

REPUBLIC OF KENYA

PARLIAMENT
OF KENYA
LIBRARY



Paper Laid
By LOMP, Hon Dna W
on 20/2/2018 at the
Table

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



1

2

3

4

5

6

7

8

9

10

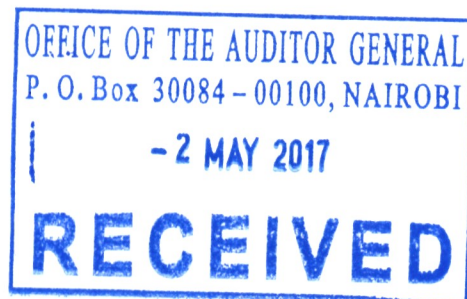


**NATIONAL GOVERNMENT- CONSTITUENCY DEVELOPMENT FUND-
KANGUNDO CONSTITUENCY**

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 – KANGUNDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC).....	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES.....	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
V. STATEMENT OF ASSETS	6
VI. STATEMENT OF CASHFLOW	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	9
IX. NOTES TO THE FINANCIAL STATEMENTS.....	11

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KANGUNDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*.

(b) Key Management

The *Kangundo Constituency's* day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (CDFB)
- ii. Constituency Development Fund Committee (CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Samuel Mutisya B.
3.	Accountant	Cyrus Njau

(d) Fiduciary Oversight Arrangements

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

(e) KANGUNDO CDF Headquarters

P.O. Box 1035
Kangundo,
KENYA

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- KANGUNDO
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

(f) KANGUNDO CDF Contacts

Telephone: (254) – N/A
E-mail: kangundocdf@cdf.go.ke
Website: www.cdf.go.ke

(g) KANGUNDO CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. EQUITY Bank
P.o Box 343- 90131
TALA

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- KANGUNDO
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

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

Kangundo Constituency is one of the eight constituencies of Machakos county. The constituency has a population of 94,367 as per the 2009 national census and covers an approximate area of 177.3KM² . According to KNBS(2013), the projected population by 2015 is 106,398. After the 2013 general elections the larger Kangundo was split into two constituencies; Kangundo and Matungulu.

Kangundo constituency received from the CDF Board Ksh72,102,621 in 2013-14, Ksh103,283,793 in 2014/15 and Ksh 109,415,412 in 2015/16 financial years. Kangundo CDF has concentrated majorly on education, Health, water and security projects. There has been a marked improvement in infrastructure in the sectors with more classrooms, health facilities, provincial administration units established and rehabilitated. On water, a lot of investment has gone towards surveying and geological studies to map out zones where boreholes and dams are viable. Equally, more monies have been allocated for drilling and equipping of boreholes that turn positive.

The implementation of these projects has not been without challenges, the major being inadequate funds against very many competing community needs. Considering the principle of equity and fairness in distribution of resources, it has been a challenge to satisfy all the needs fairly considering the available limited budgets. However, with consultations with relevant stakeholders, we have been able to prioritize the needs and allocate funds fairly across the constituency. Another challenge within Kangundo is land for new or expansion existing projects. The population being relatively dense, has pushed the demand for land high thus also pushing the prices up.

In conclusion, Kangundo CDF with support of relevant stakeholders and guidance from the government ministries and departments has been able to register a lot of success in projects implementation especially on quality of workmanship and meeting community needs and will further continue cooperating with all the stakeholders for the maximum benefit of citizens. Marked improvement has also been witnessed in reporting and accountability of the fund at the constituency level.

**CHAIRMAN CDFC
KANGUNDO CDF**

**NATIONAL GOVERNMENT -CONSTITUENCY DEVELOPMENT FUND- KANGUNDO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government CDF shall prepare financial statements in respect of that CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Kangundo *CDF* is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year (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 Kangundo *CDF* 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 in charge of the Kangundo *CDF* further confirms the completeness of the accounting records maintained for the *CDF*, which have been relied upon in the preparation of the *CDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Kangundo *CDF* 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 30th August, 2016.



CHAIRMAN - CDFC



FUND ACCOUNT MANAGER