

REPUBLIC OF KENYA



*Paper laid by
Leader of Majority Party
Tuesday 20/9/2016
Morning sitting
A/S*



OFFICE OF THE AUDITOR-GENERAL



REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
KEIYO NORTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015





CONSTITUENCY DEVELOPMENT FUND- KEIYO NORTH 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)

CONSTITUENCY DEVELOPMENT FUND – KEIYO NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

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

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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*.

(b) Key Management

The *Keiyo North 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.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Milcah Sugut
3.	Accountant	Peter Wangukwa
4.		

(d) Fiduciary Oversight Arrangements

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

(a) Keiyo North CDF Headquarters

Keiyo North Constituency,
P.O BOX 640-30700,
Iten.

(b) Keiyo North CDF Contacts

Telephone: (254) 726884581,
E-mail: cdfkeiyonorth@cdf.go.ke
Website: www.cdf.go.ke

(c) Keiyo North CDF Bankers

Kenya Commercial Bank,
Iten,
A/c:1103235303,
P.O, BOX, 4110.
Iten.

(d) Independent Auditors

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

(e) Principal Legal Adviser


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

CONSTITUENCY DEVELOPMENT FUND- KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	101,757,361.40	76,081,591.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		101,757,361.40	76,081,591.00
PAYMENTS			
Compensation of Employees	4	1,039,419.10	570,000.00
Use of goods and services	5	2,357,404.64	2,503,630.30
Committee Expenses	6	2,535,120.00	2,059,000.00
Transfers to Other Government Units	7	62,482,759.00	54,130,000.00
Other grants and transfers	8	27,613,756.00	18,002,000.00
Social Security Benefits	9	60,540.00	8,200.00
Acquisition of Assets	10	958,000.00	-
Other Payments	11	-	-
TOTAL PAYMENTS		97,046,998.74	77,272,830.30
SURPLUS/DEFICIT		4,710,362.66	(1,191,239.30)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KONOIN CDF financial statements were approved on 15.09 2015 and signed by:


 Chairman - CDFC


 Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

V. STATEMENT OF ASSETS

	Note	2014-2015	2013-2014
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	11,061,512.06	6,178,484.30
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	-
TOTAL FINANCIAL ASSETS		11,061,512.06	6,178,484.30
REPRESENTED BY			
Fund balance b/fwd.	13	6,178,484.00	7,369,399.16
Surplus/Deficit for the year		4,710,362.66	(1,190,89.70)
Prior year adjustments	14	172,666.00	-
NET FINANCIAL POSITION		11,061,512.66	6,178,484.30

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KONOIN CDF financial statements were approved on 15.09 2015 and signed by:



Chairman - CDFC



Fund Account Manager

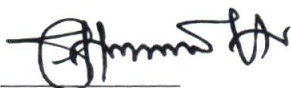
CONSTITUENCY DEVELOPMENT FUND- KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

VI. STATEMENT OF CASHFLOW

		2014 - 2015	2013 - 2014
Receipts for operating income			
Transfers from CDF Board	1	101,757,361.40	76,081,591.00
Other Receipts	3	-	-
		101,757,361.40	76,081,591.00
Payments for operating expenses			
Compensation of Employees	4	1,039,419.10	570,000.00
Use of goods and services	5	2,357,404.64	2,503,630.30
Committee Expenses	6	2,535,120.00	2,059,000.00
Transfers to Other Government Units	7	62,482,759.00	54,130,000.00
Other grants and transfers	8	27,613,756.00	18,002,000.00
Social Security Benefits	9	60,540.00	8,200.00
Other Payments	11	958,000.00	-
Adjusted for:			
Adjustments during the year		-	-
		-	-
		4,710,362.66	(1,191,239.30)
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	958,000.00	-
Net cash flows from Investing Activities		958,000.00	-
NET INCREASE IN CASH AND CASH EQUIVALENT		4,883,664.76	(1,190,89.70)
Cash and cash equivalent at BEGINNING of the year	15	6,148,484.00	7,369,379.16
		11,061,512.06	6,148,484.00
Cash and cash equivalent at END of the year	16		

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KONOIN CDF financial statements were approved on 15-09 2015

And signed by:



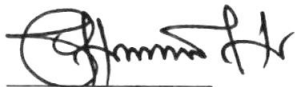
Chairman CDFC



Fund Account Manager

- (a) During the year the only receipts were from the cdf board vide AIEs. We did not have any AIA Item.
- (b) The item of acquisition of assets that had utilisation of 70% relate to an allocation of kshs 1,108,000.00 for the construction of the cdf office at 250,000 and 758,000 for purchase of office furniture.
- (c) The other budget items performed well as per budget.
- (d) Employees' compensation rose to ksh 1,039,417.10 from ksh 570,000

The KONOIN CDF financial statements were approved on 15.09 2015 and signed by:



Chairman CDF


Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year. Page 24 of 29

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 *CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO	A711995		27,860,591.60
AIE NO	A711883		45,221,341.50
AIE NO	A709890		2,000,000.00
AIE NO	A 750168	46,290,887.40	
AIE NO	A796955	27,733,237.00	
AIE NO	A796916	27,733,237.00	
TOTAL		101,757,361.40	76,081,591.00

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.3 OTHER RECEIPTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,039,419.10	570,000.00
Basic wages of casual labor	-	
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	
Total	1,039,419.10	570,000.00

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.1.5 USE OF GOODS AND SERVICES

	2014 - 2015	2013 – 2014
	Kshs	Kshs
Utilities, supplies and services	48,779.60	35,000
Communication, supplies and services	179,200.00	165,000
Domestic travel and subsistence	66,500.00	125,000
Printing, advertising and information supplies & services	154,250.00	280,000
Hospitality supplies and services	45,300.00	-
Office and general supplies and services	486,947.00	400,630.3
Fuel ,oil & lubricants	500,000.00	750,000
Other operating expenses	164,159.04	250,000
Routine maintenance – vehicles and other transport equipment	693,869.00	503,000
Routine maintenance – other assets	18,400.00	-
TOTAL	2,357,404.64	2,503,630.3

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

1.1.1.1.1.1.6 COMMITTEE EXPENSES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other Committee allowances	160,020.00	
Committee expenses	2,375,100.00	2,059,000.00
Total	2,535,120.00	2,059,000.00

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities:		
Transfers to primary schools (see attached list)	22,800,000.00	20,930,000.00
Transfers to secondary schools (see attached list)	33,700,000.00	32,000,000.00
Transfers to tertiary institutions (see attached list)	1,100,000.00	-
Transfers to health institutions (see attached list)	4,882,759.00	1,200,000.00
TOTAL	62,482,759.00	54,130,000.00

1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013- 2014
	Kshs	Kshs
Bursary –Secondary	-	-
Bursary –Tertiary	15,104,000.00	12,000,000.00
Bursary-Special schools	-	-
Mocks & CAT	-	-
Water	-	-
Agriculture (food security)	2,000,000.00	-
Electricity projects	-	-
Security	-	-
Roads	3,492,948.00	1,500,000.00
Sports	1,453,360.00	452,000.00
Environment	350,000.00	800,000.00
Emergency Projects (specify)	5,213,448.00	3,250,000.00
TOTAL	27,613,756.00	18,002,000.00