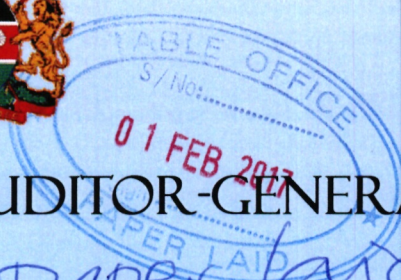


REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

*Paper laid by
the Leader of
Majority on
01/02/2017*

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT
TESO NORTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**



REPUBLIC OF KENYA
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
TESO NORTH CONSTITUENCY

TESO NORTH DISTRICT

P.O Box 255-50244

Tel: 0722882193

AMAGORO
DIDC BUILDING

Visit Our Website
www.cdf.go.ke

KAMURIAI
E mail: cdffesonorth@cdf.go.ke

15th March 2016

OUR REF: TNCDF/FINS/2015/001

THE DIRECTOR OF AUDIT,
KENYA NATIONAL AUDIT OFFICE,
WESTERN HUB,
P.O. BOX 2042
KAKAMEGA.

Dear sir

RE: AMENDED FINANCIAL STATEMENT

Please the amended copy of the financial statement for Teso North constituency development fund for the financial year 2014/2015

Thank you.

Philip Odida
Fund account Manager.

CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *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*. The objective of the fund is to ensure that a specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Philip Odida
3.	District Accountant	Lee Omanje

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Teso 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.

List of the Teso North CDFC as gazetted

No	Name	Position
1	Sammy Ikwaras	Chairman
2	Edward Oluku	Secretary
3	Nancy Okuche	Member
4	SUB-county Commissioner-teso North	Member
5	Cathrine Amoiti	Member
6	Julius Omuse	Member
7	Janet Ato	Member
8	Miriam Wamuhu	Member
9	Rev. Isabella Inyale	Member
10	Philip Odida	FAM-Ex-officio
11	Hon. Arthur Odera	MP-Ex-officio

CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs'000)

(e) Entity Headquarters

Teso North constituency CDF office,
P.O. Box 255-50244, Kamuriai,
DIDC Building
AMAGORO
BUSLA COUNTY
KENYA

(f) Teso North Constituency Contacts

Telephone: (254) 0729037373
E-mail: cdftesonorth@cdf.go.ke

(g) Entity Bankers

The Teso North CDF main banker is:
The Cooperative Bank
Malaba Branch
A/c.No. 01141519587800
P.O.BOX 173-50408
KAMURIAI.

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

Our Values

Teso North CDFC pledges that all CDFC activities and decisions will be based on and guided by the following values:

- Continuous learning
- Integrity
- Service Culture
- Team Work
- Objectivity
- Good corporate citizenship

I am pleased to report that 2014/2015 was a year of challenges. However we managed to improve our operating performance and managed to disburse 60% of the funds received from the Board (2014/15 Budget) to various projects within the year. The last 40% of the funds was still held by the CDF Board as at 30th June, 2015. Despite the challenges we encountered during the year, we managed to construct quite a number of facilities to completion and most of them are now in use.

During the year, we managed to achieve the following:

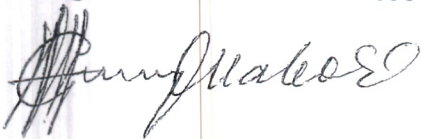
1. Completed quite a number of facilities in Education, health, security, , roads and bridges.
2. Started new projects. Some of them are complete while others are ongoing.
3. Equipped youths operating bodaboda business with driving skills, traffic rules and providing them with licences.

Some of the emerging issues that we underwent include;

1. Overwhelming demand for Bursary
2. Need for water supply in the constituency

I take this opportunity to sincerely thank the CDF Board, CDFC and our key stakeholders for continued support.

On behalf of Teso North CDFC and employees I assure you of our total dedication and commitment in serving the constituents of Teso North to our best.



Mr. Sammy Ikwaras Okabose

CHAIRMAN CDFC

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.

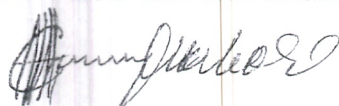
The Fund Account Manager in charge of the Teso North CDF is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2014. This responsibility 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 Teso North 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 Teso North 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 Teso North 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.

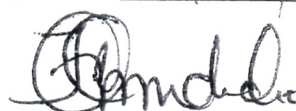
The Fund Account Manager in charge of the Teso North CDF confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted 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 Teso North CDF financial statements were approved and signed on 9/9/ 2015.



Sammy Ikwaras
Chairman - CDFC



Philip Odida
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- TESO NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund – Teso North Constituency set out on pages 5 to 22, which comprise the statement of assets and liabilities as at 30 June 2015, and the statement receipts and payments, statement of cash flows for the year then ended, summary statement of appropriation for the year then ended: recurrent and development 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 judgment, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1.0. Accuracy, completeness Presentation, of the Financial Statements

The International Public Sector Accounting Standards (Cash Basis) financial statements presentation format prescribed by the National Treasury requires the management to include the action taken on the previous year auditor's recommendations. In the year 2013/2014, Teso North CDF had a qualified opinion (except for). However, no report on the action taken on the audit issues raised was included in the financial statements for the year under review.

Further, the financial statements reflect the use of goods and services balance of Kshs.196,000 which relates to rent expense only. The expenditure on other operating expenses were not disclosed as required but were instead irregularly included under committee expense balance of Kshs.8,120,700.

In the circumstances, the presentation of the financial statements was not in conformity with IPSAS (Cash Basis) as prescribed by the National Treasury and in accordance with the Public Finance Management Act, 2012.

2.0. Acquisition of Assets

During the year under review, the Fund acquired assets worth Kshs.695,000. However, a motor vehicle Ford Ranger registration No.GKA546T of un specified value was not disclosed or included in the summary of fixed assets. Further, it was alleged that the motor vehicle had not been handed over by the former member of parliament three years after the MP left office. In addition, the fund incurred Kshs.552,750 to hire taxis for project monitoring and evaluation. The Fund did not also maintain a complete fixed asset register.

Consequently, the existence, accuracy, location, security and value of the fixed assets could not be confirmed.

3.0. Stalled Projects

During the year 2013/2014, Construction projects with disbursement amounting to Kshs.5,238,880.00 were not completed as required. Further, in 2014/2015 another Kshs.7,100,000.00 was disbursed part of which was to start new projects in institutions which had incomplete projects as at 30 June 2015. As a result, the propriety and value for money for the expenditure of Kshs.12,338,880 could not be ascertained.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Constituencies Development Fund - Teso North 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 comply with Constituencies Development Fund Act, 2013.

Other Matter

(i) Budget Control and Performance

The Fund had budgeted to receive Kshs.154,997,391 from the National Management Board as transfers from the Board which included balances from previous year amounting to Kshs.42,108,463.50. However, actual receipts amounted to only Kshs.131,709,296.00 resulting in delayed disbursements of Kshs.23,288,095.50. Further, the Fund underspent by Kshs.42,151,170.30 as detailed below:

Teso North Budget Analysis 2014/15

Revenue/Expense Item	Approved Budget	Actual Expenditure	Variation	% age Variation
RECEIPTS	Kshs.	Kshs.	Kshs.	
Transfers from CDF Board	154,997,391.50	131,709,296.00	23,288,095.50	15%
Sub total	154,997,391.50	131,709,296.00	23,288,095.50	15%
PAYMENTS				
Compensation of Employees	2,132,116.80	1,304,537.00	827,579.80	39%
Use of goods and services	3,500,000.00	2,592,312.00	907,688.00	26%
Committee Expenses	7,685,900.00	5,724,388.00	1,961,512.00	26%
Transfers to Other Government Units	74,737,794.10	54,661,282.00	20,076,512.10	27%
Other grants and transfers	57,241,580.60	47,455,502.20	9,786,078.40	17%
Social Security Benefits	100,000.00	13,200.00	86,800.00	87%
Acquisition of Assets	8,700,000.00	695,000.00	8,005,000.00	92%
Other Payments	900,000.00	400,000.00	500,000.00	56%
TOTALS	154,997,391.50	112,846,221.20	42,151,170.30	27%

The delayed disbursement implies delayed implementation of projects and related service delivery to the constituents.

(ii) Projects' Implementation Status

During the two years to 30 June, 2015 out of 292 projects allocated a total of Kshs.211,930,761 were to be implemented. However, 72 projects with a total allocation of Kshs.123,649,921.77 were ongoing and incomplete. Further, 51 projects with budget allocation of Kshs.26,901,799.00 were stalled having exhausted the allocations before completion. In addition, 6 projects allocated Kshs.8,125,000.00 were considered abandoned as detailed below:

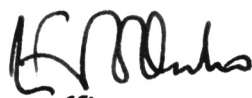
TESO NORTH CDF PROJECT IMPLEMENTATION STATUS 2014/15

	Abandoned		Complete		On going		Stalled	
	No	Allocation	No	Allocation	No	Allocation	No	Allocation
Admin	1	500,000.00	1	1,800,000.00	8	33,275,499.50		
Educ	5	3,125,000.00	114	42,391,900.00	40	56,784,649.27	45	21,670,420.00
Environ			22	1,858,000.00	6	4,640,000.00	2	390,000.00
Health			6	3,791,379.50	3	1,150,000.00	1	2,241,379.50
Roads			7	4,612,760.23	5	6,400,000.00	1	800,000.00
Sports			6	1,000,000.00	3	11,749,773.00	1	800,000.00
Water			7	2,300,000.00			1	1,000,000.00
Agric					3	7,600,000.00		
Security					4	2,050,000.00		
Total	6	3,625,000.00	163	57,754,039.73	72	123,649,921.77	51	26,901,799.50

As at the time of the audit in April 2016, among the ongoing projects were 20 projects allocated a total of Kshs.8,235,000 in the year 2013/2014. The delay in the implementation of projects implies that the Constitutional requirement of responsive and prompt service delivery to the public was not upheld.

Consequently, the constituents did not get value for money in the unimplemented projects as at 30 June 2015.

My opinion is not qualified in respect of these matters.



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

Nairobi

14 December 2016

CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH CONSTITUENCY

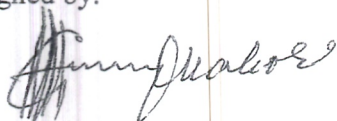
Reports and Financial Statements

For the year ended June 30, 2015 (Kshs'000)

III. STATEMENT OF RECEIPTS AND PAYMENTS

#REF!	Note	2014-2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	131,709,296.00	31,371,733.20
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		131,709,296.00	31,371,733.20
PAYMENTS			
Compensation of Employees	4	1,304,537.00	413,127.60
Use of goods and services	5	196,000.00	1,684,409.90
Committee Expenses	6	8,120,700.00	1,280,000.00
Transfers to Other Government Units	7	54,661,282.00	14,785,993.30
Other grants and transfers	8	47,455,502.20	18,149,738.30
Social Security Benefits	9	13,200.00	7,600.00 0
Acquisition of Assets	10	695,000.00	00.00
Other Payments	11	400,000.00	00.00
TOTAL PAYMENTS		112,846,221.20	36,320,869.50
SURPLUS/DEFICIT		(18,863,074.80)	(4,949,136.30)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Teso North CDF financial statements were approved on 9/9/2015 and signed by:



Sammy Ikwaras
Chairman - CDFC



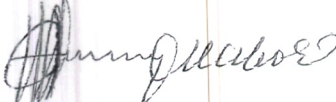
Philip Odida
Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2015 (Kshs'000)

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	13,913,938.50	(6,778,136.30)
Cash Balances (sale of tenders,hire of grader)	13	00.00	00.00
Outstanding Imprests	14	00.00	1,829,000.00
Cash Equivalents (eg sale of tender doc held in bankers cheque)	15	00.00	0
TOTAL FINANCIAL ASSETS		13,913,938.50	(4,949,136.30)
REPRESENTED BY			
Fund balance b/fwd 1st July...	16	(4,949,136.30)	00.00
Surplus/Deficit for the year		18,863,074.80	(4,949,136.30)
Prior year adjustments	17	00.00	00.00
NET LIABILITIES		13,913,938.50	(4,949,136.30)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Teso North CDF financial statements were approved on 9/9/2015 and signed by:


 Sammy Ikwaras
 Chairman - CDFC

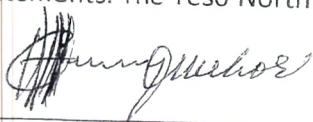

 Philip Odida
 Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs'000)

V. STATEMENT OF CASHFLOW

Receipts for operating income		2014 - 2015	2013 - 2014
Transfers from CDF Board	1	131,709,292.00	31,371,733.20
Payments for operating expenses			
Compensation of Employees	2	1,304,551.00	413,128.00
Use of goods and services	3	196,000.00	1,684,409.90
Committee Expenses	4	8,120,700.00	1,280,000.00
Transfers to Other Government Units	5	54,661,282.00	14,785,993.70
Other grants and transfers	6	47,455,502.20	18,149,738.30
Social Security Benefits	7	13,200.00	7,600.00
Other Payments	8	400,000.00	0
		112,151,221.20	36,320,869.50
Adjusted for:			
Adjustments during the year			0
Net cash flow from operating activities		19,558,074.80	(4,949,136.30)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	695,000.00	0
Net cash flows from Investing Activities		695,000.00	0
NET INCREASE IN CASH AND CASH EQUIVALENT		18,863,070.80	0
Cash and cash equivalent at BEGINNING of the year	15	(4,949,136.30)	00.00
Cash and cash equivalent at END of the year	16	13,913,938.50	(4,949,136.30)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Teso North CDF financial statements were approved on 9/9/2015 and signed by:



Chairman - CDFC



Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH CONSTITUENCY

Reports and Financial Statements

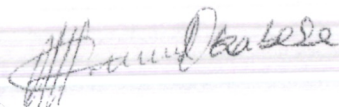
For the year ended June 30, 2015 (Kshs'000)

V: SUMMARY STATEMENT OF APPROPRIATION

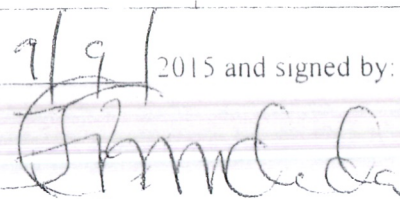
Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
	a	b	C = a+b	d	e=d-c	f=d/c %
RECEIPTS						
Transfers from CDF Board	112,888,928.00	42,108,463.50	154,997,391.50	131,709,296.00	42,151,170.30	73
Sub total	112,888,928.00	42,108,463.50	154,997,391.50	131,709,296.00	42,151,170.30	73
PAYMENTS						
Compensation of Employees	1,700,000.00	432,116.80	2,132,116.80	1,304,537.00	827,579.80	61
Use of goods and services	3,000,000.00	00.00	3,000,000.00	196,000.00	2,804,000.00	7
Committee Expenses	4,172,980.00	4,011,920.00	8,185,900.00	8,120,700.00	65,200.00	99
Transfers to Other Government Units	48,100,000.00	26,637,794.10	74,737,794.10	54,661,282.00	20,076,512.10	73
Other grants and transfers	46,614,948.00	10,626,632.60	57,241,580.60	47,455,502.20	9,786,078.40	87
Social Security Benefits	100,000.00	00.00	100,000.00	13,200.00	86,800.00	13
Acquisition of Assets	8,700,000.00	00.00	8,700,000.00	695,000.00	8,005,000.00	10
Other Payments	500,000.00	400,000.00	900,000.00	400,000.00	500,000.00	44
TOTALS	112,888,928.00	42,108,463.00	154,997,391.50	112,846,221.20	42,151,170.30	

The Teso North CDF financial statements were approved on

7/9/2015 and signed by:



Chairman - CDFC



Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND - TESO NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs'000)

a)

- i. Use of goods and services we had 7% budget utilization since some funds were still held by cdf board
- ii. Social security benefits we had 13% budget utilization because the new NSSF rates had not been implemented
- iii. Acquisition of assets we had underutilization of 10% this is due to the amount being withheld by CDF Board.
- iv. Other payments we had underutilization of 44% due to pending KENAO audit fee.

The Teso North CDF financial statements were approved on 7/9/2015 and signed by:



Chairman CDFC



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 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 Constituency recognises all expenses when the event occurs and the related cash has actually been paid out by the CDF

c) 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.

d) Cash and cash equivalents

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

CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs'000)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) 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.

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 *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.

g) Comparative figures

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

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 – TESO NORTH CONSTITUENCY
 Reports and Financial Statements
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VII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO.	750172	47,057,599.80	
AIE NO.	759540	28,217,232.00	
AIE NO.	796624	14,930,339.2	
AIE NO.	796878	13,286,893.00	
AIE NO.	797157	28,217,232.00	
AIE NO.	735670		31,371,733.20
		131,709,296.00	31,371,733.20

CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2015 (Kshs'000)

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS		
	2014 – 2015	2013 – 2014
	Kshs	Kshs
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	00.00	00.00
Receipts from the Sale Plant Machinery and Equipment	00.00	00.00
Receipts from Sale of Certified Seeds and Breeding Stock	00.00	00.00
Receipts from the Sale of Strategic Reserves Stocks	00.00	00.00
Receipts from the Sale of Inventories, Stocks and Commodities	00.00	00.00
Disposal and Sales of Non-Produced Assets	00.00	00.00
Receipts from the Sale of Strategic Reserves Stocks	00.00	00.00
Total	00.00	00.00

CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs'000)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER REVENUES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	00.00	00.00
Profits and Dividends	00.00	00.00
Rents	00.00	00.00
Other Property Income	00.00	00.00
Sales of Market Establishments	00.00	00.00
Receipts from Administrative Fees and Charges	00.00	00.00
Receipts from Administrative Fees and Charges - Collected as AIA	00.00	00.00
Receipts from Incidental Sales by Non-Market Establishments	00.00	00.00
Receipts from Sales by Non-Market Establishments	00.00	00.00
Receipts from Sale of Incidental Goods	00.00	00.00
Fines Penalties and Forfeitures	00.00	00.00
Receipts from Voluntary transfers other than grants	00.00	00.00
Other Receipts Not Classified Elsewhere	00.00	00.00
Total	00.00	00.00

4. COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic salaries of permanent employees	1,304,537.00	413,127.60
Basic wages of temporary employees	00.00	00.00
Personal allowances paid as part of salary	00.00	00.00
Personal allowances paid as reimbursements	00.00	00.00
Personal allowances provided in kind	00.00	00.00
Pension and other social security contributions	00.00	00.00
Compulsory national social security schemes	00.00	00.00
Compulsory national health insurance schemes	00.00	00.00
Social benefit schemes outside government	00.00	00.00
Other personnel payments	00.00	00.00
Total	1,304,537.00	413,127.60

CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY
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For the year ended June 30, 2015 (Kshs'000)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	00.00	1,089.00
Office rent	196,000.00	308,000.00
Domestic travel and subsistence	00.00	00.00
Foreign travel and subsistence	00.00	00.00
Printing, advertising and information supplies & services	00.00	00.00
Rentals of produced assets	00.00	00.00
Training expenses	00.00	00.00
Hospitality supplies and services	00.00	00.00
Insurance costs	00.00	00.00
Specialised materials and services	00.00	00.00
Office and general supplies and services	00.00	307,320.00
Other operating expenses	00.00	1,068,000.00
Routine maintenance – vehicles and other transport equipment	00.00	00.00
Routine maintenance – other assets	00.00	00.00
Total	196,000.00	1,684,409.00

6. COMMITTEE EXPENSES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	8,120,700.00	1,280,000.00
Other committee expenses	00.00	00.00
Total	8,120,700.00	1,280,000.00

CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY
Reports and Financial Statements
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7. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to Primary schools	30,564,703.00	9,870,993.70
Transfers to Secondary schools	17,367,820.00	4,315,000.00
Transfers to Tertiary institutions	00.00	00.00
Transfers to Health institutions	6,728,759.00	600,000.00

TOTAL	54,661,282.00	14,785,993.70
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8. OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary-Secondary schools	8,402,762.00	4,669,768.00
Bursary –Tertiary institutions	9,526,984.00	4,249,390.00
Mocks and CATs	1,000,000.00	-
Water	8,200,000.00	1,200,000.00
Security projects	525,000.00	225,000.00
Roads projects	11,071,397.2	2,550,380.30
Sports	1,349,773.00	800,000.00
Environment	1,200,000.00	700,000.00
Emergency projects	6,179,586.00	3,755,200.00
Total	47,455,502.20	18,149,738.00

CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2015 (Kshs'000)

9. SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Government pension and retirement benefits	00.00	00.00
Social security benefits in cash and in kind	00.00	00.00
Employer Social Benefits in cash and in kind	13,200.00	7,600.00
Total	13,200.00	7,600.00

10. ACQUISITION OF ASSETS

Non Financial Assets

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	00.00	00.00
Overhaul of Vehicles and Other Transport Equipment	00.00	00.00
Purchase of Office Furniture and General Equipment	695,000.00	00.00
Acquisition of Intangible Assets	00.00	00.00

Financial Assets

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Domestic Public Non-Financial Enterprises	00.00	00.00
Domestic Public Financial Institutions	00.00	00.00
Foreign financial Institutions operating Abroad	00.00	00.00
Other Foreign Enterprises	00.00	00.00
Total	695,000.00	00.00

11. OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Budget Reserves	00.00	00.00
Civil Contingency Reserves	00.00	00.00
Capital Transfers to Non-Financial Public Enterprises	00.00	00.00
Capital Transfer to Public Financial Institutions and Enterprises	00.00	00.00
Capital Transfer to Private Non-Financial Enterprises	00.00	00.00
Other expenses	00.00	00.00
Strategic plan	400,000.00	00.00
	400,000.00	00.00

CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY
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 For the year ended June 30, 2015 (Kshs'000)

12. Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
Cooperative Bank, Malaba Branch A/c no. 01141519587800	13,913,938.50	(6,778,136.30)
Total	13,913,938.50	(6,778,136.30)

13. CASH IN HAND

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Sale of Tender	00.00	00.00
Hire of Graders	00.00	00.00
Hire of Hall	00.00	00.00
Total	00.00	00.00

14. BALANCES BROUGHT FORWARD AT THE BEGINING OF THE FINANCIAL YEAR

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	(6,778,136.30)	00.00
Cash in hand	00.00	00.00
Imprest	1,829,000.00	00.00
Total	(4,949,136.30)	00.00

CONSTITUENCIES DEVELOPMENT FUND – TESO NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs'000)

15. OTHER PENDING PAYABLES SEE ANNEX 3

	Kshs	Kshs
Amounts due to other Government entities	20,076,512.10	26,637,794.10
Amounts due to other grants and other transfers	9,590,078.40	10,430,632.60
TOTAL	29,666,590.50	37,068,426.70

Date: 1st July 2015

Report of the board of Survey on the cash and Bank Balances of as at the close of business on 30th June 2015.

The Board, consisting of.. (Names and official titles)

.....

assembled at the office of
 at (time) on the 1st July 2015
 and the following cash was produced:-

Notes	Sh.
Silvers	Sh.
Copper	Sh.
Cheques (as per details on reverse)	Sh.
	

It was observed that Cheques amounting to Sh. cts.
 Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes

The cash book reflected the following balances as at the close of business on the 30th June 2015.

Cash on hand	Sh.
Bank Balance	Sh.

The Bank certificate of Balance showed a sum of Sh. Twenty million nine hundred fifty three and nine hundred thirty eight and five ninety only (Sh. 20,953,788 = cts 90) standing to the credit of the account on 30th June 2015.

The difference between this figure and the Bank balance as shown by the cash book is accounted for in the Bank reconciliation statement (F.O. 30) attached

Chairman

Member

Date 1st June 2015

Date 01-07-2015

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance 2015 d=a-c	Outstanding Balance 2014	Comments
Amounts due to other Government entities							
1. Primary schools					4,326,512.11	16,532,615.11	Part funds were still at the board while part was in constituency account waiting transfer to approved project.
2. Secondary schools					3,550,000.00	4,572,420.00	Funds were availed by the board and plans were underway to transfer to specified health facility.
3. Tertiary institutions					11,200,000.00	0	All funds meant for this projects was still held at the board.
4. Health					1,000,000.00	5,532,750.00	Funds were availed by the board and plans were underway to transfer to specified health facility.
Sub-Total					20,076,512.10	26,637,794.10	
Amounts due to other grants and other transfers							
					9,590,078.40	10,430,632.60	The project funds are still held at the Board level and the amount will be used to fund various projects which include Security, Bursary and Agriculture.
Sub-Total					9,590,078.40	10,430,632.60	

NATIONAL GOVERNMENT ENTITY - (TESO NORTH CONSTITUENCY)
 Reports and Financial Statements
 For the year ended June 30, 2014 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Transport equipment	00.00	
Office equipment, furniture and fittings	135,000.00	
ICT Equipment, Software and Other ICT Assets	338,000.00	
Other Machinery and Equipment-Television Sets	222,000.00	
Total	695,450.00	

TRIAL BALANCE AS AT 30TH JUNE 2015

		DR	CR
Cash and Cash equivalents			
	Bank Balances	13,913,939	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	1,304,537	
	Use of goods and services	196,000	
	Committee Expenses	8,120,700	
	Transfers to Other Government Units	54,661,282	
	Other grants and transfers	47,455,502	
	Social Security Benefits	13,200	
	Acquisition of Assets	695,000	
	Other Payments	400,000	
Receipts			
	Transfers from the Board		131,709,296
	Proceeds from sale of assets		-
	Others receipts		-
Fund Balance b/f			(4,949,136)
TOTAL		126,760,160	126,760,160