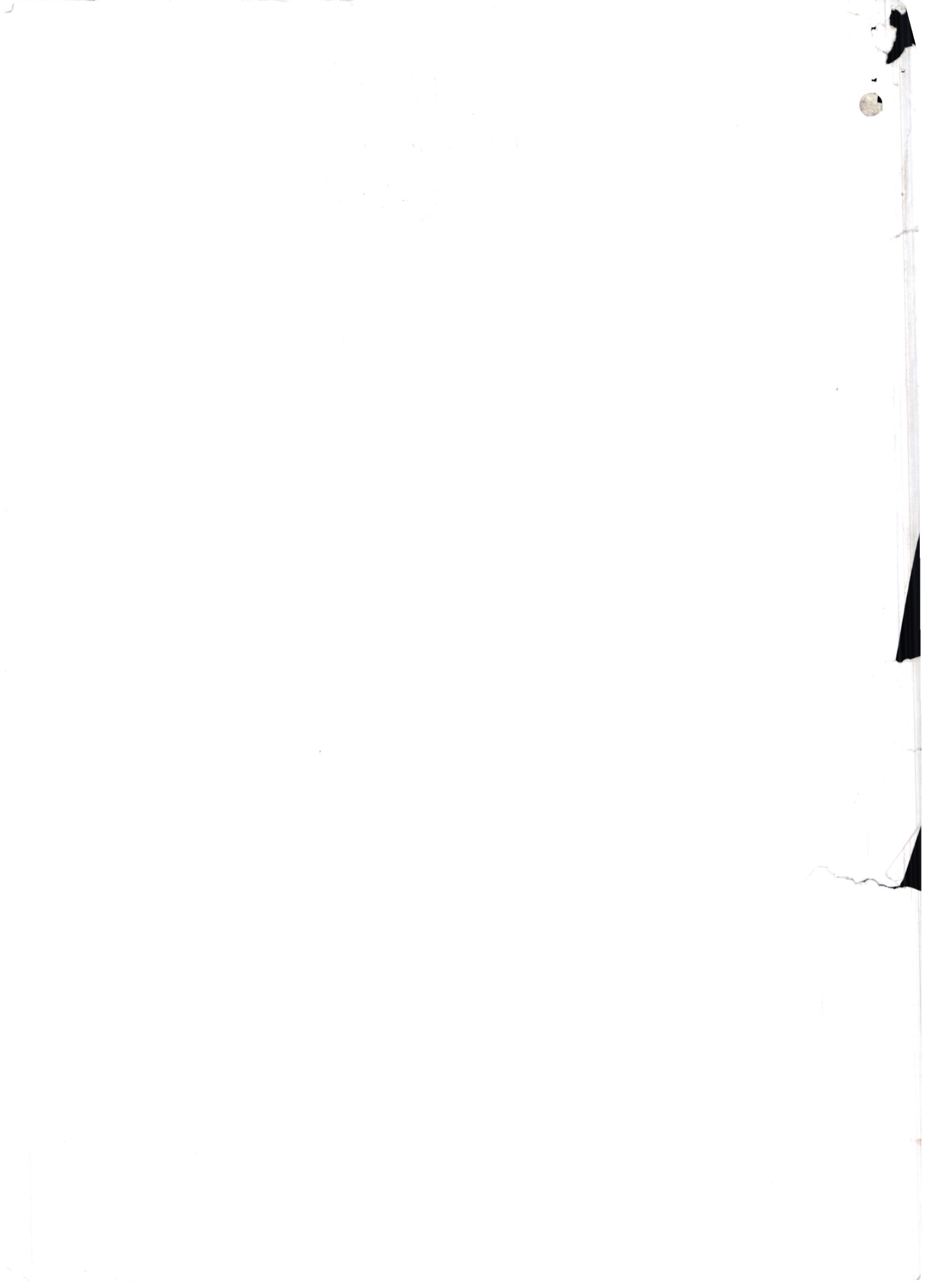




*At the leader of  
majority party  
Hon. Allen Dula  
on Tuesday  
21.3.2017  
[Signature]*

OFFICE OF THE AUDITOR-GENERAL

**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**CONSTITUENCIES DEVELOPMENT**  
**NAROK NORTH CONSTITUENCY**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**





# CONSTITUENCIES DEVELOPMENT FUND

BOARD SECRETARIAT

Harambee Plaza  
10<sup>th</sup> Floor  
Junction of Haille Sellasie Avenue & Uhuru Highway  
E mail: [cdf@wananchi.com](mailto: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/2015/179

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**

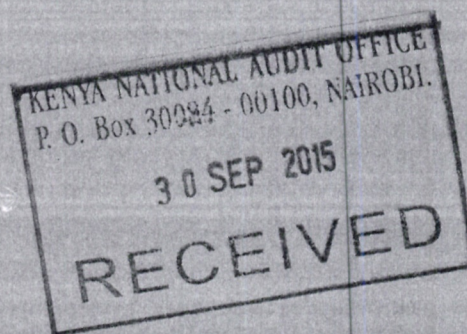
Pursuant to the Constituencies Development Fund (CDF) Act,2013 Section 44 (4), we wish to submit 2014/2015 Annual Accounts of Narok North Constituency for your necessary action in accordance with CDF Act Section 45 (4).

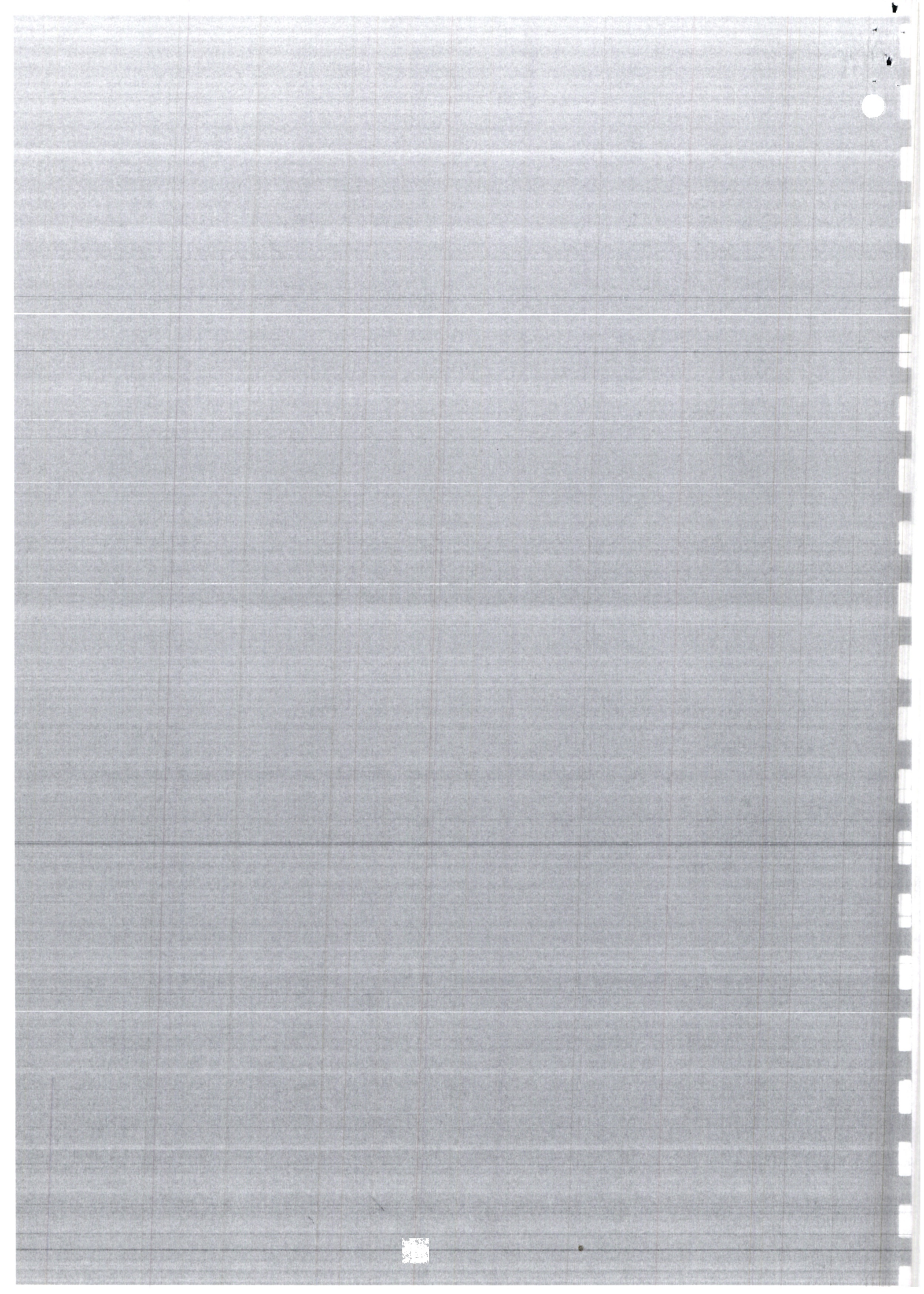
Yours faithfully

**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.**





4/2  
01/0  
CONSTITUENCIES DEVELOPMENT FUND  
CHIEF EXECUTIVE OFFICER

07 SEP 2015

P. O. Box 46682 - 00100,  
NAIROBI.



---

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2015**

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

KENYA NATIONAL AUDIT OFFICE  
P. O. Box 30084 - 00100, NAIROBI.

30 SEP 2015

**RECEIVED**

**CONSTITUENCY DEVELOPMENT FUND – NAROK NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

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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 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.

**(b) Key Management**

The Narok North 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 2015 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Kenneth K Kamau</b>
3.	Accountant	<b>John Gakumo</b>
4.		

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Narok North 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) NAROK NORTH CDF Headquarters**

P.O. Box 6642-00100  
CDF Building/House/Plaza  
Mau Narok Nakuru Road  
Narok, KENYA

**(f) NAROK NORTH CDF Contacts**

Telephone: (254) 0722405245

E-mail: naroknorth@cdf.go.ke

Website: www.go.ke

**(g) NAROK NORTH CDF Bankers**

National Bank of Kenya

Narok Branch

P.O. Box 348-020500

Narok, Kenya

**(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



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

**[Put the forward note by the Chairman CDFC]✳**

I am pleased to report that despite the many challenges faced by the management of Constituency Development Fund, Narok North Constituency Development Fund has recorded impressive performance during the 2013/2014 financial year.

The CDFC directed most of its resource in education sector. Bursaries both in tertiary institutions and secondary schools. Health and roads sector also benefited with the fund during this financial year.

At the beginning of the financial year 2014/2015 25% of the allocation had not been spent due to National Management Board delay in releasing the funds.

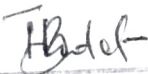
During this financial year Narok North CDFC has been in a position to decongest a number of schools with construction of extra classrooms, sustaining the children in school especially the girl child by construction of dormitories. Enhancing and improving the ICT skills by constructing a computer lab. Also road communication networks have been improved by construction bridges. attempts to improving of health care has been made by constructing the two new dispensaries planting of trees and providing sports kits to youth in order to improve on their talents.

Despite all these achievement's CDFC faces challenges which among includes Non-cooperation by county government technical personnel, failure of county government to equip the hospitals and provide personnel, besides political rivalries that exist between the CDFC and the County Government. Geographical expansiveness of Narok North has also been a challenge as it has financial implications on the project as in remote areas has not been endowed with access road thereby making it difficult for constructors to access these places with materials especially during rainy seasons. Delay of by National Management Board to release the funds on time has also greatly affected implementation of funds on time. With limited resources' allocated to emergency vote visas frequent floods in Narok has made Narok North CDFC to watch the situation helplessly

The recent rulling by court of appeal on legality of existence of CDFC has also greatly affected the performance CDF.

It is my hope that the CDF will continue with the developments that has witnessed before, during and after my tenure in office

Sign



**CHAIRMAN CDFC**

**CHAIRMAN  
NAROK NORTH C.D.F.**  
P. O. BOX 664 NAROK - 20500  
TEL: 050 - 23162

**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.

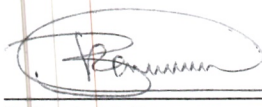
The Accounting Officer in charge of the Narok North CDF is responsible for the preparation and presentation of the CDF's financial statements, which give a true and fair view of the state of affairs of the CDF for and as at the end of the financial year ended on June 30, 2015. This responsibility includes: (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 North Constituency 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 North 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 Narok North Constituency confirms that the CDF has complied fully with applicable Government Regulations 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 4<sup>th</sup> Sep 2014.

  
Principal Secretary *Chairman*

  
Principal Accounts Controller *FAM.*

ACCOUNT MANAGER  
NAROK NORTH C.D.F.  
  
P. O. BOX 664 NAROK - 20500

**CHAIRMAN**  
**NAROK NORTH C.D.F.**  
P. O. BOX 664 NAROK - 20500  
TEL: 050 - 23162

# REPUBLIC OF KENYA

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Fax: +254-20-311482  
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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 NORTH 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 North Constituency set out on pages 5 to 19, 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: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 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 Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (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

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

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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.

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**

### **1.0 Statement of Receipts and Payments**

The statement of receipts and payments for the year ended 30 June 2015 reflects transfers from other government entities totaling Kshs.105,712,757. However, the summary statement of appropriation reflects receipts totaling Kshs.111,296,716 thus resulting in a difference of Kshs.5,583,959 which has not been explained.

In addition, the statement of receipts and payments shows transfers to other government units and other grants of Kshs.51,359,153 and Kshs.24,806,000 respectively. However, the summary statement of appropriation reflects Kshs.52,987,882 and Kshs.23,650,000 for transfers to other government units and other grants respectively. Resulting in differences of Kshs.1,628,729 and Kshs.1,156,000 respectively.

Further, the summary statement of appropriation reflects other payments totaling to Kshs.1,000,000 but no such balance has been reported in the statement of receipts and payments. Similarly, the statement of receipts and payments reflects social security benefits totalling Kshs.43,200 against an actual balance of Kshs.120,000, resulting in a difference of Kshs.76,800 which has not been explained. In addition, the final budget figure of Kshs.111,296,757 is not computed as re-computation reveals a total of Kshs.111,246,473 resulting in a difference of Kshs.50,284.

In the circumstance, the statement of receipts and payments is not fairly stated.

### **2.0 Bank and Cash Balances**

#### **2.1 Outstanding Balances in the Bank Reconciliation Statement**

The statement of assets as at 30 June 2015 reported a bank balance of Kshs.26,579,120.55. Included in the balance are payments reflected in the bank reconciliation statement as payments in cashbook not recorded in the bank statement (un-presented cheques) totaling Kshs.1,276,610.80 which include stale cheques amounting to Kshs.434, 487.40. No reason has been provided for their non-

presentation to the bank or failure to reverse them in the cash book. The statement further reflects long outstanding cashbook receipts totaling Kshs.11,000 but these are not recorded in the bank statement.

In the circumstance, the accuracy and validity of the bank balance of Kshs. 26,579,120.55 could not be confirmed.

### **3.0 Compensation of Employees**

The statement of receipts and payments reflects a balance of Kshs.1,616,400 in respect of compensation of employees. However, schedules presented for audit review in support of the expenditure, showed a balance of Kshs.1,632,500 in respect to the account thus resulting in an unexplained difference of Kshs.16,100. In the circumstance, the expenditure could not be confirmed as fairly stated.

### **4.0 Use of Goods and Services**

The statement of receipts and payments reflects expenditure totaling Kshs.2,037,163 in respect of use of goods and services. However, schedules presented for audit review in support of this amount totaled Kshs.1,130,750 thus resulting in an unexplained difference of Kshs.957,909.

In the circumstance, the expenditure could not be confirmed as fairly stated.

### **5.0 Committee Expenses**

The statement of receipts and payments reflects committee expenses totaling to Kshs.4,802,309. However, schedules presented for audit review in support of the balance totaled Kshs.3,844,400 thus resulting in an unexplained difference of Kshs.906,413. In the circumstance, the expenditure could not be confirmed to be fairly stated.

### **6.0 Transfers to Other Government Units**

The statement of receipts and payments reflects transfers to other government units amounting to Kshs.51, 359,153 for the year ended 30 June 2015. However, the supporting schedules provided for audit review, show a total of Kshs.45,987,931.00 resulting in an unexplained difference of Kshs.5,371,222. In addition, no expenditure returns have been presented for audit review to confirm the bank accounts to which the funds were transferred to and the status of the projects implemented with the funds. Further, it has not been possible to determine the balances of unapplied funds as at 30 June 2015.

In the circumstance, the effectiveness and application of the transfers could not be confirmed.

## **7.0 Other Grants and Transfers**

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.24,806,000. However, supporting schedules provided for audit review showed transfers totaling Kshs.25, 294,160 thus resulting in an unexplained difference of Kshs.488,160. In addition, the respective expenditure returns have not been presented for audit review to confirm the status of water and roads projects on which expenditure totaling Kshs.1,200,000 and Kshs.4,500,000 respectively were reported to have been incurred.

In the circumstance, the aggregate expenditure could not be confirmed as a proper charge to public funds.

## **8.0 Unsupported Bursary Expenses**

The bursaries totalling Kshs.15, 658,000 were disbursed to schools, colleges and universities during the year under review. However, documentary evidence for the acknowledgement of the funds from the beneficiary institutions and individuals was provided for audit review. In the circumstance, it was not possible to confirm that the funds were received by the institutions and utilized for the intended purpose.

## **9.0 Fuel**

The statement of receipts and payments reflects use of goods and services amounting to Kshs.2,037,163. Verification of payment vouchers revealed that an amount of Kshs.480,000 of the reported balance was spent on purchase of fuel. However, no records were presented for audit to confirm drawing and recording of fuel in the respective motor vehicle work tickets.

In the circumstance, the fuel could not be confirmed as having been drawn, recorded and utilized.

## **10.0 Reallocation of Emergency Funds**

Examination of expenditure records relating to the emergency fund disclosed that Kshs.2,038,338 issued for emergency activities was re-allocated to non-emergency projects without the Board's approval. Further, no approval for the change of activity was presented for audit verification as required by the CDF Board. As a result, the expenditure could not be confirmed to have been incurred properly and chargeable to public funds.

## **11.0 Reallocation to Siyaipei Primary School Fund.**

Examination of the projects status form and the budget for the year under review revealed that a total of Kshs.4,300,000 was re-allocated to Siyaipei Primary School. According to Minute No. MINCDFC 03/20/03/2015 of a meeting Constituency Fund Development Committee held on the 20 March 2015, the committee re-allocated the funds meant for Emarau Primary School (Kshs.1,000,000) Olomayiana Primary School (Kshs.2,000,000) and Emaituyupaki primary (Kshs.1,300,000) to Siyaipei

Primary School without approval of the CDF board. The Fund, therefore, breached regulation on re-allocation of CDF funds.

## **12.0 Proposed Construction of Nkokoloni Community Bridge**

During the financial year 2013/2014, a sum of Kshs.2,773,375 was allocated for construction and completion of Nkokoloni Bridge to be done by Ole Noor General Hardware at a tender sum of Kshs.2,773,375. The payment was made vide payment voucher No 013 dated 31 July 2014. However, during the year under review, Ilkujuka Enterprises was awarded a contract to construct the same bridge at cost of Kshs.2,500,000 and was paid for the work vide payment voucher number 75. However, during physical verification, the following was observed:

The project was branded 2013/2014 and was opened in May,2015. The project proposals were not made available for audit review and it was therefore, not clear how the project was identified and prioritized as a CDF project for funding. No explanation was given as to why the Iljuka Enterprises was awarded the contract in 2014/2015 and yet Ole Noor contractor had been contracted to do the same bridge in 2013/2014 and paid for the works. It would therefore appear that two payments were made to two different contractors for works carried out by only one of the two.

## **13.0 Rotian Water Project**

During the years 2013/2014 and 2014/2015 a sum of Kshs.8,000,000 was allocated for rehabilitation of Rotian Water Project. The contract was awarded to Ole Noor contractor in 2013/2014, where a total of Kshs.4,000,000 was disbursed to the project vide voucher No.432 dated 9 May 2014. The works entailed construction of a power house, purchase of a pump, piping, installation of a plastic tank and construction of masonry tank. In the year year under review, an additional Kshs.4,000,000 was disbursed for drilling of a borehole. During audit review of the project implementation cycle the following issues were noted:

- i) The project proposal was not made available for audit review and it was therefore, not clear how, the project was identified and prioritized for funding by the CDF.
- ii) Opening of tender meeting and technical evaluation reports were not presented for audit examination.
- iii) Physical verification of the project revealed that the contractor carried out construction of the power house and purchased the plastic tank and the piping.
- iv) The contractor was not on site on the day of physical verification and there was no work going on.
- v) The project is situated near a water intake and therefore it was not clear why the borehole costing Kshs.4,000,000 needed to be drilled.

In the circumstance, the constituency did not get value-for-money from the allocation of Kshs.12,000,000 allocated to the project.

#### **14.0 Under Expenditure on Funds for Use of Goods and Services**

The statement of receipts and payments reflects expenditure on use of goods and services totaling Kshs.20,037,163 against a budget of Kshs.3,600,000 resulting in an under-expenditure of Kshs.1,562,837. This represents 43% percent underutilization of the budget. Actual payments amount to Kshs.1, 130,750 compared to the balance of 2,037,163 reported in the financial statement thus resulting in an unexplained variance of Kshs.906,413.

#### **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**

**19 December 2016**



**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2015**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

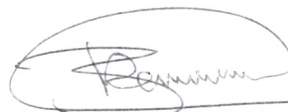
	Note	2014-2015 Kshs	2013-2014 Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1	105,712,757.00	73,708,725.60
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>105,712,757.00</b>	<b>73,708,725.60</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	1,616,400.00	1,491,324.00
Use of goods and services	5	2,037,163.00	2,536,823.00
Committee Expenses	6	4,802,309.00	1,710,000.00
Transfers to Other Government Units	7	51,359,153.00	37,867,465.00
Other grants and transfers	8	24,806,000.00	24,550,654.00
Social Security Benefits	9	43,200.00	21,600.00
Acquisition of Assets	10	-	-
Other Payments	11	-	-
<b>TOTAL PAYMENTS</b>		<b>84,664,225.00</b>	<b>68,177,866.00</b>
<b>SURPLUS</b>		<b>21,048,531.00</b>	<b>5,530,859.60</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NAROK NORTH CDF financial statements were approved on \_\_\_\_\_ 2015 and signed by:




**Chairman - CDFC**

**CHAIRMAN**  
**NAROK NORTH C.D.F.**  
P. O. BOX 664 NAROK - 20500  
TEL: 050 - 23162



**Fund Account Manager**

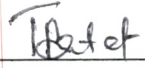
ACCOUNT MANAGER  
NAROK NORTH C.D.F.  
  
P.O. Box 664 NAROK - 20500

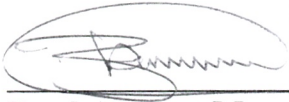

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**V. STATEMENT OF ASSETS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per cash book)	12A	26,579,120.55	5,533,716.60
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>26,579,120.55</b>	<b>5,533,716.60</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	5,530,589.60	2,856.60
Surplus/Deficit for the year		21,048,531.95	5,530,589.00
Prior year adjustments	14	-----	-----
<b>NET FINANCIAL POSITION</b>		<b>26,579,120.55</b>	<b>5,533,716.60</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NAROK NORTH CDF financial statements were approved on 4<sup>th</sup> Sept 2015 and signed by:

  
**Chairman - CDEC**  
**CHAIRMAN**  
**NAROK NORTH C.D.F.**  
 P. O. BOX 664 NAROK - 20500  
 TEL: 050 - 23162

  
**Fund Account Manager**  
 ACCOUNT MANAGER  
 NAROK NORTH C.D.F.  
  
 P.O. Box 664 NAROK - 20500

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2015**

**VI. STATEMENT OF CASHFLOW**

		<b>2014 – 2015</b>	<b>2013 – 2014</b>
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	105,712,757.00	73,708,725.60
Other Receipts	3	-	-
<b>Payments for operating expenses</b>			
Compensation of Employees	4	(1,616,400.00)	(1,491,324.00)
Use of goods and services	5	(2,037,163.00)	(2,536,823.00)
Committee Expenses	6	(4,802,163.00)	(1,710,000.00)
Transfers to Other Government Units	7	(51,359,153.00)	(37,867,465.00)
Other grants and transfers	8	(24,806,000.00)	(24,550,654.00)
Social Security Benefits	9	(43,200.00)	(21,600.00)
Other Payments	11	-	-
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>(84,664,225.00)</b>	<b>(68,177,866.00)</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>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>21,048,531.00</b>	<b>5,530,859.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>15</b>	<b>5,533,716.00</b>	<b>2,856.60</b>
<b>Cash and cash equivalent at END of the year</b>	<b>16</b>	<b>26,582,247.00</b>	<b>5,533,716.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NAROK NORTH CDF financial statements were approved on 4<sup>th</sup> Sept 2015 and signed by:

*[Signature]*

**Chairman CDFC**

**CHAIRMAN**  
**NAROK NORTH C.D.F.**  
 P. O. BOX 664 NAROK – 20500  
 TEL: 050 – 23162

*[Signature]*

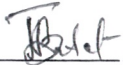
**Fund Account Manager**

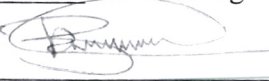
ACCOUNT MANAGER  
 NAROK NORTH C.D.F.  
 P.O. Box 664 NAROK - 20500

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	105,712,757.00	5,533,716.00	111,296,716.00	111,296,716.00	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
	105,712,757.00	5,533,716.00	111,296,716.00	111,296,716.00	-	-
<b>PAYMENTS</b>						
Compensation of Employees	1,616,400.00	-	1,616,400.00	1,616,400.00	-	
Use of goods and services	3,600,000.00	-	3,600,000.00	2,037,163.00	1,562,837.00	77%
Committee Expenses	5,002,349.00	-	5,002,349.00	4,802,309.00	200,040.00	96%
Transfers to Other Government Units	66,924,008.00	4,533,716.00	70,457,721.00	52,987,882.00	17,469,839.00	75%
Other grants and transfers	29,450,000.00	1,000,000.00	30,450,000.00	23,650,000.00	6,800,000.00	77.66%
Social Security Benefits	120,000.00	-	120,000.00	120,000.00	-	
Acquisition of Assets	-	-	-	-	-	
Other Payments	1,546,444.00	-	1,546,444.00	1,000,000.00	546,444.00	65%
<b>TOTALS</b>	<b>105,712,757.00</b>	<b>5,533,716.00</b>	<b>111,296,757.00</b>	<b>84,717,637.00</b>	<b>26,579,120.00</b>	

The NAROK NORTH CDF financial statements were approved on 4<sup>th</sup> Sept 2015 and signed by:

  
Chairman CDF

  
Fund Account Manager

CHAIRMAN  
NAROK NORTH C.D.F.  
P. O. BOX 664 NAROK - 20500  
TEL: 050 - 23162

ACCOUNT MANAGER  
NAROK NORTH C.D.F.  
  
P.O. Box 664 NAROK - 20500

**Reports and Financial Statements  
For the year ended June 30, 2015**

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**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 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 CDF.

**2. Recognition of revenue and expenses**

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

**3. In-kind contributions**

In-kind contributions are donations that are made to the 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 CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**4. Cash and cash equivalents**

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

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the 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 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.

**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, 2015.

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO 2014/2015/047	7,300,000.00		-
AIE NO 2014/2015/178	19,128,189.25		2,000,000.00
AIE NO 2014/2015/435	14,856,913.55		27,482,347.00
AIE NO 2014/2015/642	11,571,276.00		-
AIE NO 2014/2015/861	26,428,189.00		-
AIE NO 2014/2015/966	26,428,189.00	105,712,757.80	44,223,521.00
(other constituency e.g, parent constituency)			
<b>TOTAL</b>		<b>105,712,757.00</b>	<b>73,708,725.00</b>

**1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS**

	2014 – 2015	2013 – 2014
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	(xxx)	-
Receipts from sale of office and general equipment	(xxx)	Xxx
Receipts from the Sale Plant Machinery and Equipment	(xxx)	Xxx
<b>Total</b>	<b>(xxx)</b>	<b>Xxx</b>

*Remove*



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**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**1.1.1.1.1.1.3 OTHER RECEIPTS**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,616,400.00	1,491,324.00
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
<b>Total</b>	<b>1,616,400.00</b>	<b>1,491,324.00</b>

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**1.1.1.1.1.1.5 USE OF GOODS AND SERVICES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	171,424.00	158,889.00
Communication, supplies and services	78,252.00	56,246.00
Domestic travel and subsistence	74,542.00	-
Printing, advertising and information supplies & services	68,157.00	51,856.00
Rentals of produced assets	-	-
Training expenses	430,000.00	424,255.00
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	421,177	407,813.00
Other operating expenses	48,455.00	19,617.00
Routine maintenance – vehicles and other transport equipment	745,156.00	700,001.00
Routine maintenance – other assets	-	718,147.00
<b>Total</b>	<b><u>2,037,163.00</u></b>	<b><u>2,536,823.00</u></b>

**1.1.1.1.1.1.1.6 COMMITTEE EXPENSES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee allowances	3,024,260.00	1,026,000.00
Other committee expenses	1,778,049.00	684,000.00
<b>Total</b>	<b><u>4,802,309.00</u></b>	<b><u>1,710,000.00</u></b>

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2014 (Kshs)****NOTES TO THE FINANCIAL STATEMENTS (Continued)****1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	39,759,153.00	23,614,706.00
Transfers to secondary schools (see attached list)	8,100,000.00	7,070,000.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	3,500,000.00	7,182,759.00
<b>TOTAL</b>	<b>51,359,153.00</b>	<b>37,867,465.00</b>

**1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	2,745,000.00	2,152,000.00
Bursary – tertiary institutions (see attached list)	15,205,000.00	10,883,294.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	1,200,000.00	4,400,000.00
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	-	-
Roads projects (see attached list)	4,500,000.00	7,115,360.00
Sports projects (see attached list)	256,000.00	-
Environment projects (see attached list)	900,000.00	-
Emergency projects (see attached list)	-	-
<b>Total</b>	<b>24,806,000.00</b>	<b>24,550,654.00</b>

**1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Employer contribution to NSSF	43,200.00	21,660.00
<b>Total</b>	<b>43,200.00</b>	<b>21,660.00</b>

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**1.1.1.1.1.1.10 ACQUISITION OF ASSETS**

**Non-Financial Assets**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**1.1.1.1.1.1.11 OTHER PAYMENTS**

Specify	2014 - 2015 Kshs	2013 - 2014 Kshs
	<u>xxx</u>	<u>xxx</u>

**12A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2014 - 2015 Kshs	2013 - 2014 Kshs
National Bank, Narok Branch Account No. National Bank A/c 010001041832200	26,579,120.55	5,533,716.00
<b>Total</b>	<b>26,579,120.55</b>	<b>5,533,716.00</b>

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**12B: CASH IN HAND**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (specify)	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**[Provide cash count certificates for each]**

**12C: OUTSTANDING IMPRESTS**

<b>Name of Officer or Institution</b>	<b>Date Imprest Taken</b>	<b>Amount Taken</b>	<b>Amount Surrendered</b>	<b>Balance</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
<b>Total</b>				<b>xxx</b>

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

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**13. BALANCES BROUGHT FORWARD**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	5,530,589.60	2,856.60
Imprest	-	-
<b>Total</b>	<b>5,530,589.60</b>	<b>2,856.60</b>
[Provide short appropriate explanations as necessary]		

**14. PRIOR YEAR ADJUSTMENTS**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**CONSTITUENCY DEVELOPMENT FUND- NAROK NORTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2014 – 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	Xxx	xxx
Construction of civil works	Xxx	xxx
Supply of goods	Xxx	xxx
Supply of services	Xxx	xxx
	<b>Xxx</b>	<b>xxx</b>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>Kshs</b>	<b>Kshs</b>
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (specify)	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

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



