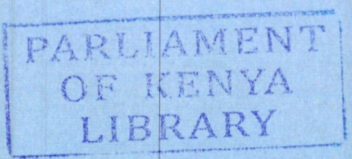


REPUBLIC OF KENYA



*Paper laid by Lom
Wednesday 2/10/17
Morning sitting
A/S*

OFFICE OF THE AUDITOR-GENERAL



REPORT

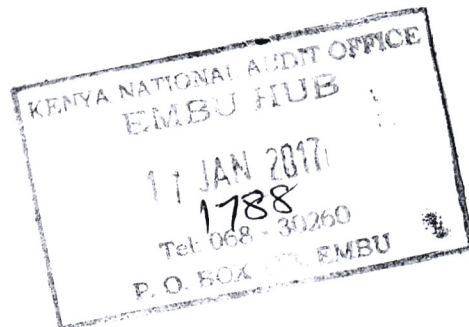
OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**

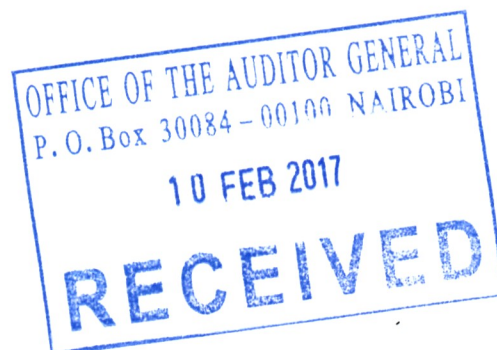


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
NORTH HOKUR CONSTITUENCY**

ANNUAL 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)**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –NORTH HORN
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH HORA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG CDF) was set up under the NG CDF Act, 2003 now repealed by the NG CDF Act, 2013. The National Government 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 National Government Constituencies Development Fund. The objective of the fund is to ensure specific portion of the national annual budget is devoted to the constituencies for the purposes of infrastructural development, wealth creation and fights against poverty in the constituencies.

(b) Key Management

The North Horr Constituency's 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)

(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	Mamo E Michael
3.	Accountant	Simon Karanja

(d) Fiduciary Oversight Arrangements

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

Dr. Ibrae Umuro	Chairman NG CDFC
Denge Bonaya	Secretary NG CDFC
Hoko Funacha	Member
Isacko Kushi Roba	Member
Shuke Adano	Member
Talaso Abduba	Member
Ali Adano	Member
Marie Ode	Member
Mamo Michael	Fund Accounts Manager
North Horr Sub-County Commissioner (National Gov't Rep)	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH HERR
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016

(e) Entity Headquarters

Provide box and physical address of the constituency NG CDF office

P.O. Box 162- 60500
MARSABIT-KENYA

(f) Entity Contacts

Provide telephone number and email of the constituency NG CDF Office

Telephone: (254) 712317136
E-mail: mmamo@cdf.go.ke or cdfnorthherr@cdf.go.ke
Website:

(g) Entity Bankers

Constituency NG CDF Main Banker
Bank: Kenya Commercial Bank
Branch: Marsabit
A/c No: 1102641855

(h) Independent Auditors

Office of the auditor general
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH HERR
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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

North Horr Constituency is one of the largest Constituency in Kenya located at Marsabit County with a population of 75,198 as per 1999 census, Estimated number of poor people 58, 581, constituency poverty Headcount 77.90, contribution to national poverty 0.33% and total allocation of Kshs **115,454,708** in the financial year 2015/2016 which was received except Kshs 500,000 meant for annual audit fee which was resubmitted as a new project thus awaiting approval of the Board.

Since inception NG CDF North Horr have started and fully funded six new secondary schools, with all infrastructural developments, it has also started various new dispensaries and health centres that are distributed across the constituency.

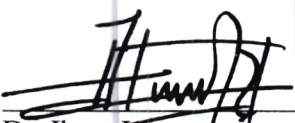
NG CDF North Horr owns four land cruisers GKA 925T station at North Horr ward, GKA 087V station at Turbi/Bubisa ward, GKA 088V station at Dukana ward and GKB 957G for office use as the rest of the vehicles are station on the border towns to help the community.

NG CDF North Horr have assisted needy students to attain education through bursary, in the financial year 2014/2015 and 2015/2016 NG CDF North Horr paid all the first term fees to the needy students joining form one in the month of February to motivate the parents to take their kids to school as there was persistent drought also NG CDF North Horr bursary committee gave special consideration to students joining Teaching and Medical Training Colleges so as to enable the constituency get professionals in above field where many have abandon.

The major implementation challenge is the vastness of the constituency thus making project cost high and also monitoring and evaluation vote not enough to cater for the expenses.

Also the Administration and Recurrent votes are not enough due to high fuel consumption by the vehicles and the maintenance cost.

In future the formulae dividing the constituency allocation should be review to consider the geographical coverage so as to enable vast constituencies get enough resources for efficient and effective implementation of projects.



Dr. Ibrae Umuro
Chairman - NG CDFC

CDFC CHAIRMAN
CDF NORTH HERR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH HORN
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

III. STATEMENT OF NG 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 NG CDF shall prepare financial statements in respect of that NG 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 North Horn NG CDF is responsible for the preparation and presentation of the NG CDF's financial statements, which give a true and fair view of the state of affairs of the NG CDF for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 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 North Horn NG CDF accepts responsibility for the 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 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, 2015, and of the NG CDF's financial position as at that date. The Accounting Officer charge of the North Horn NG CDF 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 North Horn NG CDF 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.

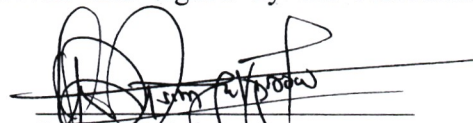
Approval of the financial statements

The NG CDF's financial statements were approved and signed by the Accounting Officer on

11/9/2016.



Dr. Ibrae Umuro
Chairman - NG CDFC



Mamo E. Michael
Fund Account Manager

JFC CHAIRMAN
OF NORTH HORN CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT

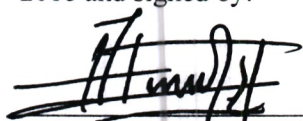
FUND ACCOUNT MANAGER
CDF NORTH HORN CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH HERR
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016

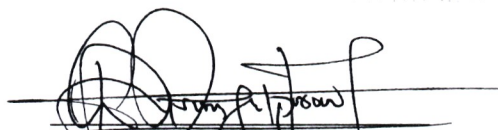
VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
RECEIPTS			
Transfers from NG CDF board-AIEs' Received	1	114,954,708	146,855,882
TOTAL RECEIPTS		114,954,708	146,855,882
PAYMENTS			
Compensation of employees	2	2,496,400	1,718,000
Use of goods and services	3	7,315,926	7,279,067
Transfers to Other Government Units	4	94,281,409	51,369,257
Other grants and transfers	5	38,621,398	28,107,985
Acquisition of Assets	6	97,862	7,881,000
Other Payments	7	-	176,315
TOTAL PAYMENTS		142,812,995	96,531,624
SURPLUS/DEFICIT		(27,858,287)	50,324,258

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The **NORTH HERR** NG CDF financial statements were approved on 11/9/2016 and signed by:



Dr. Ibrae Umuro
Chairman - NG CDFC



Mamo E. Michael
Fund Account Manager

CDFC CHAIRMAN
CDF NORTH HERR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT

FUND ACCOUNT MANAGER
CDF NORTH HERR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NORTH HERR 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 –North Horr Constituency set out on pages 5 to 14, which comprise statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. The audit was conducted in accordance with 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

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

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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.

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

Basis for Qualified Opinion

1.0 Disclosure and Presentation of Financial Statements

The International Public Sector Accounting Standards Cash Basis reporting template prescribed by the National Treasury requires that a report on follow-up of auditor recommendations form part of the financial statements. However, although the Fund received a qualified opinion in 2014/2015, the report showing actions taken on the issues raised in the audit report has not been included in the financial statements for the year under review.

In the circumstance, the financial statements do not comply with IPSAS (Cash Basis) financial reporting presentation format prescribed by the Public Sector Accounting Standards Board.

2.0 Cash-and-Cash Equivalents

The Fund's financial statements reflect cash-and-cash-equivalents balance of Kshs.28,780,206 as at 30 June 2016 compared to Kshs.56,638,494 as at 30 June 2015. However, the bank reconciliation statements as at 30 June 2016 reflected unrepresented cheques totaling Kshs.523,951 which included stale cheques of Kshs.248,000. Further, bank charges totalling to Kshs.36,521 were not made available for audit and were not entered in the Cashbook.

In the circumstances, the accuracy of the cash-and-cash-equivalents balance of Kshs.28,780,206 as at 30 June 2016 cannot be confirmed.

3.0 Non-Response to Management Letter and Draft Report

The management letter and draft report for this audit were issued for management comments on 16 December 2016 and 18 January 2017 respectively. However, management did not respond to the issues raised therein. No reason has been provided for this anomaly.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the

financial position of National Government Constituencies Development Fund-North Horr Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1.0 Budgetary Control and Performance

During the year under review, National Government Constituency Development Fund-North Horr Constituency approved budget amounted to Kshs.115,454,708. The Fund received Kshs.172,093,202 out of which a balance Kshs.115,454,708 was in respect of the year under review and the Kshs.56,638,494 comprised allocations brought forward from the previous year. However, only Kshs.142,812,995 was utilized thus leaving a balance of Kshs.29,280,207 unspent as shown below:

Item	Original Budget (Kshs)	Adjustment (Bal. Brought Forward) (Kshs.)	Final Budget (Kshs)	Actual (Kshs)	Variance (Kshs)	Absorption
Compensation of Employee	2,471,200	383,921	2,855,121	2,496,400	358,721	87%
Use of Goods and services	7,821,862	2,712,373	10,534,235	7,315,926	3,218,309	69%
Transfer to Other Government Unit	63,314,272	38,289,320	101,603,592	94,281,409	7,322,183	93%
Acquisition of Assets	97,862	-	97,862	97,862	-	100%
Other Grants and Transfers	41,749,512	15,252,880	57,002,392	38,621,398	18,380,994	68%
Total	115,454,708	56,638,494	172,093,202	142,812,995	29,280,207	83%

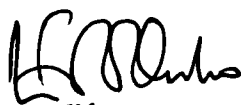
In the circumstances, the Fund did not deliver to the residents of North Horr Constituency planned and funded services equivalent to the unspent receipts amounting to Kshs.29,280,207 during the year under review.

2.0 Project Management and Implementation

During the year under review, National Government Constituencies Development Fund - North Horr Constituency allocated Kshs.104, 563,884 to projects due for implementation in various sectors including primary schools, secondary schools, sports, security, and emergency. The project implementation status report indicated that thirty one (31) projects allocated to Kshs.102,254,790 had been completed while 5 (five) projects allocated Kshs.13,009,094 were ongoing as at 30 June 2016 as indicated below:

Sector	Project status	Amount allocated (Kshs.)	Amount Disbursed (Kshs.)	No of Projects
Education	Completed	84,787,043	84,787,043	29
	On going	10,700,000.00	10,700,000	4
	Sub Total	95,487,143	95,487,143	33
Security	Complete	1,000,000.00	1,000,000	1
	Sub Total	1,000,000.00	1,000,000	1
Emergency	Complete	5,767,647	5,767,647	1
Sport	On going	2,309,094	2,309,094	1
	Grand Total	104,564,884	104,564,884	36

In view of the foregoing, the Fund did not implement the projects funded in the budget for the year under review and thus the residents of North Horr Constituency did not receive services expected from projects allocated Kshs.13,009,094 were not completed.



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

Nairobi

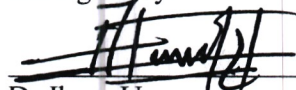
21 August 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH HERR
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016

V. STATEMENT OF FINANCIAL ASSETS

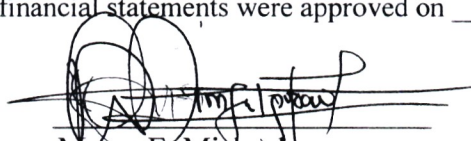
	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9	28,780,206	56,638,494
TOTAL FINANCIAL ASSETS		28,780,206	56,638,494
REPRESENTED BY			
Fund balance b/fwd 1st July...	10	56,638,494	6,314,235
Surplus/Deficit for the year		(27,858,287)	50,324,258
NET LIABILITIES		28,780,207	56,638,493

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NORTH HERR NG CDF financial statements were approved on 1/9/ 2016 and signed by:



Dr. Ibrae Umuro
Chairman - NG CDFC

CDFC CHAIRMAN
CDF NORTH HERR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT



Mamo E. Michael
Fund Account Manager

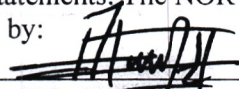
FUND ACCOUNT MANAGER
CDF NORTH HERR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT

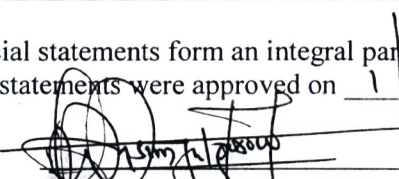
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NORTH HERR
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

		2015 - 2016	2014 - 2015
Receipts for operating income			
Transfers from NG CDF Board	1	114,954,708	146,855,882
		114,954,708	146,855,882
Payments for operating expenses			
Compensation of Employees	2	2,496,400	1,718,000
Use of goods and services	3	7,413,788	7,279,067
Transfers to Other Government Units	4	94,281,409	51,369,257
Other grants and transfers	5	38,621,398	28,107,985
Other Payments	7	-	176,315
		142,812,995	88,650,624
Net cash flow from operating activities		(27,858,287)	(88,650,624)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(97,862)	(7,881,000)
Net cash flows from Investing Activities		(97,862)	(7,881,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(27,858,287)	(96,531,624)
Cash and cash equivalent at BEGINNING of the year	10	56,638,494	2,249,636
Cash and cash equivalent at END of the year		28,780,207	56,638,494

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NORTH HERR NG CDF financial statements were approved on 11/9/2016 and signed by:


 Chairman NG CDFC


 Fund Account Manager

CDFC CHAIRMAN
CDF NORTH HERR CONSTITUENCY
 P. O. Box 162 - 60500
 MARSABIT

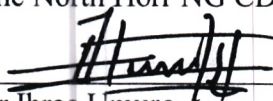
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CDF NORTH HERR CONSTITUENCY
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 MARSABIT

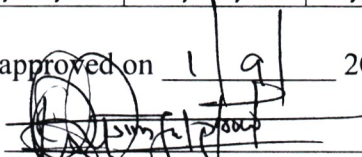
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
HORR CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

**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 %
RECEIPTS						
Transfers from CDF Board	115,454,708	56,638,494	172,093,202	171,593,202	500,000	99.7%
TOTAL	115,454,708	56,638,494	172,093,202	171,593,202	500,000	99.7%
PAYMENTS						
Compensation of Employees	2,471,200	383,921	2,855,121	2,496,400	358,721	87.4%
Use of goods and services	7,821,862	2,712,373	10,534,235	7,315,926	3,218,309	69.4%
Transfers to Other Government Units	63,314,272	38,289,320	101,603,592	94,281,409	7,322,183	92.8%
Acquisition of Assets	97,862	-	97,862	97,862	-	100.0%
Other grants and transfers	41,749,512	15,252,880	57,002,392	38,621,398	18,380,994	67.8%
TOTAL	115,454,708	56,638,494	172,093,202	142,812,995	29,280,206	83.0%

The North Horr NG CDF financial statements were approved on 19 2016 and signed by:


 Dr. Ibrae Umuro
 Chairman - NG CDFC


 Mammo E. Michael
 Fund Account Manager

**CDFC CHAIRMAN
CDF NORTH HORR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT**

**FUND ACCOUNT MANAGER
CDF NORTH HORR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
HORR CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NG CDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NG CDF.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the NG CDF in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the NG CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial 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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SIGNIFICANT ACCOUNTING POLICIES

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the NG CDF at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG CDF’s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NG CDF’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM NG CDF BOARD

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal Allocation			
FY 2015/2016	A.I.E No. 724142	10,000,000.00	37,917,483
FY 2015/2016	A.I.E No. 796352	10,000,000.00	27,234,600
FY 2015/2016	A.I.E No. 796494	20,000,000.00	14,340,760
FY 2015/2016	A.I.E No. 820633	10,000,000.00	12,893,840
FY 2015/2016	A.I.E No. 825663	64,954,708.00	27,234,600
			27,234,599
TOTALS		114,954,708	146,855,882

2. COMPENSATION OF EMPLOYEES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	2,446,000	1,718,000
Employer contribution to NSSF	50,400	-
Total	2,496,400	1,718,000

3. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	95,426	
Office rent	350,000	350,000.00
Training expenses	1,720,000	
Other committee expenses	855,000	1,260,000
Committee allowance	1,598,500	2,554,000
Office and general supplies and services	2,197,000	88,000
Fuel ,oil & lubricants		1,870,817
Routine maintenance – vehicles and other transport equipment	500,000	1,156,250.00
Total	7,315,926	7,279,067

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
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4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	55,502,087	25,444,483
Transfers to secondary schools	38,779,322	14,244,674
Transfers to Tertiary institutions	-	
Transfers to Health institutions	-	11,680,100
TOTAL	94,281,409	51,369,257

6. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	12,038,809	15,488,369
Bursary -Tertiary	11,411,000	990,297
Mocks & CAT	1,396,320	1,721,307
Security	1,149,000	
Sports	2,237,298	2,427,000
Other capital grants and transfer	3,718,164	1,710,620
Emergency Projects (specify)	6,670,807	5,770,392
Total	38,621,398	28,107,985

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH
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8. ACQUISITION OF ASSETS

Description	2015- 2016	2014 - 2015
	Kshs	Kshs
Purchase of computers ,printers and other IT equipments	97,862	0
Purchase of Vehicles	0	7,881,000
Total	97,862	7,881,000

7. OTHER PAYMENTS

Description	2015- 2016	2014 – 2015
	Kshs	Kshs
Bank Charges	0	176,315
Total	0	176,315

9: Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2015 - 2016	2014 - 2015
		Kshs (30/6/2016)	Kshs (30/6/2015)
Kenya Commercial Bank-Marsabit Branch	1102641855	28,780,206	56,638,494
Total		28,780,206	56,638,494

10. BALANCES BROUGHT FORWARD

Description	2015 - 2016	2014 - 2015
	Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts	56,638,494	2,249,636
Total	56,638,494	2,249,636

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/2016	Historical Cost (Kshs) 2014/2015
Motor Vehicle(4 Land Cruisers)	19,388,800	19,281,000
Office equipment, furniture and fittings	97,862	107,800
Total	19,486,662	19,388,800

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NORTH HERR CONSTITUENCY

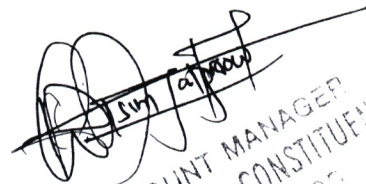
Reports and Financial Statements

For the year ended June 30, 2016

TRIAL BALANCE AS AT 30TH JUNE 2016			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	28,780,206	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	2,496,400	
	Use of goods and services	7,315,926	
	Transfers to Other Government Units	94,281,409	
	Other grants and transfers	38,621,398	
	Acquisition of Assets	97,862	
	Other Payments	-	
Receipts			
	Transfers from the Board		114,954,708
	Proceeds from sale of assets		-
	Others receipts		-
	Prior Year Adjustment		-
	Fund Balance b/f		56,638,494
	TOTAL	171,593,202	171,593,202



**CDFC CHAIRMAN
CDF NORTH HERR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT**



**FUND ACCOUNT MANAGER
CDF NORTH HERR CONSTITUENCY
P. O. Box 162 - 60500
MARSABIT**