990,247.95	142,963,439.95	83,088,008.00	59,875,431.95	58

The NYERI TOWN CDF financial statements were approved on 15/9/ 2016 and signed by:


Chairman CDF



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN
CONSTITUENCY**

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

- i. The performance under other grants and transfers was 48% and this is attributed to the fact that much of the funds allocated under that Item had not been disbursed from the NGCDF board.

by: The NYERI TOWN NGCDF financial statements were approved on 15/9/ 2016 and signed



Chairman NGCDF



Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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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.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYERI
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IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	AIE NO	2015 - 2016 Kshs	2014 - 2015 Kshs
Normal Allocation	A796230	22,440,378.50	25,261,514.00
Normal Allocation	A796354	10,000,000.00	10,000,000.00
Normal Allocation	A820635	10,000,000.00	9,619,243.00
Normal Allocation	A820776	20,000,000.00	22,440,378.50
TOTAL		62,440,378.50	67,321,135.50

2. PROCEEDS FROM SALE OF ASSETS

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of office and general equipment		-
Total		-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

3. COMPENSATION OF EMPLOYEES

Description	2015 – 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	637,016.00	620,285.00
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	26,306.00	24,096.00
Gratuity	180,815.00	41,566.00
Total	844,137.00	685,947.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

Description	2015 – 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	300,318.00	598,305.00
Office rent	-	-
Communication, supplies and services	159,890.00	81,589.00
Domestic travel and subsistence	427,510.00	867,800.00
Printing, advertising and information supplies & services	612,098.00	788,409.00
Rentals of produced assets	-	-
Training expenses	178,000.00	-
Hospitality supplies and services	684,370.00	493,630.00
Other committee expenses	1,204,500.00	-
Committee allowance	3,697,000.00	3,256,000.00
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	359,704.00	832,422.00
Fuel ,oil & lubricants	-	-
Other operating expenses	9,597.00	41,949.00
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	360,280.00	135,363.00
Total	7,993,267.00	7,095,467.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers to primary schools	12,919,000.00	7,990,000.00
Transfers to secondary schools	20,200,000.00	16,800,000.00
Transfers to Tertiary institutions	-	2,000,000.00
Transfers to Health institutions	900,000 * 2,900,000.00	6,482,759.00
TOTAL	36,019,000.00	33,272,759.00

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Bursary -Secondary	✓ 6,153,558.00 ✓	7,263,632.00
Bursary -Tertiary	4,508,899 - 4,494,899.00 ✓	3,606,000.00
Bursary-Special schools	✓ 108,500.00 ✓	164,000.00
Mocks & CAT	-	-
water	✓ 1,500,000.00 ✓	2,000,000.00
Agriculture (food security)	-	-
Electricity projects	-	-
Security	✓ 3,348,000.00	14,600,000.00
Roads	✓ 18,466,647.00 ✓	7,871,600.00
Sports	-	-
Environment	-	-
Emergency Projects (specify)	-	-
Total	34,071,604.00	35,505,232.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	940,054.00
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of Office furniture and fittings	-	619,243.00
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	4,160,000.00	-
Total	4,160,000.00	1,559,297.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Specify	-	-
Specify	-	-
Specify	-	-
Specify	-	-
Specify	-	-
Specify	-	-
Specify	-	-
Total	-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs (30/6/2016)	Kshs (30/6/2015)
<i>Equity Bank Ltd, Nyeri Branch A/C no.0110263582626</i>	7,364,712.95	22,352,890.50
<i>Consolidated Bank, Nyeri Branch A/C no.10061303000001</i>	-	3,196,978.95
Total	7,364,712.95	25,549,869.45

10B: CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (specify)	-	-
Total	-	-

[Provide cash count certificates for each]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYERI
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

Total

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

12. Retention

Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
		Kshs	Kshs

TOTAL

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

13. BALANCES BROUGHT FORWARD

	2015 - 2016 Kshs (1/7/2015)	2014 - 2015 Kshs (1/7/2014)
Bank accounts	25,549,869.45	38,298,435.95
Cash in hand	-	-
Imprest	1,951,000.00	-
Total	27,500,869.45	38,298,435.95

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts		
Cash in hand	511,473.00	-
Imprest	-	-
	-	-
Total	511,473.00	-

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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	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
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 (specify)	xxx	xxx
	xxx	xxx

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY
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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 2015	Outstanding Balance 2014	Comments
	a	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						



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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		A	B	c	d=a-c		
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						



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN 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 2015	Outstanding Balance 2014	Comments
		a	B	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

1/2

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWNCONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

<u>TYPE OF FURNITURE</u>	<u>asset number</u>	<u>Asset serial number</u>	<u>Acquation Date</u>	<u>Cost</u>	<u>current condition</u>	<u>ASSET CLASS</u>
CDFC Building	CDF/NYR/044		2007 to 2013	31,885,597	Good	BUILDING
CDFC Building	CDF/NYR/044		2014-2015	940,054		BUILDING
CDFC Building Refurbishment	CDF/NYR/044		Apr-14	7,260,000		BUILDING
panasonic fax Machine	CDF/NYR/13	41CQA016986	0.43.2005	16,500	Good	EQUIPMENT
Safe KC56E	CDF/NYR/029			12,995	Good	EQUIPMENT
executive chair	CDF/NYR/01	1082	17.3.2005	4,000	Good	FURNITURE
10 office chairs	CDF/NYR/02		15.3.2005	7,000	Good	FURNITURE
office cupboard	CDF/NYR/03		14.9.2005	42,000	Good	FURNITURE
high black leather chair	CDF/NYR/04	A903	01.3.2006	13,500	Good	FURNITURE
conference table 3000x1200	CDF/NYR/05	BE3012	02.3.2005	56,000	Good	FURNITURE
high black leather chair	CDF/NYR/06	1016	02.3.2005	30,000	Good	FURNITURE
secretarial desk	CDF/NYR/07	BE150+H3	02.3.2005	28,250	Good	FURNITURE
13 chairs	CDF/NYR/08	NEW T usca	02.3.2005	39,000	Good	FURNITURE
computer table	CDF/NYR/09	BE PVD 120	02.3.2005	11,000	Good	FURNITURE
secretarial chair	CDF/NYR/10		02.3.2005	4,500	Good	FURNITURE
extra table 30"	CDF/NYR/11	424	02.3.2005	18,000	Good	FURNITURE
LG Fridge white	CDF/NYR/12	GE	0.43.2005	12,500	Good	FURNITURE
1 drawer metal cabinet	CDF/NYR/021	Local	02.3.2005		Good	FURNITURE
1 drawer metal cabinet	CDF/NYR/022	Local	02.3.2005		Good	FURNITURE
2 mortise locks	CDF/NYR/023		11.1.2006		Good	FURNITURE
2 union locks	CDF/NYR/024		14.2.2006		Good	FURNITURE
executive office table	CDF/NYR/039		22.08.2011	6,000	Good	FURNITURE
Visitors seat	CDF/NYR/040		22.08.2011	19,000	Good	FURNITURE
executive leather high black chair	CDF/NYR/041		22.08.2011	27,000	Good	FURNITURE
executive leather high black chair	CDF/NYR/042		22.08.2011	24,000	Good	FURNITURE
executive desk	CDF/NYR/045		21.03.2013	119,938	Good	FURNITURE
executive desk	CDF/NYR/046		21.03.2013	119,938	Good	FURNITURE
executive office chairs	CDF/NYR/047		21.03.2013	97,009	Good	FURNITURE
executive office chairs	CDF/NYR/048		21.03.2013	97,009	Good	FURNITURE
visitors chairs	CDF/NYR/049		21.03.2013	17,647	Good	FURNITURE
visitors chairs	CDF/NYR/050		21.03.2013	17,647	Good	FURNITURE
visitors chairs	CDF/NYR/051		21.03.2013	17,647	Good	FURNITURE
visitors chairs	CDF/NYR/052		21.03.2013	17,647	Good	FURNITURE
visitors chairs	CDF/NYR/053		21.03.2013	17,647	Good	FURNITURE
visitors chairs	CDF/NYR/054		21.03.2013	17,647	Good	FURNITURE
visitors chairs	CDF/NYR/055		21.03.2013	17,647	Good	FURNITURE

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keyboard & mouse	CDF/NYR/025					1,900	Good	ICT
p(IV) Branded Computer	CDF/NYR/026					2900	Good	ICT
HP Colour printer	CDF/NYR/027					25,000	Good	ICT
APC UPS	CDF/NYR/028					9,000	Good	ICT
Photocopier Sharp	CDF/NYR/030					130,000	Good	ICT
paper shredder	CDF/NYR/031					19,500	Good	ICT
large screen TV 43 Projection	CDF/NYR/032	DK 6110570		0.9.92006		115,590	Good	ICT
JVC DVD Recorder	CDF/NYR/033	061EO148		0.9.92006		59,950	Good	ICT
Computer HP printer	CDF/NYR/034			02.6.2007		110,000	Good	ICT
HP Computer	CDF/NYR/035	CNC819PSGQ		01.4.2009		53,000	Good	ICT
1 laptop HP	CDF/NYR/036	CNUJGO65K8Y		01.4.2009		58,500	Good	ICT
1 Office Safe	CDF/NYR/037			01.4.2009		52,000	Good	ICT
HP Computer	CDF/NYR/038	CNC819PSGQ		22.08.2011		65,000	Good	ICT
HP LE 185 1W Computer	CDF/NYR/043	CDFB		2010			Good	ICT
Scanner	CDF/NYR/085	CDFB					Good	ICT
Sony Digital Camera	CDF/NYR/088			Jun-14		40,000	Good	ICT
HP Laptop Probook	CDF/NYR/091			Apr-14		90,000	Good	ICT
1 13kg gas cylinder				April-2016		8750	Good	
1 gas regulator						1000	Good	
Cooker						4000	Good	
HP Desktop	CDF/NYR/092			May-14		60,000	Good	ICT
photocopier Machine	CDF/NYR/095			May-14		180,000	Good	ICT
Office Curtains	CDF/NYR/096			May-15		619,243.00	Good	FITTINGS
Skuta AP Post Land				29-Apr16		4,160,000	Good	Land

Prepared by:

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