

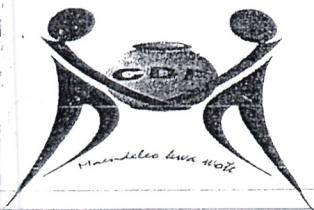
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OFFICE OF THE AUDITOR-GENERAL

**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**NATIONAL GOVERNMENT**  
**CONSTITUENCIES DEVELOPMENT FUND**  
**- AINAMOI CONSTITUENCY**

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



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

30 SEP 2016



**RECEIVED**

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**NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND  
AINAMOI 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 CONSTITUENCIES DEVELOPMENT FUND – AINAMOI  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

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

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs'000)**

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

- i. Constituencies Development Fund Board (CDFB)
- ii. Constituency Development Fund Committee (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.  | Chief Executive Officer | Yusuf Mbuno    |
| 2.  | Fund Account Manager    | Andrew Sigei   |
| 3.  | District Accountant     | Moses O. Tiang |

**(d) Fiduciary Oversight Arrangements**

**(e) Entity Headquarters**

Ainamoi NG CDF  
P.O. Box 470  
ARK Plaza  
Kapsoit Road  
Kericho, KENYA

**(f) Entity Contacts**

Telephone: (254) 0722-949414  
E-mail: [Ainamoicdf@go.ke](mailto:Ainamoicdf@go.ke)  
Website : [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINAMOI  
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

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**(g) Entity Bankers**

Kenya Commercial Bank

Kericho branch

P.o box Kericho

**(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

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs'000)**

**II. STATEMENT OF CONSTITUENCY 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 entity shall prepare financial statements in respect of that entity. 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.

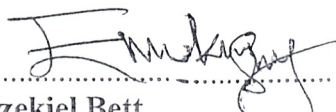
The Fund Account Manager in charge of the *Ainamoi NG-CDF* is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2014. This responsibility 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

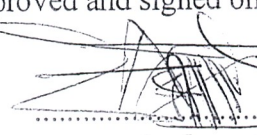
The Fund Account Manager in charge of the *Ainamoi NG-CDF* accepts responsibility for the *Ainamoi* Constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the *Ainamoi NG-CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2014, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the *Ainamoi NG-CDF* further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

The Fund Account Manager in charge of the *Ainamoi NG-CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency'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 Fund Account Manager confirms that the Constituency'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 *Ainamoi NG-CDF* financial statements were approved and signed on 2<sup>nd</sup> Sept 2016

  
.....  
Ezekiel Bett  
Chairman - CIDFC

  
.....  
Andrew Sigel  
Fund Account Manager

**FUND ACCOUNT MANAGER  
AINAMOI C.D.F  
P.O. BOX 470, KERICHO.**

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINAMOI 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 – Ainamoi Constituency set out on pages 4 to 15, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, 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 representation 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 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 the 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

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

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 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**

#### **Presentation of the Financial Statements**

The summary statement of appropriation reflects an adjustment of Kshs.57,758,910.65 in respect of transfers from the Constituencies Development Fund (CDF) Board. However, the adjustment does not agree with the cash balance brought forward of Kshs.7,871,251.25 which represents the previous years' unspent receipt balance. Further, the statement of receipt and payments reflects receipts transfers of Kshs.101,887,659 from the CDF Board while the summary of statement of appropriation reflects a receipt of Kshs.109,758,910 giving unreconciled and unexplained balance of Kshs.7,871,251. In the circumstance, the accuracy of the financial statements cannot be confirmed.

#### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion Paragraph, the financial statements present fairly, in all material respects the financial position of National Government Constituencies Development Fund - Ainamoi 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 National Government Constituencies Development Fund Act, 2015.

#### **Other Matter**

##### **Incomplete Projects**

The statement of receipts and payments reflects an expenditure of Kshs.13,696,500 in respect of other grants and transfers which include Kshs.7,387,896 spent in the implementation of 20 water and agriculture services projects as follows:

| <b>Sector</b> | <b>No. of Projects</b> | <b>Amount (Kshs)</b> |
|---------------|------------------------|----------------------|
| Water         | 9                      | 4,587,896            |
| Agriculture   | 11                     | 2,800,000            |
|               | <b>20</b>              | <b>7,387,896</b>     |

Physical verification of the projects in May 2017 and examination of the project implementation status report revealed that the projects were incomplete, and required more funds to be completed. However, according to the Constitution and the CDF Act, 2015, water and agriculture services are devolved functions that should be funded by the county government. According to a circular from the National Government – CDF Board reference CDF BOARD/CIRCULARS VOL.II (121) of 7 April 2017, the Board intends to devise an action plan on how to complete the projects. In the circumstance, the continued delay in completion of these projects implies that the funds used on them may go to waste.



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

**NAIROBI**

**20 November 2017**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINAMOI  
CONSTITUENCY

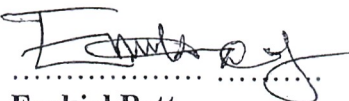
Reports and Financial Statements

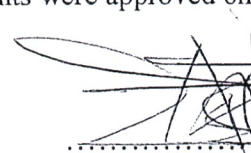
For the year ended June 30, 2016 (Kshs'000)

III. STATEMENT OF RECEIPTS AND PAYMENTS

|                                     | Note | 2015-2016              | 2014-2015            |
|-------------------------------------|------|------------------------|----------------------|
|                                     |      | Kshs                   | Kshs                 |
| <b>RECEIPTS</b>                     |      |                        |                      |
| Transfers from CDF Board            | 1    | 101,887,659.40         | 84,781,000.00        |
|                                     |      |                        |                      |
|                                     |      |                        |                      |
| <b>TOTAL RECEIPTS</b>               |      | <b>101,887,659.40.</b> | <b>84,781,000.00</b> |
| <b>PAYMENTS</b>                     |      |                        |                      |
| Compensation to employees           | 2    | 1,440,820.00           | 1,136,000.00         |
| Use of goods and services           | 3    | 1,634,193.25           | 1,355,000.00         |
| Committee Expenses                  | 4    | 2,428,350.00           | 2,241,000.00         |
| Transfers to Other Government Units | 5    | 54,735,837.30          | 53,950,000.00        |
| Other grants and transfers          | 6    | 13,696,500.00          | 26,670,000.00        |
| Social Security Benefits            | 7    |                        | 47,000.00            |
| Acquisition of Assets               | 8    | -                      | 6,480,000.00         |
| Other Payments                      | 9    | -                      |                      |
|                                     |      |                        |                      |
|                                     |      |                        |                      |
| <b>TOTAL PAYMENTS</b>               |      | <b>73,935,700.55</b>   | <b>91,879,000.00</b> |
|                                     |      |                        |                      |
| <b>SURPLUS/DE FICIT</b>             |      | <b>27,951,958.85</b>   | <b>7,098,000.00</b>  |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Ainamoi NG-CDF* financial statements were approved on 2<sup>nd</sup> Sept 2016 and signed by:

  
Ezekiel Bett  
Chairman - CDFC

  
FUND ACCOUNT MANAGER  
AINAMOI C.D.F  
P.O. BOX 470, KERICHO.  
Andrew Sigel  
Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINAMOI  
CONSTITUENCY

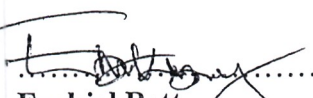
Reports and Financial Statements


For the year ended June 30, 2016 (Kshs'000)

VI. STATEMENT OF CASHFLOW

|  | Note | 2015-2016             | 2014-2015             |
|--|------|-----------------------|-----------------------|
|  |      | Kshs                  | Kshs                  |
| <b>RECEIPTS</b>  |      |                       |                       |
| Transfers from CDF board-AIEs' Received                  | 1    | 101,887,659.40        | 84,781,000.00         |
|  |      | <b>101,887,659.40</b> | <b>84,781,000.00</b>  |
| <b>Payments for operating expenses</b>                   |      |                       |                       |
| Compensation to employees                                | 2    | 1,440,820.00          | 1,136,000.00          |
| Use of goods and services                                | 3    | 1,634,193.25          | 1,355,000.00          |
| Committee Expenses                                       | 4    | 2,428,350.00          | 2,241,000.00          |
| Transfers to Other Government Units                      | 5    | 54,735,837.30         | 53,950,000.00         |
| Other grants and transfers                               | 6    | 13,696,500.00         | 26,670,000.00         |
| Social Security Benefits                                 | 7    |                       | 47,000.00             |
|  |      | <b>73,935,700.55</b>  | <b>85,399,000.00</b>  |
| <b>Adjusted for:</b>                                     |      |                       |                       |
| Adjustments during the year                              |      | -                     | -                     |
| <b>Net cash flow from operating Activities</b>           |      | <b>27,951,958.85</b>  | <b>(618,000.00)</b>   |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |      |                       |                       |
| Proceeds from sale of Assets                             |      | -                     | -                     |
| Acquisition of Assets                                    |      | -                     | 6,480,000.00          |
| <b>Net cash flow from investing Activities</b>           |      | <b>-</b>              | <b>(6,480,000.00)</b> |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>          |      |                       |                       |
|  |      | <b>27,951,958.85</b>  | <b>(7,098,000.00)</b> |
| <b>Cash and cash equivalent at BEGINNING of the year</b> |      | <b>7,871,251.25</b>   | <b>14,968,750.00</b>  |
| <b>Cash and cash equivalent at END of the year</b>       |      | <b>35,823,210.10</b>  | <b>7,870,750.00</b>   |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Ainamoi NG-CDF* financial statements were approved on 2<sup>nd</sup> Sept 2016 and signed by:

  
Ezekiel Bett  
Chairman - CDFC

  
FUND ACCOUNT MANAGER  
AINAMOI C.D.F  
P. O. BOX 470, KERICHO.  
Andrew Sigei  
Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – AINAMOI  
CONSTITUENCY


Reports and Financial Statements

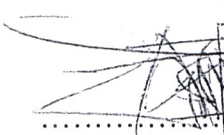
For the year ended June 30, 2016 (Kshs'000)

V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

|                                       | Note | 2015-2016<br>Kshs    | 2014-2015<br>Kshs   |
|---------------------------------------|------|----------------------|---------------------|
| <b>FINANCIAL ASSETS</b>               |      |                      |                     |
| <b>Cash and Cash Equivalents</b>      |      |                      |                     |
| Bank Balances ( as per the cash book) | 12   | 35,823,210.10        | 7,871,251.25        |
| Outstanding Imprests                  | 13   | -                    | -                   |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <u>35,823,210.10</u> | <u>7,871,251.25</u> |
| <b>REPRESENTED BY</b>                 |      |                      |                     |
| Fund balance b/fwd 1st July...        | 16   | 7,871,251.25         | 14,968,750.00       |
| Surplus/Deficit for the year          |      | 27,951,958.85        | 7,097,498.75        |
| <b>NET LIABILITIES</b>                |      | <u>35,823,210.10</u> | <u>7,871,251.25</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Ainamoi*NG-CDF financial statements were approved on 2<sup>nd</sup> Sept 2016 and signed by:

  
Ezekiel Bett  
Chairman - CDFC

  
Andrew Sigei  
Fund Account Manager

FUND ACCOUNT MANAGER  
AINAMOI C.D.F  
P. O. BOX 470, KERICHO.


Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs'000)


VI: 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 %          |
| <b>RECEIPTS</b>                     |                       |                      |                       |                            |                               |                  |
| Transfers from CDF Board            | 105,668,251.00        | 57,758,910.65        | 163,427,161.65        | 109,758,910.65             | 53,668,251.00                 | 67.2%            |
| Proceeds from Sale of Assets        | -                     | -                    | -                     | -                          | -                             |                  |
| Other Receipts                      | -                     | -                    | -                     | -                          | -                             |                  |
| <b>TOTAL RECEIPTS</b>               | <b>105,668,251.00</b> | <b>57,758,910.65</b> | <b>163,427,161.65</b> | <b>109,758,910.65</b>      | <b>53,668,251.00</b>          | <b>67.2%</b>     |
| <b>PAYMENTS</b>                     |                       |                      |                       |                            |                               |                  |
| Compensation of Employees           | 1,567,517.00          | 1,456,400.00         | 3,023,917.00          | 1,377,580.00               | 1,646,337.00                  | 45.6%            |
| Use of goods and services           | 2,749,719.00          | 2,609,938.25         | 5,359,657.25          | 1,634,193.00               | 3,725,464.25                  | 30.5%            |
| Committee Expense                   | 4,609,018.20          | 1,828,760.00         | 6,437,778.20          | 2,428,350.00               | 4,009,428.20                  | 37.7%            |
| Transfers to Other Government Units | 72,523,279.00         | 39,969,931.00        | 112,493,210.00        | 54,735,837.00              | 57,757,373.00                 | 48.7%            |
| Other grants and transfers          | 23,653,918.00         | 11,372,281.00        | 35,026,199.00         | 13,696,500.00              | 21,329,699.00                 | 39.1%            |
| Acquisition of Assets               | -                     | -                    | -                     | -                          | -                             | -                |
| Social Security Benefits            | 64,800.00             | 21,600.00            | 86,400.00             | 63,240.00                  | 23,160.00                     | 73.2%            |
| Other Payments                      | 500,000.00            | 500,000.00           | 1,000,000.00          | -                          | 1,000,000.00                  | 0.0%             |
| <b>TOTAL</b>                        | <b>105,668,251.20</b> | <b>57,758,910.25</b> | <b>163,427,161.45</b> | <b>73,935,700.00</b>       | <b>89,491,461.45</b>          | <b>45.2%</b>     |

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

The *Ainamoi* NG-CDF financial statements were approved on 2<sup>nd</sup> Sept 2016 and signed by:

  
.....  
Ezekiel Bett  
Chairman - CDFC

  
.....  
Andrew Sigei  
Fund Account Manager

FUND ACCOUNT MANAGER  
AINAMOI C.D.F  
P.O. BOX 470, KERICHO.

**Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs'000)**

**VI. SIGNIFICANT ACCOUNTING POLICIES**

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

**a) 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 and relevant legal framework of the Government of Kenya. 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 Constituency and all values are rounded to the nearest thousand (Kshs'000). 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 Constituency.

**b) Recognition of revenue and expenses**

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

**c) In-kind contributions**

In-kind contributions are donations that are made to the Constituency 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 Constituency 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.

**d) Cash and cash equivalents**

**Reports and Financial Statements  
For the year ended June 30, 2016 (Kshs'000)**

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 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)*

**e) Receivables and payables**

Receivables are funds due to the Constituency at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Constituency at the end of the year. When the receivables or payables are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**f) 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 Constituency'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 Constituency's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**g) Comparative figures**

This is the first year the Constituency is preparing financial statements and hence we do not have comparative figures.

**h) 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.

VII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

| Description       | 2015 - 2016 |                       | 2014 - 2015 |                      |
|-------------------|-------------|-----------------------|-------------|----------------------|
|                   | Kshs        |                       | Kshs        |                      |
| Normal Allocation |             |                       |             |                      |
| AIE NO. 820526    |             | 10,000,000.00         |             | 34,893,418.00        |
| AIE NO. 796407    |             | 20,000,000.00         |             | 24,943,829.75        |
| AIE NO. 820695    |             | 22,000,000.00         |             | 9,977,532.00         |
| AIE NO. 759743    |             | 12,511,487.00         |             | 14,986,297.40        |
| AIE NO. 790825    |             | 37,376,172.40         |             | -                    |
| <b>TOTAL</b>      |             | <b>101,887,659.40</b> |             | <b>84,801,077.15</b> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

|   | 2015 - 2016 |                     | 2014 - 2015 |                     |
|---|-------------|---------------------|-------------|---------------------|
|   | Kshs        |                     | Kshs        |                     |
| Basic wages of temporary employees        |             | 1,377,580.00        |             | 1,135,630.00        |
| Social benefit schemes outside government |             | 63,240.00           |             |                     |
| <b>Total</b>                              |             | <b>1,440,820.00</b> |             | <b>1,135,630.00</b> |

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. USE OF GOODS AND SERVICES**

|  | <b>2015 - 2016</b>  | <b>2014 - 2015</b>  |
|--|---------------------|---------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>         |
| Utilities, supplies and services                             | 58,022.00           | 488,500.90          |
| Communication, supplies and services                         | 160,000.00          | 45,000.00           |
| Domestic travel and subsistence                              | 2,000.00            |                     |
| Printing, advertising and information supplies & services    | 12,100.00           | 75,000.00           |
| Rentals of produced assets                                   |                     | 172,000             |
| Training expenses  |                     |                     |
| Hospitality supplies and services                            | 297,255.00          |                     |
| Insurance costs  | 64,394.00           |                     |
| Office and general supplies and services                     | 469,809.00          | 228,000.00          |
| Other operating expenses                                     | 570,613.25          | 200,000.00          |
| Routine maintenance – vehicles and other transport equipment |                     | 244,029.00          |
| Routine maintenance – other assets                           |                     |                     |
| <b>Total</b>   | <b>1,634,193.25</b> | <b>1,309,529.00</b> |

**4. COMMITTEE EXPENSES**

| <b>Description</b>       | <b>2015 - 2016</b>  | <b>2014 - 2015</b> |
|--------------------------|---------------------|--------------------|
|                          | <b>Kshs</b>         | <b>Kshs</b>        |
| Other committee expenses | 252,350.00          | 2,131,000          |
| Committee allowances     | 2,176,000.00        |                    |
|                          | <b>2,428,350.00</b> | 2,131,000          |

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description                              | 2015 - 2016          | 2014 - 2015          |
|--|----------------------|----------------------|
|  | Kshs                 | Kshs                 |
| Transfers to Central government entities | 1,211,592.30         | 26,700,000.00        |
| Transfer to Primary Schools              | 38,234,748.00        | 25,500,000.00        |
| Transfer to secondary Schools            | 14,495,462.00        |                      |
| Transfer to tertiary schools             | 794,035.00           | 1,700,000.00         |
| Transfer to health institutions          |                      |                      |
| <b>TOTAL</b>                             | <b>54,735,828.30</b> | <b>54,049,850.00</b> |

6. OTHER GRANTS AND OTHER PAYMENTS

| Description                   | 2015 - 2016          | 2014 - 2015          |
|-------------------------------|----------------------|----------------------|
|                               | Kshs                 | Kshs                 |
| Bursary- secondary schools    | 106,500.00           | 6,509,600.00         |
| Bursary- tertiary institution | 30,000.00            | 5,902,000.00         |
| Mocks &CATS                   | 630,000.00           | 1,088,400.00         |
| Water projects                | 5,300,000            | 2,500,000.00         |
| Agriculture                   | 2,000,000.00         | 800,000.00           |
| Security Projects             |                      | 1,600,000.00         |
| Roads projects                |                      | 1,994,176.00         |
| Sports projects               |                      | 300,000.00           |
| Environmental projects        |                      |                      |
| Emergency projects            | 5,630,000.00         | 6,052,000.00         |
| <b>Total</b>                  | <b>13,696,500.00</b> | <b>26,052,000.00</b> |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**7. Bank Balances (cash book bank balance)**

| Name of Bank, Account No. & currency               | 2015 - 2016          | 2014 - 2015         |
|--|----------------------|---------------------|
|  | Kshs                 | Kshs                |
| <i>Kcb - Kericho branch Account no. 1103615831</i> | 35,823,210.10        | 7,871,251.25        |
|  |                      |                     |
|  |                      |                     |
| <b>Total</b>                                       | <b>35,823,210.10</b> | <b>7,871,251.25</b> |

**8. BALANCES BROUGHT FORWARD**

|               | 2015 - 2016          | 2014 - 2015         |
|---------------|----------------------|---------------------|
|               | Kshs                 | Kshs                |
| Bank accounts | 35,823,210.10        | 7,871,251.25        |
| Imprest       | -                    | -                   |
| <b>Total</b>  | <b>35,823,210.10</b> | <b>7,871,251.25</b> |

*[Provide short appropriate explanations as necessary]*

9. OTHER IMPORTANT DISCLOSURES

18.1 FIXED ASSETS REGISTER

| ASSET CLASS/CATEGORY                            | Historical cost (kshs) 2015/2016 | Historical cost (kshs) 2014/2015 |
|---|----------------------------------|----------------------------------|
| Land  |                                  |                                  |
| Building s and structures                       |                                  |                                  |
| Transport equipment                             | 6,479,510.00                     | 6,479,510.00                     |
| Office equipment ,software and other ICT Assets | 120,000.00                       | 120,000.00                       |
| Other machinery and Equipment                   | 95,000.00                        | 95,000.00                        |
| Heritage and cultural assets                    | 70,000.00                        | 70,000.00                        |
| Intangible assets                               |                                  |                                  |
|   | <b>6,764,510.00</b>              | <b>6,764,510.00</b>              |

18.2 FUNDS IN THE PMC ACCOUNTS (Bank statements ) ARE ATTACHED.