

PARLIAMENT
OF KENYA
LIBRARY

REPUBLIC OF KENYA



TABLE OFFICE
S/No:
14 FEB 2013
SIGN:
PAPER LAID

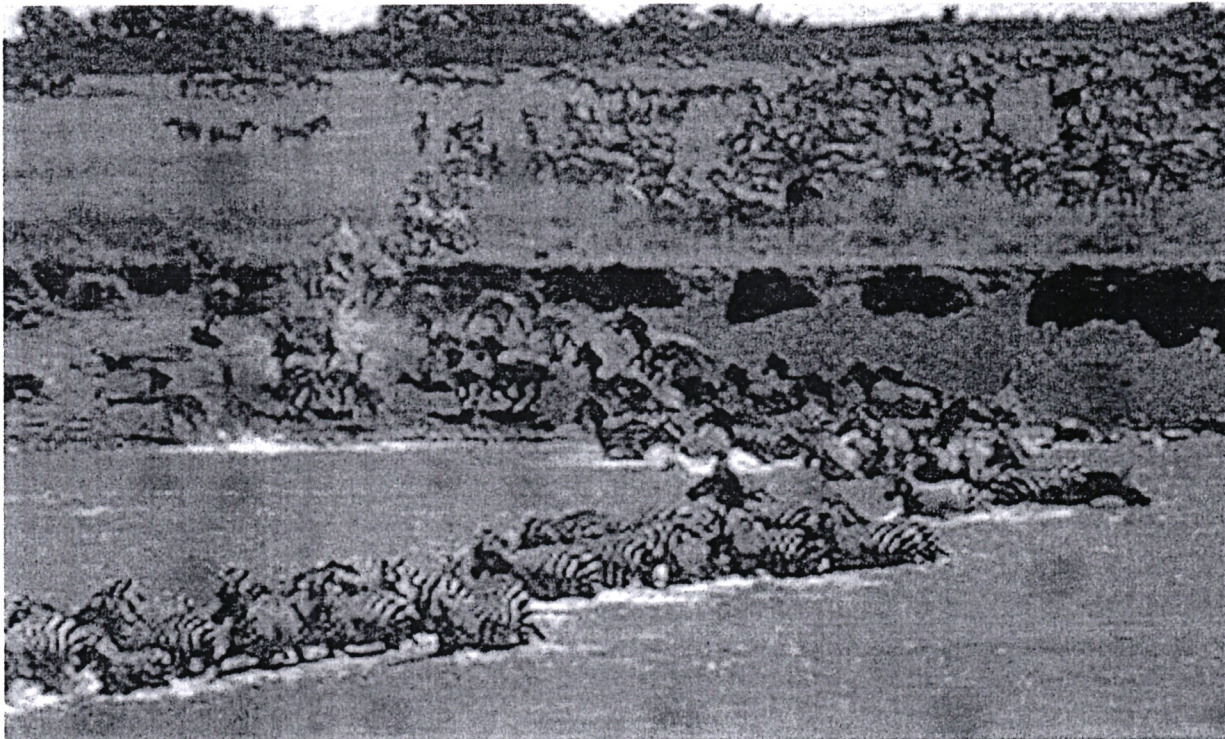
OFFICE OF THE AUDITOR-GENERAL

Paper Laid by
the Majority Party
Whip (Hon. Benjamin
Wachira, MP) on
14-2-2013.
18m

REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
NAROK WEST CONSTITUENCY
FOR THE YEAR ENDED
30 JUNE 2016

FY 2015/2016

**NAROK WEST NG-CDF COMMITTEE
FINANCIAL STATEMENT**



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

30 SEP 2016

RECEIVED

PRESENTED TO THE CDF BOARD BY:

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

Email: rkariuki@cdf.go.ke

+254 722 160 473

CONSTITUENCIES DEVELOPMENT FUND – NAROK WEST

REPORTS AND FINANCIAL STATEMENTS

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

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

Contents

I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT AS AT 30 June, 2016.....	3
II.	FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)	5
III.	STATEMENT OF CONSTITUENCY MANAGEMENT RESPONSIBILITIES.....	6
IV.	STATEMENT OF RECEIPTS AND PAYMENTS	7
V.	STATEMENT OF ASSETS.....	8
VI.	STATEMENT OF CASHFLOW	9
VII.	SUMMARY STATEMENT OF APPROPRIATION	10
VIII.	TRIAL BALANCE	11
IX.	SIGNIFICANT ACCOUNTING POLICIES	12
X.	NOTES TO THE FINANCIAL STATEMENTS.....	14

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT AS AT 30 June, 2016

(a) Background information

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NG-CDFB);
- ii. National Government - Constituency Development Fund Committee (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	Rufus Mburu

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Narok West 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 E-mail: rkariuki@cdf.go.ke Website: www.cdf.go.ke
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
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.

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, 2016**. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *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, 2016**, 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 _____ 2016.

Principal Secretary

Principal Accounts Controller

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 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Narok West Constituency set out on pages 7 to 20, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

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 47 of the Public Audit Act, 2015.

Auditor-General's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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

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

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 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

1.0 Presentation of Financial Statements

The financial statements presented for audit were not prepared in accordance with the financial reporting template prescribed by the Public Sector Accounting Standards Board (PSASB). The statements do not contain the report of the Chairman of the Constituency Development Fund Committee while the statement of constituency management responsibilities is not signed by the Fund Account Manager and the National Government Constituency Development Fund Committee's (NG-CDFC) Chairman.

In the circumstance, it would appear that the committee and the fund manager do not own the accounts.

2.0 Inaccurate Trial Balance

The trial balance prepared and presented for audit in relation to the statement did not balance. The debit account balances totalled Kshs.144,935,844 while the credit account balances totalled Kshs.142,530,051 occasioning a difference of Kshs.2,405,793 which has not been explained.

In the circumstances, the accuracy and completeness of financial statements as whole could not be confirmed.

3.0 Inaccuracies in the Summary Statement of Appropriation

The summary statement of appropriation reflects a final budget of receipts and payments of Kshs.142,538,791. However, the following inaccuracies were noted:

- i) The expenditure on committee expenses (Note 6) of Kshs.3,210,091.20 and social security benefits (Note 9) of Kshs.111,000 were not included in the statement of Appropriation.
- ii) The actual expenditure on compensation of employees as reported in the statement of receipts and payments differs with a balance of Kshs.2,053,098.35 reported in the summary statement of appropriation.
- iii) The actual expenditure for use of goods and services of Kshs.5,518,887 reflected in the statement of receipts and payments differs with the balance of Kshs.8,728,978.20 reported in summary statement of appropriation.

In the circumstances, the completeness and accuracy of the summary statement of appropriation cannot be confirmed.

4.0 Inaccuracies in the Notes to the Financial Statements

The reported balances in the statement of receipts and payments and the statement of assets as at 30 June 2016 differs with the balances shown in the detailed notes to the financial statements as detailed below:

Item	Balance reported in the statement of receipts and payments and statement of Assets(Kshs)	Balance reflected in the notes supporting the expenditure (Kshs)	Variances (Kshs)
Compensation of Employees (Note 4)	1,942,098.35	Nil	1,942,098.35
Transfer to Other Government Entities (Note 7)	51,287,931.00	32,737,931.00	18,550,000
Prior year adjustments (Note 14)	2,405,792.92	Nil	2,405,792.92
Total	109,695,922.56		

Further, Note 14.3 shows other pending payables of Kshs.30,609,490. However, the figure is not supported by a schedule or an annexure and therefore it is not clear what it represents. In the circumstance, the accuracy of the financial statements cannot be confirmed.

5.0 Unsupported Committee Expenses

Included in the statement of receipts and payments for the year ended 30 June 2016 are payments in respect of committee expenses totaling Kshs.3,210,091.20 as detailed below:

Item Description	Amount (Kshs)
Other committee Expenses	1,500,000
Committee Allowances	1,710,091.20
Total	3,210,091.20

However, no supporting schedules were presented for audit examination to support the expenditure and it has therefore not been possible to confirm the accuracy and completeness of the reported balances.

6.0 Unsupported Use of Goods and Services

Included in the statement of receipts and payments for the year ended 30 June 2016 are payments in respect of use of goods and services totaling to Kshs.5,518,889. However, supporting schedules to support expenditures totalling Kshs.4,647,552 as detailed below were presented for audit examination. As a result, it was not possible to confirm the accuracy and completeness of the reported balance:

Item Description	Amount (Kshs)
Communication, supplies and services	540,000
Domestic travel and subsistence	340,000
Printing, advertising and information supplies and services	967,500
Training Expenses	1,500,000
Specialized materials and services	200,052
Fuel, oils & lubricants	1,100,000
Total	4,647,552

In the absence of any supporting schedule, the authenticity of the expenditure cannot be confirmed.

7.0 Unsupported Expenditure

An expenditure of Kshs.51,287,931 was incurred during the year under review in respect of transfers to other government units. However, examination of payment vouchers presented for audit in support of the expenditure disclosed that only projects code lists and NCDFC minutes were presented in support of the expenditure. No project proposals, bills of quantities, tender documents (including tender award minutes), bank statements, invoices/cash sales receipts, approved plans for construction works and completion certificates were presented for audit verifications.

In the circumstances, it is not possible to confirm that the reported expenditure of Kshs.51,287,931 is a proper charge to public funds.

8.0 Wasteful Expenditure

An expenditure of Kshs.2,200,000 was incurred in respect of construction of Olmusereji Dispensary through payment voucher Nos. 6 and 2061 of Kshs.400,000 and Kshs.1,800,000 respectively.

However, no expenditure returns, bills of quantities or drawings for the project were maintained and no procurement documents were produced for audit verification. In addition, ownership documents for the land where the dispensary is constructed were not presented for audit verification, and it was therefore not possible to establish whether the land was public or private.

Physical verification of the project carried out on 16 March 2017 revealed the project was complete but not in use. However, the completion certificate was not presented for

audit to confirm the project was certified as complete by the relevant technical department (Public Works).

In view of these anomalies, the expenditure of Kshs.2,200,000 may go to waste as the facility is not in use due to lack of personnel.

9.0 Irregular Procurement

An expenditure of Kshs.13,400,000 was incurred on procurement of two buses for the Oldeerkesi Primary School and Ngiito Secondary School. However, no procurement documents were presented for audit verification. As a result, it was not possible to confirm whether the buses were procured competitively as required by the Public Procurement and Assets Disposal Act 2015. In addition, no evidence was presented to show the schools had requested funds to procure buses and further, the vehicles were not among the approved projects for the year. In addition, the log book for the Oldeerkesi Primary School bus was not presented for audit during physical verification at the school and it was therefore not possible to confirm ownership of the bus.

In the circumstances, it was not possible to confirm ownership of the bus or whether due procurement procedures were adhered to in procurement of the buses.

10.0 Unexplained Prior-year Adjustments

Included in the statement of financial assets for the period ended 30 June 2016 are prior year adjustments totaling Kshs.2,405,792.92. However, no explanation has been given or supporting schedules provided by management in support of the adjustments. It was therefore not possible to ascertain what the prior year adjustments represent.

11.0 Stale Cheques

Examination of the bank reconciliation statement as at 30 June 2016 disclosed unrepresented cheques of Kshs.4,313,198.95. Out of this amount, cheques worth Kshs.1,220,180.05 drawn in favor of various payees were stale. It was not clear why the cheques were not validated or written-back to the cashbook.

In the circumstances, it was not possible to confirm the accuracy of the reported cash and cash equivalents balance of Kshs.26,828,635.55 reflected in the statement of assets.

12.0 Outstanding Imprest

Included in the statement of assets is an imprests balance of Kshs.2,897,053 outstanding as at 30 June 2016. However, supporting documents for the balance were not presented for audit verification and it has as a result not been possible to confirm the completeness and accuracy of the reported balance. Further, why the imprests had not been accounted for as at 30 June 2016 or action taken against the defaulters as imprest management regulations require.

13.0 Pending bills

Note 14.3 to the financial statements reflects pending bills totaling Kshs.30,609,490.60 as at 30 June 2016 which differ with the supporting schedule balance of Kshs.29,259,490.60 by Kshs.1,350,000. The difference between the two sets of records has not been explained. In addition, supporting documents such as work plans, bills of quantities, invoices, LPOs were presented to support of the pending bills and as a result it has not been possible to ascertain how the pending bills were incurred.

41.0 Budgetary Analysis

The approved budget for Narok West CDF was Kshs.142,538,791 and actual expenditure was Kshs.115,210,155.45 which equates to 81 % absorption rate. However, comparison of the approved budget and the actual expenditure disclosed cases of over and under expenditure as shown below:

	Budgeted Amount (Kshs)	Actual Amount as per Supporting Schedules (Ksh)	Over/Under Expenditure (Kshs)	%
Compensation of Employees	2,800,000.00	1,942,098.35	857,901.65	70%
Use of Goods and Services	4,211,244.30	5,518,887.00	2,894,767.45	131%
Committee Expenses	3,505,622.15	3,210,091.00	3,210,091.00	92%
Transfer to other government entities	91,137,931	51,287,931.00	39,850,000.00	56%
Other grants and Transfers	38,387,205.55	38,839,350.00	-452,144.45	101%
Acquisition of Assets	1,300,000.00	14,200,000.00	-12,900,000	109%
Social Security benefit	800,000.00	111,000.00	111,000.00	14%
Other Payments	500,000.00	100,797.90	399,202.10	20%
Total	142,538,791.00	115,210,155.25.00	27,328,635.75	

The following was noted:

- i) The Narok West Constituency Development Fund incurred an over-expenditure of Kshs.12,900,000 on acquisition of assets, and Kshs.452,144 on other grants and transfers which could be attributed to implementation of unbudgeted projects by the NCDFC.

ii) The constituency incurred an under-expenditure of Kshs.39,850,000 on project implementation in schools and dispensaries. The failure by the committee to absorb the funds denied the constituents much needed services.

iii) Narok West Constituency reported an overall under expenditure of Kshs.27,328,635.75 which resulted from the NCDFC failure to implement all the approved projects.

15.0 Implementation of Non-Budgeted Projects

Examination of expenditure records in respect of various projects disclosed that an expenditure of Kshs.25,837,931 was incurred in funding projects which were not among those approved in the project GFS code list for Narok West CDF (Approved Budget) during the financial year 2015/2016.

No explanation has been given the irregularity.

16.0 Non-implementation of Approved Projects

Examination of the Project GFS code list (Approved Budget) revealed that the following projects had not been implemented as at 30 June 2016, even though they were approved for implementation and no explanation was given for failure to implement them.

Approved Projects not implemented as at 30 June 2016		
Details	Project No.	Amount (Kshs.)
Primary schools project		
Aitong primary school	4-033-182-2630204-104-2015/16-001	450,000.00
Esinoni primary school	4-033-182-2630204-104-2015/16-005	1,500,000.00
Ilmotiok primary school	4-033-182-2630204-104-2015/16-007	850,000.00
Illturusho primary school	4-033-182-2630204-104-2015/16-008	850,000.00
Imonjin primary school	4-033-182-2630204-104-2015/16-009	850,000.00
Kaporet primary school	4-033-182-2630204-104-2015/16-012	850,000.00
Keneti primary school	4-033-182-2630204-104-2015/16-013	850,000.00
Mwanagaza primary school	4-033-182-2630204-104-2015/16-016	2,000,000.00
Naroomuru primary school	4-033-182-2630204-104-2015/16-017	1,500,000.00
Ole Nabaala primary school	4-033-182-2630204-104-2015/16-022	850,000.00
Olepolos primary school	4-033-182-2630204-104-2015/16-023	850,000.00
Olerait primary school	4-033-182-2630204-104-2015/16-024	850,000.00
Olkoroi primary school	4-033-182-2630204-104-2015/16-026	350,000.00
Sigowet primary school	4-033-182-2630204-104-2015/16-033	850,000.00
Nkoilale primary school	4-033-182-2630204-104-2015/16-037	6,700,000.00
Secondary schools projects		
Esoit secondary school	4-033-182-2630205-104-2015/16-001	2,500,000.00

Health projects		
Oranganyenet Dispensary	4-033-182-2630207-105-2015/16-004	1,400,000.00
Water projects:		
Kutete water project	4-033-182-2640504-106-2015/16-001	1,000,000.00
Rongena water project	4-033-182-2640504-106-2015/16-001	1,000,000.00
Total		26,050,000.00

Failure to implement the projects provided in the approved budget implies funds meant for these projects were reallocated irregularly to fund unauthorized projects. Consequently, the constituents of Narok West were denied much needed services by the NCDFC despite funds for their preferred projects having been provided in the approved budget.

17.0 Irregular Allocation of Bursaries

Examination of expenditure records on bursaries disclosed that, a sum of Kshs.32,814,350 was paid out as bursaries to needy students in secondary schools and tertiary institutions. However, the approved budget for the year was Kshs.29,213,516 and therefore the source of additional expenditure of Kshs.3,600,834 above the approved budget could not be established. In addition, the following unsatisfactory matters were noted:

- i) No bursary allocation policy was maintained by the NCDFC and therefore the criteria for the award of the bursaries could not be confirmed.
- ii) No bursary applications register was maintained to show the names of applicants and their identification details, domicile, schools and colleges where admitted.
- iii) No bursary application forms and notices were presented for audit verification and it was therefore not possible to ascertain how the beneficiaries of the bursaries were identified.

In the circumstance, it was not possible to ascertain whether the bursaries were awarded to needy and bright students as expected.

18.0 Irregular Expenditure

Ngosvani Primary School was allocated Kshs.2,500,000 through cheque number 2701 and 2946 of Kshs.1,100,000 and Kshs.1,400,000 respectively for construction of a dormitory. Examination of the project implementation status report revealed that the project was not completed even though it was put to use. However, no expenditure returns were presented for audit verification and further, the NCDFC did not maintain a project file as required.

Physical verification of the project carried out on 22 March 2017 revealed the following:

- i) Painting, plastering of walls and constitution of the floor had not been done but the contractor was not on site.
- ii) According to the school deputy head teacher, the dormitory was constructed in the year 2014 but the contractor abandoned the site without completing the works.

In the circumstances, the propriety of the expenditure of Kshs.2,500,000 cannot be confirmed.

19.0 Unvouchered Expenditure

Payment vouchers in support of an expenditure of Kshs.7,700,000 incurred in respect of implementing various projects as shown below were not presented for audit examination and it was therefore not possible to confirm the propriety of the expenditure:

Item/Project	Cheque No.	Amount (Kshs)
Emergency projects		
Talek High School	4573	220,000
Vecjan Contractors	2691	1,700,000
Primary Schools project		
Olkoroi primary school	2696	1,500,000
Oldisare Primary School	2699	850,000
Enkorika primary school	2700	1,000,000
Emurua Dikirr primary school	2698	850,000
Olenkuya primary school	2808	850,000
Renovation of CDF office and fencing at Lemek.	4463	800,000
Total		7,770,000

In the absence of supporting documents, it has not been possible to confirm if the expenditure was a proper charge to public funds.

20.0 Mis-Posting of Payments

Payment transactions totaling to Kshs.16,000,797.90 were wrongly classified under transfer to other government units, acquisition of non-financial assets and other payments resulting to misrepresentation of facts in the statement of receipts and payments as shown below:

Item/Component	Cheque No.	Correct classification	Misclassified transactions Amount (Kshs)
Transfer to secondary schools			
Sekenani primary school	4521	Transfer to primary school	2,500,000.00
Acquisition of Non-financial			

Asset			
Olderkesi primary school – CDF Bus project	3204	Transfer to primary schools	6,700,000.00
Ngiito (Nkiito) secondary school – CDF Bus project	3203	Transfer to secondary schools	6,700,000.00
Other payments: (payments for Pay As You Earn)		Compensation of Employees	100,797.90
Total			16,000,797.90

In the circumstances, the accuracy and completeness and consequent true and fair view of the statement of receipts and payments for the year ended 30 June 2016 cannot be confirmed.

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 and appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

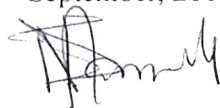
Nairobi

17 November 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

I. STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2015-2016	2014-2015
		KShs	KShs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	116,354,072.00	108,348,624.00
Proceeds from Sale of Assets	2	0	-
Other Receipts	3	0	-
TOTAL RECEIPTS		<u>116,354,072.00</u>	<u>108,348,624.00</u>
PAYMENTS			
Compensation of employees	4	1,942,098.35	2,000,000.00
Use of goods and services	5	5,518,887.00	2,551,939.00
Committee Expenses	6	3,210,091.20	2,120,000.00
Transfers to Other Government Units	7	51,287,931.00	45,750,000.00
Other grants and transfers	8	38,839,350.00	27,337,919.00
Social Security Benefits	9	111,000.00	30,000.00
Acquisition of Assets	10	14,200,000.00	7,707,000.00
Other Payments	11	100,797.90	-
TOTAL PAYMENTS		<u>115,210,155.45</u>	<u>87,496,858.00</u>
SURPLUS/DEFICIT		1,143,916.55	20,851,766.00

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, 2016 and signed by:



DANIEL TAPANEI
CDFC CHAIRMAN



IREGI RASHID
FUND ACCOUNT MANAGER

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 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, 2016**. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *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, 2016**, 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 _____ 2016.

Principal Secretary

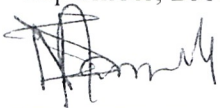
Principal Accounts Controller

IV. STATEMENT OF RECEIPTS AND PAYMENTS

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 KShs	2014-2015 KShs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	116,354,072.00	108,348,624.00
Proceeds from Sale of Assets	2	0	-
Other Receipts	3	0	-
TOTAL RECEIPTS		116,354,072.00	108,348,624.00
PAYMENTS			
Compensation of employees	4	1,942,098.35	2,000,000.00
Use of goods and services	5	5,518,887.00	2,551,939.00
Committee Expenses	6	3,210,091.20	2,120,000.00
Transfers to Other Government Units	7	51,287,931.00	45,750,000.00
Other grants and transfers	8	38,839,350.00	27,337,919.00
Social Security Benefits	9	111,000.00	30,000.00
Acquisition of Assets	10	14,200,000.00	7,707,000.00
Other Payments	11	100,797.90	-
TOTAL PAYMENTS		115,210,155.45	87,496,858.00
SURPLUS/DEFICIT		1,143,916.55	20,851,766.00

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, 2016 and signed by:



DANIEL TAPANEI
 CDFC CHAIRMAN



IREGI RASHID
 FUND ACCOUNT MANAGER

V. STATEMENT OF ASSETS

NAROK WEST NG - CDF COMMITTEE

V. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	26,828,635.55	25,684,719.08
Cash Balances (cash at hand)	12B		
Total Cash And Cash Equivalents		<u>26,828,635.55</u>	<u>25,684,719.08</u>
Accounts Receivables - Outstanding Imprest	12C	2,897,053.00	491,260.00
TOTAL FINANCIAL ASSETS		<u>29,725,688.55</u>	<u>26,175,979.08</u>

REPRESENTED BY

Fund balance b/fwd 1st July, 2015		26,175,979.08	9,941,127.19
Surplus/Deficit for the year		1,143,916.55	20,851,766.00
Prior year adjustments	14	2,405,792.92	-
NET FINANCIAL POSITION		<u>29,725,688.55</u>	<u>30,792,893.19</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Narok West CDF Amended Financial Statements were approved on 30th June, 2016 and signed by:



DANIEL TAPANEI
CDFC CHAIRMAN



IREGI RASHID
FUND ACCOUNT MANAGER

VI. STATEMENT OF CASHFLOW

NAROK WEST NG - COMMITTEE

STATEMENT OF CASH FLOW

		2015 - 2016	2014 - 2015
Receipts for operating income			
Transfers from CDF Board	1	116,354,072.00	108,348,624.00
Other Receipts	3	-	-
Total Receipts		<u>116,354,072.00</u>	<u>108,348,624.00</u>
Payments for operating expenses			
Compensation of Employees	4	1,942,098.35	2,000,000.00
Use of goods and services	5	5,518,887.00	2,551,939.00
Committee Expenses	6	3,210,091.20	2,120,000.00
Transfers to Other Government Units	7	51,287,931.00	45,750,000.00
Other grants and transfers	8	38,839,350.00	27,337,919.00
Social Security Benefits	9	111,000.00	30,000.00
Other Payments	11	100,797.90	-
Total Payments		<u>101,010,155.45</u>	<u>79,789,858.00</u>
Adjusted for:			
Adjustments during the year		2,897,053.00 -	28,558,766.00
Net cash flow from operating activities		<u><u>18,240,969.55</u></u>	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	14,200,000.00	7,707,000.00
Net cash flows from Investing Activities	-	<u>14,200,000.00 -</u>	<u>7,707,000.00</u>
NET INCREASE IN CASH AND CASH EQUIVALENT			
		4,040,969.55 -	7,707,000.00
Cash and cash equivalent at BEGINNING of the year	13	25,684,719.08	5,410,727.19
Cash and cash equivalent at END of the year	13	29,725,688.63	25,684,719.08

VII. SUMMARY STATEMENT OF APPROPRIATION

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	116,854,072.00	25,684,719.08	142,538,791.08	142,038,791.08	500,000.00	99.65
Proceeds from Sale of Assets	0	0	0	-	-	
Other Receipts	0	0	0	-	-	
Total Receipts	116,854,072.00	25,684,719.08	142,538,791.08	142,038,791.08	500,000.00	99.65
PAYMENTS						
Compensation of Employees	2,800,000.00	0	2,800,000.00	2053098.35	(24,028,635.55)	958%
Use of goods and services	7,716,866.45	696788	8,413,654.45	8,728,978.20	(315,323.75)	104%
Transfers to Other Government Units	67,100,000.00	24037931	91,137,931.00	51,287,931.00	39,850,000.00	56%
Other grants and transfers	37,437,205.55	950000	38,387,205.55	38,839,350.00	(452,144.45)	101%
Acquisition of Assets	1,300,000.00	0	1,300,000.00	14,200,000.00	(12,900,000.00)	1092%
Other Payments	500,000.00	0	500,000.00	100,797.90	399,202.10	20%
TOTALS	116,854,072.00	25,684,719.00	142,538,791.00	115,210,155.45	27,328,635.55	

The Narok West CDF financial statements were approved on 10th September 2016 and signed by:



DANIEL TAPANEI
CDFC CHAIRMAN

IREGI RASHID
FUND ACCOUNT MANAGER

VIII. TRIAL BALANCE

TRIAL BALANCE AS AT 30TH JUNE 2016				
		Note	DR	CR
Cash and Cash equivalents				
	Bank Balances	12A	26,828,635.55	
	Cash Balances	12B		
	Outstanding Imprest	12C	2,897,053.00	
Payments				
	Compensation of Employees	4	1,942,098.35	
	Use of goods and services	5	5,518,887.00	
	Committee Expenses	6	3,210,091.20	
	Transfers to Other Government Units	7	51,287,931.00	
	Other grants and transfers	8	38,839,350.00	
	Social Security Benefits	9	111,000.00	
	Acquisition of Assets	10	14,200,000.00	
	Other Payments	11	100,797.90	
Receipts				
	Transfers from the Board	1		116,354,072.00
	Proceeds from sale of assets	2		-
	Others receipts	3		-
Fund Balance b/f				26,175,979.08
TOTAL			144,935,844	142,530,051

IX. 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.

e) Pending bills

CONSTITUENCIES DEVELOPMENT FUND - NAROK WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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.

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, 2016.

X. NOTES TO THE FINANCIAL STATEMENTS

CONSTITUENCIES DEVELOPMENT FUND - NAROK WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

1

TRANSFERS FROM OTHER GOVERNMENT AGENCIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal Allocation	AIE No. A796294	10,000,000.00	7,300,000.00
	AIE No. A796349	10,000,000.00	20,262,156.00
	AIE No. A820631	10,000,000.00	14,537,293.60
	AIE No. A820768	28,000,000.00	13,024,862.00
	AIE No. A825605	29,000,000.00	27,562,156.00
	AIE No. A825766	29,354,072.00	25,662,156.40
TOTAL		116,354,072.00	108,348,624.00

2

PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts from the Sale of Buildings	0	-
Receipts from the Sale of Vehicles and Transport Equipment	0	-
Receipts from the Sale of office and general equipment	0	-
Receipts from the Sale Plant Machinery and Equipment	0	-
Total	-	-

3

OTHER RECEIPTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	0	-
Rents	0	-
Sale of tender documents	0	-
Other Receipts Not Classified Elsewhere (specify)	0	-
Total	-	-

4

COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs

CONSTITUENCIES DEVELOPMENT FUND - NAROK WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

5

USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services		1,734,626.00
Office rent		-
Communication, supplies and services	540,000.00	-
Domestic travel and subsistence	340,000.00	-
Printing, advertising and information supplies & services	967,500.00	-
Rentals of produced assets		-
Training expenses	1,500,000.00	817,313.00
Hospitality supplies and services	148,655.00	-
Insurance costs		-
Specialised materials and services	200052	-
Office and general supplies and services		-
Fuel ,oil & lubricants	1,100,000.00	-
Other operating expenses	722,680.00	-
Routine maintenance – vehicles and other transport equipment		-
Routine maintenance – other assets		-
Total	5,518,887.00	2,551,939.00

6

COMMITTEE EXPENSES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Other committee expenses	1,500,000.00	2,120,000.00
Committee allowance	1,710,091.20	-
TOTAL	3,210,091.20	2,120,000.00

7

TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to Primary Schools	32,737,931.00	31,600,000.00

CONSTITUENCIES DEVELOPMENT FUND - NAROK WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

8

OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary		11,000,000.00
Bursary -Tertiary	32,814,350.00	8,000,000.00
Bursary-Special schools		300,000.00
Mocks & CAT	-	1,180,287.00
Water	688,000.00	-
Agriculture (food security)	950,000.00	-
Electricity Projects		-
Security	600,000.00	-
Roads	-	-
Sports	-	657,500.00
Environment	-	450,000.00
Emergency Projects (specify)	3,787,000.00	5,750,132.00
Total	38,839,350.00	27,337,919.00

9

SOCIAL SECURITY BENEFITS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Employer contribution to NSSF	45,600.00	30,000.00
Employer contribution to NHIF	65,400.00	
Total	111,000.00	30,000.00

10

ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	0	-
Construction of Buildings	0	-
Refurbishment of Buildings	800,000.00	-
Purchase of Vehicles	13,400,000.00	6,457,000.00
Purchase of Bicycles & Motorcycles	0	-
Overhaul of Vehicles	0	-

CONSTITUENCIES DEVELOPMENT FUND - NAROK WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

11

OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
PAYE	100,797.90	-
specify		-
specify		-
TOTAL	100,797.90	-

12A: Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs (1/7/2016)	2014 - 2015 Kshs (30/6/2015)
Equity Bank Narok Branch Acc No.0360261652718	26,828,635.55	25,684,719.08
		-
		-
Total	26,828,635.55	25,684,719.08

[Provide short appropriate explanations as necessary]

12B: CASH IN HAND)

	2015 - 2016	2014 - 2015 Kshs (30/6/2015)
Location 1		-
Location 2		-
Location 3		-
Other receipts (specify)		-
Total	-	-

[Provide cash count certificates for each]

12C: Outstanding Imprests

Description	2015 - 2016 Kshs (30/6/2016)	2014 - 2015 Kshs
-------------	---------------------------------	---------------------

CONSTITUENCIES DEVELOPMENT FUND - NAROK WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

13

PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts		
Cash in hand		-
Imprest		-
		-
Total	-	-

14

OTHER IMPORTANT DISCLOSURES

14.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings		-
Construction of civil works		-
Supply of goods		-
Supply of services		-
TOTAL	-	-

14.2: PENDING STAFF PAYABLES (See Annex 2)

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Senior management		-
Middle management		-
Unionisable employees		-
Others (<i>specify</i>)		-
		-
TOTAL	-	-

14.3: OTHER PENDING PAYABLES (See Annex 3)

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Amounts due to other Government entities (see attached list)		-
Amounts due to other grants and other transfers (see attached list)	30,609,490.60	-
Others (<i>specify</i>)		-

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2015/16	2014/15
Land	N/A	N/A
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		-
Total		