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OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
NAROK WEST CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017

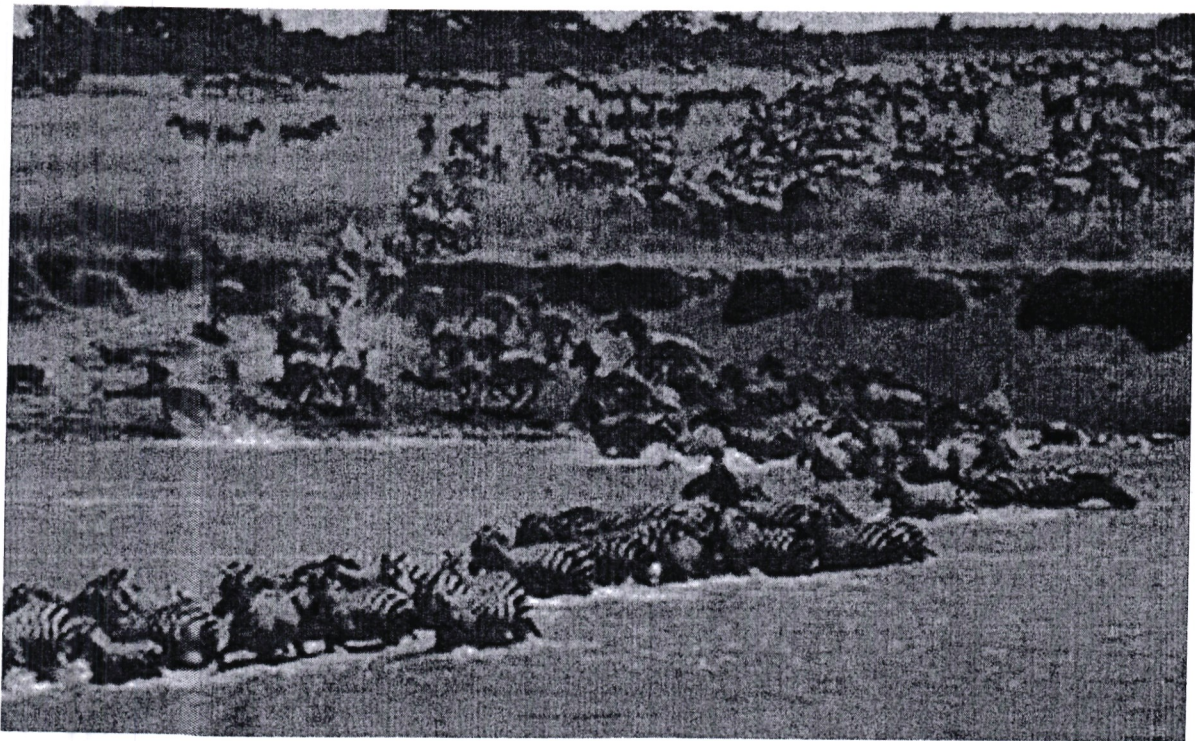
*Paper laid by
Lom on 18/10/18 (pm)*





FY 2016/2017

NAROK WEST NG-NG-CDF COMMITTEE FINANCIAL STATEMENT



PRESENTED TO THE NG-CDF BOARD BY:

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

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NATIONAL GOVERNMENT – CONSTITUENCY DEVELOPMENT FUND, NAROK WEST
Reports and Financial Statements
For the Year Ending June 30, 2017



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
NAROK WEST

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

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

NATIONAL GOVERNMENT – CONSTITUENCY DEVELOPMENT FUND, NAROK WEST
Reports and Financial Statements
For the Year Ending June 30, 2017

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT AS AT 30 June, 2017

(a) Background information

The Constituencies Development Fund (NG-CDF) was established under the Constituencies Development Fund (NG-CDF) Act, 2003, amended in 2007 and repealed by the NG-CDF Act of 2013. In 2015, the NG-CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development agenda at the constituency level.

(b) Key Management

The *Narok West National Government Constituency Development Fund* day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG - NG-CDFB);
- ii. National Government Constituency Development Fund Committee (NG - NG-CDFC);
- iii. The Project Management Committees (PMCs);
- iv. The Constituency Oversight Committee (CoC).

(c) Fiduciary Management

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

| No. | Designation | Name |
|------------|--------------------|-----------------------|
| 1. | Accounting Officer | Yusuf Mbuno |
| 2. | A.I.E Holder | Iregi Rashid |
| 3. | Accountant | Hannah Kariuki |

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-NG-CDF Board provide overall fiduciary oversight on the activities of Narok West Constituency. The reports and recommendation of ARMC when adopted by the NG-NG-CDF Board are forwarded to the National Government Constituency Development

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NAROK WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

Fund Committee (NG-NG-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

NG-CDF Offices, Lamek

Next to District Headquarters

Telephone:(254)0722160473

E-mail: rkariuki@NG-CDF.go.ke

Website: www.NG-CDF.go.ke

Narok West NG-NG-CDF Bankers

Equity Bank Ltd,

Narok Branch

Bank Account Number: 0360261652718

P.O. Box 400, NAROK.

Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University
Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NAROK WEST CONSTITUENCY
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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 (NG-CDFC)**

I have the pleasure of representing to you the final Accounts for the financial year 2016/2017 for Narok West NG-CDF. The Constituency was allocated a total of Ksh. 81,896,552. During the financial year 2016/2017 to be utilised for Administration and Recurrent, Monitoring and Evaluation, Capacity Building, Bursary and projects in various sectors such as Education, Security, Sports, Emergency and Environmental activities. The constituency was able to implement most of these activities successfully. The detailed figures and comparisons with the previous financial year are contained in the financial statements I am presenting to you.

Narok West NG-CDF has been working tirelessly to bring Development to communities and to transform their lives through provision of improved infrastructure, Bursaries to bright but needy students as well as erecting Solar Security Lights to foster Business Activities across the constituency. Most of the PMC have been sensitized and they have good understanding of what they ought to be doing as far project management is concern.

CHAIRMAN



NAROK WEST NG-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.

The Accounting Officer in charge of the *Narok West NG-NG-CDF Committee* is responsible for the preparation and presentation of the NG-NG-CDF's financial statements, which give a true and fair view of the state of affairs of the NG-NG-CDF for and as at the end of the financial year (period) ended on **June 30, 2017**. 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 NG-NG-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 NG-NG-CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

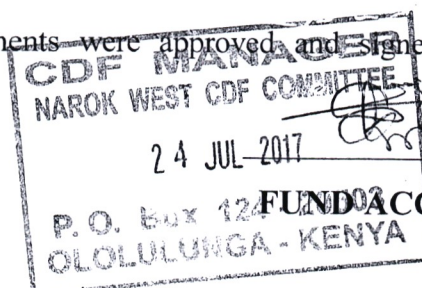
The Accounting Officer in charge of the *Narok West NG-CDF Committee* accepts responsibility for the NG-NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended **June 30, 2017**, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of the *Narok West NG-CDF Committee* further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-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 NG-CDF Committee* confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-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 NG -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 NG-CDF's financial statements were approved and signed by the Accounting Officer on 24/7/2017.


NG-CDFC CHAIRMAN



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 NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NAROK WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Narok West Constituency set out on pages 6 to 10, which comprise the statement of financial position as at 30 June 2017, and the statement of Receipts and Payments, statement of Financial Assets, statement of cash flows and Summary statement of Appropriation for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Narok West Constituency as at June 30, 2017, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis).

In addition, as required by Article 229 (6) of the Constitution, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Inaccurate Comparative Financial Information

The Statement of Receipts and Payments reports comparative financial information that differs with previous year audited certificate as indicated below:

| Particulars | Financial Statement (Kshs) | Audit Certificate (Kshs) | Variance (Kshs) |
|-----------------|----------------------------|--------------------------|-----------------|
| Compensation of | 2,153,896 | 1,942,098.35 | 211,797.65 |

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund-Narok West Constituency for the Year Ended 30 June 2017

| | | | |
|--------------------------|------------|--------------|----------------|
| Employees | | | |
| Use of Goods & Services | 8,728,978 | 5,518,887 | 3,210,091 |
| Committee Expenses | 0 | 3,210,091.20 | (3,210,091.20) |
| Other Payments | 0 | 100,797.90 | (100,797.90) |
| Social Security Benefits | 0 | 111,000.00 | (111,000.00) |
| Total | 26,828,636 | 29,725,689 | 2,897,053 |

Further, no reasonable explanation was given for the change of presentation and disclosure of financial information and as such the accuracy and completeness of the comparative financial information could not be confirmed.

2. Use of Goods and Services

The Statement of Receipts and payments reports use of goods and services of Kshs.6,724,954 as disclosed in note 5 to the Financial Statements. Included in the amount is Kshs.2,564,363.93 in respect of committee allowances. However, examination of accounting records established the committee allowances to be Kshs.6,100,400 instead of the reported figure of Kshs.2,564,363.93 resulting in expenditure of Kshs.3,536,036.07 being omitted from the Statement of Receipts and Payments.

In the absence of capturing the omitted expenses in the books of account it was not possible to confirm the accuracy and completeness of the amount reported.

3. Transfers to Other Government Entities

The Statement of Receipts and Payments reports transfers to other government entities of Kshs.55,037,214 as at 30 June 2017. Included in the amount is Kshs.2,200,000 transferred to secondary schools as disclosed in note 6 to the statements.

However, audit examination of accounting records revealed Kshs.7,000,000 transferred to Sekanani Secondary School road project through Cheque No.6397 dated 7 April 2017 has been omitted from the Financial Statements thereby understating the amount of transfers to secondary schools during the year.

Further, the construction of road to Sekanani Secondary was not supported by road designs, bills of quantities, contractual documents or authority from the County government under whose mandate the road falls under. As such the lawfulness of this expenditure could not be confirmed.

It was therefore not possible to confirm the accuracy and completeness of the transfers.

4. Other Grants and Payments

The Financial Statements reports grants and payments of Kshs.36,762,750 for year ended 30 June 2017 which includes bursary to schools and tertiary colleges of Kshs.5,048,500 as disclosed in note 7 to the Financial Statements. However, examination of accounting records established that only Kshs.11,798,550 was issued as bursary to secondary schools and tertiary colleges resulting in a difference of Kshs.3,249,950 which was not reconciled or explained.

Further, included in the amount is bursary to secondary schools of Kshs.17,714,250 as disclosed in note 7 to the Financial Statements, which differs with the actual transfers payments of Kshs.19,670,440 as supported by payment vouchers. The resultant difference of Kshs.1,956,190 is thus omitted from the Financial Statements.

In the circumstances, it was not possible to confirm the accuracy and completeness of other grants and payments.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Narok West Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no key audit matters to communicate in my report.

Responsibilities of Management and Those charged with Governance 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 (IPSAS) – Cash Basis and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the

management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

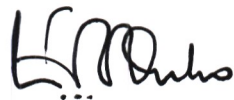
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- I perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

15 August 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2016-2017 | 2015-2016 |
|--|------|---------------------|--------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from NG-CDF board-AIEs' Received | 1 | 74,046,552 | 116,354,072 |
| Proceeds from Sale of Assets | 2 | - | |
| Other Receipts | 3 | - | |
| TOTAL RECEIPTS | | 74,046,552 | 116,354,072 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 2,302,905 | 2,153,896 |
| Use of goods and services | 5 | 6,724,954 | 8,728,978 |
| Transfers to Other Government Units | 6 | 55,037,214 | 51,287,931 |
| Other grants and transfers | 7 | 36,762,750 | 38,839,350 |
| Acquisition of Assets | 8 | - | 14,200,000 |
| Other Payments | 9 | - | - |
| TOTAL PAYMENTS | | 100,827,822 | 115,210,155 |
| SURPLUS/DEFICIT | | (26,781,270) | 1,143,917 |

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NAROK WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Narok West NG - NG-CDF financial statements were approved 24th July 17, 2017 and signed by:



DANIEL TAPANEI

NG-NG-CDFC CHAIRMAN



IREGI RASHID

FUND ACCOUNT MANAGER



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NAROK WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF ASSETS

| | Note | 2016-2017 Kshs | 2015-2016 Kshs |
|---------------------------------------|------|-------------------|-------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 47,365 | 26,828,636 |
| Cash Balances (cash at hand) | 10B | - | - |
| Outstanding Imprests | 11 | - | - |
| TOTAL FINANCIAL ASSETS | | 47,365 | 26,828,636 |
| REPRESENTED BY | | | |
| Retention | 12 | | |
| Fund balance b/fwd 1st July... | 13 | 26,828,636 | 25,684,718 |
| Surplus/Deficit for the year | | (26,781,270) | 1,143,917 |
| Prior year adjustments | 14 | - | - |
| NET LIABILITIES | | 47,365 | 26,828,635 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Narok West NG-CDF Amended Financial Statements were approved on _____ 2017 and signed by:

DANIEL TAPANEI
NG-CDFC CHAIRMAN

IREGI RASHID
FUND ACCOUNT MANAGER

CDF MANAGER
NAROK WEST CDF COMMITTEE
24 JUL 2017
P.O. Box 124 - 20503
DILUJUNGA - KENYA

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NAROK WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

| | | 2016-2017 | 2015-2016 |
|---|----|---------------------|---------------------|
| Receipts for operating income | | | |
| Transfers from CDF Board | 1 | 74,046,552 | 116,354,072 |
| Other Receipts | 3 | - | - |
| | | 74,046,552 | 116,354,072 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 2,302,905 | 2,153,896 |
| Use of goods and services | 5 | 6,724,954 | 8,728,978 |
| Transfers to Other Government Units | 6 | 55,037,214 | 51,287,931 |
| Other grants and transfers | 7 | 36,762,750 | 38,839,350 |
| Other Payments | 9 | - | - |
| | | 100,827,822 | 101,010,155 |
| Adjusted for: | | | |
| Adjustments during the year | 14 | - | - |
| Net cash flow from operating activities | | (26,781,270) | 15,343,917 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 9 | - | (14,200,000) |
| Net cash flows from Investing Activities | | - | (14,200,000) |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (26,781,270) | 1,143,917 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 26,828,636 | 25,684,719 |
| Cash and cash equivalent at END of the year | | 47,365 | 26,828,636 |

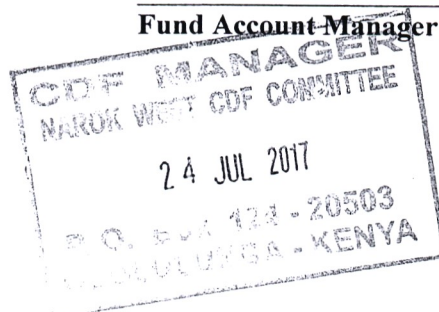
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NAROK WEST NG-CDF financial statements were approved on _____ 2017 and signed by:



Chairman CDF



Fund Account Manager



VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| <u>NAROK WEST NG - COMMITTEE</u> | | | | | | |
|---|----------------------|----------------------|-----------------------|------------------------------------|---|-----------------------------|
| BUDGET EXECUTION | | | | | | |
| 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 | 81,896,551.72 | 27,328,635.55 | 109,225,187.27 | 100,827,821.93 | 8,397,365.34 | 92% |
| Proceeds from Sale of Assets | - | 0 | 0 | - | - | |
| Other Receipts | - | 0 | 0 | - | - | |
| Total Receipts | 81,896,551.72 | 27,328,635.55 | 109,225,187.27 | 100,827,821.93 | 8,397,365.34 | 92% |
| PAYMENTS | | | | | | |
| Compensation of employees | 2,160,000.00 | 0 | 2,160,000.00 | 2,181,606.40 | (21,606.40) | 101% |
| Use of goods and services | 1,786,593.10 | 3,289,056.24 | 5,075,649.34 | 6,724,953.53 | (1,649,304.19) | 132% |
| Transfers to Other Government Units | 45,394,827.59 | 22,139,579.31 | 67,534,406.90 | 55,037,214.00 | 12,497,192.90 | 81% |
| Other grants and transfers | 26,031,034.53 | 1,400,000.00 | 27,431,034.53 | 36,762,750.00 | (9,331,715.47) | 134% |
| Acquisition of Assets | | 0 | | | | 0% |
| Other Payments | 6,524,096.50 | 500,000.00 | 7,024,096.50 | 121,298.00 | 6,902,798.50 | 2% |
| TOTALS | 81,896,551.72 | 27,328,635.55 | 109,225,187.27 | 100,827,821.93 | 8,397,365.34 | |

The Narok West NG-CDF financial statements were approved on __10th September__ 2017 and signed by:



DANIEL TAPANEI
NG-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:

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.

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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 *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.

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 *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.

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, 2017.

IX. NOTES TO THE FINANCIAL STATEMENTS

NATIONAL GOVERNMENT – CONSTITUENCY DEVELOPMENT FUND, NAROK WEST
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| 1 | | TRANSFERS FROM OTHER GOVERNMENT AGENCIES | |
|--|-----------------|--|-----------------------|
| Description | | 2016 - 2017 KShs. | 2015 - 2016 Kshs |
| Normal Allocation | AIE No. A829960 | 4,094,827.59 | 116,354,072.00 |
| | AIE No. A796349 | 36,853,449.00 | |
| | AIE No. A855630 | 33,098,275.10 | |
| TOTAL | | 74,046,551.69 | 116,354,072.00 |
| 2 | | PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS | |
| Description | | 2016 - 2017 KShs. | 2015 - 2016 Kshs |
| Receipts from the Sale of Buildings | | 0 | 0 |
| Receipts from the Sale of Vehicles and Transport Equipment | | 0 | 0 |
| Receipts from the Sale of office and general equipment | | 0 | 0 |
| Receipts from the Sale Plant Machinery and Equipment | | 0 | 0 |
| | Total | - | - |
| 3 | | OTHER RECEIPTS | |
| Description | | 2016 - 2017 KShs. | 2015 - 2016 Kshs |
| Interest Received | | 0 | 0 |
| Rents | | 0 | 0 |
| Sale of tender documents | | 0 | 0 |
| Other Receipts Not Classified Elsewhere (specify) | | 0 | 0 |
| Total | | - | - |
| 4 | | COMPENSATION OF EMPLOYEES | |
| Description | | 2016 - 2017 KShs. | 2015 - 2016 Kshs |
| Basic wages of contractual employees | | 2,040,096.50 | 1,942,098.35 |
| Basic wages of casual labour | | | |

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| 5 | | USE OF GOODS AND SERVICES | |
|--|----------------------|---------------------------------------|--|
| Description | 2016 - 2017 KShs. | 2015 - 2016 KShs | |
| Utilities, supplies and services | | | |
| Office rent | | | |
| Communication, supplies and services | | 540,000.00 | |
| Domestic travel and subsistence | | 340,000.00 | |
| Printing, advertising and information supplies & services | 153,000.00 | 967,500.00 | |
| Rentals of produced assets | | | |
| Training expenses | | 1,500,000.00 | |
| ✓ Hospitality supplies and services | 467,783.06 | 148,655.00 | |
| Other committee expenses | 2,396,896.50 | 1,500,000.00 | |
| Committee allowance | 2,564,363.93 | 1,000,000.00 | |
| Insurance costs | | | |
| Specialised materials and services | 157,502.00 | 200,052.00 | |
| Office and general supplies and services | | | |
| Fuel, oil & lubricants | 600,000.00 | 1,100,000.00 | |
| Other operating expenses | | 722,680.00 | |
| Routine maintenance – vehicles and other transport equipment | 385,408.04 | | |
| Routine maintenance – other assets | | | |
| Total | 6,724,953.53 | 8,018,887.00 | |
| 6 | | TRANSFER TO OTHER GOVERNMENT ENTITIES | |
| Description | 2016 - 2017 KShs. | 2015 - 2016 KShs | |
| Transfers to Primary Schools | 51,437,214.00 | 32,737,931.00 | |
| Transfers to Secondary Schools | 2,200,000.00 | 3,300,000.00 | |
| Transfers to Tertiary Institutions | 0 | 10,850,000.00 | |
| Transfers to Health Institutions | 1,400,000.00 | 4,400,000.00 | |
| TOTAL | 55,037,214.00 | 51,287,931.00 | |

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| 7 | | OTHER GRANTS AND OTHER PAYMENTS | | |
|---|----------------------|---------------------------------|----------------------|--|
| Description | 2016 - 2017 | | 2015 - 2016 | |
| | KShs. | | Kshs | |
| Bursary -Secondary | 17,714,250.00 | | | |
| Bursary -Tertiary | 4,206,200.00 | | 32,814,350.00 | |
| Bursary -University | 10,842,300.00 | | | |
| Bursary-Special schools | | | | |
| Mocks & CAT | | | - | |
| Water | 1,000,000.00 | | 688,000.00 | |
| Agriculture (food security) | | | 950,000.00 | |
| Electricity Projects | | | | |
| Security | 500,000.00 | | 600,000.00 | |
| Roads | | | - | |
| Sports | 400,000.00 | | - | |
| Environment | | | - | |
| Emergency Projects (specify) | 2,100,000.00 | | 3,787,000.00 | |
| Total | 36,762,750.00 | | 38,839,350.00 | |
| 8 | | ACQUISITION OF ASSETS | | |
| Non Financial Assets | 2016 - 2017 | | 2015 - 2016 | |
| | KShs. | | Kshs | |
| Purchase of Buildings | | | 0 | |
| Construction of Buildings | | | 0 | |
| Refurbishment of Buildings | | | 800,000.00 | |
| Purchase of Vehicles | | | 13,400,000.00 | |
| Purchase of Bicycles & Motorcycles | | | 0 | |
| Overhaul of Vehicles | | | 0 | |
| Purchase of Office furniture and fittings | | | 0 | |
| Purchase of computers, printers and other IT equipments | | | 0 | |
| Purchase of photocopier | | | 0 | |
| Purchase of other Office equipments | | | 0 | |
| Purchase of Software | | | 0 | |
| Acquisition of Land | | | 0 | |
| Total | - | | 14,200,000.00 | |

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| 9 | | OTHER PAYMENTS | |
|--|--|-------------------|----------------------|
| | | 2016 - 2017 | 2015 - 2016 |
| | | KShs. | Kshs |
| PAYE | | 121,298.00 | 100,797.90 |
| specify | | | |
| specify | | | |
| TOTAL | | 121,298.00 | 100,797.90 |
| 10A: Bank Balances (cash book bank balance) | | | |
| Name of Bank, Account No. & currency | | 2016 - 2017 | 2015 - 2016 |
| | | KShs. | Kshs (1/7/2016) |
| Equity Bank Narok Branch Acc No.0360261652718 | | 47,365.31 | 26,828,635.55 |
| Total | | 47,365.31 | 26,828,635.55 |
| <i>[Provide short appropriate explanations as necessary]</i> | | | |
| 10B: CASH IN HAND | | | |
| | | 2016 - 2017 | 2015 - 2016 |
| | | KShs. | KShs. |
| Location 1 | | | |
| Location 2 | | | |
| Location 3 | | | |
| Other receipts (specify) | | | |
| Total | | - | - |
| <i>[Provide cash count certificate]</i> | | | |
| 11: Outstanding Imprests | | | |
| Description | | 2016 - 2017 | 2015 - 2016 |
| | | KShs. | Kshs (30/6/2016) |

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| 12 | | RETENTION | |
|--|--|-----------------------------|-------------|
| | | 2016 - 2017 | 2015 - 2016 |
| | | KShs. | Kshs |
| Supplier 1 | | | |
| Supplier 2 | | | |
| Supplier 3 | | | |
| Total | | - | - |
| 13 | | BALANCES BROUGHT FORWARD | |
| | | 2016 - 2017 | 2015 - 2016 |
| | | KShs. | Kshs |
| Bank accounts | | 47,365.31 | |
| Cash in hand | | | |
| Imprest | | 73,000.00 | |
| Total | | 120,365.31 | - |
| 14 | | PRIOR YEAR ADJUSTMENTS | |
| | | 2016 - 2017 | 2015 - 2016 |
| | | KShs. | Kshs |
| Bank accounts | | | |
| Cash in hand | | | |
| Imprest | | | |
| Total | | - | - |
| 15 | | OTHER IMPORTANT DISCLOSURES | |
| 15.1: PENDING ACCOUNTS PAYABLE (See Annex 1) | | 2016 - 2017 | 2015 - 2016 |
| | | KShs. | Kshs |
| Construction of buildings | | | |
| Construction of civil works | | | |

X. ANNEXES

NATIONAL GOVERNMENT – CONSTITUENCY DEVELOPMENT FUND, NAROK WEST
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2014 | Comments |
|------------------------------------|-----------------|-----------------|---------------------|--------------------------|----------|
| | a | b | c | | |
| Construction of buildings | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| Sub-Total | | | | | |
| Construction of civil works | | | | | |
| 4. | | | | | |
| 5. | | | | | |
| 6. | | | | | |
| Sub-Total | | | | | |
| Supply of goods | | | | | |
| 7. | | | | | |
| 8. | | | | | |
| 9. | | | | | |
| Sub-Total | | | | | |
| Supply of services | | | | | |
| 10. | | | | | |
| 11. | | | | | |
| 12. | | | | | |
| Sub-Total | | | | | |
| Grand Total | | | | | |

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Outstanding Balance 2015 | Outstanding Balance 2014 | Comments |
|------------------------------|-----------|-----------------|-------------------------|--------------------------|--------------------------|----------|
| | | a | b | d=a-c | | |
| Senior Management | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| Sub-Total | | | | | | |
| Middle Management | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| Sub-Total | | | | | | |
| Unionisable Employees | | | | | | |
| 7. | | | | | | |
| 8. | | | | | | |
| 9. | | | | | | |
| Sub-Total | | | | | | |
| Others (specify) | | | | | | |
| 10. | | | | | | |
| 11. | | | | | | |
| 12. | | | | | | |
| Sub-Total | | | | | | |
| Grand Total | | | | | | |

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

| Name | Brief Transaction Description | Original Amount | Date Payable Contracted | Outstanding Balance 2016 | Outstanding Balance 2015 | Comments |
|--|-------------------------------|-----------------|-------------------------|--------------------------|--------------------------|----------|
| | | a | b | d=a-c | | |
| Amounts due to other Government entities | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| Sub-Total | | | | | | |
| Amounts due to other grants and other transfers | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| Sub-Total | | | | | | |
| Others (specify) | | | | | | |
| 7. | | | | | | |
| 8. | | | | | | |
| 9. | | | | | | |
| Sub-Total | | | | | | |
| Grand Total | | | | | | |

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost | Historical Cost |
|--|-------------------|-------------------|
| | (Kshs) 2016/17 | (Kshs) 2015/16 |
| Land | | |
| Buildings and structures | 800,000 | 800,000 |
| Transport equipment | 19,857,000 | 19,857,000 |
| Office equipment, furniture and fittings | | |
| ICT Equipment, Software and Other ICT Assets | | |
| Other Machinery and Equipment | | |
| Heritage and cultural assets | | |
| Intangible assets | | |
| Total | 20,657,000 | 20,657,000 |

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