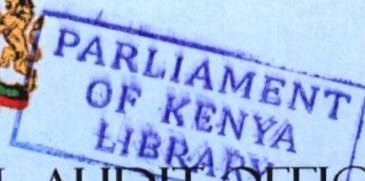


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



*Paper laid*  
*By Hon. A. Duale (hon)*  
*on Thurs. 08.10.2015.*

**REPORT**

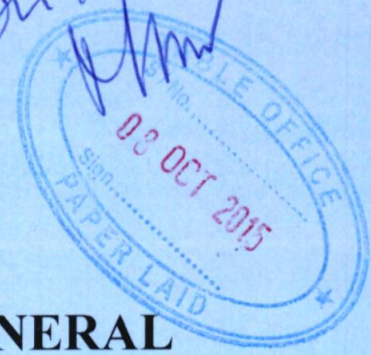
**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2014**





# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

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

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#### 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 2014, 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.

#### **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 report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards of Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes 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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

### **1.0 Inaccuracies in the Financial Statements**

#### **1.1 Presentation of Financial Statements**

The financial statements are reflected as presented in thousands. However, the figures are indeed presented in full without rounding off to the nearest thousand. Consequently, the figures in these financial statements are misrepresented.

#### **1.2 Summary Statements of Appropriation**

The summary statement of appropriation recurrent and development combined reflect under the original budget column a total figure of Kshs.72,570,295.00 which varies with the respective breakdown figure of Kshs.88,394,895.00 resulting to unreconciled or unexplained variance of Kshs.15,824,600.00 obtained by totalling the items in the column. Further, the actual payments column reflects a total figure of Kshs.34,323,568.00 while the breakdown adds up to Kshs.189,107,368.00 again resulting to unexplained or unreconciled variance of Kshs.154,783,800.00.

Consequently, the accuracy of the summary statement of appropriation could not be confirmed.

### **2.0 Compensation to Employees**

The statement of receipts and payments reflect compensation to employees of Kshs.177,200.00 which relate to salaries paid to contracted staff. However, records made available for audit review indicated that expenditure of Kshs.214,000.00 was incurred on compensation to employees. The difference of Kshs.36,800.00 was not explained or reconciled at time of this audit. Consequently, the accuracy of the compensation to employees expenditure of Kshs.177,200.00 for the year ended 30 June 2014 could not be confirmed.

### **3.0 Use of Goods and Services**

The statement of receipts and payments reflects under note 5 to the financial statements a total figure of Kshs.890,700.00 in relation to use of goods and services while the breakdown under note 5 add up to Kshs.236,979.00 resulting to unexplained or unreconciled variance of Kshs.653,721.00. Consequently, the accuracy of the use of goods and services expenditure of Kshs.890,700.00 could not be confirmed.

### **4.0 Transfers to Other Government Units**

The statement of receipts and payments reflects a figure of Kshs.17,198,265.00 in respect of transfers to other government units. However, records available for audit review indicate that Kshs.22,257,640.00 was disbursed to other government units resulting to unexplained variance of Kshs.5,059,375.00. Further, note 7 to the financial statements reflects a total figure of Kshs.17,198,265.00 in relation to transfers to other government units while the breakdown under note 7 add up to Kshs.18,198,265.00 resulting to unexplained variance of Kshs.1,000,000.00.

Consequently, the accuracy of transfer to other government units expenditure of Kshs.17,198,265 could not be confirmed.

#### **4.1 Transfers to Schools**

Note 7 to the financial statements reflects a total figure of Kshs.17,198,265.00 which included transfers to primary and secondary schools of Kshs.7,000,000.00 and 5,000,000.00 respectively all totaling Kshs.12,000,000.00. However, records made available for audit review revealed that a total of Kshs.18,200,000.00 comprising of Kshs.14,300,000.00 and Kshs.3,900,000.00 was transferred to primary and secondary schools respectively resulting to unexplained variance of Kshs.6,200,000.00.

#### **4.2 Transfers to Health Institutions**

Note 7 to the financial statements reflects a total figure of Kshs.17,198,265.00 which included transfers to health institutions of Kshs.5,198,265.00. However, information made available for audit review indicated that Kshs.3,057,640.00 was transferred to health institutions resulting to unexplained variance of Kshs.2,140,625.00.

Consequently, the accuracy of Kshs.5,198,265 on transfers to Health Institutions for the year ended 30 June 2014 could not be confirmed.

#### **5.0 Other Grants and Transfers**

The statement of receipts and payments reflect other grants and transfers figure of Kshs.7,302,850.00 out of which Kshs.4,300,000.00 was transferred to secondary schools and Kshs.3,002,850.00 to tertiary institutions in respect of bursary awards. However, information made available for audit review indicated that an expenditure of Kshs.8,512,850.00 was incurred. No reason or explanation has been provided on the difference of Kshs.1,210,000.00.

Consequently, the validity and accuracy of the other grants and transfers of Kshs.7,302,850.00 for the year ended 30 June 2014 could not be confirmed.

#### **6.0 Cash and Cash Equivalent**

The statement of assets and liabilities reflect a cash and cash equivalent figure of Kshs.38,246,727.00. However, the constituency development cash book reflected a balance of Kshs.28,167,562.00 resulting to unexplained or reconciled difference of Kshs.10,079,165. In the circumstances it has not been possible to ascertain the validity and accuracy of the cash and cash equivalent balance of Kshs.38,246,727.

#### **7.0 Unsupported Expenditure on use of Goods and Services**

The statement of receipts and payments reflects under note 5 an expenditure on use of goods and services of Kshs.890,700.00. However records made available for audit review supported an expenditure of Kshs.116,648.00 resulting to unsupported expenditure of Kshs.774,052.00.

Consequently, the propriety of the expenditure on use of goods and services of Kshs.774,052 could not be confirmed for the year ended 30 June 2014.

### **8.0 Acquisition of Assets**

The statement of receipts and payments reflects an expenditure of Kshs.5,072,650.00 in respect of acquisition of assets which include an expenditure of Kshs.272,150.00 incurred in the acquisition of furniture, computers, photocopier and office equipment. However, no documentary evidence was availed in support of the expenditure of Kshs.272,150.00. Further, note 10 to the financial statements reflects an amount of Kshs.5,072,150.00 while the statement of receipts and payments reflect an amount of Kshs.5,072,650.00 resulting to unexplained or unreconciled difference of Kshs.500.00.

Consequently, the propriety of Kshs.272,650.00 on the acquisition of assets for the year ended 30 June 2014 could not be confirmed.

### **9.0 Other Payments - Training of Committees and Project Management Committees**

The statement of receipts and payments reflects expenditure on other payments of Kshs1,434,000.00. However, no documentary evidence was availed for audit review in support of this expenditure while note 11 to the financial statements reflect a nil balance instead of the Kshs.1,434,000.00. In the circumstance, the propriety and accuracy of other payments of Kshs.1,434,000.00 for the year ended 30 June 2014 could not be confirmed.

### **10.0 Funds due to projects**

The financial statements under note 18.4 reflect funds due to projects amounting Kshs.10,540,591. However, details in support of the funds due to projects of Kshs.10,540,591.00 were not availed for audit review. In the circumstances, the validity and accuracy of the funds due to projects of Kshs.10,540,591.00 could not be confirmed as at 30 June 2014.

### **11.0 Fixed Assets Register**

Note 18.1 reflect fixed assets register. However, a review of the assets register reflected items such as desk top, printer, speakers and scanner whose values had not been indicated.

Consequently, the accuracy and completeness of the fixed assets register as at 30 June 2014 could not be ascertained.

### **12.0 Disbursement to the Former Eldoret South Constituency**

The former Eldoret South Constituency was split into Kapseret and Kesses constituencies. According to CDF Financial Management Guidelines reference CDF Board Circulars/Vol.1.1/167 of 17 July 2013, the banks of the parent constituency was to be used for disbursement of funds for the financial year 2012/2013 and the preceding financial years and be closed after all such funds are disbursed to Project Management Committees (PMCs) and on preparations of bank reconciliation statements. According to CDF Board records, an amount of Kshs.100,406,305.70 was disbursed to Eldoret South CDF during the year under review. However, Eldoret South CDF (Kapseret and Kesses

CDFs) have not provided records to show how the funds amounting to Kshs.100,406,305.70 was subsequently utilized.

### **13.0 Ownership of Motor Vehicle**

Further, records made available indicated that a motor vehicle was procured for use by CDF Kesses Constituency. However, ownership documents for the vehicle were not availed for audit verification and the vehicle was not in the custody of the management at the time of audit although it was explained that the vehicle was involved in an accident. No documentary evidence and inspection report were availed to ascertain the custody and extent of the accident damage. In the circumstance, the existence and ownership of the constituency vehicle could not confirmed.

### **14.0 Bursaries**

The statement of receipts and payments reflects under note 8 to the financial statements other grants and transfers figure of Kshs.7,302,850.00 which include bursaries of Kshs.6,572,850.00 awarded by bursary vetting committee comprising of members appointed at the locational level contrary to CDF Circular Vol.1/III of 13 September 2010 which requires that bursaries be awarded by constituency bursary vetting committee which vets the bursary beneficiaries in line with CDF Board guidelines. The management has not explained how the beneficiaries were identified and how the bursaries awarded were determined.

Consequently, the propriety of the expenditure of Kshs.6,572,850.00 on bursaries could not be ascertained for the year ended 30 June 2014.

### **15.0 Construction of Cheptiret Health Centre**

The statement of receipts and payments reflect an expenditure incurred on transfers to other government units of Kshs.17,198,265.00 which include an expenditure of Kshs.2,500,000.00 disbursed for the construction of Cheptiret Health Centre on 9 January 2014 . However, an audit inspection of the project revealed that no construction work had commenced. The title deed for the land occupied by the health centre was also not availed for audit verification. No explanation has been provided for the delayed commencement of the Cheptiret Health Centre construction.

Consequently, the propriety of Kshs.2,500,000.00 disbursed to the project management committee could not be confirmed for the year ended 30 June 2014.

### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

## Other Matter

### Irregular Procurement of Motor Vehicle

The statement of receipts and payments reflects an expenditure of Kshs.5,072,650.00 on acquisition of assets which include an expenditure of Kshs.4,800,000.00 incurred on procurement of a motor vehicle. Records made available indicate that the vehicle was procured from motor vehicles dealer using request for quotations method. However, documents available indicate that the tender was not awarded to the lowest tenderer at Kshs.4,413,515 contrary to the procurement law. No explanation was provided for failure to award the tender to the lowest bidder.

Consequently, the propriety of the motor vehicle expenditure of Kshs.4,800,000 could not be confirmed. My opinion is not qualified in respect of this matter.



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

Nairobi

10 August 2015

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[30<sup>TH</sup> SEPTEMBER 2014]



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**CONSTITUENCIES DEVELOPMENT FUND – KESSES**

**REPORTS AND FINANCIAL STATEMENTS**

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

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**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, 2014 (Kshs'000)**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

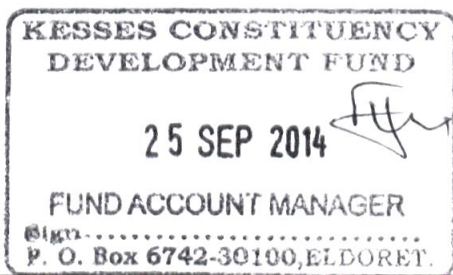
The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	<b>Yusuf Mbuno</b>
2.	Fund Account Manager	<b>Joseph K.N.Rotich</b>
3.	District Accountant	<b>Philiph Kilaka</b>

**(d) Fiduciary Oversight Arrangements**

- 1. Stephen Kosgey.....Chairman
- 2. Irene Chemutai.....Secretary
- 3. Ben Kiplagat .....Member
- 4. Joseph Toroitich.....Member
- 5. Eileen Cherotich.....Member
- 6. Rodah j. Tarus .....Member
- 7. James Tunen .....Member
- 8. Julius Njukuna .....Member
- 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, 2014 (Kshs'000)**

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**Provide box and physical address of the constituency CDF office**

Kesses Constituency  
P.O. Box 6742-30100  
Wareng Sub-County, HQTERS.  
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

# CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY

## Reports and Financial Statements

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

### 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, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the constituency; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the 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, 2014, 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.

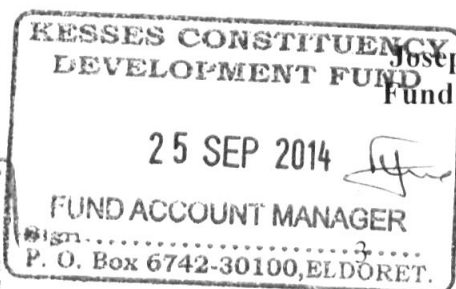
The Fund Account Manager in charge of the Kesses *CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted 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 25/9/ 2014.



Stephen Kosge  
Chairman - CDFC



Joseph K.N. Rotich  
Fund Account Manager

KESSES CONSTITUENCY DEVELOPMENT  
FUND

25 SEP 2014

**CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY**

**Reports and Financial Statements**

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

**III. STATEMENT OF RECEIPTS AND PAYMENTS**

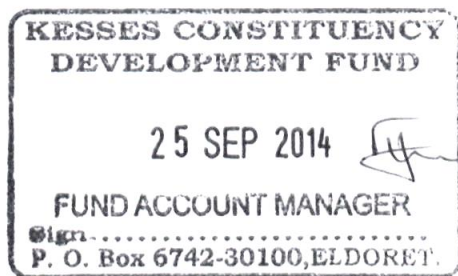
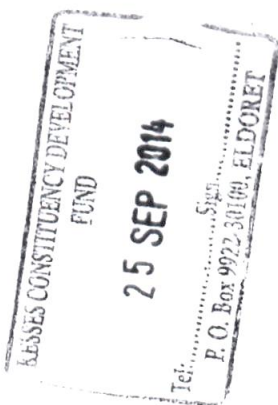
#REF!	Note	2013-2014 Kshs	2012-2013 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	72,570,295	
Proceeds from Sale of Assets	2	0	
Other Receipts	3	0	
<b>TOTAL RECEIPTS</b>		<b>72,570,295</b>	
<b>PAYMENTS</b>			
Compensation to Employees	4	177,200	
Use of goods and services	5	890,700	
Committee Expenses	6	2,239,503	
Transfers to Other Government Units	7	17,198,265	
Other grants and transfers	8	7,302,850	
Social Security Benefits	9	8,400	
Acquisition of Assets	10	5,072,650	
Other Payments-Training of Committees and project management committees	11	1,434,000	
<b>TOTAL PAYMENTS</b>		<b>34,323,568</b>	
<b>SURPLUS/DEFICIT</b>		<b>38,246,727</b>	

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 25/9 2014 and signed by:

**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, 2014 (Kshs'000)**

**IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES**

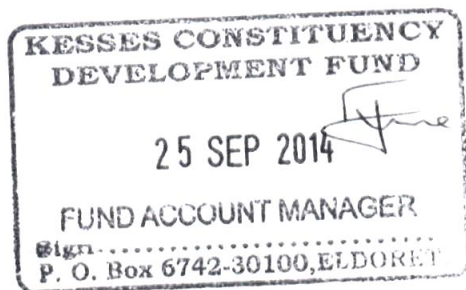
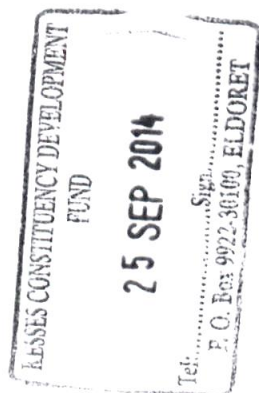
	Note	2013-2014 Kshs	2012-2013 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12	38,246,727	
Cash Balances (sale of tenders,hire of grader)	13	0	
Outstanding Imprests	14	0	
Cash Equivalents ( eg sale of tender doc held in bankers cheque)	15	0	
<b>TOTAL FINANCIAL ASSETS</b>		<u>38,246,727</u>	
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	16	0	
Surplus/Defict for the year		38,246,727	
Prior year adjustments	17		
<b>NET LIABILITIES</b>		<u>38,246,727</u>	

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 25/9/ 2014 and signed by:

**Stephen Kosgey**  
**Chairman - CDFC**



**Joseph K.N.Rtich**  
**Fund Account Manager**

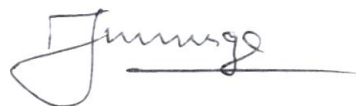



V: SUMMARY STATEMENT OF APPROPRIATION

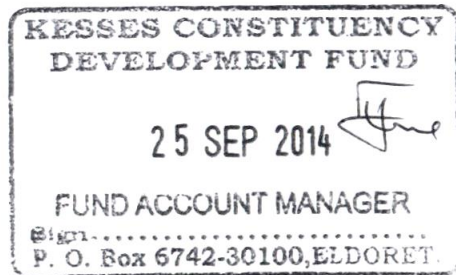
Revenue/Expense Item	Original Budget (approved allocations for FY 2013/14)	Adjustments (Reallocations and previous year 2012/13 balance b/f)	Final Budget	Actual Payments	Budget Utilization Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
Compensation of Employees	800,000	-	800,000	177,200	622,800	20
Use of goods and services	1,600,000	-	1,600,000	890,700	709,300	60
Committee expenses	4,850,000	-	4,850,000	2,239,503	2610,497	50
Subsidies		-				
Transfers to Other Government Units	31,400,000	-	31,400,000	17,198,2065	14,201,794	49.2
Other grants and transfers	15,800,000	-	15,800,000	7,302,850	8,497,150	48.9
Social Security Benefits	24,600	-	24,600	8,400	16,200	30
Acquisition of Assets	14,800,000	-	14,800,000	5,072,650	9,727,350	29.8
Other Payments	19,120,295	-	19,120,295	1,434,000	17,686,295	89.8
<b>TOTALS</b>	<b>72,570,295</b>		<b>72,570,295</b>	<b>34,323,568</b>	<b>53,450,000</b>	<b>50.3</b>

Kesses CDF financial statements were approved on 25-9- 2014 and signed by:

Stephen Kosgey  
Chairman - CDFC



  
Joseph K.N. Rotich  
Fund Account Manager



## **VI. SIGNIFICANT ACCOUNTING POLICIES**

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

### **a) Statement of compliance and basis of preparation**

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

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

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

### **b) Recognition of revenue and expenses**

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

### **c) In-kind contributions**

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

### **d) Cash and cash equivalents**

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

**CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY**

**Reports and Financial Statements**

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

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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.

**CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY**

**Reports and Financial Statements**

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

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

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**e) Receivables and payables**

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

**f) Budget**

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

**g) Comparative figures**

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

**h) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

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

**VII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM CDF BOARD**

	Description	2013 - 2014	2012 - 2013
		Kshs	Kshs
Normal Allocation	AIE NO...735842	36,285,147.50	0
	AIE NO...750063	36,285,147.50	0
Conditional grants	AIE NO...	0	0
	AIE NO...	0	0
	<b>TOTAL</b>	<b>72,570,295</b>	<b>0</b>

**2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS**

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

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

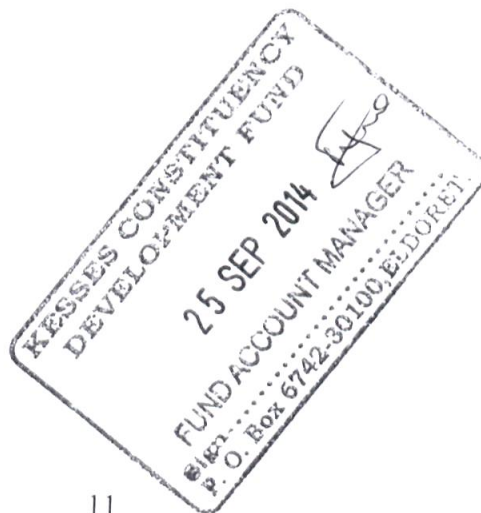
NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. OTHER REVENUES**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**4 COMPENSATION OF EMPLOYEES**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Basic wages of contractual employees	137,200	0
Basic wages of casual labour	40,000	0
<b>Personal allowances paid as part of salary</b>		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Other personnel payments	0	0
Gratuity	0	
<b>Total</b>	<b>177,200</b>	<b>0</b>



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. USE OF GOODS AND SERVICES**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Utilities, supplies and services	720,00	
electricity	5,721	
Water	0	
Office rent	0	
Communication, supplies and services	0	
Domestic travel and subsistence	0	
Printing, advertising and information supplies & services	159258	
Rentals of produced assets	0	
Training expenses		
Hospitality supplies and services	0	
Insurance costs	0	
Specialized materials and services	0	
Office and general supplies and services	0	
Fuel ,oil & lubricants	0	
Other operating expenses	0	
Routine maintenance – other assets	0	
<b>Total</b>	<b>890,700</b>	

**6. COMMITTEE EXPENSES**

Description	2013 - 2014	2012 - 2013
	Kshs	Kshs
Other committee expenses	1,800,000	
Committee allowance	439,503	
<b>TOTAL</b>	<b>2,239,503</b>	

KESSES CONSTITUENCY  
 DEVELOPMENT FUND  
 25 SEP 2014  
 FUND ACCOUNT MANAGER  
 P. O. Box 6742-30100, ELDORET.

**CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2014 (Kshs'000)****7. TRANSFER TO OTHER GOVERNMENT ENTITIES**

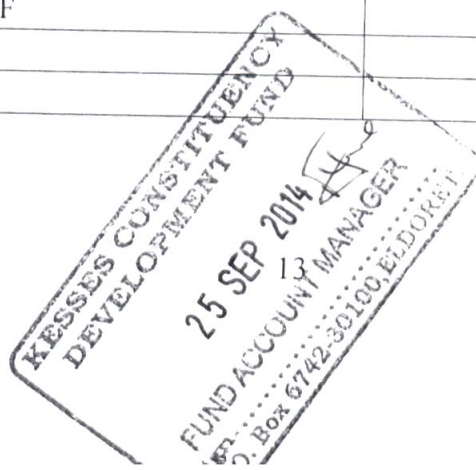
Description	2013 - 2014	2012 - 2013
	Kshs	Kshs
Transfers to primary schools	7,000,000	
Transfers to secondary schools	5,000,000	
Transfers to Tertiary institutions	1,000,000	
Transfers to Health institutions	5,198,265	
<b>TOTAL</b>	<b>17,198,265</b>	

**8. OTHER GRANTS AND OTHER PAYMENTS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bursary -Secondary	4,300,000	
Bursary -Tertiary	3,002,850	
Bursary-Special schools	0	
Mocks & CAT	0	
water	0	
Agriculture (food security)	0	
Electricity projects	0	
Security	0	
Roads	0	
Sports	0	
Environment	0	
Emergency Projects (specify)-school projects	0	
<b>Total</b>	<b>7,302,850</b>	

**9. SOCIAL SECURITY BENEFITS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Employer contribution to NSSF	6,200	
Employer contribution to NHIF	2,200	
<b>Total</b>	<b>8,400</b>	



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

**10. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	2013 - 2014	2012 - 2013
	Kshs	Kshs
Purchase of Buildings	0	
Construction of Buildings	0	
Refurbishment of Buildings	0	
Purchase of Vehicles	4,800,000	
Purchase of Bicycles & Motorcycles	0	
Overhaul of Vehicles	0	
Purchase of Office furniture and fittings	90,700	
Purchase of computers ,printers and other IT equipments	85,520	
Purchase of photocopier	94,000	
Purchase of other office equipments	1,930	
Purchase of soft ware	0	
Acquisition of Land	0	
<b>Total</b>	<b>5,072,150</b>	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

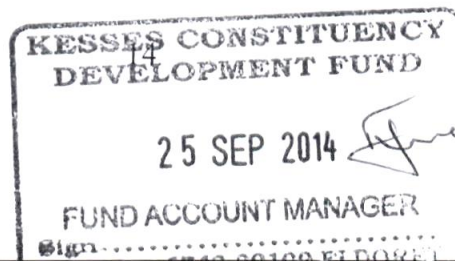
**11. OTHER PAYMENTS**


**12. BANK BALANCES (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2013 - 2014	2012 - 2013
	Kshs	Kshs
Cooperative Bank, Eldoret Branch A/C no.01141443590500	38,246,727	
<b>Total</b>	<b>38,246,727</b>	

**13. CASH IN HAND**

0	2013 - 2014	2012 - 2013
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**CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY**

**Reports and Financial Statements**

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

	Kshs	Kshs
Sale of tender	0	
Hire of graders	0	
Hire of hall	0	
Other receipts (specify)	0	
<b>Total</b>	<b>0</b>	

*[Provide cash count certificates for each]*

**14. OUTSTANDING IMPRESTS**

<i>Name of Officer</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<b>Total</b>			

**15. CASH EQUIVALENTS (SHORT-TERM DEPOSITS)**

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2013 - 2014	2012 - 2013
			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	
<b>Total</b>			<b>0</b>	

**16. BALANCES BROUGHT FORWARD**

0	2013 - 2014	2012 - 2013
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**CONSTITUENCIES DEVELOPMENT FUND – KESSES CONSTITUENCY**

**Reports and Financial Statements**

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

	Kshs	Kshs
Bank accounts	0	-
Cash in hand	0	-
Cash equivalents (short-term deposits)	0	-
Imprest	0	-
<b>Total</b>	<b>0</b>	<b>-</b>
<i>[Provide short appropriate explanations as necessary]</i>	0	

**17. PRIOR YEAR ADJUSTMENTS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts	0	-
Cash in hand	0	-
Cash equivalents (short-term deposits)	0	-
Imprest	0	-
<b>Total</b>	<b>0</b>	<b>-</b>

**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, 2014 (Kshs'000)**

**18.3 PAYABLES**

Kshs	Kshs
0	XXX
0	XXX
0	XXX
0	XXX
<b>0</b>	<b>XXX</b>

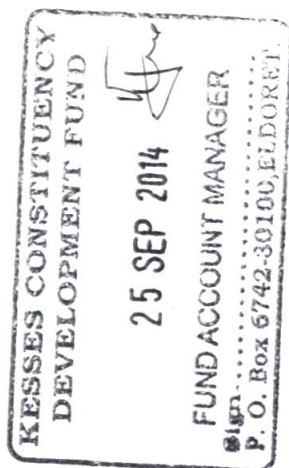
*18.4 FUNDS DUE TO PROJECT-Ksh.10, 540,591.*

*18.5 DISBURSEMENTS FROM THE BOARD*

<i>AIE NO.</i>	<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
735842	36,285,147.50	2013/2014
750063	36,285,147.50	2013/2014
<b>TOTAL</b>	<b>72,570,295</b>	

**KESSES CONSTITUENCY DEVELOPMENT FUND**  
**ASSET REGISTER.**

S/NO	TYPE OF FURNITURE	ASSET NO.	SERIAL NO.	ACQUISITION DATE	COST	CURRENT CONDITION	REMARK
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

