

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
NAROK WEST CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**



CONSTITUENCIES DEVELOPMENT FUND

BOARD SECRETARIAT

Harambee Plaza
10th Floor
Junction of Haille Sellasie Avenue & Uhuru Highway
E mail: cdf@wananchi.com
NAIROBI

Visit Our Website
<http://www.cdf.go.ke>

P.O Box 46682-00100
Tel: 020-2230015/9, 2230027, 2230032
Cell:0712464160 & 0734260114
Fax:020-2230029
NAIROBI

CDF BOARD/AUDITOR GENERAL/2015/182

SEPTEMBER 29, 2015

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

Dear Sir

RE: **CONSTITUENCIES DEVELOPMENT FUND FINANCIAL STATEMENTS FOR
2014/2015 FINANCIAL YEAR**

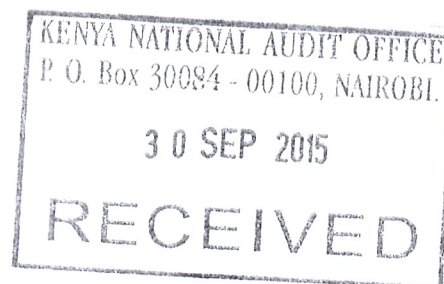
Pursuant to the Constituencies Development Fund (CDF) Act, 2013 Section 44 (4), we wish to submit 2014/2015 Annual Accounts of Narok West Constituency for your necessary action in accordance with CDF Act Section 45 (4).

Yours faithfully

YUSUF MBUNO
Ag. CHIEF EXECUTIVE OFFICER

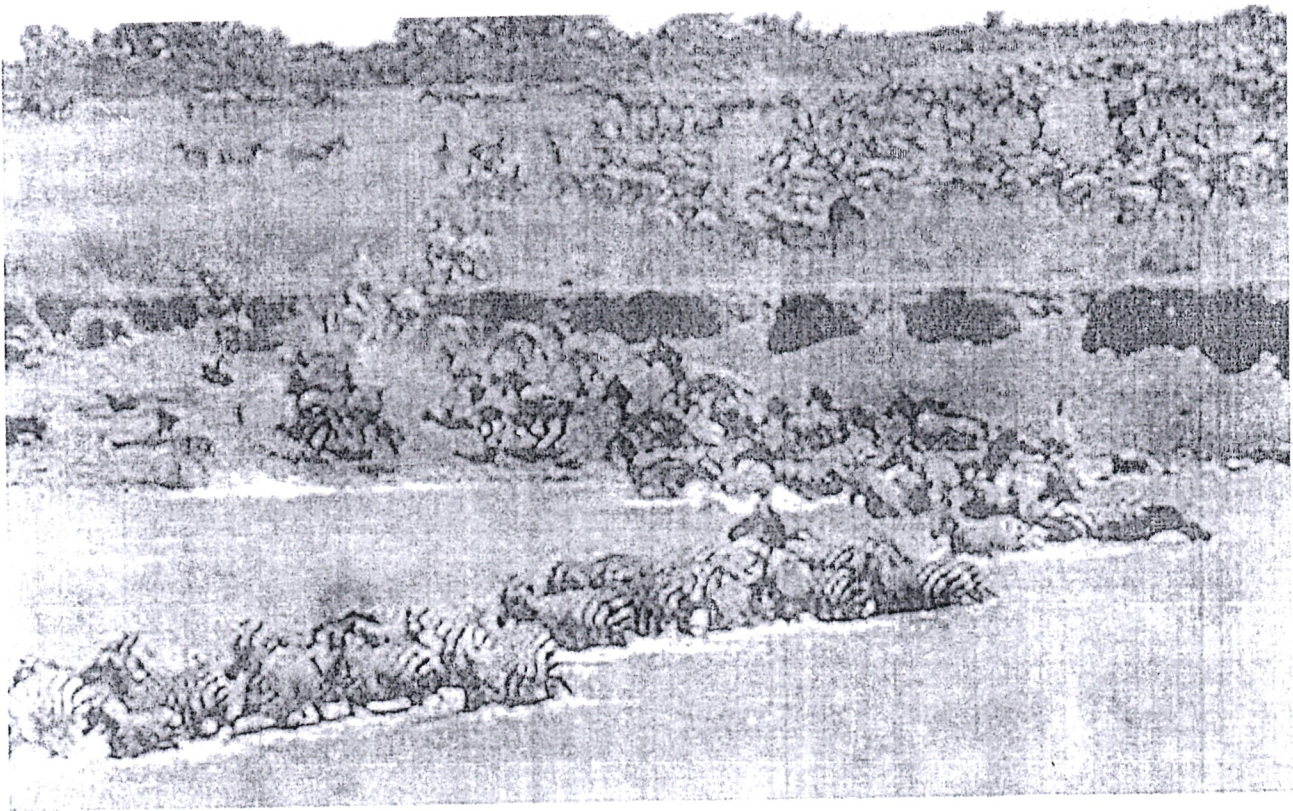
Copy to:

Eng. Peter O. Mangiti
Principal Secretary, Planning
Ministry of Devolution and Planning
P.O Box 30005 -00100
NAIROBI.



FY 2014/2015

NAROK WEST CDF COMMITTEE FINANCIAL STATEMENT



PRESENTED TO THE CDF BOARD BY:

The CDF Manager,
Narok West CDF Committee
P.O. Box 124 – 20503
OLOLUNGA

Email: rkariuki@cdf.go.ke

+254 722 160 473

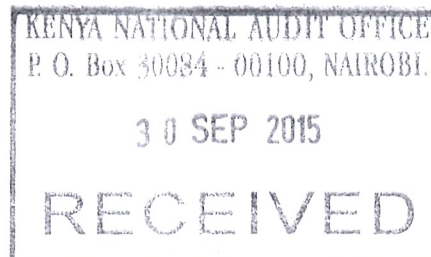
CONSTITUENCIES DEVELOPMENT FUND – NAROK WEST

Page | 1

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2015

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



1. KEY CONSTITUENCY INFORMATION AND MANAGEMENT AS AT 30 June, 2015

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. 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*.

Page | 3

(b) Key Management

The *Narok West Constituency Development Fund* 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 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Iregi Rashid
3.	Accountant	Rufus Mburu

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Nakuru Town 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.

Entity Postal Address and Office

P.O Box 124-20503
OLOLOLUNGA - KENYA

CDF Offices, Lamek
Next to District Headquarters
Telephone:(254)0722160473/0723608649
E-mail: rkariuki@cdf.go.ke
Website: www.cdf.go.ke

Page |

Bankers

Equity Bank Ltd,
Narok Branch
Bank Account Number: 0360261652718
P.O. Box 400, NAROK.

Auditors

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

Legal Advisor

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

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

[Put the forward note by the Chairman CDFC]

Include among others the following:

- Mention in summary the budget performance against actual amounts for current year based on economic classification and programmes,
- Detail key achievements for the CDF,
- List emerging issues related to the CDF,
-
- List the implementation challenges and recommended way forward.

Sign

CHAIRMAN CDFC

:	:	:	:	:	:
:	:	:	:	:	:
:	:	:	:	:	:

III. 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. Page | 6

The Accounting Officer in charge of the *Narok West CDF Committee* 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, 2015. 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 *Narok West CDF Committee* 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, 2015, and of the *CDF's* financial position as at that date. The Accounting Officer charge of the *Narok West CDF Committee* 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 *Narok West CDF Committee* 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 _____ 2015.

Principal Secretary

Principal Accounts Controller

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	108,348,624.00	76,699,789.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,348,624.00	76,699,789.00
PAYMENTS			
Compensation of employees	4	2,000,000.00	1,300,000.00
Use of goods and services	5	2,551,939.00	2,200,730.00
Committee Expenses	6	2,120,000.00	2,762,326.00
Transfers to Other Government Units	7	45,750,000.00	38,954,588.94
Other grants and transfers	8	49,549,280.85	21,961,000.00
Social Security Benefits	9	30,000.00	4,000.00
Acquisition of Assets	10	7,707,000.00	3,155,958.40
Other Payments	11	-	1,900,000.00
TOTAL PAYMENTS		109,708,219.85	72,238,603.34
SURPLUS/DEFICIT		(1,359,595.85)	4,461,185.66

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Narok West CDF financial statements were amended on 29th September, 2015 and signed by:



DANIEL TAPANEI
CDFC CHAIRMAN



IREGI RASHID
FUND ACCOUNT MANAGER

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 CONSTITUENCIES DEVELOPMENT FUND - NAROK WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Narok West Constituency set out on pages 7 to 23, which comprise the statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003.

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 7 of the Public Audit Act, 2003.

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 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Report of the Auditor-General on Constituencies Development Fund- Narok West Constituency for the year ended 30 June 2015

accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. Presentation of Financial Statements

Some comparative balances reported in the financial statements differed with those duly certified by the Auditor General on 14 October 2015. These included balances for compensation of employees, committee expenses, use of goods and services, transfer to other government units, other grants and transfers, social benefits, acquisition of assets, other payments and cash and cash equivalents.

In the circumstance, the accuracy of the financial statements as a whole could not be confirmed.

2. Trial Balance

No trial balance was prepared and produced for audit examination. No explanation was given for failure to prepare the trial balance to support transactions in the course of the year.

In the circumstance, the accuracy and completeness of the financial statements could not be confirmed.

3. Cash and Cash Equivalents

i) Understatement of Bank Balance

The statement of assets reflects cash and cash equivalents balance of Kshs.9,125,360.35 as at 30 June 2015. However, the reconciled cash book balance as per the reconciliation statement was Kshs.25,684,719.08. No explanation was given for the understatement. Consequently, the cash and cash equivalents balance was understated by Kshs.16,559,358.73.

ii) Stale Cheques

Examination of the bank reconciliation statement as at 30 June 2015 disclosed unrepresented cheques totalling Kshs.1,278,525.12, including stale cheques of Kshs.671,619.72. However, no explanation was given for failure to validate the cheques or write them back to the cash book as required.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance as at 30 June 2015 could not be confirmed.

4. Overstatement of Other Grants and Transfers

The statement of receipts and payments reflects a balance of Kshs.49,549,280.85 on other grants and transfers. However, Note 8 to the financial statements reflects a balance of Kshs.27,337,919 implying that the balance of the audited component was overstated by Kshs.22,211,361.85. No explanation was given for the overstatement. In the circumstance, the accuracy of the expenditure on other grants and transfers could not be confirmed.

5. Unsupported Expenditure

The statement of receipts and payments reflected total payments of Kshs.109,708,219.85 as at 30 June 2015. Out of this amount, an expenditure of Kshs.27,152,226 as detailed below was not supported with schedules:

Component	Amount (Kshs.)
Bursary	11,000,000.00
Bursary to secondary schools	8,000,000.00
Bursary to tertiary Schools	300,000.00
Mock	1,180,287.00
Committee Expenses	2,155,939.00
Use of goods and services	2,120,000.00
Compensation of Employees	2,000,000.00
Total	27,152,226.00

In the absence of supporting schedules, it was not possible to confirm the accuracy and propriety of the expenditure.

6. Unvouched Expenditure

Examination of emergency expenditure disclosed that a sum of Kshs.5,750,132 was incurred during the year out of the budgeted amount of Kshs.5,400,000 which resulted to an over-expenditure of Kshs.350,132. However, it was observed that out of the total actual expenditure incurred, an amount balance of Kshs.1,363,000 on bursaries could not be vouched as the relevant payment vouchers supporting the expenditure were not presented for audit examination.

No explanation has been provided for failure to present the payment vouchers. Consequently, the propriety of expenditure of Kshs.1,363,000 could not be confirmed.

7. Doubtful Expenditure

Examination of expenditure records including the cash book and payment voucher No.211 dated 22 May 2015 disclosed that M/s RMA Motors (K) Ltd was paid Kshs.6,225,000 in respect of supply of one Land rover motor vehicle to the Narok West CDF. Further, an expenditure of Kshs.232,000 was spent on modification of the motor vehicle and the payment was made through payment voucher No.2201 dated 6 October 2015. However, the motor vehicle, the log book and work tickets were not produced for audit verification.

In the circumstances, it was not possible to confirm delivery of the motor vehicle.

8. Over Expenditure

According to the approved budget, the CDFC budgeted to spend Kshs.34,402,44.20 on compensation of employees, other grants and transfers and use of goods and services. However, the actual expenditure exceeded the budgeted amount by Kshs.16,164,549.65 or approximately 69% incurred under the three items as detailed below:-

Item	Budget (Kshs)	Actual Expenditure (Kshs)	Variances (Kshs)
Compensation of employees	1,800,000.00	2,000,000.00	200,000.00
Use of goods and services	1,734,626.00	2,551,939.00	817,313.00
Other grants and transfers	34,402,044.20	49,549,280.00	15,147,236.65
Grand Total	37,936,670.2	54,101,219.00	16,164,549.65

Further, the over-expenditure was not approved by the Board as required by CDF Act, 2013. No explanation was given for this irregularity. In the circumstance, it would appear the CDF committee violated fiscal discipline.

9. Budget Appraisal Performance

9.1 Revenue Analysis

Budgeted Amount Kshs	Actual Receipts Kshs	Variance / Difference Kshs
120,733,580	108,348,624.00	12,384,956.00

The Narok West CDF suffered a shortfall of revenue amounting to Kshs.12,384,956 having received disbursement totalling Kshs.108,348,624 against Kshs.120,733,580 expected actual disbursement from the Board. As a result, the Constituency Development Fund Committee (CDFC) was not able to implement all the projects earmarked for implementation during the year.

9.2 Expenditure Analysis

Expenditure Items	Budgeted Amount Kshs	Actual Expenditure Kshs	Absorption Rate	Over expenditure Kshs
Compensation of Employees	1,800,000	2,000,000	111.2%	200,000.00
Use of Goods and	1,734,626	2,551,939	147%	817,313

Services				
Committee Expenses	2,937,313	2,120,000	72%	(817,313)
Transfer to Other Government Units	67,287,931	45,750,000	68%	(21,537,931)
Other Grants and Transfers	28,208,754	27,337,919	97%	(870,835)
Social Benefits	30,000	30,000	100%	-
Acquisition of Assets	7,750,000	7,707,000	99.5 %	(43,000)
Total	109,748,624	87,496,858.00		1,017,313

As the data shows, the Narok West Constituency Development Fund exceeded its budget by Kshs.1,017,313 due to over-expenditure on two items. There was no evidence to show that the over-expenditure was included in the supplementary estimates for the year under review.

10. Non Maintenance of Employees Records

Examination of compensation of employees expenditure records which included the cash book, vote book and payment vouchers held at Narok West District Treasury disclosed that, during the financial year 2014/2015, Narok West CDFC paid a total of Kshs.2,120,000 against the approved budget of Kshs.1,800,000. The expenditure was in respect of monthly salaries for eight (8) CDFC regular employees. Out of the eight (8) regular employees engaged, only five (5) were given job designations. These were Account Assistant, Customer Care Officer, Watchman, Records Officer and Secretary. However, no staff records were maintained and as a result, it was not possible to establish dates of recruitment, terms and conditions of service and qualifications of the employees.

Consequently, it was not possible to confirm the expenditure of Kshs.2,120,000 as a proper charge to public funds.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



FCPA Edward R.O. Ouko, CBS
AUDITOR GENERAL

Nairobi

21 November 2016

v. STATEMENT OF ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	9,125,360.35	9,384,956.20
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	1,100,000.00
TOTAL FINANCIAL ASSETS		<u>9,125,360.35</u>	<u>10,484,956.20</u>
 REPRESENTED BY			
Fund balance b/fwd 1st July...	13	10,484,956.20	6,023,770.54
Surplus/Defict for the year		(1,359,595.85)	4,461,185.66
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		<u>9,125,360.35</u>	<u>10,484,956.20</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Narok West CDF financial statements were amended on 29th September, 2015 and signed by:



DANIEL TAPANEI
CDFC CHAIRMAN

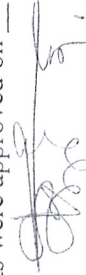


IREGI RASHID
FUND ACCOUNT MANAGER

Receipts for operating income		2014 - 2015	2013 - 2014
Transfers from CDF Board	1	108,348,624.00	76,699,789.00
Other Receipts	3	-	-
Total Receipts		108,348,624.00	76,699,789.00
Payments for operating expenses			
Compensation of Employees	4	2,000,000.00	1,300,000.00
Use of goods and services	5	2,551,939.00	2,200,730.00
Committee Expenses	6	2,120,000.00	2,762,326.00
Transfers to Other Government Units	7	45,750,000.00	38,954,588.94
Other grants and transfers	8	49,549,280.85	21,961,000.00
Social Security Benefits	9	30,000.00	4,000.00
Other Payments	11	-	1,900,000.00
Total Payments		102,001,219.85	69,082,644.94
Adjusted for:			
Adjustments during the year			
Net cash flow from operating activities		6,347,404.15	7,617,144.06
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	7,707,000.00	3,155,958.40
Net cash flows from Investing Activities		- 7,707,000.00	- 3,155,958.40
NET INCREASE IN CASH AND CASH EQUIVALENT		- 1,359,595.85	4,461,185.66
Cash and cash equivalent at BEGINNING of the year		10,484,956.20	6,023,770.54
Cash and cash equivalent at END of the year		9,125,360.35	10,484,956.20

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	110,248,624.00	10,484,956.20	120,733,580.20	108,348,624.00	12,384,956.20	90
Proceeds from Sale of Assets	0	-	0	-	-	
Other Receipts	0	-	0	-	-	
PAYMENTS						
Compensation of Employees	1,800,000.00	-	1,800,000.00	2,000,000.00	(200,000.00)	111%
Use of goods and services	1,734,626.00	-	1,734,626.00	2,551,939.00	(817,313.00)	147%
Committee Expenses	2,937,313.00	-	2,937,313.00	2,120,000.00	817,313.00	72%
Transfers to Other Government Units	67,287,931.00	4,291,666.00	71,579,597.00	45,750,000.00	25,829,597.00	64%
Other grants and transfers	28,208,754.00	6,193,290.20	34,402,044.20	49,549,280.85	(15,147,236.65)	144%
Social Security Benefits	30,000.00	-	30,000.00	30,000.00	-	100%
Acquisition of Assets	7,750,000.00	-	7,750,000.00	7,707,000.00	43,000.00	99%
Other Payments	500,000.00	-	500,000.00	-	500,000.00	0%
TOTALS	110,248,624.00	10,484,956.20	120,733,580.20	109,708,219.85	11,025,360.35	91%

The Narok West CDF financial statements were approved on 10th September 2014 and signed by:



DANIEL TAPANAI
CDFC CHAIRMAN



IREGI RASHID
FUND ACCOUNT MANAGER

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

Page | 1

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

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.

e) **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 *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.

Page | 1

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 *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 *CDF'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**

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

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, 2014.

NOTES TO THE FINANCIAL STATEMENTS

I. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Normal Allocation AIE No. 1	7,300,000.00	2,000,000.00
AIE No. 2	20,262,156.00	28,679,915.60
AIE No. 3	14,537,293.60	46,019,873.40
AIE No. 4	13,024,862.00	
AIE No. 5	27,562,156.00	
AIE No. 6	25,662,156.40	
TOTAL	108,348,624.00	76,699,789.00

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

3 OTHER RECEIPTS

Description	2014 - 2015 Kshs	2013- 2014 Kshs
Interest Received	-	-
Rents	-	-
Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
Total	-	-

Page | :

4 COMPENSATION OF EMPLOYEES

Description	2014 - 2015 Kshs	2013- 2014 Kshs
Basic wages of contractual employees	1,800,000.00	900,000.00
Basic wages of casual labour	-	288,000.00
Personal allowances paid as part of salary	-	-
House allowance	-	112,000.00
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Gratuity	-	-
Total	1,800,000.00	1,300,000.00

5 USE OF GOODS AND SERVICES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Utilities, supplies and services	1,734,626.00	300,000.00
Office rent	-	-
Communication, supplies and services	-	240,000.00
Domestic travel and subsistence	-	300,000.00
Printing, advertising and information supplies & services	-	500,730.00
Rentals of produced assets	-	-
Training expenses	817,313.00	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	-	600,000.00
Fuel ,oil & lubricants	-	260,000.00
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	2,551,939.00	2,200,730.00

6 COMMITTEE EXPENSES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Other committee expenses	2,120,000.00	1,300,000.00
Committee allowance	-	1,462,326.00
TOTAL	2,120,000.00	2,762,326.00

7 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Transfers to Primary Schools	31,600,000.00	18,742,520.44
Transfers to Secondary Schools	13,350,000.00	12,500,000.00
Transfers to Tertiary Institutions	-	-
Transfers to Health Institutions	800,000.00	7,712,068.50
TOTAL	45,750,000.00	38,954,588.94

8 OTHER GRANTS AND OTHER PAYMENTS

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Bursary -Secondary	11,000,000.00	8,000,000.00
Bursary -Tertiary	8,000,000.00	5,731,000.00
Bursary-Special schools	300,000.00	-
Mocks & CAT	1,180,287.00	-
Water	-	6,300,000.00
Agriculture (food security)	-	-
Electricity Projects	-	-
Security	-	650,000.00
Roads	-	-
Sports	657,500.00	-
Environment	450,000.00	-
Emergency Projects (specify)	5,750,132.00	1,280,000.00
Total	27,337,919.00	21,961,000.00

9 SOCIAL SECURITY BENEFITS

	2014 - 2015 Kshs	2013 - 2014 Kshs
Employer contribution to NSSF	30,000.00	4,000.00
Total	30,000.00	4,000.00

10 ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2014- 2015 Kshs	2013 - 2014 Kshs	Page
Purchase of Buildings	-	-	
Construction of Buildings	-	-	
Refurbishment of Buildings	-	2,940,739.40	
Purchase of Vehicles	6,457,000.00	-	
Purchase of Bicycles & Motorcycles	-	-	
Overhaul of Vehicles	-	-	
Purchase of Office furniture and fittings	-	-	
Purchase of computers, printers and other IT equipments	350,000.00	215,219.00	
Purchase of photocopier	-	-	
Purchase of other Office equipments	900,000.00	-	
Purchase of Software	-	-	
Acquisition of Land	-	-	
Total	7,707,000.00	3,155,958.40	

11. OTHER PAYMENTS

specify	-	-
specify	-	-
specify	-	-
TOTAL	-	-

12A: Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2014 - 2015 Kshs (30/6/2015)	2013 - 2014 Kshs (30/6/2014)
Equity Bank Narok Branch Acc No.0360261652718		-	9,384,956.20
		-	-
		-	-
Total		-	9,384,956.20

12B: CASH IN HAND)

	2014 - 2015 Kshs (30/6/2015)	2013 - 2014 Kshs (30/6/2014)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-

[Provide cash count certificates for each]

12C: OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Amount Taken</i> Kshs	<i>Amount Surrendered</i> Kshs
<i>Name of Officer</i>	dd/mm/yy	-	500,000.00
<i>Name of Officer</i>	dd/mm/yy	-	600,000.00
<i>Total</i>			1,100,000.00

13 BALANCES BROUGHT FORWARD

	2014 - 2015 Kshs (1//7/2014)	2013 - 2014 Kshs (1/7/2013)
Bank accounts	:	-
Cash in hand	:	-
	:	-
	:	-

Imprest	1,100,000.00	1,100,000.00
Total	1,100,000.00	1,100,000.00

[Provide short appropriate explanations as necessary]

14

PRIOR YEAR ADJUSTMENTS

	2014 - 2015 Kshs	2012 - 2013 Kshs
Bank accounts		
Cash in hand	-	-
Imprest	-	-
Total	-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2014 - 2015 Kshs	2013 - 2014 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs	Page
Senior management	-	-	
Middle management	-	-	
Unionisable employees	-	-	
Others (<i>specify</i>)	-	-	
	-	-	

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (<i>specify</i>)	-	-
	-	-

