

REPUBLIC OF KENYA



Handwritten note:
PAPER LAID
By the leader of
majority party
on 10.10.2016
[Signature]



OFFICE OF THE AUDITOR-GENERAL

REPORT

PARLIAMENT
OF KENYA
LIBRARY

TABLE OFFICE
S/No:.....
04 OCT 2016
Sign:.....
PAPER LAID

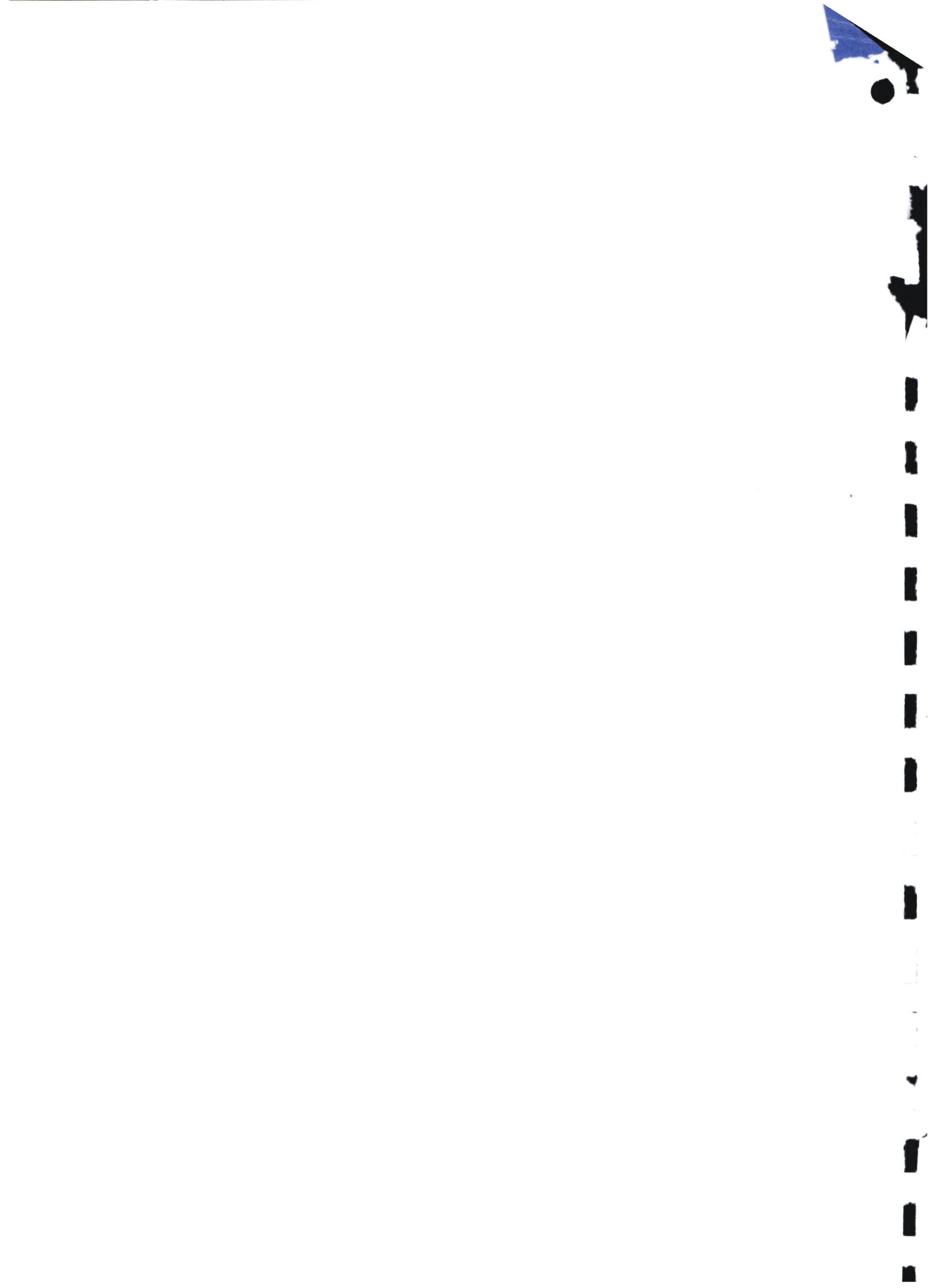
OF

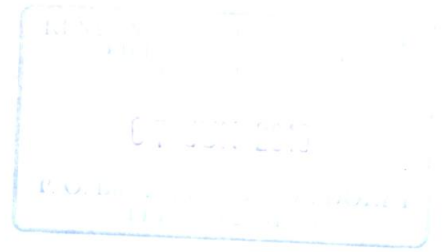
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND -
KESSES CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**





CONSTITUENCIES DEVELOPMENT FUND – KESSES

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 – KESSES CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. STATEMENT OF CONSTITUENCY MANAGEMENT RESPONSIBILITIES	3
III. STATEMENT OF RECEIPTS AND PAYMENTS	4
IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES	5
V: SUMMARY STATEMENT OF APPROPRIATION	6
VI. SIGNIFICANT ACCOUNTING POLICIES	7
VII. NOTES TO THE FINANCIAL STATEMENTS	9

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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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	Joseph K.N.Rotich
3.	District Accountant	Philiph Kilaka

(d) Fiduciary Oversight Arrangements

- 1. Stephen Kosgey.....Chairman
- 2. Irene Chemutai.....Secretary
- 3. Ben KiplagatMember
- 4. Joseph Toroitich.....Member
- 5. Eileen Cherotich.....Member
- 6. Rodahj. TarusMember
- 7. James TunenMember
- 8. Julius NjugunaMember
- 9. Fund Account Manager.....Ex-Official
- 10. Deputy County commissioner..National Government official.

List the CDFC as gazzetted

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

Provide box and physical address of the constituency CDF office

Kesses Constituency
P.O. Box 6742-30100
WarengSub-County, IIEADQUATERS.
Eldoret

(e) Entity Contacts

Provide telephone number and email of the constituency CDF office

Telephone: (254)722864244/0726374389
E-mail: Kesses@cdf.go.ke
Website: www.go.ke

(f) Entity Bankers

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

1. Cooperative Bank-Eldoret Branch
A/C No.01141443590500
P.o.box 2948
Eldoret

(g) Independent Auditors

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

(h) 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 Kesses *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 Fund Account Manager in charge of the Kesses *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 Kesses *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 Fund Account Manager in charge of the Kesses *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 Kesses *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 Kesses *CDF* financial statements were approved and signed on _____ 2015.


Stephen Kosgey
Chairman - CDFC


Joseph K.N. Rotich
Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY

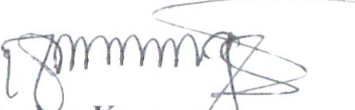
Reports and Financial Statements

For the year ended June 30, 2015

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	103,992,333	72,570,295
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		103,992,333	72,570,295
PAYMENTS			
Compensation to Employees	4	874,446	177,200
Use of goods and services	5	1,675,831	890,700
Committee Expenses	6	6,265,430	2,239,503
Transfers to Other Government Units	7	64,736,740	17,198,265
Other grants and transfers	8	23,538,062	7,302,850
Social Security Benefits	9	19,440	8,400
Acquisition of Assets	10		1,434,000
Other Payments	11	0	0
TOTAL PAYMENTS		97,109,949	34,323,568
SURPLUS/DEFICIT		6,882,384	38,246,727

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


 Stephen Kosgey
 Chairman - CDFC


 Joseph K.N. Rotich
 Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kesses Constituency set out on pages 4 to 17, which comprise the statement of financial assets and liabilities as at 30 June 2015, and the 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 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 of the Public Audit Act, 2003 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

Constituencies Development Fund – Kesses Constituency – Reports and Financial Statements for the year ended 30 June 2015

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 adverse audit opinion.

Basis for Adverse Opinion

1.0 Bursaries

Included in Other Grants and Grants figure of Kshs.23,538,062 reflected in the statement of receipts and payments are bursaries for secondary and tertiary institutions of Kshs.7,573,350 and Kshs.5,890,500 respectively all totaling to Kshs.13,463,850 against an approved budget of Kshs.11,679,150 resulting in an over expenditure of Kshs.1,784,700. However, there was no evidence that the excess expenditure was approved in accordance with Section 10(2) of the Constituency Development Fund Act, 2013 which stipulates that once funds are allocated for a particular project shall remain allocated for that project and may only be reallocated for any other purpose during the financial year with the approval of the Constituency Development Fund Board.

Further, the management has also not provided bursary committee minutes to confirm how the beneficiaries were identified. Under the circumstances, the propriety of the bursaries award of Kshs.13,463,850 could not be confirmed for the year ended 30 June 2015.

2.0 Environment Project

Included in other grants and grants figure of Kshs.23,538,062 reflected in the statement of receipts and payments is an expenditure of Kshs.933,000 incurred under environment project against a budget of Kshs.700,000 resulting to an unauthorized over expenditure of Kshs.233,000. Further, the expenditure of Kshs.933,000 include an expenditure of Kshs.240,000 incurred on the facilitation of careers day in Cheptiret and Arnesens secondary schools which do not relate to environment.

In the circumstances, the total expenditure of Kshs.473,000 was irregularly incurred on environment contrary to Section 9(2) and 10(2) of the Constituency Development Fund Act, 2013 and therefore the propriety of the expenditure of Kshs.473,000 could not be confirmed for the year ended 30 June 2015.

3.0 Social Security Benefits

The statement of receipts and payments reflect social security benefits figure of Kshs.19,440. However, records made available indicated that all social security benefits were included in the compensation of employees expenditure of Kshs.874,446 reflected in the statement of receipts and payments. Under the circumstance, the propriety, accuracy

and validity of social security benefits of Kshs.19,440 could not confirmed for the year ended 30 June 2015.

4.0 Statement of Financial Asset and Liabilities

The statement of financial assets and liabilities reflects total financial assets figure of Kshs.35,049,945 which is at variance with the fund balance brought forward of Kshs.38,246,727 and surplus for the year of Kshs.6,882,383 totalling to Kshs.45,129,110 resulting in a variance of Kshs.10,079,165 which has not been explained or reconciled. Under the circumstances, the accuracy and validity of the statement of financial assets and liabilities as at 30 June 2015 could not be confirmed.

5.0 Cash and Cash Equivalents

The statement of financial assets and liabilities reflects a bank balance figure of Kshs.34,705,345 which is at variance with the cashbook balance figure of Kshs.33,454,187 as at 30 June 2015 resulting in a variance of Kshs.1,251,158 and which has not been explained or reconciled. Further, statement of financial assets and liabilities reflects cash balance of Kshs.172,300 while Note 13 to the financial statements reflect a nil balance as at 30 June 2015. The resultant difference has not been explained. Under the circumstances, the accuracy and validity of Cash and Cash Equivalent of Kshs.35,049,945 could not be confirmed as at 30 June 2015.

6.0 Summary Statement of Appropriation Summary

The summary statement of appropriation reflect adjustment of Kshs.41,497,528 and whose documentary evidence was not availed for audit review. Under the circumstances, the accuracy and validity of the adjustments of Kshs.41,497,528 in the summary statement of appropriation for the year ended 30 June 2015 could not confirmed.

7.0 Fixed Assets Register

Note 18.1 to the financial statements does not reflect details and value of fixed assets as at 30 June 2015. However, a review of the asset register reflects items such as desk top printers, speakers, scanners, photocopier, motor vehicle and furniture. Under the circumstances, accuracy and completeness of the fixed assets register as at 30 June 2015 could not be ascertained.

8.0 Funds Due to Projects

Note 18.4 to the financial statements reflects funds due to projects of Kshs.6,882,383. However, no documentary evidence in support of the figure was availed for audit verification. Under the circumstances, the accuracy and validity of funds due to projects of Kshs.6,882,383 could not be confirmed as at 30 June 2015.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of Constituencies Development Fund - Kesses Constituency as at 30 June 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 does not comply with the Constituencies Development Fund Act, 2013.

Other Matter

1.0 Budgetary Performance

1.1 Budget Control and Performance

During the year under review, the Fund had a budget of Kshs.145,489,861 against expenditure of Kshs.97,109,949 resulting in under expenditure of Kshs.48,379,912 or 33.3% of the budgeted amount as shown below:

Item	Budget(Kshs)	Expenditure (Kshs)	Under Absorption (Kshs)	Under Absorption (%)
Compensation of Employees	2,422,800	874,446	1,548,354	63.9
Use of Goods and Services	3,900,800	1,675,831	2,224,969	57.0
Committee Expenses	6,949,710	6,265,430	684,280	9.8
Transfers to Other Government Units	100,044,380	64,736,740	35,307,640	35.3
Other Grants and Transfers	32,055,971	23,538,062	8,517,909	26.6
Social Security Benefits	116,200	19,440	96,760	83.3
Acquisition of Assets	0	0	0	0.0
Other Payments	0	0	0	0
Total	145,489,861	97,109,949	48,379,912	33.3

However, funds not utilized is an indication of services and approved programs not implemented, consequently denying the residents of Kesses Constituency the services expected.

1.2 Project Implementation

The projects status report availed for audit review indicated that Kshs.76,352,841 was allocated and disbursed to 110 projects, out of which Kshs.53,652,303 or 70.3% had been spent as at 30 June 2015 leaving unspent balance of Kshs.22,700,538 or 29.7% which had not been disbursed to the respective project management committees by the end of the financial year although funding had been received from the Board see details below:-

Constituencies Development Fund - Kesses Constituency - Reports and Financial Statements for the year ended 30 June 2015

Serial no	Project name	Amount of Allocation as per Approved Proposal (Kshs)	Actual Disbursements in 2014/15 (Kshs)	Expenditure in 2014/2015 (Kshs)	Unspent Balance (Kshs)
1	Cengalo Secondary	1,000,000	1,000,000	1,000,000	0
2	Lingwai Secondary	1,000,000	1,000,000	1,000,000	0
3	Aic Chebaiwo Ruman Primary	900,000	900,000	900,000	0
4	Barakeiwo Primary	900,000	900,000	900,000	0
5	Bindura Primary	900,000	900,000	900,000	0
6	Chepkitiny Pri.School	900,000	900,000	900,000	0
7	Chuiyat Primary	900,000	900,000	900,000	0
8	Kapserton Pri.School	900,000	900,000	900,000	0
9	Kapyemit Primary	900,000	900,000	900,000	0
10	Keringet Primary	900,000	900,000	900,000	0
11	Ketiplong Primary	900,000	900,000	900,000	0
12	Koitebes Primary	900,000	900,000	900,000	0
13	Kondoo Farm Nine Pri School	900,000	900,000	900,000	0
14	Lainguse Primary	900,000	900,000	900,000	0
15	Lingwai Primary	900,000	900,000	900,000	0
16	Mogochoret Primary	900,000	900,000	900,000	0
17	Mugundoi Pri School	900,000	900,000	900,000	0
18	Murgor Primary	900,000	900,000	900,000	0
19	Ndungulu Primary	900,000	900,000	900,000	0
20	Ngeny Pri.School	900,000	900,000	900,000	0
21	Racecourse Pri.School	900,000	900,000	900,000	0
22	Seiyo Primary	900,000	900,000	900,000	0

23	Silaga Pri School	900,000	900,000	900,000	0
24	Tarakwa Prmary	900,000	900,000	900,000	0
25	Tumoge Primary	900,000	900,000	900,000	0
26	Aic Kaptumo Secondary	900,000	900,000	900,000	0
27	Koiwoarusen Secondary	900,000	900,000	900,000	0
28	Rehema Sec School	900,000	900,000	900,000	0
29	Saroyot Secondary	900,000	900,000	900,000	0
30	Sosiani Sec School	900,000	900,000	900,000	0
31	Teldet Sec School	900,000	900,000	900,000	0
32	Chebii Primary	800,000	800,000	800,000	0
33	Aic Isaac Kosgei Sec School	800,000	800,000	800,000	0
34	All Saints Chepkigen Secondary	800,000	800,000	800,000	0
35	Mkombozi Sec.School	800,000	800,000	800,000	0
36	Tulwopngetuny Sec School	800,000	800,000	800,000	0
37	Tumoge Secondary	800,000	800,000	800,000	0
38	Keringet Sec Sch,	700,000	700,000	700,000	0
39	Cheboror Pr.Sch	600,000	600,000	600,000	0
40	St. Cornelius Tilolwo Primary	600,000	600,000	600,000	0
41	Chepkoiyo Sec School	600,000	600,000	600,000	0
42	Moi Chuiyat Sec.School	600,000	600,000	600,000	0
43	Cheptiret Primary	500,000	500,000	500,000	0
44	R.C.E.A Seiyo Sec.School	500,000	500,000	500,000	0
45	Asururiet Primary	450,000	450,000	450,000	0
46	Chereber Primary	450,000	450,000	450,000	0

47	Chesunet Pri.Sch	450,000	450,000	450,000	0
48	Kapchorwa Pri School	450,000	450,000	450,000	0
49	Kapilat Pri.School	450,000	450,000	450,000	0
50	Kipkorosyo Primary	450,000	450,000	450,000	0
51	Sambul Primary	450,000	450,000	450,000	0
52	St. Mathews Central Kipchamo Pri.	450,000	450,000	450,000	0
53	Teldet Chuiyat Primary	450,000	450,000	450,000	0
54	Tinet Chebarus	450,000	450,000	450,000	0
55	Toror Pri.School	450,000	450,000	450,000	0
56	Tuiyobei Primary	450,000	450,000	450,000	0
57	Aic Tulwet Pri.School	400,000	400,000	400,000	0
58	Boror Primary	400,000	400,000	400,000	0
59	Chuchuniat Pri	400,000	400,000	400,000	0
60	Kamuyu Primary Sch.	400,000	400,000	400,000	0
61	Kaplamai Primary	400,000	400,000	400,000	0
62	Koriomat Pri.Sch.	400,000	400,000	400,000	0
63	Nabkoi Boarding Pri.	400,000	400,000	400,000	0
64	St Catherine Kahuo Pri.School	400,000	400,000	400,000	0
65	Kerita Day Secondary	400,000	400,000	400,000	0
66	Tarakwa Primary (Special Unit)	350,000	350,000	350,000	0
67	Racecourse Pri.School	300,000	300,000	300,000	0
68	Kapserton Cattle Dip	300,000	300,000	300,000	0
69	Barekeiwo Pri School	297,931	297,931	297,931	0
70	Koiluget Primary	270,000	270,000	270,000	0

71	Chirchir Primary	250,000	250,000	250,000	0
72	Ng'eny Pri.School	200,000	200,000	200,000	0
73	Tulwet Cattle Dip	184,372	184,372	184,372	0
74	Rukuine Sec School	2,000,000	2,000,000	2,000,000	0
75	Bindura Sec.School	1,000,000	1,000,000	1,000,000	0
76	Kamuyu Sec School	1,000,000	1,000,000	1,000,000	0
77	Chepkoiya Pri School	800,000	800,000	800,000	0
78	Chagaiya Sec.School	700,000	700,000	700,000	0
	Sub Total	53,652,303	53,652,303	53,652,303	0
79	Tumoge Secondary	700,000	0	0	700,000
80	Aic Kaptumo Primary	450,000	0	0	450,000
81	Chagaiya Primary	900,000	0	0	900,000
82	Cheploskei Primary	450,000	0	0	450,000
83	Chirchir Primary	400,000	0	0	400,000
84	Deb Sigilai Primary	450,000	0	0	450,000
85	Kaplamai Pri.School	450,000	0	0	450,000
86	Kapranga Primary	900,000	0	0	900,000
87	Kaptaragon Nursery	450,000	0	0	450,000
88	Kerita Primary	300,000	0	0	300,000
89	Kerita Tulwet Primary	900,000	0	0	900,000
90	Kiptega Pri.Sch.	450,000	0	0	450,000
91	Koiluget Primary	1,556,348	0	0	1,556,348
92	Lengut Pri.Sch.	900,000	0	0	900,000
93	Matharu Pri School	450,000	0	0	450,000
94	Muchorwe Pri.Sch	900,000	0	0	900,000

95	Nabkoi Boarding Pri.	270,000	0	0	270,000
96	Tulwopng'etuny Primary	450,000	0	0	450,000
97	Chirchir Secondary	500,000	0	0	500,000
98	Koiluget Sec.School	1,350,000	0	0	1,350,000
99	Lelmolok Secondary	900,000	0	0	900,000
100	Ndungulu Secondary	1,000,000	0	0	1,000,000
101	Rcea Seiyo Sec.School	450,000	0	0	450,000
102	Chebarus Cattle Dip	150,000	0	0	150,000
103	Chereber Cattle Dip	450,000	0	0	450,000
104	Mugundoi Cattle Dip	150,000	0	0	150,000
105	Chepkigen Cattle Dip	200,000	0	0	200,000
106	Bishop Muge Sec Sch.	800,000	0	0	800,000
107	Cheploskei Secondary	1,000,000	0	0	1,000,000
108	Mogobich Primary	800,000	0	0	800,000
109	Kapranga Cattle Dip	300,000	0	0	300,000
110	Building Of CDF Office	3,324,190	0	0	3,324,190
	Sub Total	22,700,538	0	0	22,700,538
	Grand Total	76,352,841	53,652,303	53,652,303	22,700,538

Under the circumstances, the residents of Kesses constituency did not receive the envisaged services.

1.3 Projects Verification

The following observations were made regarding 15 projects costing Kshs.13,682,759 and inspected during the year ended 30 June 2015:-

Serial No.	School Name	Activity	Amount (Kshs)	Findings
1.	Cheptiret Primary School	Construction of Library	500,000.00	<ul style="list-style-type: none"> Main building works completed Major uncompleted works: plaster and floor works, Keying, window panes and painting.
2.	Rukuine Secondary School	Purchase of School Bus	2,000,000.00	<ul style="list-style-type: none"> The bus was bought and log book inspected available.
3.	Mogochoret Pri Sch	Construction of 2no. Classrooms	900,000.00	<ul style="list-style-type: none"> Completed and in use.
4.	Mogobich Pri sch	Construction of Admn Block	800,000.00	<ul style="list-style-type: none"> Main building works completed. Incomplete: Floor, keying and paint works
5.	Barakeiwo Pri Sch	Construction of 2no. Classrooms	900,000.00	<ul style="list-style-type: none"> Completed and in use
6.	Barakeiwo Pri Sch	Renovation of 2no. Classrooms	300,000.00	<ul style="list-style-type: none"> Completed and in use
7.	Kerita Pri Sch	Construction of 2no. Classrooms	900,000.00	<ul style="list-style-type: none"> Complete and in use
8.	Tumoge Pri Sch	Construction of 2no. Classrooms	900,000.00	<ul style="list-style-type: none"> Complete and in use
9.	Kamuyu Sec Sch	Construction of dining hall	1,000,000.00	<ul style="list-style-type: none"> Main works complete Major uncompleted works: Paint works and panes
10.	Bindura Sec Sch	Construction of Laboratory	1,000,000.00	<ul style="list-style-type: none"> Main building works completed. Major uncompleted works: plaster, floor, window/door grills, Window panes and paint works.
11.	Tumoge Sec Sch	Construction of Adm Block	1,000,000.00	<ul style="list-style-type: none"> Incomplete but already in use.
12.	Cengalo dispensary	Construction of staff houses	900,000.00	<ul style="list-style-type: none"> Complete and in use
13.	Chuiyat dispensary	Construction of staff houses	882,759.00	<ul style="list-style-type: none"> Complete and in use
14.	Construction of shades	Across the constituency	700,000.00	<ul style="list-style-type: none"> Complete and in use
15.	Cheplaskei Secondary School	Construction of dormitory	1,000,000.00	<ul style="list-style-type: none"> Board of management differences delayed the project kick off. The project has started but no payment has been made
		Total	13,682,759	

Slow phase of completion of some projects may delay delivery of services to the citizens of Kesses Constituency on the intended projects.

My opinion is not qualified in respect of this matter.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

25 July 2016

IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12	34,705,345	38,246,727
Cash Balances (sale of tenders,hire of grader)	13	172,300	
Outstanding Imprests	14	0	0
Cash Equivalents (eg sale of tender doc held in bankers cheque)	15	0	0
TOTAL FINANCIAL ASSETS		35,049,945	38,246,727
 REPRESENTED BY			
Fund balance b/fwd 1st July...	16	38,246,727	
Surplus/Deficit for the year		6,882,383	38,246,727
Prior year adjustments	17		
NET LIABILITIES		45,129,110	38,246,727

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


Stephen Kosgey
Chairman - CDFC


Joseph K.N.Rtich
Fund Account Manager

**Reports and Financial Statements
For the year ended June 30, 2015**

V: SUMMARY STATEMENT OF APPROPRIATION

Receipts/Expense Item	A	B	C=A+B	D	E=C-D	F=D/C %
Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilisation	
RECEIPTS						
Transfers from CDF Board	103,992,333	41,497,528	145,489,861	145,489,861	0	100%
PAYMENTS						
Compensation of Employees	1,800,000	622,800	2,422,800	874,446	1,548,354	36
Use of goods and services	3,000,000	900,800	3,900,800	1,675,831	2,224,969	43
Committee expenses	4,339,233	2,610,477	6,949,710	6,265,430	684,280	90.1
Subsidies		-				
Transfers to Other Government Units	71,194,279	28,850,101	100,044,380	64,736,740	35,307,640	64.7
Other grants and transfers	23,558,821	8,497,150	32,055,971	23,538,062	8,517,909	73.4
Social Security Benefits	100,000	16,200	116,200	19,440	96,760	16.7
Acquisition of Assets						
Other Payments				0	0	
TOTALS	103,992,333	41,497,528	145,489,861	97,109,949	48,379,912	66.7

Kesses CDF financial statements were approved on _____ 2015 and signed by:
 Stephen Kosgey.....
Chairman - CDFC
 Date :


 Joseph K.N. Rotich.....
Fund Account Manager
 Date :

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 off 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 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

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

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 – KESSES CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

VII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

	Description	2014-2015	Description	2013 - 2014
		Kshs		Kshs
Normal Allocation	AIE NO: 750463	25,998,083	AIE NO...735842	36,285,148
	AIE NO : 796570	14,598,850	AIE NO...750063	36,285,148
	AIE NO : 796764	11,399,233		
	AIE NO : 750463	25,998,083		
Conditional grants	AIE NO.735842	25,998,084	AIE NO...	0
	0	0	AIE NO...	0
	0	103,992,333	TOTAL	72,570,295

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER REVENUES

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

4 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	874,446	177,200
Basic wages of casual labour	0	0
Personal allowances paid as part of salary		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Other personnel payments	0	0
Gratuity		0
Total	874,446	177,200

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	14,821	720,000
electricity		5,721
Water		0
Office rent		0
Communication, supplies and services	100,000	159,258
Domestic travel and subsistence	159,700	0
Printing, advertising and information supplies & services	19,169	0
Rentals of produced assets		0
Training expenses	761,000	
Hospitality supplies and services	144,510	0
Insurance costs		0
Specialized materials and services	191,500	0
Office and general supplies and services	257,511	0
Fuel ,oil & lubricants		0
Other operating expenses	27,620	0
Routine maintenance – other assets		0
		0
Total	1,675,831	890,700

6. COMMITTEE EXPENSES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee expenses	6,265,430	1,800,000
		439,503
TOTAL	6,265,430	2,123,503

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

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to primary schools	37,903,981	7000,000
Transfers to secondary schools	22,350,000	5000,000
Transfers to Tertiary institutions	0	1,000,000
Transfers to Health institutions	4,482,759	5,198,265
Transfer to Agricultural sector(foot security)		
TOTAL	64,736,740	17,198,265

8. OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary -Secondary	7,573,350	4,300,000
Bursary -Tertiary	5,890,500	3,002,850
Bursary-Special schools		0
Mocks & CAT		0
Water	800,000	0
Agriculture (Cattle dips)	1,284,372	1,090,000
Electricity projects		0
Security	200,000	0
Roads		0
Sports	1,490,640	0
Environment	933,000	0
Emergency Projects (specify)-school projects	5,366,200	0
Total	23,538,062	7,302,850

9. SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	19,440	6,200
Employer contribution to NHIF		2,200
Total	19,440	8,400

CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

10. ACQUISITION OF ASSETS

Non Financial Assets	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles	0	4,800,000
Purchase of Bicycles & Motorcycles	0	0
Overhaul of Vehicles	0	0
Purchase of Office furniture and fittings	0	90,700
Purchase of computers ,printers and other IT equipment	0	85,520
Purchase of photocopier	0	94,000
Purchase of other office equipment	0	1,930
Purchase of soft ware	0	0
Acquisition of Land	0	0
	0	
Total	0	5,072,150

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. OTHER PAYMENTS

	2014 - 2015	2013 - 2014
Other payments-Valuation of land	0	0
TOTAL	0	0

12. BANK BALANCES (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>Cooperative Bank, Eldoret Branch A/C no.01141443590500</i>	34,705,345	38,246,727
Total	34,705,345	38,246,727

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

13. CASH IN HAND

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

14. OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	Kshs	Kshs	Kshs
		-	172,300
Total			172,300

15. CASH EQUIVALENTS (SHORT-TERM DEPOSITS)

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2014 - 2015	2013 - 2014
			Kshs	Kshs
<i>Describe the nature of deposit</i>	0	0		0
<i>Describe the nature of deposit</i>	0	0		0
<i>Describe the nature of deposit</i>	0	0		0
<i>Describe the nature of deposit</i>	0	0		0
Total				0

CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

16. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
0		
Bank accounts	38,246,727	0
Cash in hand	-	0
Cash equivalents (short-term deposits)	-	0
Imprest	-	0
	-	0
Total	38,246,727	

17. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	-	0
Cash in hand	-	0
Cash equivalents (short-term deposits)	-	0
Imprest	-	0
Total	-	0

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>
<i>OTHER RECEIVABLES (SPECIFY)</i>	

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

18.3 PAYABLES

Kshs	Kshs
0	xxx
0	xxx
0	xxx
0	xxx
0	xxx

18.4 FUNDS DUE TO PROJECT-6,882,383

18.5 DISBURSEMENTS FROM THE BOARD

<i>AIE NO.</i>	<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
750463	25,998,083	2014/2015
796570	14,598,850	2014/2015
796764	11,399,233	2014/2015
750463	25,998,083	2014/2015
	<i>25,998,084</i>	<i>2014/15</i>
TOTAL	<i>103,992,333</i>	<i>2014/15</i>

KESSES CONSTITUENCY DEVELOPMENT FUND
ASSET REGISTER.

S/NO	TYPE OF FURNITURE	ASSET NO.	SERIAL NO.	ACQUISITION DATE	COST	CURRENT CONDITION	REMARKS
1.	Desk Top	CDF/146/001		Sent from Board		GOOD	
2.	Printer(hp laserjet pro 400m401dn)	CDF/146/002	PHHGB18981	Sent from Board.		GOOD	
3.	Speakers	CDF/146/003		Sent from Board.		GOOD	
4.		CDF/146/004		Sent from Board.		GOOD	
5.	Scanner	CDF/146/005	Hp scanjet 5590	Sent from Board.		GOOD	
6.	Photocopier(Kyocera)	CDF/146/006	>ABC<LM100D1		94,000	GOOD	
7.	Staplers	CDF/146/007	Kangaro DS-45		525	GOOD	
8.		CDF/146/008	"		525	GOOD	
9.	Paper punch	CDF/146/009	Kangaro DP 540		440	GOOD	
10.		CDF/146/010	Kangaro DP 520		440	GOOD	
11.	Camera	CDF/146/011	Model no Dsc – W710		19,000	GOOD	
12.	Flash Disks	CDF/146/012	2GB		1,260	GOOD	
13.		CDF/146/013	"		1,260	GOOD	
14.	Laptop	CDF/146/014			64,000	GOOD	
15.	Office stamps	CDF/146/015				GOOD	
16.		CDF/146/016				GOOD	
17.		CDF/146/017				GOOD	
18.	Land Rover Double Cabin	CDF/146/018	110022- GKB 501F		4,800,000	GOOD	
19.	Executive Table	CDF/146/019			47,500	GOOD	
20.	Executive Chair	CDF/146/020			31,000	GOOD	
21.	Table	CDF/146/021			3,500	GOOD	
22.	2 Steel Chairs	CDF/146/022		Sent from Board	4,600	GOOD	
23.		CDF/146/023		Sent from board	4,600	GOOD	
24.	UPS			Sent from board		GOOD	

Prepared by.

Joseph K.N.Rotich.

FUND ACCOUNT MANAGER

