

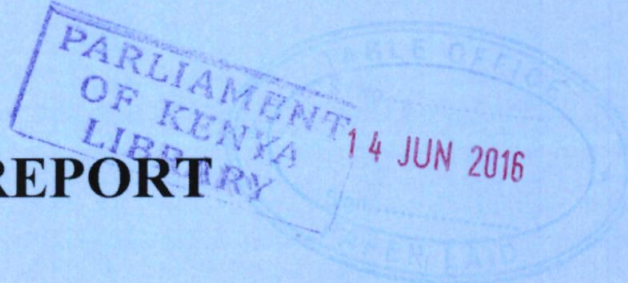
REPUBLIC OF KENYA*



OFFICE OF THE AUDITOR-GENERAL

*Approved
By the leader of
majority party,
Hon. Kenia Salek
on Tuesday
14.6.2016
[Signature]*

REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
KAMUKUNJI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015



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CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)



CONSTITUENCY DEVELOPMENT FUND- KAMUKUNJI CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2015**

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

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

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CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
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I. 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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Farah Gabane Keinan
3.	District Accountant	Cleophas Oyaro

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(d) Fiduciary Oversight Arrangements

1. Hon. Yussuf Hassan Abdi.....MP
2. Peter Kimani Wambui.....CDFC Chairman
3. Abdiaziz Mohammed Hirsi.....Member
4. Naomi Mueni Muli.....Secretary
5. Farah Gabane Keinan..... Fund Accounts Manager
6. Raphael Maingi Kimilu.....Member
7. Marrion Wambui Musyoki.....Member
8. Judith Muthoni Nganga.....Member
9. Violet Lihemo Kivaya.....Member
10. Theresa Thuo.....Member
11. George Natembeya.....Deputy County
Commissioner

(e) Entity Headquarters

Provide box and physical address of the constituency CDF office

P.O. Box 6403-00300
Nacico Plaza
4th Floor
Landhies Road
Nairobi, KENYA

(f) Entity Contacts

Provide telephone number and email of the constituency CDF office

Telephone: (020) 2616403
E-mail: cdfkamukunjil@cdf.go.ke/fkeinan@cdf.go.ke
Website: www.kamukunjicdf.go.ke

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
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(g) Entity Bankers

- Equity Bank, Gikomba Branch
- Account number **0430262662557**
- P.O. Box 52222-00100, Nairobi.

(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

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
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II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

Total disbursement by Kamukunji CDF for financial year 2014/2015 was Kshs 127,822,854.20 up from Kshs 93,982,386.70 disbursed financial year 2013/2014. This indicates a marked improvement following increased projects activities.

Our key focus during financial year 2014/15 implementation was on education (schools infrastructural development and issuance of bursaries to needy students) which ranks the constituency's priority number one. However we equally performed well in the following sectors:-

- a) General infrastructural development (construction of California Resource Centre)
- b) Security (construction of offices for Kamukunji Sub-county Headquarters)
- c) Health (Construction of Prefabricated Staff Houses).
- d) Sports for the youth (we run successful sports tournament for our youth) the sporting activities included football for men, women, volleyball for men and women and netball.

Key achievements

1. Education bursary was disbursed to over 3,000 needy students.
2. Construction of prefabricated staff houses in Puwani, Airbase and Biafra
3. Construction of sub-county Headquarters Offices
4. Constructions of two storey classrooms at Our Lady of Mercy Girls Secondary school
5. Kamukunji Secondary School ICT Lab
6. Construction of boundary wall in public schools to prevent Land grabbing

Emerging issues:-

1. Arising from the impact so far created at the grass roots and the high expectation from the local community there is need to enhance CDF kitty from the current 2.5% to at least 10%.
2. Due heavy responsibility bestowed on the chairman's position, the national CDF board should enhance the chairperson's allowance to be commensurate to the duties and this should cascade to other CDF members.

Implementation challenges.

1. Delay in disbursement of CDF funds. The board should strive to release funds to the CDFC in the first quarter of each financial year. It will also be helpful if the funds are released in at least two trances in a year.
2. The CDF relies fully on ministerial technical departments for support in areas like construction of bridges, building and other technical work. This includes the production of BQs, technical design and drawing for such technical projects, delays normally occur as the personnel involved are not under direct control of CDFC. The national CDF board should have own technical experts within her structures.
3. Some projects may require long span of implementation creating a big variance between initial budget and actual cost during implementation. The national CDF board needs to be flexible on financing of such projects.

We humbly look forward to working very closely with the national CDF board with a view to enhancing accountability and efficiency in project management

Chairman - CDFC

Wesley Kimani W
Chairman

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

III. STATEMENT OF CONSTITUENCY MANAGEMENT RESPONSIBILITIES

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

The Accounting officer in charge of the Kamukunji *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, 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 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 Accounting officer in charge of the Kamukunji *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 Accounting Officer is of the opinion that the Kamukunji *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2015, and of the Constituency's financial position as at that date. The Accounting officer in charge of the Kamukunji *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 Accounting officer in charge of the Kamukunji *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 Accounting officers 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 Kamukunji *CDF* financial statements were approved and signed on 31/12 2015.

Chairman - CDFC

PETER KIMANI W
Rimani 5

[Signature]
Fund Account Manager



CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

IV. STATEMENT OF RECEIPTS AND PAYMENTS

KAMUKUNJI CONSTITUENCY 2014-15			
STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2014-2015	2013-2014
		Kshs	Ksh
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	127,743,854.20	93,836,386.70
Proceeds from Sale of Assets	2	-	
Other Receipts	3	79,000.00	146,000.00
TOTAL RECEIPTS		127,822,854.20	93,982,386.70
PAYMENTS			
Compensation of Employees	4	1,030,157.00	730,560.00
Use of goods and services	5	4,093,904.00	2,375,130.00
Committee meeting allowances	6	4,257,000.00	2,755,000.00
Transfers to Other Government Units	7	40,342,961.94	42,861,233.90
Other grants and transfers	8	53,364,684.32	37,233,431.04
Social Security Benefits	9	14,400.00	7,200.00
Acquisition of Assets	10	0	0
Other Payments	11	6,221,442.12	3,787,104.20
TOTAL PAYMENTS		109,324,549.38	89,749,659.14
SURPLUS/DEFICIT		18,498,304.82	4,232,727.56

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kamukunji CDF financial statements were approved on 31/12 2015 and signed by:

Chairman - CDFC

Norah Kimani W
Kimani

Fund Account Manager

[Signature]



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND - KAMUKUNJI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kamukunji Constituency set out on pages 6 to 17, which comprise the statement of financial assets and liabilities as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2013. 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 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, 2013.

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 of the Public Audit Act, 2013 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 (ISSAIs). 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 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. Budgets and Budget Controls

The summary statement of appropriation reflects a receipts and payments budget of Kshs.127,882,854 and actual receipts of Kshs.109,324,549 for the year 2014/2015. The total available funds in the year amounted to Kshs.132,055,581 including the opening cash balance of Kshs.22,731,032 hence the constituency was therefore fully funded.

Despite the constituency having adequate funding it only utilized 83% of the available funds as detailed below:-

Project Name	Budgeted Amount Kshs	Actual Expenditure Kshs.	Under/Over Expenditure Kshs.
Compensation of Employees	2,063,920	1,030,157	1,033,763
Use of goods and Services	4,175,759	4,093,904	81,855
Committee Allowances	4,308,359	4,257,000	51,359
Transfers to Other Govt.	43,236,282	40,342,962	2,893,320
Other Grants and Transf.	67,624,130	53,364,684	14,259,446
Social Security Benefits	14,400	14,400	-
Other payments	6,400,004	6,221,442	178,562
Total	<u>127,822,854</u>	<u>109,324,549</u>	<u>18,498,305</u>

No reason was given for the failure by the constituency to fund all the budgetted projects.

2. Implementation of Projects

(i) Transfer to Other Government Entities

The statement of receipts and payments reflects a budget of Kshs.43,236,282 under transfers to Other Government Entities but spent an amount of Kshs.40,342,962 during the year under review, resulting to an under expenditure of Kshs.2,893,320 as detailed below;-

Projects Name	Budgeted Amount Kshs	Expenditure Amount Kshs	Under Expenditure Kshs
New Eastleigh Primary School	7,062,579	6,061,640	1,000,939
Zawadi Primary PMC	2,996,389	2,996,389	-
Kamukunji Secondary PMC	3,951,252	3,951,252	-
Airport Primary	2,530,000	2,530,000	-
Our Lady of Mercy Girls Sec Sch	2,050,000	2,050,000	-
New Pumwani Primary School	837,931	837,931	-
Heshima Primary School	1,285,296	1,285,296	-
Eastleigh Airport Primary School	4,214,133	4,214,133	-
Kamukunji Primary School	5,900,000	5,900,000	-
Pumwani Dispensary	1,494,253	1,457,754	36,499
New Eastleigh Primary School	2,725,501	2,725,501	-
Airbase Dispensary	3,244,253	1,440,591	1,803,663
Eastleigh Primary school	2,754,779	2,754,779	-
Biafra Dispensary	2,189,916	2,137,697	52,220
TOTAL	<u>43,236,282</u>	<u>40,342,962</u>	<u>2,893,320</u>

No reason was given for the failure by the CDF to fund the given projects as budgetted.

(ii) Other Grants and Transfers

The summary statement of appropriation also reflects a budget of Kshs.67,624,130 under Other Grants and Transfers but only spent Kshs.53,364,684 resulting to under expenditure of Kshs.14,259,446 or about 21%.

Project Name	Budgeted Amount Kshs.	Expenditure Amount Kshs.	Over/Under Amount Kshs.
Education Bursaries	31,779,140	20,614,500	11,164,640
Water	10,600,000	10,067,668	532,333
Sanitation	5,957,182	4,397,654	1,559,529
Security	6,985,149	6,878,762	106,387
Sports	1,845,999	1,845,999	-
Environment	1,906,400	1,906,400	-
Emergency Projects	<u>8,550,259</u>	<u>7,653,703</u>	<u>896,556</u>
Total	<u>67,624,129</u>	<u>53,364,684</u>	<u>14,259,445</u>

No reason was given for the failure by the CDF to fund the projects especially the education bursaries in accordance with the budget.

3. Accuracy of the Financial Statements

The statement of receipts and payments reflects an amount of Kshs.743,854.20 as receipt for the year from CDF Board, which differs with the Kshs.109,324,549 amount reflected in the summary statement of appropriation by an unexplained difference of Kshs.18,419,304.82. Records available indicates that the CDF actually received

Kshs.127,822,854 in the year hence the summary statement of appropriation being therefore incorrect.

4. Bursary Allocation and disbursements

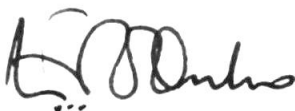
The statement of receipts and payments further reflect an amount of Kshs.53,364,684 under other grants and other payments, which include an amount of Kshs.20,614,500 reflected under note 8 to the accounts that relates to bursaries issued to needy students. This amount includes unrepresented bursaries cheques amounting to Kshs.8,863,022 that are stale at the time of audit in January, 2016. It was further observed that cheques amounting to Kshs.8,179,500 were all issued on the same day of 22 June 2015 and management has not explained how needy students would fail to present bursary cheques.

5. Irregular Payment for Construction of Sheds at Maziwa Chicken and Vegetable Market

As reported in the previous year, an amount of Kshs.14,990,664 was irregularly used in the construction of sheds at Maziwa chicken and vegetable market in the year 2009/2010. The sheds were subsequently demolished by the then City Council as there were no approvals for their construction. No action has been taken by management to hold accountable the individuals culpable to the irregular loss of public.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of Constituencies Development Fund - Kamukunji Constituency as at June 30, 2015, 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 Constituency Development Fund Act, 2013.



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

Nairobi

11 May 2016

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

IV. STATEMENT OF RECEIPTS AND PAYMENTS

KAMUKUNJI CONSTITUENCY 2014-15			
STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2014-2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	127,743,854.20	93,836,386.70
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	79,000.00	146,000.00
TOTAL RECEIPTS		127,822,854.20	93,982,386.70
PAYMENTS			
Compensation of Employees	4	1,030,157.00	730,560.00
Use of goods and services	5	4,093,904.00	2,375,130.00
Committee meeting allowances	6	4,257,000.00	2,755,000.00
Transfers to Other Government Units	7	40,342,961.94	42,861,233.90
Other grants and transfers	8	53,364,684.32	37,233,431.00
Social Security Benefits	9	14,400.00	7,200.00
Acquisition of Assets	10	0	-
Other Payments	11	6,221,442.12	3,787,104.20
TOTAL PAYMENTS		109,324,549.38	89,749,659.10
SURPLUS/DEFICIT		18,498,304.82	4,232,727.50

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kamukunji CDF financial statements were approved on 31/12 2015 and signed by:

Chairman - CDFC

Walter Kimani W
R. Kimani

Fund Account Manager

[Signature]

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2014-2015	2013-2014
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	22,731,032.38	4,232,727.56
Cash Balances (Cash at hand)	12B	-	0
Outstanding Imprests	12C	-	0
TOTAL FINANCIAL ASSETS		22,731,032.38	4,232,727.56
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	4,232,727.56	0
Surplus/Deficit for the year (from stm of receipt & expenditure		18,498,304.82	4,232,727.56
Prior year adjustments	14	-	0
NET LIABILITIES		22,731,032.38	4,232,727.56

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kamukunji CDF financial statements were approved on 30/12 2015 and signed by:

Chairman - CDFC

*Peter Kimani W
Kimani*

Fund Account Manager

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CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
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For the year ended June 30, 2015 (Kshs)

VI. STATEMENT OF CASHFLOW

KAMUKUNJI CONSTITUENCY 2014-15			
CASHFLOW STATEMENT AS AT 30/06/2015			
Receipts for operating Activities		2014-2015	2013-2014
Transfers from CDF BOARD	1	127,743,854.20	93,836,386.70
Other Revenues	3	<u>79,000.00</u>	146,000.00
		127,822,854.20	93,982,386.70
Payments for operating expenses			
Compensation of Employees	4	1,030,157.00	730,560.00
Use of goods and services	5	4,093,904.00	2,375,130.00
Committee Expenses	6	4,257,000.00	2,755,000.00
Transfers to Other Government Units	7	40,342,961.94	42,861,233.90
Other grants and transfers	8	53,364,684.32	37,233,431.04
Social Security Benefits	9	14,400.00	7,200.00
Other Payments	11	<u>6,221,442.12</u>	3,787,104.20
Adjusted for: Adjustments during the year		109,324,549.38	89,749,659.14
Net cashflow from operating activities		18,498,304.82	4,232,727.56
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	0	0
Net cash flows from Investing Activities		0	0
NET INCREASE/ IN CASH AND CASH EQUIVALENT			
		18,498,304.82	-
Cash and cash equivalent at BEGINNING of the year	15	4,232,727.56	
Cash and cash equivalent at END of the year	16	22,731,032.38	4,232,727.56

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kamukunji CDF financial statements were approved on 31/12/2015 2015 and signed by:

Chairman - CDFC

Peter Kimani W
Rimani

Fund Account Manager

[Signature]

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

VII: SUMMARY STATEMENT OF APPROPRIATION: KAMUKUNJI CONSTITUENCY

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	89,815,978.00	37,927,876.20	127,743,854.20	109,324,549.38	18,419,304.82	85.58
Proceeds from Sale of Assets	-	-	-	-	-	0
Other Receipts	79,000.00	-	79,000.00	-	79,000.00	0
	89,894,978.00	37,927,876.20	127,822,854.20	109,324,549.38	18,498,304.82	
PAYMENTS						
Compensation of Employees/Admin	2,063,920.00	-	2,063,920.00	1,030,157.00	1,033,763.00	49.91
Use of goods and services/admin/m&e	1,775,759.34	2,400,000.00	4,175,759.34	4,093,904.00	81,855.34	98.04
Committee Members Expenses	4,308,358.68	-	4,308,358.68	4,257,000.00	51,358.68	98.81
Transfers to Other Government Units	38,753,523.14	4,482,759.00	43,236,282.14	40,342,961.94	2,893,320.20	93.31
Other grants and transfers	42,979,016.84	24,645,113.20	67,624,130.04	53,364,684.32	14,259,445.72	78.91
Social Security Benefits	14,400.00	-	14,400.00	14,400.00	-	100.00
Acquisition of Assets	-	-	-	-	-	-
Other Payments		6,400,004.00	6,400,004.00	6,221,442.12	178,561.88	97.21
TOTALS	89,894,978.00	37,927,876.20	127,822,854.20	109,324,549.38	18,498,304.82	85.53



CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Constituency and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

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

b) Recognition of revenue and expenses

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

c) In-kind contributions

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

d) Cash and cash equivalents

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

equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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, 2015.

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

I. NOTES TO THE FINANCIAL STATEMENTS KAMUKUNJI CONSTITUENCY

GFS
CODES
1330400

1 TRANSFERS FROM CDF BOARD

1330407 Normal Allocation

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
AIE NO... 750189	37,927,876.20	28,226,938.90
AIE NO... 759665	22,453,994.50	40,324,197.00
AIE NO... 796754	13,472,397.00	2,000,000.00
AIE NO... 797090	22,453,994.50	23,285,250.80
AIE NO.... 796005	31,435,592.00	0
TOTAL	127,743,854.20	93,836,386.70

3510000

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

3510202

3510601

3510801

3510803

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

1400000

3 OTHER REVENUES

1410107

1410405

1420601

1450207

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of tender documents	79,000.00	146,000.00
Other Receipts Not Classified Elsewhere	-	-
Total	79,000.00	146,000.00

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

10000

4 COMPENSATION OF EMPLOYEES

		2014 - 2015	2013 - 2014
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,030,157.00	730,560.00
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		-
Total		1,030,157.00	730,560.00

00000

5 USE OF GOODS AND SERVICES

		2014 - 2015	2013 - 2014
		Kshs	Kshs
2210100	Utilities, supplies and services	74,600.00	1,050,000.00
2210104	Office rent	244,304.00	275,130.00
2210200	Communication, supplies and services	1,200,000.00	
2210300	Domestic travel and subsistence	70,000.00	
2210500	Printing, advertising and information supplies & services	85,000.00	
2210600	Rentals of produced assets	-	
2210700	Training expenses	1,920,000.00	1,050,000.00
2210800	Hospitality supplies and services		
2210900	Insurance costs	-	
2211000	Specialised materials and services	-	
2211100	Office and general supplies and services		
2211200	Fuel ,oil & lubricants		
2211300	Other operating expenses - KENAO FEES	500,000.00	
2220100	Routine maintenance – vehicles and other transport equipment	-	
2220200	Routine maintenance – other assets	-	
Total		4,093,904.00	2,375,130.00

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
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For the year ended June 30, 2015 (Kshs)

2210800

6 COMMITTEE EXPENSES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
2210802 Other committee expenses	2,926,000.00	1,313,000.00
2210809 Committee allowance	1,331,000.00	1,442,000.00
	-	-
TOTAL	4,257,000.00	2,755,000.00

2630200

7 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
2630204 Transfers to primary schools	29,305,668.52	9,026,724.00
2630205 Transfers to secondary schools	6,001,252.62	14,222,970.00
2630206 Transfers to Tertiary institutions		
2630207 Transfers to Health institutions	5,036,040.80	19,611,539.90
TOTAL	40,342,961.94	42,861,233.90

2640000

8 OTHER GRANTS AND OTHER PAYMENTS

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
2640101 Bursary -Secondary	10,307,250.00	5,426,500.00
2640102 Bursary -Tertiary	10,307,250.00	6,519,500.00
2640104 Bursary-Special schools	-	3,775,000.00
2640105 Mocks & CAT	-	-
2640504 water	10,067,667.50	-
2640505 Sanitation	4,397,653.68	-
2640506 Electricity	-	-
2640507 Security	6,878,761.60	4,923,894.35
2640508 Roads	-	8,487,558.00
2640509 Sports	1,845,999.00	1,124,900.00
2640510 Environment	1,906,400.00	1,797,800.69
2640200 Emergency Projects	7,653,702.54	5,178,278.00
Total	53,364,684.32	37,233,431.04

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
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For the year ended June 30, 2015 (Kshs)

20000

9 SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
2120101 Employer contribution to NSSF	14,400.00	7,200.00
	-	-
Total	14,400.00	7,200.00

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10 ACQUISITION OF ASSETS

Non Financial Assets	2014 - 2015	2013 - 2014
	Kshs	Kshs
3110102 Purchase of Buildings	0	0
3110202 Construction of Buildings	0	0
3110302 Refurbishment of Buildings	0	0
3110701 Purchase of Vehicles	0	0
3110704 Purchase of Bicycles & Motorcycles	0	0
3110801 Overhaul of Vehicles	0	0
3111001 Purchase of Office furniture and fittings	0	0
3111002 Purchase of computers ,printers and other IT equipments	0	0
3111005 Purchase of photocopier	0	0
3111009 Purchase of other office equipments	0	0
3111112 Purchase of soft ware	0	0
3130101 Acquisition of Land	0	0
Total	0	0
11 Other Payments	6,221,442.12	3,787,104.20

12 A.Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>Equity bank-Gikomba branch</i>	22,731,032.38	4,232,727.56
		-
Total	22,731,032.38	4,232,727.56

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
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For the year ended June 30, 2015 (Kshs)

12 B CASH BALANCES (cash in hand)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Sale of tender	0	0
Hire of graders	0	0
Hire of hall	0	0
Other receipts (specify)	0	0
	0	0
Total	0	0

[Provide cash count certificates for each]

12 C OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>
	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	0	0
<i>Name of Officer</i>	0	0
<i>Name of Officer</i>	0	0
<i>Name of Officer</i>	0	0
<i>Name of Officer</i>	0	0
Total	0	0

13 BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts		-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Imprest	-	-
Receivables	-	-
Payables	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

CONSTITUENCIES DEVELOPMENT FUND – KAMUKUNJI CONSTITUENCY
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For the year ended June 30, 2015 (Kshs)

14 PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts		-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Imprest	-	-
Receivables	-	-
Payables	-	-
Total	-	-