



KENYA NATIONAL AUDIT OFFICE

REPORT

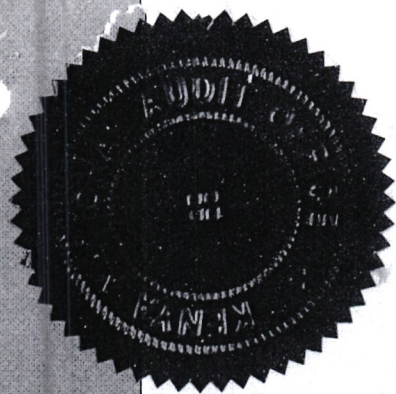
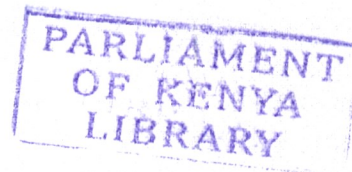
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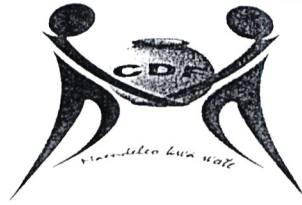
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
MWALA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2014**





MWALA CONSTITUENCY

CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The CDF Act 2013 aligns the Fund with the Constitution of Kenya 2010 and the Public Finance Management Act 2012 that lay emphasis on citizen participation in public finance management and decision making, transparency and accountability together with equity in public resource utilization. The overall management of the Fund is the responsibility of the Constituencies Development Fund Board.

(b) Key Management

The *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 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Peter Ngugi
3.	District Accountant	Njoroge Macharia

(d) Fiduciary Oversight Arrangements

List the CDFC as gazetted

1. ENG. JOSEPH KIAWA -CHAIRMAN
2. FLORENCE AMOIT -DCC
3. DOMINIC MUTISO -MEMBER
4. CATHERINE KYALO -MEMBER
5. DANSON MUANGE -MEMBER
6. DOMITILLA MUOKA -MEMBER
7. MARY NZUKI -MEMBER
8. ATHANAS MBATHA -MEMBER
9. COSMAS WASUA -MEMBER
10. PETER NGUGI -FAM

(e) Entity Headquarters

Provide box and physical address of the constituency CDF office

P.O. Box 858,
CDF OFFICE- Makutano Mwala
Along Machakos-Kitui Road
Machakos, KENYA

(f) Entity Contacts

Provide telephone number and email of the constituency CDF office

Telephone: (254) XXXXXXXX
E-mail: mwala@cdf.go.ke
Website: www.mwalacdf.go.ke

(g) Entity Bankers

Constituency CDF main banker ;

1. Kenya Commercial Bank
Masii branch
A/C no. 1106340353.....
P.O BOX...400-90101
Masii, Machakos

(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

STATEMENT OF ENTITY 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 county 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 the Public Sector Accounting Standards Board of Kenya from time to time.

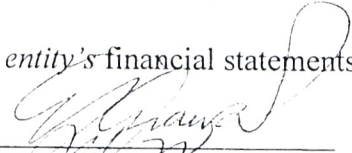
The Fund Account Manager in charge of the *Mwala CDF* is responsible for the preparation and presentation of the *Constituencies* financial statements, which give a true and fair view of the state of affairs of the *Constituency* as at the end of the financial year (period) ended on June 30, 2014. This 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 entity; (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 *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the *Mwala CDF* accepts responsibility for the *entity'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) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the *Mwala CDF* financial statements give a true and fair view of the state of *Constituency's* transactions during the financial year ended June 30, 2014, and of the *Constituency's* financial position as at that date. The Fund Account Manager in charge of the *Mwala CDF* further confirms the completeness of the accounting records maintained for the *Constituency*, which have been relied upon in the preparation of the *Constituency* financial statements as well as the adequacy of the systems of internal financial control.


The Fund Account Manager in charge of the *Mwala* confirms that the entity has complied fully with applicable Government Regulations and that the entity'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 Fund Account Manager confirms that the *Constituency'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 *entity's* financial statements were approved and signed on _____ 2014.



ENG. JOSEPH KIAWA
Chairman - CDFC



PETER NGUGI
Fund Account Manager



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND - MWALA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Mwala Constituency set out on pages 6 to 23, which comprise the statement of financial assets and liabilities as at 30 June 2014, statement of receipts and payments, summary statement of appropriation, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. 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.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 (1) of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. 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 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluation of 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. Cash and Cash Equivalents

The statement of financial assets and liabilities reflects an amount of Kshs.46,617,731 as at 30 June 2014 which differs with the cash book balance of Kshs.49,582,825 by Kshs.2,965,094. No supporting documents were availed for the difference.

Further, examination of the bank reconciliation showed a figure of Kshs.12,918,518 relating to unpresented cheques out of which Kshs.8,424,000 were cheques drawn by the Fund but not issued to beneficiaries and includes stale cheques amounting to Kshs.2,935,134, with some dating as far back as July 2008. No explanation was given as to why these had not been reversed in the cash book.

Consequently, it was not possible to determine the accuracy of the cash and cash equivalents balance of Kshs.46,617,731 as at 30 June 2014.

2. Transfers to Other Government Entities

The statement of receipts and payments reflects an amount of Kshs.43,306,686 under transfers to other Government entities for the year ended 30 June 2014, which includes Kshs.4,000,000 disbursed as 100% to several projects. However, a physical inspection revealed that the projects are at very low stages of completion and no further budgetary provision has been approved to cater for their completion.

Consequently, value for money may not have been achieved and the propriety of these expenditures could not be confirmed.

3. Accuracy of the Financial Statements

The following differences were noted between the balances as per the financial statements and the supporting schedules;

Item	Financial Statements Balances Kshs.	Supporting Schedule Balances Kshs.	Differences Kshs.
Compensation for employees	906,497	886,798	19,699
Committee allowances	3,064,514	3,051,744	12,770
Transfers to Govt' Units	43,306,686	42,988,685	318,001
Other transfers	10,187,500	10,505,500	318,000

Under the circumstances, the accuracy of the financial statements for the year ended 30 June 2014 could not be confirmed.

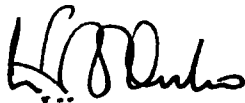
4. Prior Year Adjustments

The statement of financial assets and liabilities reflects an amount of Kshs.17,966,280 under prior year adjustment as at 30 June 2014 which was explained as opening cash balance not brought forward in the statement of receipts and payments hence adjusted. No supporting document was availed to support the balance.

In the circumstances, the authenticity of the figure indicated as prior year adjustment of Kshs.17,966,280 as at 30 June 2014 could not be confirmed.

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 the Fund as at 30 June 2014, and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Constituency Development Fund Act, 2013.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

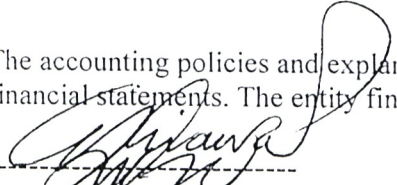
Nairobi

12 May 2015


STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2013-2014 Kshs	2012-2013 Kshs
RECEIPTS			
Tax Receipts	1	92,511,204	xxx
Social Security Contributions	2	Xxx	xxx
Proceeds from Domestic and Foreign Grants	3	Xxx	xxx
Exchequer releases	4	Xxx	xxx
Transfers from Other Government Entities	5	Xxx	xxx
Proceeds from Sale of Assets	8	Xxx	xxx
Reimbursements and Refunds	9	Xxx	xxx
Returns of Equity Holdings	10	Xxx	xxx
Other Receipts	11	Xxx	xxx
TOTAL RECEIPTS		92,511,204	XXX
PAYMENTS			
Compensation to Employees	12	895,697.00	xxx
Use of goods and services	13	53,181.20	xxx
Committee expenses	15	3,064,514.00	xxx
Transfers to Other Government Units	16	43,306,686.00	xxx
Other grants and transfers	17	10,187,500.00	xxx
Social Security Benefits	18	10,800.00	xxx
Acquisition of Assets	19	5,800,000.00	xxx
Other Payments	22	541,373.00	xxx
TOTAL PAYMENTS		63,859,751.20	xxx
SURPLUS/DEFICIT		28,651,452.80	xxx

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2014 and signed by:



 ENG. JOSEPH KIAWA
 Chairman - CDFC



 PETER NGUGI
 Fund Account Manager

STATEMENT OF ASSETS AND LIABILITIES

	Note	2013-2014 Kshs	2012-2013 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	23A	45,558,731.25	xxx
Cash Balances	23B	0	xxx
Cash Equivalents	23C	0	xxx
Outstanding Imprests	23D	1,059,000.00	xxx
TOTAL FINANCIAL ASSETS		<u>46,617,731.25</u>	xxx
REPRESENTED BY			
Fund balance b/fwd		0	xxx
Surplus/Defict for the year		28,651,452.80	xxx
Prior year adjustments		<u>17,966,280.00</u>	xxx
NET FINANCIAL POSSITION		<u>46,617,731.25</u>	xxx

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2014 and signed by:



 ENG. JOSEPH KIAWA
 CDFC CHAIRMAN



 PETER NGUGI
 FUND ACCOUNT MANAGER

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=e/c %
Compensation of Employees						
Use of goods and services						
Committee allowances						
Social Security Benefits						
	6,100,000.00		6,100,000.00	4,024,192.20	2,075,807.80	34%
Transfers to Other Government Units	30,047,225.00		30,047,225.00	28,306,686.00	1,740,539.00	5.8%
Other grants and transfers	40,012,765.00		40,012,765.00	10,187,500.00	39,491,545.00	25.4%
Acquisition of Assets	2,300,000.00		2,300,000.00	2,300,000.00	0	0
Other Payments	850,000.00		850,000.00	541,373.00	308,627.00	
TOTALS	79,309,990		79,309,990	63,859,751.2	43,616,518.8	36.3%

The entity financial statements were approved on _____ 2014 and signed by:

ENG. JOSEPH KIAWA
CDPC CHAIRMAN

PETER NGUGI
FUND ACCOUNT MANAGER

CASHFLOW FROM OPERATING ACTIVITIES

Receipts for operating Activities

Transfers from the CDF Board	1	92,511,204.00	xxx
Other Revenues	3	<u>0</u>	xxx
		92,511,204.00	

Payments for operating expenses

Compensation of Employees	4	895,697	xxx
Use of goods and services	5	53,181.20	xxx
Committee Expenses	6	3,064,514.00	xxx
Transfers to Other Government Units	7	43,306,686.00	xxx
Other grants and transfers	8	10,187,500.00	xxx
Social Security Benefits	9	10,800.00	xxx
Other Expenses	11	541,373.00	xxx
Adjusted for:		58,059,751	
Adjustments during the year		58,059,751	xxx

Net cashflow from operating activities(c=a-b)

34,451,452.80 xxx

CASHFLOW FROM INVESTING ACTIVITIES

Proceeds from Sale of Assets	2	0	xxx
Acquisition of Assets	10	5,800,000.00	xxx
Net cash flows from Investing Activities(d)		(5,800,000.00)	xxx

CASHFLOW FROM FINANCING ACTIVITIES

Net cash flow from financing activities(e)			xxx
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NET INCREASE/ IN CASH AND CASH EQUIVALENT(f=c+d+e)

28,651,453 xxx

Cash and cash equivalent at BEGINNING of the year(g)
Cash and cash equivalent at END of the year(h=f+g)

16

17,966,280.00
46,617,733

XXX
XXX

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 (IPSSAS) 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 *entity* 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 *entity*.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *entity* 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 *entity* 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.

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 *entity* 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. Receivables and payables

These relate to provisioning balances for the GAV and Exchequer accounts as required by the current Government Financial Regulations and Procedures. These provisioning balances do not have an impact on the receipts and payments and therefore do not contravene the principles on the cash based IPSSAS.

7. 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 *entity'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 *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Comparative figures

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

9. 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, 2014.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. TRANSFERS FROM CDF BOARD

Description	2013 - 2014	2012 - 2013
	Kshs	Kshs
Normal Allocation		
1 st AIE	52,856,209.00	0
2 nd AIE	2,000,000.00	0
3 rd AIE	37,654,995.00	0
Conditional grants		
AIE NO...	-	0
AIE NO...	-	
TOTAL	92,511,204	0

PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Receipts from the Sale of Buildings	xxx	xxx
Receipts from the Sale of Vehicles and Transport Equipment	xxx	xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	xxx
Receipts from Sale of Certified Seeds and Breeding Stock	xxx	xxx
Receipts from the Sale of Strategic Reserves Stocks	xxx	xxx
Receipts from the Sale of Inventories, Stocks and Commodities	xxx	xxx
Disposal and Sales of Non-Produced Assets	xxx	xxx
Receipts from the Sale of Strategic Reserves Stocks	xxx	xxx

Total

xxx	xxx
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OTHER REVENUES

	2013 - 2014	2012 - 2013
Interest Received	xxx	xxx
Profits and Dividends	xxx	xxx
Rents	xxx	xxx
Other Property Income	xxx	xxx
Sales of Market Establishments	xxx	xxx
Receipts from Administrative Fees and Charges	xxx	xxx
Receipts from Administrative Fees and Charges - Collected as AIA	xxx	xxx
Receipts from Incidental Sales by Non-Market Establishments	xxx	xxx
Receipts from Sales by Non-Market Establishments	xxx	xxx
Receipts from Sale of Incidental Goods	xxx	xxx
Fines Penalties and Forfeitures	xxx	xxx
Receipts from Voluntary transfers other than grants	xxx	xxx
Other Receipts Not Classified Elsewhere	xxx	xxx

Total

xxx	xxx
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COMPENSATION OF EMPLOYEES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Basic salaries of permanent employees	895,697	xxx
Basic wages of temporary employees	0	xxx
Personal allowances paid as part of salary	0	xxx
Personal allowances paid as reimbursements	0	xxx
Personal allowances provided in kind	0	xxx

Pension and other social security contributions	0	xxx
Compulsory national social security schemes	10,800.00	xxx
Compulsory national health insurance schemes	0	xxx
Social benefit schemes outside government	0	xxx
Other personnel payments	0	xxx
Total	906,497	xxx

NOTES TO THE FINANCIAL STATEMENTS (Continued)

USE OF GOODS AND SERVICES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Utilities, supplies and services	53,181.20	xxx
Communication, supplies and services	0	xxx
Domestic travel and subsistence	0	xxx
Foreign travel and subsistence	0	xxx
Printing, advertising and information supplies & services	0	xxx
Rentals of produced assets	0	xxx
Training expenses	0	xxx
Hospitality supplies and services	0	xxx
Insurance costs	0	xxx
Specialised materials and services	0	xxx
Office and general supplies and services	0	xxx
Other operating expenses	0	xxx
Routine maintenance – vehicles and other transport equipment	0	xxx
Routine maintenance – other assets	0	xxx
Total	53,181.20	xxx

1. COMMITTEE EXPENSES

	Kshs	Kshs
Other committee expenses	-	
Committee allowance	3,064,514.00	xx
	-	xx
	-	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2013 - 2014 Kshs	2012 - 2013 Kshs
Transfers to Central government entities		
See attached list	43,306,686.00	xx
Transfers to Counties (insert name of budget agency)	0	xx
(insert name of budget agency)	0	xx
TOTAL	43,306,686.00	xx

OTHER GRANTS AND OTHER PAYMENTS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Scholarships and other educational benefits	8,506,000.00	xx
Emergency relief and refugee assistance		xx
Subsidies to small businesses, cooperatives, and self employed		xx
Other current transfers, grants		xx
Other capital grants and transfers		xx

Total

8,506,000.00 xx

SOCIAL SECURITY BENEFITS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Government pension and retirement benefits	0	xx
Social security benefits in cash and in kind		xx
Employer Social Benefits in cash and in kind	10,800.00	xx

Total

10,800.00 xx

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ACQUISITION OF ASSETS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
<u>Non Financial Assets</u>		
Purchase of Buildings	XX	XX
Construction of Buildings	XX	XX
Refurbishment of Buildings	XX	XX
Construction of Roads	XX	XX
Construction and Civil Works	XX	XX
Overhaul and Refurbishment of Construction and Civil Works	XX	XX
Purchase of Vehicles and Other Transport Equipment	5,800,000.00	XX
Overhaul of Vehicles and Other Transport Equipment	XX	XX
Purchase of Household Furniture and Institutional Equipment	XX	XX
Purchase of Office Furniture and General Equipment	XX	XX
Purchase of Specialised Plant, Equipment and Machinery	XX	XX
Rehabilitation and Renovation of Plant, Machinery and Equip.	XX	XX
Purchase of Certified Seeds, Breeding Stock and Live Animals	XX	XX
Research, Studies, Project Preparation, Design & Supervision	XX	XX
Rehabilitation of Civil Works	XX	XX
Acquisition of Strategic Stocks and commodities	XX	XX
Acquisition of Land	XX	XX
Acquisition of Intangible Assets	XX	XX
<u>Financial Assets</u>		
Domestic Public Non-Financial Enterprises	XX	XX
Domestic Public Financial Institutions	XX	XX
Foreign financial Institutions operating Abroad	XX	XX
Other Foreign Enterprises	XX	XX
Foreign Payables - From Previous Years	XX	XX
Total	5,800,000.00	XX

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23A Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Exc rate	2013 - 2014	2012 - 2013
			Kshs	Kshs
KCB-Masii, a/c no. 1106340353, kshs	KSHS	N/A	59,679,590.20	xxx
Name of Bank, Account No. & currency	xxx	xxx	xxx	xxx
Name of Bank, Account No. & currency	xxx	xxx	xxx	xxx
Total			<u>59,679,590.20</u>	<u>xxx</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23B CASH IN HAND

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (Specify)	xxx	xxx
Total	<u>xxx</u>	<u>xxx</u>

[Provide cash count certificates for each]

23C Cash equivalents (short-term deposits)

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2013 - 2014	2012 - 2013
<i>Describe the nature of deposit</i>	xxx	xxx	Kshs xxx	Kshs xxx
<i>Describe the nature of deposit</i>	xxx	xxx	xxx	xxx
<i>Describe the nature of deposit</i>	xxx	xxx	xxx	xxx
<i>Describe the nature of deposit</i>	xxx	xxx	xxx	xxx
Total			xxx	xxx

23D OUTSTANDING IMPRESTS

Name of Officer or Institution	Amount Taken	Amount Surrendered	Balance
	Kshs	Kshs	Kshs
Dominic Mutiso	541,000.00	xxx	541,000.00
Joseph Kiawa	166,000.00	xxx	166,000.00
Peter Ngugi	162,000.00	xxx	162,000.00
John Ndutu Matheka	170,000.00	xxx	170,000.00
Total			<u>1,039,000.00</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 BALANCES BROUGHT FORWARD

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts as at 30 th June, 2014	45,558,731.25	-
Cash in hand	xxx	-
Cash equivalents (short-term deposits)	1,059,000	-
Imprest	-	-
Receivables (from the CDF Board)	39,654,995.00	-
Payables	xxx	-
Total	86,272,726.20	-

[Provide short appropriate explanations as necessary]

18.3 PAYABLES

Kshs	Kshs
xxx	xxx
xxx	xxx
xxx	xxx
xxx	xxx
xxx	xxx
xxx	xxx
xxx	xxx
xxx	xxx

18.4 FUNDS DUE TO PROJECTS

18.5 DISBURSEMENTS FROM THE BOARD

A/E NO.	AMOUNT	FINANCIAL YEAR



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

**CONSTITUENCIES DEVELOPMENT FUND
KANGUNDO CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2014**



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND - KANGUNDO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kangundo Constituency set out on pages 4 to 19, which comprise the statement of financial assets and liabilities as at 30 June 2014, statement of receipts and payments, 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 8 of the Public Audit Act, 2003. 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 the International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9(1) of the Public Audit Act, 2003. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view 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 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluation of 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 the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Cash and Cash Equivalentents

The statement of financial assets and liabilities reflects a balance of Kshs.8,915,198.40 under cash and cash equivalentents. However, this balance does not include cash in hand amounting to Kshs.535,258. Further, note 12 to the financial statements discloses an amount of Kshs.12,312,517, which has not been explained or reconciled.

Consequently, the cash and cash equivalentents figure disclosed in the financial statements is misstated to the extent of the omissions.

2. Stalled Projects

The statement of receipts and payments also reflects transfers to other government units amounting to Kshs.58,145,639, which includes an amount of Kshs.13,400,000 incurred on projects that have stalled as detailed below:

	Project Name	Sub-Project	Location	Disbursement Kshs.	Cumulative Achievement
1.	Kangundo Technical Institute	Construction of 5 classrooms and 2 dormitories	Katheini	6,000,000	30%
2.	Muisuni Mixed Secondary School	Construction of 4 classrooms	Muisuni	3,200,000	50%
3.	Misyani Girls Secondary School	Library completion, plastering, flooring painting	Kanzalu	1,000,000	60%
4.	Kawethei SA Primary School	Construction of 4 classrooms	Kawethei	<u>3,200,000</u>	40%
	Total			<u>13,400,000</u>	

No time frame has been given to show when the projects will be concluded. It is also not possible to confirm whether the six (6) projects will be completed to the expected standards and serve the intended purpose.

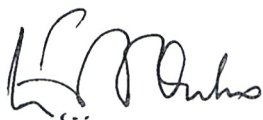
3. Inaccurate Notes to the Financial Statements

The following anomalies were noted regarding presentation of the financial statements:-

- (i) The financial statements do not contain a statement of cash flows for the year ended 30 June 2014
- (ii) A figure of Kshs.8,915,198.30 was misrepresented as net liabilities in the statement of assets and liabilities.
- (iii) The cash balances as shown in statement of financial assets was Kshs.8,915,198.00 and refers to note 12 but the note reflects a different figure of Kshs.12,312,157.25 occasioning an unexplained and unreconciled difference of Kshs.3,396,959.25.
- (iv) Fund balance brought forward as at 1st July 2013 in the statement of financial assets and liabilities was shown as Kshs.2,106,639.00 whereas the underlying note (note 16) shows a figure of Kshs.2,166,503.00 resulting into unexplained variance of Kshs.59,864.
- (v) AIE of Kshs.43,261,572.59 relating to the year ended 2014 was not received by 30 June 2014 but was erroneously disclosed under balance brought forward in Note 16 to the financial statements.

Qualified Opinion

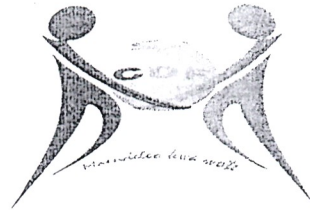
In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2014, and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Constituencies Development Fund Act, 2013.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

2 June 2015



CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

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

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VI. SIGNIFICANT ACCOUNTING POLICIES	9
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The CDF Act 2013 aligns the Fund with the Constitution of Kenya 2010 and the Public Finance Management Act 2012 that lay emphasis on citizen participation in public finance management and decision making, transparency and accountability together with equity in public resource utilization. The overall management of the Fund is the responsibility of the Constituencies Development Fund Board.

(b) Key Management

The *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 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Samuel Mutisya B.
3.	District Accountant	Mr. R. G.M. Kisavi

(d) Fiduciary Oversight Arrangements

List the CDFC as gazetted

Name	ID No.
Redempta Mbula Kyenge	27931480
Emily Mwikali Ngaile	0699587
Ponciano M. Nzomo	1862229
James K. Kivondo	9922332
Mwangangi Muia	8528822
Regina M. Kyalo	10925000
Timothy K. Nzyoki	20507814
David M. Muviti	5480001
Kyengo K. Maweu - MP	A1205193
Fund Account Manager- Samuel Mutisya B.	22036966

(e) Entity Headquarters

Provide box and physical address of the constituency CDF office

P.O. Box 1035
Co-operative House
Kangundo, KENYA

(f) Entity Contacts

Provide telephone number and email of the constituency CDF office

Telephone: (254) XXXXXXXXX
E-mail: kangundo@cdf.go.ke
Website: www.cdf.go.ke

(g) Entity Bankers

Constituency CDF main banker (provide the bank, branch, account number and address)

Equity Bank
A/C No: 0900297884246
Branch: 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

II. 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 Fund Account Manager in charge of the **Kangundo CDF** is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2014. 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the Kangundo *CDF* accepts responsibility for the Constituency'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) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the Kangundo *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2014, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the Kangundo *CDF* further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

The Fund Account Manager in charge of the Kangundo CDF confirms that the entity has complied fully with applicable Government Regulations and that the Constituency'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 Fund Account Manager confirms that the Constituency'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 Kangundo CDF financial statements were approved and signed on 30/09 2014.



Regina Kyalo
Chairman - CDFC



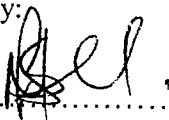
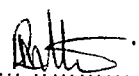
Samuel Mutisya B.
Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND - KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

I. STATEMENT OF RECEIPTS AND PAYMENTS

#REF!	Note	2013-2014	2012-2013
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	79,198,077.50	
Proceeds from Sale of Assets	2	-	0
Other Receipts	3	30,000.00	xxx
TOTAL RECEIPTS		79,228,077.50	xxx
PAYMENTS			
Compensation of Employees	4	3,093,620.00	xxx
Use of goods and services	5	905,193.30	xxx
Committee meeting allowances	6	2,325,500.00	xxx
Transfers to Other Government Units	7	58,145,639.90	xxx
Other grants and transfers	8	7,935,565.00	xxx
Social Security Benefits	9	14,000.00	xxx
Acquisition of Assets	10		xxx
Other Payments	11		xxx
TOTAL PAYMENTS		72,419,518.20	xxx
SURPLUS/DEFICIT		6,808,559.30	xxx

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 22/09 2014 and signed by:

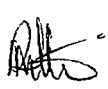



.....
Fund Account MANAGER

.....
CHAIRMAN CDFC

DATE,

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kangundo CDF financial statements were approved on 22/09/14 2014 and signed by:



Regina Kyalo
Chairman - CDFC





Samuel Mutisya B.
Fund Account Manager

II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2013-2014 Kshs	2012-2013 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book as at 30th June 2013	12	8,915,198.00	xxx
Cash Balances (sale of tenders,hire of grader)	13	xxx	xxx
Outstanding Imprests	14	xxx	xxx
Cash Equivalents (eg sale of tender doc held in bankers cheque)	15	xxx	xxx
REPRESENTED BY			
Balance b/fwd 1st July 2013	16	2,106,639.00	xxx
Surplus/Deficit for the year (from stm of receipt & expenditure		6,808,559.30	xxx
Prior year adjustments	17	xxx	xxx
NET LIABILITIES		<u>8,915,198.30</u>	xxx

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 22/09/14 2014 and signed by:


 Regina Kyalo
 Chairman Kangundo CDF


 Samuel Mutisya B.
 Fund A/C Manager

For the year ended June 30, 2014 (Kshs'000)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kangundo CDF financial statements were approved on 22/09 2014 and signed by:



Regina Kyalo
Chairman - CDFC



Samuel Mutisya B.
Fund Account Manager

For the year ended June 30, 2014 (Kshs'000)

III: SUMMARY STATEMENT OF APPROPRIATION

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %
Compensation of Employees	1,500,000.00	2,500,000.00	4,000,000.00	3,093,620.00	7,093,620.00	77.3405
Use of goods and services	957,191.00	915,198.30	1,872,389.30	905,193.00	2,777,582.30	48.34427328
Committee Members Expenses	1,600,000.00	1,000,000.00	2,600,000.00	2,325,500.00	4,925,500.00	89.44230769
Transfers to Other Government Units	54,756,866.69	3,000,000.00	57,756,866.69	58,145,639.90	115,902,506.59	100.6731203
Other grants and transfers	7,000,000.00	1,500,000.00	8,500,000.00	7,935,565.00	16,435,565.00	93.35958824
Social Security Benefits			-		-	#DIV/0!
Acquisition of Assets			-		-	#DIV/0!
Other Payments	6,788,563.00		6,788,563.00		6,788,563.00	0
TOTALS	72,602,620.69	8,915,198.30	81,517,818.99	72,405,517.90	(9,112,301.09)	88.82170647

The Kangundo CDF financial statements were approved on 22/09 2014 and signed by:



Regina Kyalo
Chairman - CDFC



Samuel Mutisya B.
Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

VI. 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

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Receivables and payables

Receivables are funds due to the Constituency at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Constituency at the end of the year. When the receivables or payables 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 Constituency'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 Constituency'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

This is the first year the Constituency is preparing financial statements and hence we do not have comparative figures.

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, 2014.

VII. NOTES TO THE FINANCIAL STATEMENTS

]]

1. TRANSFERS FROM CDF BOARD

	Description	2013 - 2014	2012 - 2013
		Kshs	Kshs
Normal Allocation	AIE NO:711836	50,357,029.50	0
	AIE NO:735654	28,841,048.00	0
			0
Conditional grants	AIE NO...	-	0
	AIE NO...	-	
	TOTAL	79,198,077.50	0

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

		2013 - 2014	2012 - 2013
		Kshs	Kshs
	Receipts from the Sale of Buildings		
	Receipts from the Sale of Vehicles and Transport Equipment	-	0
	Receipts from the Sale Plant Machinery and Equipment		
	Receipts from the Sale of office and general equipment		
	Total	-	0

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER REVENUES

3 OTHER REVENUES			
			2013 - 2014
			Kshs
1410107	Interest Received		-
1410405	Rents		-
1420601	Sale of tender documents		30,000.00
1450207	Other Receipts Not Classified Elsewhere		-
	Total		30,000.00

4. COMPENSATION OF EMPLOYEES

		2013-14	2012-13
			Kshs
2110201	Basic wages of contractual employees	3,093,620.00	
2110202	Basic wages of casual labour		0
	Personal allowances paid as part of salary		
2110301	House allowance		0
2110314	Transport allowance		0
2110320	Leave allowance		0
2110326	Other personnel payments		0
	Total	3,093,620.00	

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

		2013 - 2014	2012 - 2013
		Kshs	Kshs
2210100	Utilities, supplies and services	527,542.30	
2210104	Office rent	126,000.00	
2210200	Communication, supplies and services		
2210300	Domestic travel and subsistence		
2210500	Printing, advertising and information supplies & services		
2210600	Rentals of produced assets		
2210700	Training expenses		
2210800	Hospitality supplies and services		
2210900	Insurance costs		
2211000	Specialized materials and services		
2211100	Office and general supplies and services		
2211200	Fuel ,oil & lubricants	251,651.00	
2211300	Other operating expenses		
2220100	Routine maintenance – vehicles and other transport equipment		
2220200	Routine maintenance – other assets		
	Total	905,193.30	xxx

6. COMMITTEE EXPENSES

	Description	2013 - 2014	2012 - 2013
		Kshs	Kshs
2210802	Other committee expenses		
2210809	Commitee allowance	2,325,500.00	xx
		xx	xx
	TOTAL	2,325,500.00	xx

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

		2013 - 2014	2012 - 2013
	Description	Kshs	Kshs
2630204	Transfers to primary schools	26,521,973.90	
2630205	Transfers to secondary schools	13,255,543.00	
2630206	Transfers to Tertiary institutions	6,000,000.00	
2630207	Transfers to Health institutions	12,368,123.00	
	TOTAL	58,145,639.90	

8. OTHER GRANTS AND OTHER PAYMENTS

		2013 - 2014	2012 - 2013
		Kshs	Kshs
2640101	Bursary -Secondary	3,802,834.00	xx
2640102	Bursary -Tertiary	3,343,761.00	
2640104	Bursary-Special schools		
2640105	Mocks & CAT	288,970.00	
2640504	water		xx
2640505	food security	xx	xx
2640506	Electricity		
2640507	Security		
2640508	Roads		
2640509	Sports	500,000.00	
2640510	Environment		
2640200	Emergency Projects		
	Total	7,935,565.00	xx

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

9. SOCIAL SECURITY BENEFITS

		2013 - 2014	2012 - 2013
		Kshs	Kshs
2120101	Employer contribution to NSSF	14,000.00	xx
	Total	14,000.00	xx

10. ACQUISITION OF ASSETS

	<u>Non Financial Assets</u>	2013 - 2014	2012 - 2013
		Kshs	Kshs
3110102	Purchase of Buildings	xx	xx
3110202	Construction of Buildings	xx	xx
3110302	Refurbishment of Buildings	xx	xx
3110701	Purchase of Vehicles	xx	xx
3110704	Purchase of Bicycles & Motorcycles		
3110801	Overhaul of Vehicles	xx	xx
3111001	Purchase of Office furniture and fittings	xx	xx
3111002	Purchase of computers ,printers and other IT equipments	xx	xx
3111005	Purchase of photocopier	xx	xx
3111009	Purchase of other office equipments	xx	xx
3111112	Purchase of soft ware	xx	xx
3130101	Acquisition of Land		xx
	Total	-	xx

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. OTHER PAYMENTS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Budget Reserves	xxx	xxx
Civil Contingency Reserves	xxx	xxx
Capital Transfers to Non-Financial Public Enterprises	xxx	xxx

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

Capital Transfer to Public Financial Institutions and Enterprises	xxx	xxx
Capital Transfer to Private Non-Financial Enterprises	xxx	xxx
Other expenses	xxx	xxx
Domestic Accounts	xxx	xxx
	xxx	xxx

12. Bank Balances (cash book bank balance)

	Name of Bank, Account No. & currency	2013 - 2014	2012 - 2013
		Kshs	Kshs
	<i>Equity Bank, Tala Branch</i>	12,312,157.25	xxx
	<i>A/c No.0900297884246</i>	xxx	xxx
		xxx	xxx
	Total	12,312,157.25	xxx

13. CASH IN HAND

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (<i>specify</i>)	xxx	xxx
Total	xxx	xxx

[Provide cash count certificates for each]

14. OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	xxx	xxx	xxx

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

Name of Officer or Institution	xxx	xxx	xxx
Name of Officer or Institution	xxx	xxx	xxx
Name of Officer or Institution	xxx	xxx	xxx
Name of Officer or Institution	xxx	xxx	xxx
Total			xxx

15. Cash equivalents (short-term deposits)

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2013 - 2014	2012 - 2013
			Kshs	Kshs
Describe the nature of deposit	xxx	xxx	xxx	xxx
Describe the nature of deposit	xxx	xxx	xxx	xxx
Describe the nature of deposit	xxx	xxx	xxx	xxx
Describe the nature of deposit	xxx	xxx	xxx	xxx
Total			xxx	xxx

16. BALANCES BROUGHT FORWARD

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts	2,166,503.00	-
Cash in hand	xxx	-
Cash equivalents (short-term deposits)	xxx	-
Imprest	xxx	-
Receivables	43,261,572.59	-
Payables	xxx	-
Total		-

[Provide short appropriate explanations as necessary]

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17. PRIOR YEAR ADJUSTMENTS

	2013 - 2014 Kshs	2012 - 2013 Kshs
Bank accounts	xxx	-
Cash in hand	xxx	-
Cash equivalents (short-term deposits)	xxx	-
Imprest	xxx	-
Receivables	xxx	-
Payables	xxx	-
Total		-

18. OTHER IMPORTANT DISCLOSURES

18.1 FIXED ASSETS REGISTER

18.2 RECEIVABLES FROM CDF BOARD AND OTHER RECEIVABLES

<i>RECEIVABLES FROM THE BOARD</i>	
<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
43,261,572.60	2013/14
<i>OTHER RECEIVABLES (SPECIFY)</i>	

18.3 PAYABLES

Kshs	Kshs
xxx	xxx
xxx	xxx
xxx	xxx

CONSTITUENCIES DEVELOPMENT FUND – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

xxx	xxx
xxx	xxx

18.4 FUNDS DUE TO PROJECTS

18.5 DISBURSEMENTS FROM THE BOARD

<i>AIE NO.</i>	<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
711836	50,357,029.00	2012/13
735654	28,841,048.00	2013/14

INVENTORY OF CDC ASSETS.

CONSTITUENCY: KANGUNDO

ITEM DESCRIPTION	MAKE	SERIAL/REGIST RATION NO.	CHASSIS NO.	YEAR OF PURCHASE	PURCHASE COST (KSHS.)	CURRENT CONDITION
Paper Punch	Kanex 520	CDF/068/0030	N/A	2006	179	Good and in use
Stapler	Kangaroo	CDF/068/0031	N/A	2006	179	Good and in use
Laptop	HP Pavilion	CDF/068/0038 (CNF8382N6P)	N/A	2009	70,000	Good and in use
4 Drawers Steel Filling Cabinets	Metallic	CDF/068/0039 - CDF/068/0042	N/A	2009	82,000	Good and in use
Printer	HP Laserjet P2055d	CDF/068/0048 (CNCJD03664)	N/A	2009	35,000	Good and in use
Motorbike (GKA 400T)	DT125	CDF/068/0053	DE02X-055477	2009	298,150	Stolen, reported to Police under investigation (See attached Report)
UPS	Powercom WAR-600A	CDF/068/0035 (40083310905)	N/A	2010	Donated by CDF Board Nairobi	Good and in use
Printer	HP Laserjet	CDF/068/0036 (CNCJ943833)	N/A	2010	Donated by CDF Board Nairobi	Good and in use
CPU Keyboard Mouse CD Cable	Hp	CDF/068/0045 (CZCO111Y50)	N/A	2010	Donated by CDF Board Nairobi	Good and in use
TFT Monitor	Hp Compaq LE1711	CDF/068/0046 (3CQ0131-303)	N/A	2010	Donated by CDF Board Nairobi	Good and in use
Motor Vehicle (GKA 915U)	Toyota Hilux KUN25	CDF/068/0050	AHTFR22G206025472	2010	2,992,500	Good and in use
Motorbike (GKA 609X)	JS175GY	CDF/068/0051	LWOJCLLAXA0000014	2011	110,500	Good and in use

(GKA 622X)								
1 Visitors Exe Chairs	Leather	CDF/068/0055	242 (F57)	2012	39,980	Good and in use		
1 Office HB Chairs	Leather	CDF/068/0074	Ma-8200	2012	39,010	Good and in use		
1 Exe Tables with return & 3 drawers - left	Wooden	CDF/068/0076	DF3103- 1.6L (Classico)	2012	51,724	Good and in use		
2 HB Chairs	Leather	CDF/068/0078 - CDF/068/0079	6622H-CH	2012	51,724	Good and in use		
1 Steel Cupboards (2 door) with adjustable shelves	Steel	CDF/068/00115	72" x 36" x 18"	2012	31,414	Good and in use		

Prepared by:-

Funds Accounts Manager.

Name SANJEEV N. SIVASUBRAMANIAM Signature [Signature]

Date 22.09.2014

