

REPUBLIC OF KENYA



*Paper laid by
Leader of Majority Party
20/9/2016*



OFFICE OF THE AUDITOR GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT
FUND – KAPENGURIA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**





CONSTITUENCY DEVELOPMENT FUND- KAPENGURIA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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*.

(b) Key Management

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

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

(c) Fiduciary Management

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

| No. | Designation | Name |
|------------|--------------------|----------------------|
| 1. | Accounting Officer | Yusuf Mbuno |
| 2. | A.I.E holder | Stephen Mngat |
| 3. | Accountant | Elijah Mwanzo |
| 4. | | |

(d) Fiduciary Oversight Arrangements

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

(e) Kapenguria CDF Headquarters

P.O. Box 1-30600

KAPENGURIA, KENYA

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

(f) KAPENGURIA CDF Contacts

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E-mail: cdfkapenguria@cdf.go.ke
Website: www.go.ke

(g) KAPENGURIA CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank
Account No 1070297599233
Kapenguria Branch
...

(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)

The financial year 2014/2015 has been a year of tremendous growth in terms of projects within the constituency and this has seen a number of development projects taking place within the constituency courtesy of Kapenguria CDF. As an entity we managed to utilise 74% of our budget allocation. The under- utilised funds were as result of under- funding. The remaining projects would be undertaken in the financial year 2015/2016.

We wish to encourage more funding to the kitty so that development may be accelerated at constituency level

Sign



CHAIRMAN CDFC



CONSTITUENCY DEVELOPMENT FUND- KAPENGURIA CONSTITUENCY
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III. STATEMENT OF CDF 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 CDF shall prepare financial statements in respect of that CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the *KAPENGURIA CDF* is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year (period) 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 *CDF*; (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 *CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *KAPENGURIA CDF* accepts responsibility for the *CDF'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). The Accounting Officer is of the opinion that the *CDF's* financial statements give a true and fair view of the state of *CDF's* transactions during the financial year ended June 30, 2015, and of the *CDF's* financial position as at that date. The Accounting Officer charge of the *KAPENGURIA CDF* further confirms the completeness of the accounting records maintained for the *CDF*, which have been relied upon in the preparation of the *CDF's* financial statements as well as the adequacy of the systems of internal financial control.

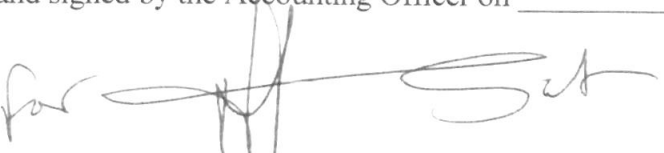
The Accounting Officer in charge of the *KAPENGURIA CDF* confirms that the *CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *CDF's* funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *CDF'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 *CDF's* financial statements were approved and signed by the Accounting Officer on _____
2015.



Principal Secretary



Principal Accounts Controller

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kapenguria Constituency set out on pages 5 to 23, which comprise the statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and 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 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 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

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

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 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 Transfers from Other Government Entities

Included in the transfers from other government entities figure of Kshs.84,043,962, under note 1 to the financial statements is disbursements from Constituency Development Fund Board amounting to Kshs.59,357,532. However, information made available indicates that Kshs.118,715,068 was disbursed to Kapenguria Constituency by the Board resulting to a variance of Kshs.59,357,536. Further, the transfers from other government entities figure of Kshs.84,043,962 include receipts of Kshs.24,686,430 which has not been supported or explained.

Under the circumstances, the accuracy and validity of transfers from other government entities amount of Kshs.84,043,962 for the year ended 30 June 2015 could not be confirmed

2.0 Compensation of Employees

The statement of receipts and payments reflects compensation of employees figure of Kshs.2,165,865. A review of the payroll records revealed that Constituency Development Fund Committee employed fourteen (14) members of staff against the recommended five (5) as stipulated in Section 24 (17) of the Constituencies Development Fund Act, 2013 resulting to unauthorised expenditure of Kshs.1,082,720 on compensation of nine(9) extra employees.

Under the circumstance, the propriety of Kshs.1,082,720 expenditure on compensation of employees for the year ended 30 June 2015 could not be confirmed.

3.0 Purchase of School Buses

Included in the transfers to other government entities figure of Kshs.40, 838,506 reflected in the statement of receipts and payments is an expenditure on purchase of school buses of Kshs.13, 000,000 as shown below:

| Particulars | Date | PV. No | Cheque No. | Amount(Kshs) |
|-----------------------------------|-----------|--------|------------|-------------------|
| St. Mary's Siyoi Secondary School | 30/6/2015 | 290361 | 4334 | 6,000,000 |
| Riwo Secondary School | 29/8/2014 | 290162 | 2975 | 6,000,000 |
| Emboasis Secondary School | 30/6/2015 | 290357 | 4340 | 1,000,000 |
| Total | | | | 13,000,000 |

Information made available indicate that the bus for St. Mary's Siyoi Secondary School costed Kshs.5,786,720 against a disbursement of Kshs.6,000,000 resulting to unspent balance of Kshs.213,280 which has not been accounted for. Further, expenditure returns indicating how the procurement of the buses was done were not availed for audit verification.

Under the circumstances, the propriety of Kshs.13, 000,000 expenditure on the purchase of school buses for the year ended 30 June 2015 could not be confirmed.

4.0 Transfers to Health Institutions

Included in the transfers to other government entities figure of Kshs.40,838,506 reflected in the statement of receipts and payments are transfers to health institutions of Kshs.7,488,506 which include disbursement for renovation of dispensaries of Kshs.2,400,000 as shown below:

| Particulars | Date | PV.No | Cheque No. | Amount(Kshs) |
|------------------------|------------|--------|------------|------------------|
| Nachecheyat Dispensary | 31/10/2014 | 290179 | 3072 | 800,000 |
| Psigirio Dispensary | 31/10/2014 | 290180 | 3073 | 800,000 |
| Kaprech Dispensary | 31/10/2014 | 290181 | 3074 | 800,000 |
| Total | | | | 2,400,000 |

However, expenditure returns for the renovation of the dispensaries were not availed for audit verification. Further, the disbursement of Kshs.800,000 to Psigirio Dispensary was not approved by the board. Under the circumstances, the propriety of Kshs.2,400,000 expenditure on the renovation of dispensaries for the year ended 30 June 2015 could not be confirmed.

5.0 Bursaries

Included in the other grants and transfers figure of Kshs.34,600,375 reflected in the statement of receipts and payments are bursaries disbursed to secondary schools

and tertiary institutions of Kshs.13,209,000 and Kshs.13,141,375 respectively totalling to Kshs.26,350,375. However the bursary subcommittee as constituted did not co-opt two members who are not members of the Constituency Development Fund committee as is stipulated in Constituencies Development Fund Board circulars/Vol 1/111 of 13 September 2010. The criteria of selecting the needy students was also not availed for audit verification. Further, the bursaries paid to tertiary institutions of Kshs.13,141,375 exceeded the approved budget of Kshs.10,000,000 resulting in an over expenditure of Kshs.3,141,375 which has not been explained.

Under the circumstances, the Fund is in breach of the law and the propriety of payments totaling Kshs.26,350,375 for bursary award for the year ended 30 June 2015 could not be confirmed.

6.0 Emergency Funds

Information available indicate that Kshs.3,650,000 was utilized on emergency projects. However note 10 to the financial statements submitted for review reflect nil amount under emergency projects. Further, no documentary evidence such as emergency and disaster reports were availed to confirm that expenditure of Kshs.3,650,000 was of emergency in nature.

Under the circumstances, the accuracy, validity and completeness of nil emergency expenditure in these financial statements for the year ended 30 June 2015 could not be ascertained.

7.0 Acquisition of Assets

Included in the acquisition of assets figure of Kshs.2,00,000 reflected in the statement of receipts and payments is an amount of Kshs.1,850,000 made in respect of construction of Constituency Development Fund offices as shown below:

| Project | Date | Payment Voucher Number | Cheque No | Amount (Kshs) |
|-------------------------|-----------|------------------------|-----------|------------------|
| Kongelai C.D.F Office | 31/3/2015 | 290231 | 4212 | 1,000,000 |
| Kapenguria C.D.F Office | 30/6/2015 | 290362 | 4337 | 850,000 |
| Total | | | | 1,850,000 |

However, the payment voucher availed for audit review did not indicate the name of the payee and procurement records such as advertisement, tender evaluation minutes, contract agreement, bill of quantities, completion/interim certificates and project status report as at 30 June 2015.

Under the circumstance, the propriety of Kshs.1,850,000 expenditure on the construction of Constituency Development Fund office for the year ended 30 June 2015 could not be confirmed.

8.0 Statement of Assets

The financial statements include a statement of assets and liabilities which is not the recommended title of statement of assets. Further, the financial statements do not indicate page numbers after page 7. Under the circumstances, the financial statements have not been prepared in compliance with the International Public Sector Accounting Standards (Cash Basis).

9.0 Cash and Cash Equivalents

The statement of assets and liabilities reflect bank balance of Kshs.380,498 as at 30 June 2015 which varies with the Cash book balance of Kshs.401,666 resulting to a variance of Kshs.21,168 which has not been explained or reconciled. A review of the bank reconciliation statement for the month of June 2015 revealed that included in unrepresented cheques totalling to Kshs.2,938,610 are stale cheques totalling Kshs.528,870 which had not been written back to the cash book. Further, bank statements for the subsequent months after June 2015 were not availed to confirm whether the unrepresented cheques have been cleared.

Under the circumstances, the accuracy and validity of the cash book balance figure of Kshs.380,498 could not be confirmed as at 30 June 2015.

10.0 Statement of Cash Flow

The statement of cash flows reflect cash and cash equivalent comparative figure of Kshs.176,882,912 as at 30 June 2014 which vary with the cash and cash equivalent figure of Kshs.17,688,292 reflected in the statement of assets as at 30 June 2015. The variance of Kshs.159,194,620 has not been explained or reconciled. Under the circumstance, the accuracy and validity of the statement of cash flows for the year ended 30 June 2015 could not be confirmed.

11.0 Summary Statement of Appropriation

Summary Statement of Appropriation includes adjustment under transfers from Constituencies Development Fund Board of Kshs.17,688,292 which does not agree with the surplus of Kshs.17,660,320 for the year ended 30 June 2014. The variance of Kshs.27,972 between the two figures has not been explained or reconciled. Further, the expenditure adjustments reflected in the summary statement of appropriation varies with the budget utilization difference for the year ended 30 June 2014 as shown below:

| Expenditure Item | Figure Reflected in the Financial Statements- 2014/2015 (Kshs) | Figure Reflected in the Financial Statements- 2013/2014 (Kshs) | Variance(Kshs) |
|-------------------------------------|--|--|----------------|
| Compensation of Employees | 1,000,000 | 776,000 | 224,000 |
| Use of goods and services | 10,344,722 | 1,395,890 | 8,948,832 |
| Committee Expenses | 1,000,000 | 1,407,000 | -407,000 |
| Transfers to Other Government Units | 0 | 10,708,807 | -10,708,807 |
| Other grants and transfers | 5,313,570 | 1,056,275 | 4,257,295 |
| Social Security Benefits | 30,000 | 196,320 | -166,320 |
| Acquisition of Assets | 0 | 2,148,000 | -2,148,000 |
| Total | 17,688,292 | 17,688,292 | 0 |

Under the circumstances, the accuracy and validity of adjustments in the summary statement of appropriation for the year ended 30 June 2015 could not be confirmed.

12.0 Balances Brought Forward

Note 13 to the financial statements reflect total balances brought forward figure of Kshs.16,941,342. However, the figure does not include the outstanding imprest of Kshs.746,950 as at 30 June 2014. Under the circumstance, the accuracy and validity of balances brought forward of Kshs.16,941,342 could not be confirmed for the year ended 30 June 2015.

13.0 Analysis of Other Pending Payables

Annex 3 to the financial statements reflects total analysis of other pending payables figure Kshs.21,339,450 as at 30 June 2015. However, no documentary evidence in support of the pending payables figure of Kshs.21,339,450 was availed for audit verification. Further, the figure as stated is rounded to the nearest thousand contrary to note 1 of significant accounting policies which state that the figures have been rounded off to the nearest shilling. Under the circumstances, the accuracy, completeness and existence of other pending payables figure Kshs.21,339,450 as at 30 June 2015 could not be confirmed.

14.0 Fixed Assets

Annex 4 to the financial statements reflect fixed assets balance of Kshs.11,602,000 as at 30 June 2015. However, records available indicate that fixed assets of Kshs.5,802,000 and Kshs.2,000,000 were purchased in 2013/2014 and 2014/2015 respectively totaling to Kshs.7,802,000 resulting to a variance of Kshs.3,800,000

which has not been supported or explained. Further, a fixed assets register in support of the balance was not availed for audit verification. Under the circumstances, the details of the assets, accuracy and completeness of fixed assets balance of Kshs.11,602,000 as at 30 June 2015 could not be confirmed.

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 - Kapenguria 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 do not comply with the Constituencies Development Fund Act, 2013.

Other Matter

1.0 Budgetary Control and Performance

1.1 Budget Performance

During the year under review, the Fund had a budget of Kshs.136,403,355 against expenditure of Kshs.101,351,756 or 74.3%, resulting in under expenditure of Kshs.35,051,599 or 25.7% as shown below:

| Expenditure Item | Budget (Kshs) | Actual on Comparable Basis(Kshs) | Under/ (Over) Absorption (Kshs) | % Under (Over) Absorption |
|-------------------------------------|--------------------|----------------------------------|---------------------------------|---------------------------|
| Compensation of Employees | 3,158,000 | 2,165,865 | 992,135 | 31.4 |
| Use of goods and services | 23,355,282 | 18,009,410 | 5,345,872 | 22.9 |
| Committee Expenses | 4,661,156 | 3,676,000 | 985,156 | 21.1 |
| Transfers to Other Government Units | 60,850,000 | 40,838,506 | 20,011,494 | 32.9 |
| Other grants and transfers | 40,583,768 | 34600375 | 5,983,393 | 14.7 |
| Social Security Benefits | 80,000 | 61,600 | 18,400 | 23.0 |
| Acquisition of Assets | 3,715,149 | 2,000,000 | 1,715,149 | 46.2 |
| Total | 136,403,355 | 101,351,756 | 35,051,599 | 25.7 |

Failure to utilize funds as budgeted is an indication of programs not being implemented as planned, and therefore the intended objectives of improving delivery of goods and services to the residents of Kapenguria Constituency may not be achieved as planned. There is need of re-looking at the budgeting process to ensure that only priority areas are allocated funds.

1.2 Projects Implementation

A review of records revealed that an amount of Kshs.136,403,355 was budgeted for the year 2014/2015 which include allocation of Kshs.118,715,063 for the year 2014/2015 and Kshs.17,688,292 being surplus for 2013/2014 financial year. However, Project status report as at 30 June 2015 showing the Project commencement date, date of completion, actual expenditure and was not availed for audit review.

Under the circumstances, it was not confirmed whether the citizens of Kapenguria Constituency received goods and services for funds allocated for projects for the year ended 30 June 2015.

1.3 Project Verification

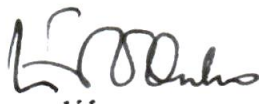
The following observations were made regarding 12 projects costing Kshs.12,550,000 implemented during the year and verified on 15 June 2016:

| No. | Project Name | Activity | Disbursement (Kshs) | Observation |
|-----|-----------------------------|---|---------------------|---|
| 1 | Keringet Primary School | Renovation of 4 classrooms | 600,000 | Expenditure returns not availed. Roofing has not been replaced. |
| 2 | Kachumakinei Primary School | Renovation of 2 Classes | 500,00 | Main structures has been erected. Painting, windows and finishing not done. |
| 3 | Katimoril Primary School | Plastering, fixing doors of Administration Block of one Classes | 500,000 | Plastering of walls bun not done floors, windows , painting and finishing ... |
| 4 | Ptoo Primary School | Walling, roofing and plastering of one Classes | 500,000 | Main structures has been erected. Not done floors, windows , painting and finishing |
| 5 | Chepkoti Primary School | Construction of Classes | 500,000 | Main structures has been erected. Not done floors, windows , painting and finishing |
| 6 | Riwo Sec. School | Purchase of bus | 6,000,000 | Bus in good condition. Registration log book not availed. |

| | | | | |
|----|---------------------------|------------------------------|-------------------|--|
| 7 | Emboasis Sec. School | Purchase of bus | 1,000,000 | Log books, quotations and inspection reports not availed |
| 8 | Nachecheyat Health Centre | Construction of staff houses | 800,000 | Complete and in use |
| 9 | Miskwony Dispensary | Construction of dispensary | 500,000 | Floor not complete. Window classes not done and Walling not complete |
| 10 | Penjoy Contractor | Construction of road | 950,000 | Road in good condition |
| 11 | Tamugh - Pcholpogh Road | Construction of road | 800,000 | Road in good condition |
| 12 | Turkwel – Karon Road | Construction of road | 400,000 | Road in good condition |
| | | Total | 13,050,000 | |

In view of the above, the propriety and value for money for expenditure totaling Kshs.3,100,000 spent on six(6) projects out a total of Kshs.13,050,000 during the year ended 30 June 2015 could not be confirmed.

My Opinion is not qualified in respect of this matter.



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

Nairobi

27 July 2016

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

VII. SUMMARY OF STATEMENT OF APPROPRIATION.

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget utilisation difference | Budget Utilisation Difference |
|-------------------------------------|----------------------|----------------------|-----------------------|----------------------------|-------------------------------|-------------------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 94,118,870.00 | 34,927,597.60 | 129,046,467.60 | 105,516,750.10 | (23,529,717.50) | 82 |
| Proceeds from Sale of Assets | | - | | | - | |
| Other Receipts | | - | | | | |
| PAYMENTS | | | | | | |
| Compensation of Employees | 976,000.00 | 476,196.00 | 1,452,196.00 | 1,451,503.00 | 693.00 | 100 |
| Use of goods and services | 4,770,698.00 | 3,193,526.60 | 7,950,929.60 | 2,039,203.50 | 2,718,199.50 | 43 |
| Committee Expenses | 2,700,000.00 | 343,180.00 | 3,043,180.00 | 1,523,876.70 | 1,519,303.30 | 50 |
| Transfers to Other Government Units | 52,453,441.00 | 24,112,500.00 | 76,565,941.00 | 51,455,710.00 | 25,110,231.00 | 67 |
| Other grants and transfers | 33,194,731.00 | 6,794,195.00 | 39,988,926.00 | 34,657,245.00 | 5,331,681.00 | 91 |
| Social Security Benefits | 24,000.00 | 8,000.00 | 32,000.00 | 24,000.00 | 8,000.00 | 75 |
| Acquisition of Assets | - | - | 13,295.00 | 13,295.00 | (13,295.00) | 100 |
| Other Payments | - | - | - | - | | |
| TOTALS | 94,118,870.00 | 34,927,597.60 | 129,046,467.60 | 91,164,833.20 | 37,881,634.40 | |

VIII. SIGNIFICANT ACCOUNTING POLICIES.

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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

IX. NOTES TO THE FINANCIAL STATEMENT.

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| GFS CODES | Description | | 2014 - 2015 | 2013 - 2014 |
|------------------|---------------------------------|----------------|----------------------|-----------------------|
| | | | Kshs | Kshs |
| 1330407 | Normal Allocation | AIE NO A759625 | 23,529,717.50 | 37,336,691.50 |
| | | AIE NO A796569 | 14,117,830.50 | 2,000,000.00 |
| | | AIE NO A796762 | 9,411,887.00 | 31,026,635.50 |
| | | AIE NO A797242 | 23,529,717.50 | 33,026,635.50 |
| | | | | - |
| 1330408 | Conditional grants | AIE NO... | - | - |
| | | AIE NO... | - | - |
| 1330409 | Receipt from other Constituency | | - | |
| | TOTAL | | 70,589,152.50 | 103,389,962.50 |

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

| 4. COMPENSATION OF EMPLOYEES | 2014-2015 | 2013-2014 |
|---|---------------------|-------------------|
| | | Kshs |
| Basic wages of contractual employees | 993,903.00 | 501,833.00 |
| Basic wages of casual labour | | |
| Personal allowances paid as part of salary | | |
| House allowance | 80,000 | |
| Transport allowance | 80,000 | |
| Leave allowance | | |
| Gratuity | 297,600 | |
| Other personnel payments | | |
| Total | 1,451,503.00 | 501,833.00 |

CONSTITUENCIES DEVELOPMENT FUND – KEIYO NORTH 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 | 354,785.50 | 436,000.00 |
| Office rent | - | - |
| Communication, supplies and services | 132,640.00 | 300,166.00 |
| Domestic travel and subsistence | 148,000.00 | 157,000.00 |
| Printing, advertising and information supplies & services | 12,900.00 | 168,610.00 |
| Rentals of produced assets | - | - |
| Training expenses | - | - |
| Hospitality supplies and services | 85,560.00 | - |
| Insurance costs | | 322,645.00 |
| Specialised materials and services | - | - |
| Office and general supplies and services | 194,996.00 | 394,451.00 |
| Fuel ,oil & lubricants | 513,500.00 | 230,000.00 |
| Other operating expenses | | |
| Routine maintenance – vehicles and other transport equipment | 566,322.00 | 439,870.00 |
| Routine maintenance – other assets | 30,500.00 | |
| Total | 2,039,203.50 | 2,448,742.00 |

6. COMMITTEE EXPENSES

| | 2014 - 2015 | 2013 - 2014 |
|---------------------------------|---------------------|---------------------|
| Other committee expenses | 251,160.00 | 600,950.00 |
| Committee allowances | 1,272,176.7 | 900,250.00 |
| Total | 1,523,876.70 | 1,501,200.00 |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2014 - 2015 | 2013 - 2014 |
|--|--------------------|--------------------|
| Transfers to National Government entities | Kshs | Kshs |
| Transfers to primary schools | 28,418,210 | 22,600,000.00 |
| Transfers to secondary schools | 10,275,000 | 9,300,000 |
| Transfers to tertiary schools | 0 | 800,000 |
| Transfers to health institutions | 12,762,500 | 7,700,000 |
| TOTAL | 51,455,710 | 40,400,000 |

8. OTHER GRANTS AND OTHER PAYMENTS.

| | 2014 – 2015 | 2013- 2014 |
|---------------------------------|--------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools | 10,059,125 | 3,500,000 |
| Bursary – tertiary institutions | 12,820,000 | 9,500,000 |
| Bursary – special schools | - | - |
| Mock & CATS | 300,000 | - |
| Water projects | - | 5,360,475 |
| Agriculture projects | - | - |
| Electricity projects | - | 2,200,000 |
| Security projects | 3,900,000 | 400,000.00 |
| Roads projects | - | - |
| Sports projects | 1,231,410 | - |
| Environment projects | 1,231,410 | - |
| Emergency projects | 5,115,300 | 2,706,620 |
| Total | 34,657,245 | 23,667,095 |

9. SOCIAL SECURITY BENEFITS

| | 2014 - 2015 | 2013 - 2014 |
|-------------------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Employer contribution to NSSF | 24,000.00 | 15,200.00 |
| Total | 24,000.00 | 15,200.00 |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. ACQUISITION OF ASSETS

| <u>Non Financial Assets</u> | 2014 - 2015 Kshs | 2013 - 2014 Kshs |
|---|---------------------|---------------------|
| Purchase of Buildings | - | - |
| Construction of Buildings | - | - |
| Refurbishment of Buildings | - | - |
| Purchase of Vehicles | - | - |
| Purchase of Bicycles & Motorcycles | - | - |
| Overhaul of Vehicles | - | - |
| Purchase of Office furniture and fittings | - | - |
| Purchase of computers ,printers and other IT equipments | - | 12,400.00 |
| Purchase of photocopier | - | - |
| Purchase of other office equipment | 13,295.00 | - |
| Purchase of soft ware | - | - |
| Acquisition of Land | - | - |
| Total | 13,295.00 | 12,400.00 |

12A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | 2014 - 2015 Kshs | 2013 - 2014 Kshs |
|---|----------------------|---------------------|
| Kenya Commercial Bank Account no;1103235303 | 14,351,916.90 | 1,387,742 |
| | - | - |
| | - | - |
| | - | - |
| Total | 14,351,916.90 | 1,387,742 |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

| | 2014 - 2015 | 2013 - 2014 |
|---------------|----------------------|--------------------|
| | Kshs | Kshs |
| Bank accounts | 34,414,377.60 | 77,005.00 |
| Cash in hand | | |
| Imprest | 513,220.00 | 307,100.00 |
| | <hr/> | <hr/> |
| Total | 34,927,597.60 | 384,105.00 |
| | <hr/> <hr/> | <hr/> <hr/> |

14. PRIOR YEAR ADJUSTMENTS

| | 2014 - 2015 | 2013 - 2014 |
|---------------|--------------------|--------------------|
| | Kshs | Kshs |
| Bank accounts | | |
| Cash in hand | | |
| Imprest | | |
| | <hr/> | <hr/> |
| Total | 0 | 0 |
| | <hr/> <hr/> | <hr/> <hr/> |

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2014 - 2015 | 2013 - 2014 |
|-----------------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Construction of buildings | | |
| Construction of civil works | | |
| Supply of goods | | |
| Supply of services | 339,997 | 0 |
| | <hr/> | <hr/> |
| | 339,997 | 0 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

15.2: PENDING STAFF PAYABLES (See Annex 2)**2014-2015****2013-2014****Kshs****Kshs**

Senior management

Middle management

Unionisable employees

CDFC Staff gratuity

178,560

0

15.3: OTHER PENDING PAYABLES (See Annex 3)**2014-2015****2013-2014**

Amounts due to other government entities

16,009,482

0

Amounts due to other grants and transfers

10,413,156.50

0

Goods and services

1,107,079.00

Committee expenses

500,000.00

0

Total

28,029,718.00

0

CONSTITUENCIES DEVELOPMENT FUND- KETLO NORTH CONSTITUENCY.

Reports and Financial Statements

For the year ended June 30, 2014.

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2015 | Outstanding Balance 2014 | Comments |
|--|-----------------|-----------------|---------------------|--------------------------|--------------------------|----------|
| | A | B | C | d=a-c | | |
| Construction of buildings | - | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| Sub-Total | | | | | | |
| Construction of civil works | - | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| Sub-Total | | | | | | |
| Supply of goods | - | | | | | |
| 7. | | | | | | |
| 8. | | | | | | |
| 9. | | | | | | |
| Sub-Total | | | | | | |
| Supply of services | - | | | | | |
| 10. Repairs and maintenance of motor vehicle | 339,997 | 28/04/2015 | 0 | 339,997 | 0 | |
| 11. | | | | | | |
| 12. | | | | | | |
| Sub-Total | | | | | | |
| Grand Total | | | | | | |

CONSTITUENCIES DEVELOPMENT FUND- KERICHO NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2015 | Outstanding Balance 2014 | Comments |
|------------------------------|-----------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|-----------------------------|
| | | A | B | C | d=a-c | | |
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| Sub-Total | | | | | | | |
| Middle Management | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| Sub-Total | | | | | | | |
| Unionisable Employees | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| Sub-Total | | | | | | | |
| Others (specify) | | | | | | | |
| 10. CDFO Staff gratuity | | 476,160 | 2013 | 297,600 | 178,560 | | The balance yet to be paid. |
| 11. | | | | | | | |
| 12. | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |

CONSTITUENCIES DEVELOPMENT FUND BOARD- KEIYO NORTH CONSTITUENCY.

Reports and Financial Statements

For the year ended June 30, 2015

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

| Name | Brief Transaction Description | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2015 | Comments |
|--|-------------------------------|----------------------|-------------------------|---------------------|-----------------------------|----------|
| | | A | B | C | d=a-c | |
| Amounts due to other Government entities | | | | | | |
| 1. Transfers to primary schools | Funds meant for construction | 2,159,482 | 2014/2015 | 0.00 | 2,159,482 | |
| 2. Transfers to secondary schools | ,, | 3,850,000 | 2014/2015 | 0.00 | 3,850,000 | |
| 3. Transfers to Tertiary Institutions | Kipsoen TTI | 10,000,000 | 2014/2015 | 0.00 | 10,000,000 | |
| Sub-Total | | 16,009,482 | 2014/2015 | 0.00 | 16,009,482 | |
| Amounts due to other grants and other transfers | | | | | | |
| 4. Bursary | Bursary to secondary Schools. | 2,370,699.00 | 2014/2015 | 0.00 | 2,370,699.00 | |
| 5. Environment | | 1,882,377.00 | 2014/2015 | 0.00 | 1,882,377.00 | |
| 6. Sports | | 1,882,377.00 | 2014/2015 | 0.00 | 1,882,377.00 | |
| 7. Emergency | | 1,127,703.50 | 2014/2015 | 0.00 | 1,127,703.50 | |
| 8. Water | | 300,000.00 | 2014/2015 | 0.00 | 300,000.00 | |
| 9. Security | | 500,000.00 | 2014/2015 | 0.00 | 500,000.00 | |
| 10. Electricity | | 2,350,000.00 | 2014/2015 | 0.00 | 2,350,000.00 | |
| Sub-Total | | 10,413,156.50 | | | 10,413,156.50 | |
| | | | | | | |

CONSTITUENCIES DEVELOPMENT FUND BOARD- KEIYO NORTH CONSTITUENCY.

Reports and Financial Statements

For the year ended June 30, 2015

| | | | | | | |
|-------------------------|--|---------------------|--|------|---------------------|--|
| Others (specify) | | | | | | |
| 7. Goods and services | | 1,107,079.00 | | 0.00 | 1,107,079.00 | |
| 8. committee expenses | | 500,000 | | 0.00 | 500,000 | |
| | | | | | | |
| Sub-Total | | 1,607,079.00 | | | 1,107,079.00 | |
| Grand Total | | 28,029,718 | | | 28,029,718 | |

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

I wish to mention that the financial year 2014/2015 has been characterised by better Performance than the previous years.

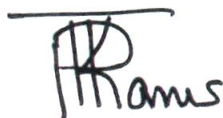
At least 80% of the budget had been utilised by the end of the financial year, currently all the projects have been implemented.
CDF has achieved tremendous performance over the years through development of community projects.

The key achievements include the development of infrastructure in schools where initially there was shortage thus improving the level of education both in Secondary Health sector has been improved through development of dispensaries and health centres in reliable and convenient places, security also has been enhanced through construction of AP camps and chiefs offices in every location.

Emerging issues has been related to devolution which calls for much integration with the county governments on devolved functions to avoid duplication of funds.

Implementation of projects have faced some challenges including delays, reallocation of projects due to lack harmonization of the priorities by the community and the PMC's, delays in getting technical assistance from relevant departments and also the responsiveness of the PMC's on the requirements. In view of this emphasis on timely implementation have been put forward to the PMC's, prioritization of projects also should be harmonised based on the current needs.

Finally, I would like to thank the CDF Board, the CDFC and all the stakeholders who have contributed to the success of this fund.



CHAIRMAN CDFC

III. STATEMENT OF CDF 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 Keiyo 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, 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 Keiyo 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 Keiyo North *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended 30th June 2015, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the Keiyo 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 Keiyo 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 *CDF's* financial statements were approved and signed by the Accounting Officer on 9/9/ 2015.



Chairman CDFC.



Fund Account Manager.



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND - KEIYO 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- Keiyo North Constituency set out on pages 5 to 22, which comprise statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and 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 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 misstatements.

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

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

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 statement.

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

Basis for Qualified Audit Opinion

1.0 Bank Balances

Note 12 of the Fund's financial statements indicated bank balance figure of Kshs.14,351,916.90. However, the bank reconciliation statement availed for audit review had reconciling items that had remained outstanding for over six months. The items included stale unpresented cheques totaling Kshs.26,000 and payments in bank statement not yet recorded in cash book of Kshs.11,600. In the circumstances, it was not possible to confirm that the bank balance of Kshs.14,351,916.90 was fairly stated as at 30 June 2015.

2.0 Transfers to Other Government Units

Included in transfers to other government entities figure of Kshs.51,455,710 are transfers to primary schools, secondary schools and health institutions amounting to Kshs.28,418,210, Kshs.10,275,000 and Kshs.12,762,500 respectively. However the expenditure returns, project files and detailed analysis in support of transfer to primary schools, secondary schools and health institutions of Kshs.9,958,958; Kshs.4,700,000 and Kshs.4,300,000 respectively were not availed for audit verification.

Consequently, the propriety of transfer to other Government Units totalling to Kshs.18,958,958 could not be confirmed for the year ended 30 June 2015.

3.0 Bursaries

Included in other grants and transfers figure of Kshs.34,657,245 is an amount of Kshs.12,820,000 disbursed to 1,197 beneficiaries in various tertiary institutions. However it was not possible and management failed to explain the criteria used in awarding the bursaries as minutes on deliberations that led to the identification of 1197 beneficiaries were not availed for audit review. Further, no acknowledgement receipts or letters from the recipients were made available for audit review. Consequently, it was

not possible to establish whether or not the funds accessible to the intended beneficiaries.

4.0 Acquisition of Assets

Note 10 to the financial statements reflects acquisition of assets of Kshs.13,295 which excludes acquisition of assets in 2013/2014 amounting to Kshs.9,914,133.

Consequently, the completeness, existence and accuracy of the acquisition of assets figure of Kshs.13,295 as at 30 June 2015 could not be confirmed.

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 - Keiyo North Constituency as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Kenya Constituencies Development Fund Act, 2013.

Other Matter

1.0 Under Expenditure

During the year under review, the constituency under spent by Kshs.37,881,635 on six expenditure items as shown below:

| Item | Budget 2014-2015 | Actuals 2014-2015 | Over Expenditure | Under Expenditure |
|-------------------------------------|---------------------|----------------------|---------------------|----------------------|
| Payments | | | | |
| Compensation of employees | 1,452,196 | 1,451,503 | | 693 |
| Use of goods and services | 7,950,930 | 2,039,203 | | 5,911,727 |
| Committee expenses | 3,043,180 | 1,523,877 | | 1,519,303 |
| Transfer to other governments units | 76,565,941 | 51,455,710 | | 25,110,231 |
| Other grants and transfers | 39,988,926 | 34,657,245 | | 5,331,681 |
| Social security benefits | 32,000 | 24,000 | | 8,000 |
| Acquisition of assets | 13,295 | 13,295 | | |
| Other payments | - | - | - | - |
| Total | 129,046,468 | 91,164,833 | | 37,881,635 |

Keiyo North CDF actual expenditure for the year ended 30 June 2016 amounted to Kshs.91,164,833.20 against a budget of Kshs.129,046,467 resulting to under expenditure of Kshs.37,881,635.

Failure to utilize funds may lead to poor service delivery for the people of Keiyo North Constituency or the management may have over budgeted on the recurrent expenditure and which the Fund may re-think in its budgeting mechanism for more realized budget in future.

2.0 Project implementation

According to project expenditure status report, below is the analysis of the project expenditure for projects funded by Keiyo North CDF as at 30 June 2015:

| | Project Name | Activity | Amount allocated as per approved proposal (Kshs.) | Disbursements in FY 2014/2015 (Kshs.) | Expenditure in FY 2014/2015 (Kshs.) | Status | % certified/ completed |
|-----|----------------------------|---|---|---------------------------------------|-------------------------------------|-----------|------------------------|
| 1. | Sports | Support active & winning teams in sports and games activities | 1,882,377.00 | 1,882,377.00 | 1,231,410.00 | Ongoing | 70% |
| 2. | Environment | Support environment activities in the constituency | 1,882,377.00 | 1,882,377.00 | 1,231,410.00 | Ongoing | 70% |
| 3. | Kamogich Chief's Office | Construction of Chief's Office | 500,000.00 | 250,000.00 | 250,000.00 | Ongoing | 70% |
| 4. | Kapchemutwa Chief's Office | Flooring, Painting and Plastering of Chief's Office | 400,000.00 | 400,000.00 | 400,000.00 | completed | 100% |
| 5. | Sergoit Chief's Office | Construction of Chief's Office | 500,000.00 | 250,000.00 | 250,000.00 | Ongoing | 90% |
| 6. | Emergency | To Cater for Unseen Calamities | 5,400,259.00 | 5,400,259.00 | 5,115,300.00 | Ongoing | 90% |
| 7. | Kipsoen TTI | Construction of Technical Institution | 10,000,000.00 | Nil | Nil | Ongoing | 70% |
| 8. | Cheptarit primary school | Construction of admin block | 450,000.00 | 450,000.00 | 450,000.00 | Ongoing | 70% |
| 9. | Matany primary | Roofing and of 1 class | 150,000.00 | 150,000.00 | 150,000.00 | Complete | 100% |
| 10. | Kabulwo Primary | Roofing and plastering of kitchen | 150,000.00 | 150,000.00 | 150,000.00 | Complete | 100% |

| | | | | | | | |
|-----|-------------------------|---|------------|------------|------------|-------------|------|
| 11. | Chegilet primary | Renovation of 1 classroom | 150,000.00 | 150,000.00 | 150,000.00 | Complete | 100% |
| 12. | Kapchela primary school | Roofing and plastering of 2 classes | 300,000.00 | 300,000.00 | 300,000.00 | Complete | 100% |
| 13. | Kiptoro Primary | Construction of 1 dormitory | 500,000.00 | 200,000.00 | 200,000.00 | Ongoing | 90% |
| 14. | Kipyegor Primary | Roofing of 2 classes | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 15. | Salaba Primary school | construction of 1 classroom | 400,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 16. | Kapkei primary | construction of 1 classroom | 400,000.00 | 200,000.00 | Nil | Not started | 0% |
| 17. | Kipkenda Primary | Plastering of 1 class | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 18. | Kaptum Primary | Construction of 1 dormitory | 500,000.00 | 250,000.00 | 250,000.00 | Complete | 100% |
| 19. | Nyalil primary | Construction of 1 class and toilet | 500,000.00 | 500,000.00 | 500,000.00 | Complete | 100% |
| 20. | Kokwao Primary | Construction of classroom | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 21. | Kessup Primary | Flooring of 3 classes | 150,000.00 | 150,000.00 | 150,000.00 | Complete | 100% |
| 22. | Kayoi primary | Plastering and flooring of admin block | 300,000.00 | 300,000.00 | 300,000.00 | Ongoing | 70% |
| 23. | Kewapsos Primary | Roofing of 1 classroom | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 24. | Kiboi Primary | flooring of 1 class and verandah | 175,000.00 | 175,000.00 | 175,000.00 | Complete | 100% |
| 25. | Siroch Primary | Construction of 1 class | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 26. | Rimoi Primary | Construction of 1 class | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 27. | Nyawa Primary | Construction of 1 class | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 28. | Anin Primary | Reovation of 2 classes khs. 475000 and completion of 2 classes khs.400000 | 875,000.00 | 875,000.00 | 875,000.00 | Complete | 100% |
| 29. | Berese ECD | Construction of 1 class | 400,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 30. | Kipka primary | Construction of 1 class | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 31. | Songeto Primary | Construction of 1 class | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |

| | | | | | | | |
|-----|---------------------------|--|------------|------------|------------|----------|------|
| 32. | Moi Tambach Primary | Plastering, flooring and fittings of 3 classes | 700,000.00 | 700,000.00 | 700,000.00 | Complete | 100% |
| 33. | Chepkogin Primary | Roofing of 1 class and renovation of classes | 600,000.00 | 600,000.00 | 600,000.00 | Complete | 100% |
| 34. | Chebokokwa Primary | Construction of 16 door toilet | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 35. | Kapkessum Primary | Construction of 16 door toilet | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 36. | Mindililwo Special school | Construction of staff house | 500,000.00 | 500,000.00 | 500,000.00 | Ongoing | 50% |
| 37. | Singore Primary | Roofing of 2 classrooms | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 38. | Komotony Primary | Construction of 1 class | 400,000.00 | 400,000.00 | Complete | Complete | 100% |
| 39. | Bugar Primary | Construction and completion of one class | 600,000.00 | 600,000.00 | 600,000.00 | Complete | 100% |
| 40. | Kendur Primary | Construction of 1 class | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 41. | Kobil Primary | Construction of dormitory | 600,000.00 | 600,000.00 | 600,000.00 | Complete | 100% |
| 42. | Kapsoiyo Primary | Roofing of 1 classroom | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 43. | Lamaon Primary | Construction of 1 class and toilets | 600,000.00 | 600,000.00 | 600,000.00 | Complete | 100% |
| 44. | Msekekwa Primary school | Construction of 1 classroom | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 45. | Kiptingo Primary | Completion of one class and toilet | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 46. | Kamariny Primary | Roofing and plastering of 1 class | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 47. | Kiptabus Primary | Renovation of 7 classrooms | 500,000.00 | 500,000.00 | 500,000.00 | Complete | 100% |
| 48. | Kapsio Primary | Construction of 1 class | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 49. | Iten Primary school | Wiring and rehabilitation of 1 class | 359,483.00 | 359,483.00 | 359,483.00 | Complete | 100% |
| 50. | Korkitony Primary | Construction of 1 classroom | 400,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 51. | Kamagut ECD | Roofing and 2 classrooms | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 52. | Yokot Primary | Renovation of 1 classroom | 230,510.00 | 230,510.00 | 230,510.00 | Complete | 100% |

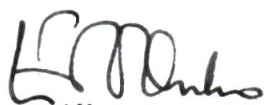
| | | | | | | | |
|-----|--------------------------|---|--------------|--------------|--------------|----------|------|
| 53. | Muno Primary | Construction of 1 classroom | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 54. | Kipchawat Primary | Completion of one class and renovation of one | 409,482.00 | 209,482.00 | 209,482.00 | Complete | 100% |
| 55. | Chesitek Primary | Construction of 1 classroom | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 56. | Cheberen Primary | Construction of 1 classroom | 400,000.00 | 400,000.00 | 400,000.00 | Ongoing | 90% |
| 57. | Kutwop Moso Primary | Construction of 2 classrooms | 800,000.00 | 800,000.00 | 800,000.00 | Complete | 100% |
| 58. | Kapsisi Primary | Fittings of the library | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 59. | Kameza Primary | Roofing and plastering of 1 class | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 60. | Chelingwa Primary | Construction of 1 classroom | 400,000.00 | 200,000.00 | 200,000.00 | Ongoing | 90% |
| 61. | Sergoit Primary | Construction of toilets and completion of admin block | 400,000.00 | 200,000.00 | 200,000.00 | Ongoing | 90% |
| 62. | Chepkitony Primary | completion of 6 classes and toilet | 600,000.00 | 600,000.00 | 600,000.00 | Complete | 100% |
| 63. | Kapsinende Primary | Roofing and plastering of 1 class | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 64. | Kibargoiyet Primary | Construction of 1 classroom | 400,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 65. | Chebonet Primary | Plastering and flooring of admin block | 300,000.00 | 300,000.00 | 300,000.00 | Complete | 100% |
| 66. | Kabore Primary | Rehabilitation of 1 class | 209,483.00 | 209,483.00 | 209,483.00 | Complete | 100% |
| 67. | Kibendo Primary | Rehabilitation of 1 class | 209,483.00 | 209,483.00 | 209,483.00 | Complete | 100% |
| 68. | Kabulwo Secondary | Construction of a dining hall | 500,000.00 | 250,000.00 | 250,000.00 | Ongoing | 40% |
| 69. | Chegilet Secondary | Construction of 2 classes and toilets | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | Complete | 100% |
| 70. | Kessup mixed day | Plastering and flooring of admin block | 225,000.00 | 225,000.00 | 225,000.00 | Complete | 100% |
| 71. | Siroch Mixed day | Construction of laboratory-start up | 300,000.00 | 300,000 | Nil | Ongoing | 20% |
| 72. | Singore Secondary school | Construction of septic tank | 800,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |
| 73. | Korkitony secondary | Construction of 1 classroom | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |

| | | | | | | | |
|-----|-------------------------|--|--------------|--------------|--------------|----------|------|
| 74. | Sergoit Secondary | Construction of the Dormitory | 800,000.00 | 400,000.00 | 400,000.00 | Ongoing | 70% |
| 75. | Kapkessum Secondary | construction of dormitory | 1,000,000.00 | 800,000.00 | 800,000.00 | Ongoing | 60% |
| 76. | Kapkonga Mixed Day | Construction of 2 classrooms | 800,000.00 | 800,000.00 | 800,000.00 | Complete | 100% |
| 77. | Kimuroon Secondary | Construction of 1 classroom | 400,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 78. | Iten Day secondary | plastering, flooring, painting and fittings of tuition block | 1,600,000.00 | 700,000.00 | 700,000.00 | Ongoing | 70% |
| 79. | Kabore Day Secondary | Construction of 1 classroom | 400,000.00 | Nil | Nil | Ongoing | 90% |
| 80. | Kapkoi Secondary School | Flooring and fittings of laboratory | 400,000.00 | 400,000.00 | 400,000.00 | Ongoing | 70% |
| 81. | Chelingwa Secondary | Wiring and electrical fittings | 150,000.00 | 150,000.00 | 150,000.00 | Ongoing | 100% |
| 82. | Kibargoiyet Secondary | Roofing, flooring and plastering of 1 class | 300,000.00 | 300,000.00 | 300,000.00 | Ongoing | 100% |
| 83. | Chebonet Secondary | Construction of 1 classroom | 400,000.00 | 200,000.00 | 200,000.00 | Ongoing | 80% |
| 84. | KMTC Iten | completion of dining hall and kitchen | 4,000,000.00 | 4,000,000.00 | 4,000,000.00 | Complete | 100% |
| 85. | Kamoingon Dispensary | Flooring and plastering of 2 staff houses | 300,000.00 | 300,000.00 | 300,000.00 | Complete | 100% |
| 86. | Chegilet health centre | Plastering and finishes of ward | 300,000.00 | 300,000.00 | 300,000.00 | Ongoing | 80% |
| 87. | Kapchelal Health centre | Flooring and fittings of staff houses | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 88. | Kabulwo Dispensary | Plastering and flooring of staff houses | 300,000.00 | 300,000.00 | 300,000.00 | Complete | 100% |
| 89. | Kaptum Dispensary | Roofing of 1 staff house | 200,000.00 | 200,000.00 | 200,000.00 | Complete | 100% |
| 90. | Kipsoen Health centre | Setting up incinerator and completion of lab | 300,000.00 | 300,000.00 | 300,000.00 | Ongoing | 90% |
| 91. | Kibendo health centre | completion of staff house | 560,000.00 | 560,000.00 | 560,000.00 | Ongoing | 80% |
| 92. | Kapteren Health centre | Purchase of 3.5 acres piece of land (paying the Balance) | 150,000.00 | 150,000.00 | 150,000.00 | Complete | 100% |
| 93. | Kamogich Chiefs office | Construction of chief office | 500,000.00 | 250,000.00 | 250,000.00 | Ongoing | 70% |
| 94. | Bugar Ap Camp | Flooring, Painting, and plastering of AP Houses | 400,000.00 | 400,000.00 | 400,000.00 | Complete | 100% |

| | | | | | | | |
|------|-------------------------------|------------------------------|----------------------|----------------------|----------------------|-------------|-----|
| 95. | Sergoit Chief office | Construction of chief Office | 500,000.00 | 250,000.00 | 250,000.00 | Ongoing | 90% |
| 96. | Kapchegomet Electricity | Purchase of transformer | 450,000.00 | Nil | Nil | Reallocated | - |
| 97. | Kaptebengwo Electricity | Purchase of transformer | 550,000.00 | Nil | Nil | Reallocated | - |
| 98. | Koibarak Electricity | Purchase of transformer | 350,000.00 | Nil | Nil | Reallocated | - |
| 99. | Chepnergon Electricity | Purchase of transformer | 250,000.00 | Nil | Nil | Reallocated | - |
| 100. | Kapkonga Electricity | Purchase of transformer | 250,000.00 | Nil | Nil | Reallocated | - |
| 101. | Mindililwet Electricity | Purchase of transformer | 500,000.00 | Nil | Nil | Reallocated | - |
| 102. | Ngembe Cheptile Water project | Purchase of pipes | 300,000.00 | Nil | Nil | Ongoing | 90% |
| | TOTAL | | 63,018,454.00 | 44,268,454.00 | 41,781,561.00 | | |

The statement of receipts and payments for the year ended 30 June 2015 indicated Kshs.70,589,152.50 transfers from CDF Board out of which Kshs.44,268,454 had been disbursed to various projects. A total of one hundred and two (102) projects were proposed and approved at an estimated budget of Kshs.63,018,454 out of which one project budgeted for Kshs.400,000 was not started during the year under review while twenty seven (27) projects with an estimated budget of Kshs.31,375,013 were partially completed and sixty eight others were fully completed. Further, six (6) projects with an estimated budget of Kshs.2,350,000 were reallocated without obtaining the necessary approval from the CDF Board.

The Fund should plan to implement and complete all the projects planned for the year for better delivery of services to the people of the Constituency. Projects which are not implemented impact negatively on the service delivery to the people of Keiyo North Constituency.



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

Nairobi

25 May 2016

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2014-2015 Kshs | 2013-2014 Kshs |
|---|------|------------------------|-----------------------|
| RECEIPTS | | | |
| Transfers from CDF board-AIEs' Received | 1 | 70,589,152.50 | 103,389,962.50 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | | - |
| TOTAL RECEIPTS | | 70,589,152.50 | 103,389,962.50 |
| PAYMENTS | | | |
| Compensation of Employees | 4 | 1,451,503.00 | 501,833 |
| Use of goods and services | 5 | 2,039,203.50 | 2,448,742 |
| Committee expenses | 6 | 1,523,876.70 | 1,501,200 |
| Transfers to Other Government Units | 7 | 51,455,710.00 | 40,400,000 |
| Other grants and transfers | 8 | 34,657,245.00 | 23,667,095 |
| Social Security Benefits | 9 | 24,000.00 | 15,200 |
| Acquisition of Assets | 10 | 13,295.00 | 12,400 |
| Other Payments | 11 | - | 300,000 |
| TOTAL PAYMENTS | | 91,164,833.20 | 68,846,470 |
| SURPLUS/DEFICIT | | (20,575,680.70) | 35,543,492.50 |

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



Chairman - CDFC




Fund Account Manager

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

V. STATEMENT OF ASSETS.

| | Note | 2014-2015 Kshs | 2013-2014 Kshs |
|--|------|----------------------|----------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 12 | 14,351,916.90 | 34,414,377.50 |
| Cash Balances (sale of tenders,hire of grader) | 13 | - | - |
| Outstanding Imprests | 14 | - | 513,220.00 |
| Cash Equivalents(eg sale of tender doc held in bankers cheque) | 15 | - | - |
| TOTAL FINANCIAL ASSETS | | <u>14,351,916.90</u> | <u>34,927,597.50</u> |
| REPRESENTED BY | | | |
| Fund balance b/fwd. 1st July 2014. | 16 | 4,927,597.60 | 384,105.00 |
| Surplus/Deficit for the year (from stm of receipt & expenditure) | | (20,575,680.70) | 34,543,492.50 |
| Prior year adjustments | 17 | - | - |
| NET LIABILITIES | | <u>14,351,916.90</u> | <u>34,927,597.50</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Keiyo North CDF financial statements were approved on 9/7 2015 and signed by:



Chairman - CDFC



Fund Account Manager

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

VI. STATEMENT OF CASH FLOW.

| Receipts for operating Activities | 2014-2015 | 2013-2014 |
|--|-------------------------------|---------------------------|
| Transfers from the CDF Board | 1 70,589,152.50 | 103,389,962. |
| Other Receipts | 3 - | |
| | 70,589,152.50 | 103,389,962. |
| Payments for operating expenses | | |
| Compensation of Employees | 4 1,451,503.00 | |
| Use of goods and services | 5 2,039,203.50 | 2,448,742. |
| Committee Expenses | 6 1,523,876.70 | 1,501,200. |
| Transfers to Other Government Units | 7 51,455,710.00 | 40,400,000. |
| Other grants and transfers | 8 34,657,245.00 | 23,667,095. |
| Social Security Benefits | 9 24,000.00 | 15,200. |
| Other Expenses | 11 - | 300,000. |
| Adjusted for: | | |
| Adjustments during the year | - | |
| | 91,164,833.20 | 68,332,237.00 |
| Net cash flow from operating activities | <u>(20,575,680.70)</u> | <u>35,057,725.</u> |
| CASHFLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from Sale of Assets | 2 - | |
| Acquisition of Assets | 10 13,295.00 | 12,400. |
| Net cash flows from Investing Activities | 13,295.00 | 12,400.0 |
| NET INCREASE/ IN CASH AND CASH EQUIVALENT | | |
| Cash and cash equivalent at BEGINNING of the year | 13 34,927,597.60 | 384,105. |
| Cash and cash equivalent at END of the year | 14 14,351,916.90 | 34,927,597. |

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

ARamus
Chairman - CDFC

Musa
Fund Account Manager.



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

1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS

| | 2014 - 2015 | 2013 - 2014 |
|-------------------------------|------------------|-----------------|
| | Kshs | Kshs |
| Employer contribution to NSSF | 60,540.00 | 8,200.00 |
| Total | 60,540.00 | 8,200.00 |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.1.10 ACQUISITION OF ASSETS

| <u>Non-Financial Assets</u> | 2014 - 2015 | 2013 - 2014 |
|--|-------------------|-------------|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of Buildings | 250,000.00 | - |
| Refurbishment of Buildings | - | - |
| Purchase of Vehicles | - | - |
| Purchase of Bicycles & Motorcycles | - | - |
| Overhaul of Vehicles | - | - |
| Purchase of Office furniture and fittings | 708,000.00 | - |
| Purchase of computers ,printers and other IT equipment | - | - |
| Purchase of photocopier | - | - |
| Purchase of other office equipment | - | - |
| Purchase of soft ware | - | - |
| Acquisition of Land | - | - |
| | | - |
| Total | 958,000.00 | - |

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.1.11 OTHER PAYMENTS

| | 2014 - 2015 | 2013 - 2014 |
|--------------|-------------|-------------|
| | Kshs | Kshs |
| Bank Charges | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| TOTAL | | |

12A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | 2014 - 2015 | 2013 - 2014 |
|---|----------------------|---------------------|
| | Kshs | Kshs |
| <i>Kenya Commercial Bank, Litein Branch A/C no.1105583376</i> | 11,061,512.06 | 6,178,484.00 |
| | | |
| | | |
| Total | 11,061,512.06 | 6,178,484.00 |



CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

| | 2014 - 2015 | 2013 - 2014 |
|--------------|-------------|-------------|
| | Kshs | Kshs |
| Cashier | | |
| | | |
| | | |
| | | |
| | | |
| Total | | |

[Provide cash count certificates for each]

12C: OUTSTANDING IMPRESTS

| <i>Name of Officer or Institution</i> | <i>Date Imprest Taken</i> | <i>Amount Taken</i> | <i>Amount Surrendered</i> | <i>Balance</i> |
|---------------------------------------|---------------------------|---------------------|---------------------------|----------------|
| | | Kshs | Kshs | Kshs |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Total

=====

CONSTITUENCIES DEVELOPMENT FUND – KONOIN CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***13. BALANCES BROUGHT FORWARD**

| | 2014 - 2015 | 2013 - 2014 |
|---------------|---------------------|--------------------|
| | Kshs | Kshs |
| Bank accounts | 6,178,484.00 | 7,369,379.16 |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | 6,178,484.00 | 7,369,379.1 |

*[Provide short appropriate explanations as necessary]***14. PRIOR YEAR ADJUSTMENTS**

| | 2013 - 2014 | 2012 - 2013 |
|---------------|-------------------|-------------|
| | Kshs | Kshs |
| Bank accounts | 172,666.00 | - |
| Cash in hand | 00 | 00 |
| Imprest | 00 | 00 |
| Total | 172,666.00 | - |

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2014 - 2015 | 2013 - 2014 |
|-----------------------------|-------------|-------------|
| | Kshs | Kshs |
| Construction of buildings | 00 | 00 |
| Construction of civil works | 00 | 00 |
| Supply of goods | 00 | 00 |
| Supply of services | 00 | 00 |
| | 00 | 00 |

15.2: PENDING STAFF PAYABLES (See Annex 2)

| | Kshs | Kshs |
|---------------------------|------|------|
| Senior management | 00 | 00 |
| Middle management | 00 | 00 |
| Unionisable employees | 00 | 00 |
| Others (<i>specify</i>) | 00 | 00 |
| | 00 | 00 |

15.3: OTHER PENDING PAYABLES (See Annex 3)

| | Kshs | Kshs |
|---|------|------|
| Amounts due to other Government entities (see attached list) | 00 | 00 |
| Amounts due to other grants and other transfers (see attached list) | 00 | 00 |
| Others (<i>specify</i>) | 00 | 00 |
| | 00 | 00 |

15.4 PENDING RECEIVABLES FROM THE CDF BOARD (See statement of appropriation)

| FINANCIAL YEAR | KSHS |
|----------------|------|
| 2013/14 | 0000 |
| 2014/15 | |
| TOTAL | |

Reports and Financial Statements

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2015 | Outstanding Balance 2014 | Comments |
|------------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|----------|
| | a | B | c | d=a-c | | |
| Construction of buildings | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| Sub-Total | | | | | | |
| Construction of civil works | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| Sub-Total | | | | | | |
| Supply of goods | | | | | | |
| 7. | | | | | | |
| 8. | | | | | | |
| 9. | | | | | | |
| Sub-Total | | | | | | |
| Supply of services | | | | | | |
| 10. | | | | | | |
| 11. | | | | | | |
| 12. | | | | | | |
| Sub-Total | | | | | | |
| Grand Total | | | | | | |

Reports and Financial Statements

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2015 | Outstanding Balance 2014 | Comments |
|------------------------------|-----------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | A | B | c | d=a-c | | |
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| Sub-Total | | | | | | | |
| Middle Management | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| Sub-Total | | | | | | | |
| Unionisable Employees | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| Sub-Total | | | | | | | |
| Others (specify) | | | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |

Reports and Financial Statements

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

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

| Name | Brief Transaction Description | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2015 | Outstanding Balance 2014 | Comments |
|--|-------------------------------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | A | B | c | d=a-c | | |
| Amounts due to other Government entities | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| | Sub-Total | | | | | | |
| Amounts due to other grants and other transfers | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| | Sub-Total | | | | | | |
| | Sub-Total | | | | | | |
| Others (specify) | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| | Sub-Total | | | | | | |
| | Grand Total | | | | | | |

Reports and Financial Statements

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Item Description | Serial no. /Registration | Year of Purchase | Historical cost 2013/14(kshs) | Historical cost 2014/15(kshs) |
|---|-----------------------------------|-----------------------------|---------------------|----------------------------------|----------------------------------|
| ICT Equipment, Software and Other ICT Assets | Monitor | HSTND-2761-F | 2010 | Supplied by cdf board | Supplied by cdf board |
| ICT Equipment, Software and Other ICT Assets | Back ups | 4007540905 | 2010 | Supplied by cdf board | Supplied by cdf board |
| ICT Equipment, Software and Other ICT Assets | CPU | CZC0215WKS | 2010 | Supplied by cdf board | Supplied by cdf board |
| ICT Equipment, Software and Other ICT Assets | Scanjet 5590 | CN35NWHOXD | 2013 | Supplied by cdf board | Supplied by cdf board |
| ICT Equipment, Software and Other ICT Assets | Camera | 10033047816 | 2010 | Supplied by cdf board | Supplied by cdf board |
| ICT Equipment, Software and Other ICT Assets | Camera | 10043084484 | 2010 | 20,000 | 20,000 |
| ICT Equipment, Software and Other ICT Assets | Printer HP | CNCJH39498 | 2010 | Supplied by cdf board | Supplied by the board |
| Office equipment, furniture and fittings | Stapler- Kangaroo | | | | |
| ICT Equipment , Software and other ICT Assets | HP Compaq Desktop | HSTND-2121F | 2010 | 45000 | 45000 |
| ICT Equipment, Software and Other ICT Assets | HP Scanner | CN9CSV203QL2694A-301 | 2010 | 12,000 | 12,000 |
| Office equipment, furniture and fittings | Office table | WML-254 | 2014 | 11,900 | 7,937.30 |
| Office equipment, furniture and fittings | High back ergonomic leather chair | | 2014 | 48,000 | 32,016 |
| Transport equipment-Land Rover Defender | Motor vehicle | GK A908X | 2011 | 4,327,660 | 4,327,660 |
| Transport equipment-Motor Cycle | Yamaha white | KAU 765H | 2005 | 297,850 | |
| Transport equipment –Motor Cycle | Yamaha Grey | GKA 205N | 2006 | 343,922 | |
| Office equipment ,furniture and fittings | Pacific High back chair | | 2014 | 20,000 | 20,000 |
| Office equipment, furniture and fittings | Boardroom Chairs | | 2014 | 300,000 | 300,000 |
| Office equipment, furniture and fittings | Executive table | | 2014 | 140,000 | 140,000 |
| Office equipment , furniture and fittings | Executive table | | 2005 | 25,000 | 25,000 |

Reports and Financial Statements

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

| | | | | | |
|---|------------------------|--|------|---------|---------|
| Office equipment , furniture and fittings | File cabinets-3 pieces | | 2005 | 49,500 | 49,500 |
| Office equipment, furniture and fittings | Plastic seats-7 pieces | | 2013 | 24,500 | 24,500 |
| Office equipment, furniture and fittings | Secretarial desk | | 2005 | 15,000 | 15,000 |
| Office equipment, furniture and fittings | Conference table | | 2014 | 250,000 | 250,000 |
| Office equipment, furniture and fittings | Secretarial chair | | 2005 | 12,500 | 12,500 |
| TOTAL | | | | | |