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OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**



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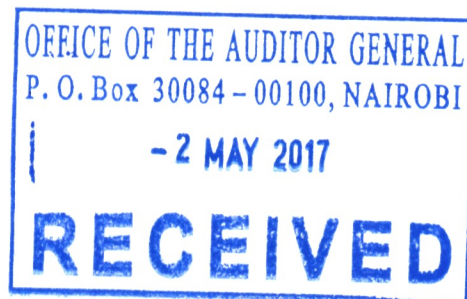
**NATIONAL GOVERNMENT- CONSTITUENCY DEVELOPMENT FUND-  
KANGUNDO CONSTITUENCY**

**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 – KANGUNDO  
CONSTITUENCY**

**Reports and Financial Statements**

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KANGUNDO  
CONSTITUENCY**

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The *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 *Constituencies Development Fund*.

**(b) Key Management**

The *Kangundo 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.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Samuel Mutisya B.</b>
3.	Accountant	<b>Cyrus Njau</b>

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Kangundo Constituency. The reports and recommendation of ARMC when adopted by the CDF Board are forwarded to the Constituency Development Fund Committee (CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) KANGUNDO CDF Headquarters**

P.O. Box 1035  
Kangundo,  
KENYA

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- KANGUNDO  
CONSTITUENCY**

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

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**(f) KANGUNDO CDF Contacts**

Telephone: (254) – N/A  
E-mail: kangundocdf@cdf.go.ke  
Website: www.cdf.go.ke

**(g) KANGUNDO CDF Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
  
2. EQUITY Bank  
P.o Box 343- 90131  
TALA

**(h) Independent Auditors**

Auditor General  
Kenya National Audit Office  
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- KANGUNDO  
CONSTITUENCY**

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

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

Kangundo Constituency is one of the eight constituencies of Machakos county. The constituency has a population of 94,367 as per the 2009 national census and covers an approximate area of 177.3KM<sup>2</sup> . According to KNBS(2013), the projected population by 2015 is 106,398. After the 2013 general elections the larger Kangundo was split into two constituencies; Kangundo and Matungulu.

Kangundo constituency received from the CDF Board Ksh72,102,621 in 2013-14, Ksh103,283,793 in 2014/15 and Ksh 109,415,412 in 2015/16 financial years. Kangundo CDF has concentrated majorly on education, Health, water and security projects. There has been a marked improvement in infrastructure in the sectors with more classrooms, health facilities, provincial administration units established and rehabilitated. On water, a lot of investment has gone towards surveying and geological studies to map out zones where boreholes and dams are viable. Equally, more monies have been allocated for drilling and equipping of boreholes that turn positive.

The implementation of these projects has not been without challenges, the major being inadequate funds against very many competing community needs. Considering the principle of equity and fairness in distribution of resources, it has been a challenge to satisfy all the needs fairly considering the available limited budgets. However, with consultations with relevant stakeholders, we have been able to prioritize the needs and allocate funds fairly across the constituency. Another challenge within Kangundo is land for new or expansion existing projects. The population being relatively dense, has pushed the demand for land high thus also pushing the prices up.

In conclusion, Kangundo CDF with support of relevant stakeholders and guidance from the government ministries and departments has been able to register a lot of success in projects implementation especially on quality of workmanship and meeting community needs and will further continue cooperating with all the stakeholders for the maximum benefit of citizens. Marked improvement has also been witnessed in reporting and accountability of the fund at the constituency level.

**CHAIRMAN CDFC  
KANGUNDO CDF**

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- KANGUNDO  
CONSTITUENCY**

**Reports and Financial Statements**

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

**III. STATEMENT OF 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 CDF shall prepare financial statements in respect of that CDF. 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 Kangundo *CDF* is responsible for the preparation and presentation of the *CDF*'s financial statements, which give a true and fair view of the state of affairs of the *CDF* 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 *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 *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 Kangundo *CDF* accepts responsibility for the *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 *CDF*'s financial statements give a true and fair view of the state of *CDF*'s transactions during the financial year ended June 30, 2016, and of the *CDF*'s financial position as at that date. The Accounting Officer in charge of the Kangundo *CDF* further confirms the completeness of the accounting records maintained for the *CDF*, which have been relied upon in the preparation of the *CDF*'s financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the Kangundo *CDF* confirms that the *CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *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 *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 *CDF*'s financial statements were approved and signed by the Accounting Officer on 30<sup>th</sup> August, 2016.



CHAIRMAN - CDFC



FUND ACCOUNT MANAGER



# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO 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 – Kangundo Constituency set out on pages 5 to 17, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standard (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures

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

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Adverse Opinion**

#### **1.0 Presentation and Accuracy of the Financial Statements**

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

The Chairman's report at page 3 of the annual report indicate that Kangundo CDF received Kshs.109,415,412 in 2015/2016 financial year but the statement of receipts and payments reflects transfers from the CDF Board of Kshs.65,000,000 during the year resulting in un-explained and un-reconciled difference of Kshs.44,415,412. In the circumstance, the report of the chairman is not consistent with the financial statements.

##### **1.2 Casting Errors**

The following casting errors have been noted in respect of the financial statements as indicated below:

	<b>Financial Statements Balance Kshs</b>	<b>Re-casted Balance Kshs</b>	<b>Casting Difference Kshs</b>
<b>Statement of Receipts and Payments</b>			
Deficit for the year	39,529,456	39,635,117	(105,661)
<b>Statement of Assets</b>			
Deficit for the year	39,529,456	39,635,117	(105,661)
<b>Statement of Cash Flow</b>			
Total payments	104,693,456	104,847,032	(153,576)
<b>Statement of Appropriation</b>			
Deficit for the year	39,529,456	39,635,117	(105,661)
Transfer from CDF (budget utilization)	54,415,412	103,728,687	(49,313,275)

No action has been taken to correct the casting errors.

##### **1.3 Differences between Figures in the Main Statements and the Notes to the Financial Statements**

	<b>Figures in the Main Statements Kshs</b>	<b>Figures in the Notes Kshs</b>	<b>Difference Kshs</b>
<b>Statement of Receipts and Payments</b>			
Other grants and transfers	39,606,902	33,469,627	6,137,275

<b>Statement of Assets</b>			
Outstanding imprest	640,919	-	640,919
Fund balance B/f	49,848,533	-	49,848,533
Surplus/Deficit	(39,529,456)	-	(39,529,456)

Management has not taken action to correct the noted differences.

#### 1.4 Comparative Balances

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

	<b>2014/2015 Comparative Figures Kshs</b>	<b>2014/2015 Audited Balances Kshs</b>	<b>Variance Kshs.</b>
<b>State of Receipts and Payments</b>			
Compensation of employees	1,256,800	1,246,200	10,600
Use of goods and Services	6,299,324	1,557,868	4,741,456
Committee expenses	-	5,276,714	(5,276,714)
Social Security	-	10,600	(10,600)
<b>Statement of Assets</b>			
Cash at hand	535,258	-	535,258
<b>Note 10A</b>			
Bank balance	8,915,198	49,313,275	(40,398,077)
Surplus/Deficit	40,398,077	39,862,819	535,258
<b>Statement of Cash Flow</b>			
Committee expenses	4,741,456	5,276,714	(535,258)
Net increase in cash and cash equivalents	40,398,077	39,862,818	535,259
Cash at end of year	49,848,533	49,313,275	535,258

However, contrary to the requirements of paragraph 1.5 of the IPSAS Cash Basis financial reporting framework, no disclosures has been made in the notes to the financial statements to the effect that comparative information is restated. In addition, the nature of the errors and the respective amounts of the corrections have similarly not been disclosed.

#### Adverse Opinion

In my opinion, because of the significance of matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund – Kangundo Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year ended in accordance with International Public Sector Accounting Standard (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015.

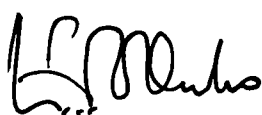
## Other Matter

### Budgetary Control and Performance

During the year under review, Kangundo Constituency Fund incurred expenditure totalling Kshs.104,799,117 against an approved budget of Kshs.168,728,687 or approximately 62% of the budget resulting in under expenditure of Kshs.63,929,570 as shown below;

Item/Component	Approved Budget Kshs	Actual Kshs	Budget Under-utilization Kshs	Utilization %
<b>Receipts</b>	168,728,687	65,164,000	103,564,687	39
<b>Total</b>				
<b>Payments</b>				
Compensation of Employees	2,791,200	1,711,600	1,079,600	61
Use of Goods and Services	13,291,064	6,564,213	6,726,851	49
Transfer to other Government units	89,069,466	53,766,567	35,302,899	60
Other grants and transfers	54,776,957	39,606,902	15,170,055	72
Other payments	8,800,000	3,149,835	5,650,165	36
<b>Total</b>	<b>168,728,687</b>	<b>104,799,117</b>	<b>63,929,570</b>	<b>62</b>

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



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

Nairobi

30 November 2017

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- KANGUNDO  
CONSTITUENCY**

**Reports and Financial Statements**

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

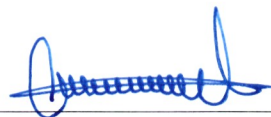
**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	65,000,000	136,545,366
Proceeds from Sale of Assets	2	-	
Other Receipts	3	164,000	156,000
<b>TOTAL RECEIPTS</b>		<b>65,164,000</b>	<b>136,701,365</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,711,600	1,256,800
Use of goods and services	5	6,564,213	6,299,324
		-	-
Transfers to Other Government Units	6	53,766,567	58,712,735
Other grants and transfers	7	39,606,902	30,034,430
		-	
Acquisition of Assets	8	-	-
Other Payments	9	3,149,835	-
<b>TOTAL PAYMENTS</b>		<b>104,799,117</b>	<b>96,303,289</b>
<b>SURPLUS/DEFICIT</b>		<b>(39,529,456)</b>	<b>40,398,076</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kangundo CDF financial statements were approved on 30<sup>th</sup> August, 2016 and signed by:



Chairman - CDFC



Fund Account Manager

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- KANGUNDO  
CONSTITUENCY**

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

**V. STATEMENT OF ASSETS**

	Note	2015-2016	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	9,678,157	49,313,275
Cash Balances (cash at hand)	12B	-	535,258
Outstanding Imprests	12C	640,919	
<b>TOTAL FINANCIAL ASSETS</b>		<b>10,319,076</b>	<b>49,848,5323</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July 2015	13	49,848,533	9,450,456
Surplus/Deficit for the year	14	(39,529,456)	40,398,077
Prior year adjustments		-	-
<b>NET ASSETS</b>		<b>10,319,076</b>	<b>49,848,533</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kangundo CDF financial statements were approved on 30<sup>th</sup> August, 2016 and signed by:



Chairman - CDFC



Fund Account Manager

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- KANGUNDO  
CONSTITUENCY**

**Reports and Financial Statements**

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

**VI. STATEMENT OF CASHFLOW**

		<b>2015-2016</b>	<b>2014 - 2015</b>
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	65,000,000	136,545,366
Other Receipts	3	164,000	156,000
		<b>65,164,000</b>	<b>136,701,366</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,682,800	1,246,200
Use of goods and services	5	919,701	1,557,868
Committee Expenses	6	5,637,793	4,741,456
Transfers to Other Government Units	7	53,766,567	58,712,735
Other grants and transfers	8	39,661,536	30,034,430
Social Security Benefits	9	28,800	10,600
Other Payments	11	3,149,835	-
<b>Total Payments</b>		<b>104,693,456</b>	<b>96,303,289</b>
<b>Net cash flow from operating activities</b>		<b>(39,529,456)</b>	<b>40,398,077</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(39,529,456)</b>	<b>40,398,077</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	15	<b>49,848,533</b>	<b>9,450,456</b>
<b>Cash and cash equivalent at END of the year</b>	16	<b>10,319,076</b>	<b>49,848,533</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kangundo CDF financial statements were approved on 30<sup>th</sup> August, 2016 and signed by:

  
\_\_\_\_\_  
**Chairman CDFC**

  
\_\_\_\_\_  
**Fund Account Manager**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,415,412	59,313,275	168,728,687	65,000,000	54,415,412	68
Proceeds from Sale of Assets						#DIV/0!
Other Receipts			0	164,000	(164,000)	#DIV/0!
<b>PAYMENTS</b>						
Compensation of Employees	2,089,200	702,000	2,791,200	1,711,600	1,079,600	61
Use of goods and services	7,239,099	6,051,965	13,291,064	6,564,213	6,726,851	49
Transfers to Other Government Units	69,119,466	19,950,000	89,069,466	53,766,567	35,302,899	60
Other grants and transfers	30,967,647	23,809,309	54,776,957	39,606,902	15,170,055	72
Acquisition of Assets						#DIV/0!
Other Payments		8,800,000	8,800,000	3,149,835	5,650,165	36
<b>TOTALS</b>	<b>109,415,412</b>	<b>59,313,275</b>	<b>168,728,687</b>	<b>104,799,117</b>	<b>63,929,570</b>	<b>62</b>
<b>Deficit</b>				<b>(39,529,456)</b>		

(a) Cashbook Balance 9,450,456  
 14/15 A.I.Es used in 2015/16 40,398,077  
49,848,533

The deficits were financed by balances brought forward from the financial year 2014/15.



Chairman CDF



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 *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

**NATIONAL GOVERNMENT ENTITY - (KANGUNDO CONSTITUENCY)**

**Reports and Financial Statements**

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

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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.

**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.

**NATIONAL GOVERNMENT ENTITY - (KANGUNDO CONSTITUENCY)**

**Reports and Financial Statements**

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

**IX. NOTES TO THE FINANCIAL STATEMENTS**

<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>
Normal Allocation			-
	AIE NO:750205		43,261,573
	AIE NO: 750461		51,641,897
	AIE NO.796042		41,641,897
	A790818	10,000,000	
	A796428	55,000,000	
Receipt from other Constituency			-
<b>TOTAL</b>		<b>65,000,000</b>	<b>136,545,366</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>
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			
	<b>Total</b>		-

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

**3 OTHER RECEIPTS**

<b>Description</b>	<b>2015-2016</b>	<b>2014 - 2015</b>
	<b>Ksh</b>	<b>Kshs</b>
Interest Received	-	-
Rent	-	-
Sale of tender documents	164,000	156,000
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>Total</b>	<b>164,000</b>	<b>156,000</b>

**4 COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2015-2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,622,800	1,246,200
Basic wages of casual labour	60,000	-
<b>Personal allowances paid as part of salary</b>		
House allowance		-
Transport allowance		-
Leave allowance		-
Other personnel payments		-
gratuity		
Employer contribution to NSSF	28,800	10,600
<b>Total</b>	<b>1,711,600</b>	<b>1,256,800</b>

**5 USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2015-2016</b>	<b>2014 - 2015</b>
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**NATIONAL GOVERNMENT ENTITY - (KANGUNDO CONSTITUENCY)**

**Reports and Financial Statements**

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

		<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		38,455	564,595
Office rent		-	-
Communication, supplies and services		-	-
Domestic travel and subsistence		-	-
Printing, advertising and information supplies & services		87,603	399
Repairs of produced assets		-	-
Training expenses		-	-
Hospitality supplies and services		-	-
Insurance costs		-	-
Specialised materials and services		-	-
Office and general supplies and services		240,420	497,025
Fuel oil & lubricants		370,000	-
Other operating expenses		123,919	-
Routine maintenance – vehicles and other transport equipment		59,304	495,849
Routine maintenance – other assets		-	-
		-	-
<b>SUB TOTAL</b>		<b>919,701</b>	<b>1,557,868</b>
Other committee expenses		5,637,712	4,135,818
Committee allowance		-	605,638
		-	-
<b>TOTAL</b>		<b>6, 564,213</b>	<b>6,299,324</b>
<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>			

NATIONAL GOVERNMENT ENTITY - (KANGUNDO CONSTITUENCY)

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Description	2015-2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	8,790,000	12,842,634
Transfers to secondary schools	21,217,931	22,450,000
Transfers to Tertiary institutions	4,500,00	8,550,000
Transfers to Health institutions	19,258,636	14,870,101
<b>TOTAL</b>	<b>53,766,567</b>	<b>58,712,735</b>
<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>		
Description	2015-2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	9,112,727	5,579,950
Bursary -Tertiary	2,573,000	906,500
Bursary-Special schools	200,000	-
Mosques & CAT	-	526,980
water	7,550,000	14,370,000
Agriculture (food security)	-	-
Electricity projects	-	-
Security	9,500,000	2,500,000
Roads	-	-
Sports	393,400	150,000
Environment	-	-
Emergency Projects (specify)	4,140,500	6,001,000
<b>Total</b>	<b>33,469,627</b>	<b>30,034,430</b>

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<b>Total</b>		-	-
<b>8 ACQUISITION OF ASSETS</b>			
<b>Non Financial Assets</b>			<b>2014- 2015</b>
			<b>Kshs</b>
Purchase of Buildings			-
Construction of Buildings			-
Refurbishment of Buildings			-
Purchase of Vehicles			-
Purchase of Bicycles & Motorcycles			-
Overhaul of Vehicles			-
Purchase of Office furniture and fittings			-
Purchase of computers ,printers and other IT equipments			-
Purchase of photocopier			-
Purchase of other office equipments			-
Purchase of soft ware			-
Acquisition of Land			-
<b>Total</b>			-
<b>9</b>	<b>Other Payments</b>	<b>2015-16</b>	<b>2014-15</b>
Strategic Plan Development		3,149,835	-
			-
			-
<b>TOTAL</b>			-

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<b>0A: Bank Balances (cash book bank balance)</b>			
<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2015-2016</b>	<b>2014 - 2015</b>
		<b>Kshs(30/06/2016)</b>	<b>Kshs (30/6/2015)</b>
Equity Bank Bank, Tala Branch A/C no.0900297884246		9,678,157	8,915,198
			-
			-
<b>Total</b>		<b>9,678,157</b>	<b>8,915,198</b>
<b>0B: CASH IN HAND)</b>			
			<b>2014 - 2015</b>
			<b>Kshs (30/6/2015)</b>
Location 1			-
Location 2			-
Location 3			-
Other receipts (specify)			-
<b>To</b>			-

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

<b>Asset class</b>	<b>Historical Cost (Kshs) 2014/15</b>	<b>Historical Cost (Kshs) 2013/14</b>
Land	0	0
Buildings and structures	0	0



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Transport equipment	<b>3,213,500</b>	<b>3,213,500</b>
Office equipment, furniture and fittings	<b>213,852</b>	<b>213,852</b>
ICT Equipment, Software and Other ICT Assets	<b>35,358</b>	<b>35,358</b>
Other Machinery and Equipment	<b>0</b>	<b>0</b>
Heritage and cultural assets	<b>0</b>	<b>0</b>
Intangible assets	<b>0</b>	<b>0</b>
<b>Total</b>	<b>3,462,710</b>	<b>3,462,710</b>