

REPUBLIC OF KENYA



26 JUL 2015

Robert Wani
For the leader of
majority party
Hon. Helen Dunne
on Tuesday 27.7.15



OFFICE OF THE AUDITOR-GENERAL

REPORT

PARLIAMENT
OF KENYA
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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT
FUND - KIBRA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015





CONSTITUENCY DEVELOPMENT FUND- KIBRA 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)

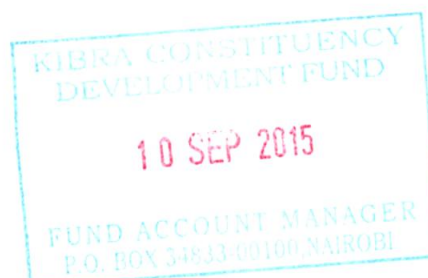




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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *Kibra 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	Jinnah T. Macharia
3.	Accountant	Cleophas O. Oyaro
4.	Chair Person	Leah A. Asego

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Kibra 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) KIBRA CDF Office

P.O. Box 34833-00100
Nairobi,
KENYA.

(f) Kibra CDF Contacts

E-mail:kibra@cdf.go.ke

(g) Kibra CDF Bankers

1. Equity Bank,
Kibra Branch,
Account No.1170261223145,
P.O. Box 75104,
City Square 00200
Nairobi, Kenya

(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)

ABOUT CDF

The Constituencies Development Fund (CDF) was created by the CDF Act, 2003 with the primary objective of addressing poverty at grassroots level by dedicating a minimum of 2.5% of the ordinary government revenue to grassroots development and the reduction of poverty.

The Act was amended in 2007 whereby the CDF Board was created to replace the then National Management Committee (NMC) as the top management organ of the Fund at the national level.

ABOUT KIBRA

There are approx 2.5 million slum dwellers in about 200 settlements in Nairobi representing 60% of the Nairobi population. Kibra is a home to approximately 350,000-500,000 people. Kibra is the biggest slum in Africa and one of the biggest in the world. The Government owns all the land. 10% of people are shack owners and many of these people own many other shacks and sub-let them. All the rest are tenants with no rights. The average size of a shack in this area is 12ft x 12ft built with mud walls, screened with concrete, a corrugated tin roof, dirt or concrete floor. The cost is about Ksh 700 per Month (£6). These shacks often house up to 8 or more, many sleeping on the floor.

The slum is characterised by a number of social economic and political changes namely, poor housing, high rate of youth unemployment, illegal gangs, drugs and substance abuse among the youth, teenage pregnancy, poor access roads ,illicit businesses, high rate of insecurity, poor hygiene and sanitation among others.

However, all is not lost , the government and other non-state actors are addressing some of the above challenges through various programmes namely, The national Youth Service: theyare currently providing employment opportunity to a number of youths through community service initiatives , Kenya Power And Lightening Company lighting up low income households, non-governmental organisation promoting youth employability skills through vocational skills training and the area member of parliament improving livelihoods of vulnerable households through sustainable initiatives focusing on education programme, water and sanitation programme , infrastructural development, talent cultivation and a management and women and youth empowerment .

These initiatives are not implemented in oblivion but compliment National Development Strategy Papers such as the Kenya Vision 2030, Poverty Reduction Strategy Papers, 2010 National Youth Employment Creation Policy, 2010 Kenya Constitution and the Millennium Development goals focusing on extreme poverty reduction.

KIBRA CONSTITUENCY PROJECT IMPLEMENTATION CHALLENGES

Kibra Constituency during project implementation has encountered a number of challenges. This has led to delay in project implementation and failure to realize projects set objectives. For instance, there is delay in disbursement of funds , delay in project approval by the board occasioned by limited stain the line ministries, constant absenteeism of the

project management committee from their work station, limited resource allocated to capacity building and monitoring and evaluation which are key to effective and efficient in project implementation. The budget for the two components should be increased from the current 3% to 5%. Land is also a contentious issue in Kibra; this is problem is not only unique to Kibra but also other slum settings in Nairobi. Due to lack of land title deeds, some of the community projects have been changed. This is occasioned by the limitation of the CDF Act. For instance, construction projects require land title deeds and government approvals. This has led to disapproval of some projects by the Nairobi County Government.

FACTORS LEADING TO THE SUCCESSES OF PROJECTS IMPLEMENTATION IN KIBRA

Community Participation: Kibra Constituency understands that community participation in project identification, design, implementation, monitoring and evaluation is essential to project success. In order to enhance project sustainability and scalability, the CDFC involves the community in all stages of project development.


The promulgation of the 2010 constitution: This gave birth to devolution which in return led to economic propensity at the grass-root and the marginalized areas. For instance availability of Youth Entre Price Fund, Women Enterprise Fund, Uwezo Fund, LASDAP among others have led to reduction of extreme poverty levels and equitable development leading to reduced competition for government resources.

Elaborate management structure: Existence of strong management structure with competent human resource has also led to the success of project implementation. Kibra Constituency has able CDFC who are up to the task. This has led to efficient and effective implementation of projects.

Transparency and accountability: Kibra Constituency is the most transparent Constituency in Kenya. This has led to increased community good and smooth implementation of the projects. The community has faith in the office and is in full support in what the office is implementing. This confidence is evidenced in the bursary disbursement and the project tendering process.

Provision of quality education: the office through the support of CDF has been awarding scholarship opportunities to needy and brilliant students in Kibra. This has led to healthy academic competition among Kibra schools leading to improved academic performance. In order to monitor and evaluate academic performance in Kibra, the CDFC formed Kibra educator's forum comprising of 60 pilot schools. These schools are given joint exams dubbed class 7 and class 8 mock exams. This in return has led to improved academic performance in the whole constituency. Through the support of CDF, many classrooms within the public schools have been rehabilitated. This has led to improved learning environment leading to improved academic performance and self esteem of the beneficiary students.

Efficiency and effectiveness in service delivery: Kibra Constituency understands that the customer is the king. To ensure their satisfaction, the office ensures that bursary applicants get their cheques within a period of one month from the time of application. This has led to improved community good will and faith in the bursary application process.

Sign 
10 SEP 2015
CHAIRMAN CDFC
FUND ACCOUNT MANAGER
P.O. BOX 348340 NAIROBI

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 *Kibra CDF* is responsible for the preparation and presentation of the *Kibra CDF's* financial statements, which give a true and fair view of the state of affairs of the *Kibra CDF* for and as at the end of the financial yearended 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 *KIBRA 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 *Kibra 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.

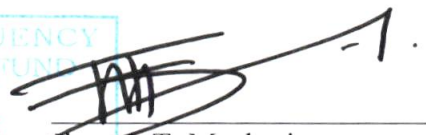
The Accounting Officer in charge of the *Kibra CDF* confirms that the CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the CDF's funds received during the year under audit were used for the eligible purposes for which 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 10th September 2015.



Leah A. Asego
Chairperson –CDFC



Jimnah T. Macharia
Fund Account Manager



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund- Kibra Constituency set out of pages 6 to 20, which comprise the statement of financial assets and liabilities as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation, recurrent and development combined 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating of 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 Budget and Budgetary Controls

1.1 The summary statement of appropriation for recurrent and development combined reflect a total budget of Kshs.119,213,163.40, which differs with the budget proposal document approved budget of Kshs.96,876,627 by a variance of Kshs.22,336,536 as detailed below:-

Item	Budget as per Summary Statement Kshs.	Budget as per Returns to LDF Kshs.	Variance Kshs.
Compensation of Employees	2,136,120	1,598,520	537,600
Use of goods and services	3,234,062	4,089,177	(855,115)
Committee Allowances	4,676,888	2,750,000	1,926,888
Transfers to Other Govt.	48,373,826	32,163,250	16,210,576
Other Grants and Transfers	60,250,272	55,494,481	4,755,791
Social Security benefits	42,000	31,200	10,800
Other payments	500,000	750,000	(250,000)
Total	119,213,168	96,876,628	22,336,540

The figures presented in the summary statement of appropriation are therefore incorrect.

1.2 The Statement of Appropriation: Recurrent and Development combined does not reflect the revenue budget of Kshs.88,114,550. The Fund had an opening cash balance of Kshs.4,944,766 and transfers from the CDF Board amounting to Kshs.82,375,084 and miscellaneous receipts of Kshs.794,700, hence total funds

available for the year of Kshs.88,114,550, of which the fund only utilized Kshs.61,205,755 or about 69.4% as shown below:-

Item	Budgeted Amount Kshs	Actual Expenditure Kshs	Under Expenditure Kshs
Compensation of Employees	2,136,120.00	1,630,144.80	505,975.00
Use of goods and Services	3,234,062.12	1,618,000	1,616,062.12
Committee Allowances	4,676,888.31	3,455,700	1,221,183.31
Transfers to Other Govt	48,373,825.74	69,053.24	24,104,772.50
Other Grants and Transf.	60,250,271.83	30,208,857.00	30,041,414.83
Social Security Benefits	42,000.00	24,000.00	18,000.00
Other Payments	500,000.00	-	500,000.00
Total	119,213,163.40	61,205,755.04	58,007,408.36

No justification was given by the CDF Board for the failure to finance the projects to the tune of available funds.

1.3 Failure to Implement Projects

As at the 30th June 2015 sixteen projects detailed below worth Kshs.49,482,759 had not been implemented although they were budgeted for:-

Project	Budgeted Amount Kshs.	Actual Expenditure Kshs.	Under/Over Expenditure Kshs.
Mbagathi Hospital	4,482,759	-	4,482,759
Kibera Health Centre	5,000,000	-	5,000,000
Joseph Kangethe Pr. School	3,000,000	-	3,000,000
Desks to Primary Schools	1,500,000	-	1,500,000
Computers to Primary Schools	5,000,000	-	5,000,000
Printers/Projectors to Primary Schools	1,000,000	-	1,000,000

Mbagathi Secondary	5,000,000	-	5,000,000
Desks to Sec. Schools	1,500,000	-	1,500,000
Computers to Sec. Schools	5,000,000	-	5,000,000
Printers/Projectors to Sec. Schools	1,000,000	-	1,000,000
Security - Lindi Police Post	2,000,000	-	2,000,000
Security –Shimo La Tewa St	2,000,000	-	2,000,000
Security -Lighting	5,000,000	-	5,000,000
Laini Saba Water Project	3,000,000	-	3,000,000
Lindi Mashimoni Bridge	2,000,000	-	2,000,000
Market Sheds	3,000,000	-	3,000,000
Total	49,482,759		49,482,759

No justification was given for the failure to implement the projects to the extent of the funding despite the CDF closing with a surplus of Kshs.26,963,795, implying that the funds were available to implement at least 54% of the projects. This has resulted in denying the constituents of the benefits have been derived from implementation of the above projects.

2.0 Cash and cash equivalents

2.1 The statement of financial assets and liabilities reflects a bank balance of Kshs.26,908,795 as at 30 June 2015. However, as was reported in the previous year 2013/2014, the Fund did not provide any information on any funds that may have been inherited from the former Lang'ata Constituency. Consequently, the completeness of the cash and cash equivalents could not be ascertained.

2.2 The Kshs.26,908,795 bank balance excludes receipts totalling Kshs.470,013 in bank not receipted in cash book brought forward from prior years. Similarly the bank balance excludes payments in bank not in cash book totalling Kshs.675,082.05 which includes a cash withdrawal of Kshs.6,293,000. No justification has been provided for these irregularities. Under the circumstances, the accuracy of the bank balance of Kshs.26,908,794 cannot be confirmed.

3.0 Inaccuracies of the Financial statements

As reported in the previous year, the financial statements for the year ended 30 June 2014 had not been prepared from primary books of account including the cash book,

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

ledgers and trial balance. Further, expenditure totalling Kshs.5,866,400 had not been supported with analysis and documentation. Consequently the accuracy and validity of the Funds opening balances could not be confirmed.

4.0 Bursary Allocation and Disbursements

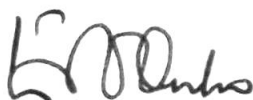
The Fund allocated Kshs.22,613,100 to bursaries during the year. However, out of this, cheques amounting to Kshs.2,612,902 with some relating to March 2014 had not been presented as at 30 June 2015. At the same time, cheques totaling Kshs.1,037,000 meant for bursaries were cancelled and new cheques were issued to other beneficiaries without any supporting documents or approval. In the absence of proper explanations and supporting documentation, the accuracy and validity of Kshs.22,613,100 relating to expenditure of bursaries could not be confirmed.

5.0 Nugatory Expenditure

A consultant was contracted on 8 May 2014 to assist in the development of a strategic plan for the remainder of the electoral period for the Constituency at a contract sum of Kshs.720,000 of which the strategy document was to be ready within sixty (60) days. The document had however not been provided to the Constituency as at the conclusion of the audit. It would therefore appear that the expenditure of Kshs.720,000 is nugatory expenditure.

Qualified Audit 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 the Constituencies Development Fund – Kibra Constituency as at 30 June 2015, and of its financial operations and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with Constituency Development Fund Act, 2013 and Public Financial Management Act, 2012.



FCPA Edward R. O. Ouko, CBS
AUDITOR GENERAL

Nairobi

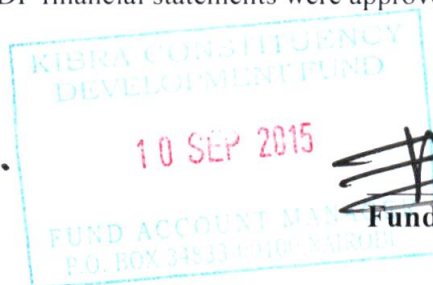
27 June 2016

CONSTITUENCY DEVELOPMENT FUND- KIBRA CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015****IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014 - 2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	82,375,084.00	33,936,770.50
Proceeds from Sale of Assets	2	-	0
Other Receipts	3	794,700.00	55,000.00
TOTAL RECEIPTS		83,169,784.00	33,991,770.50
PAYMENTS			
Compensation of Employees	4	1,630,144.80	681,599.60
Use of goods and services	5	1,618,000.00	1,731,400.00
Committee meeting allowances	6	3,455,700.00	1,832,000.00
Transfers to Other Government Units	7	24,269,053.24	7,810,005.00
Other grants and transfers	8	30,208,857.00	11,892,000.00
Social Security Benefits	9	24,000.00	0
Acquisition of Assets	10	-	5,100,000.00
Other Payments	11	-	0
TOTAL PAYMENTS		61,205,755.04	29,047,004.60
BALANCE C/F		21,964,028.96	4,944,765.90

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kibra CDF financial statements were approved on 10th September 2015 and signed by:


Chairman - CDFC




Fund Account Manager

V. STATEMENT OF ASSETS

Cash and Cash Equivalents

Bank Balances (as per the cash book)	12	26,908,794.86	4,889,765.90
Cash Balances (sale of tenders,hire of grader)	13	-	55,000.00
Outstanding Imprests	14	-	-
Cash Equivalents (eg sale of tender doc held in bankers cheque)	15	-	-
			-

TOTAL FINANCIAL ASSETS

26,908,794.86 4,944,765.90

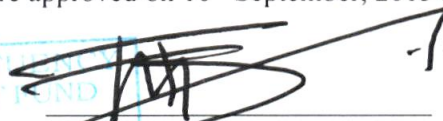
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Fund balance b/fwd 1st July 2014	16	4,944,765.90	0
Surplus/Deficit for the year (from stm of receipt & expenditure		21,964,028.96	4,944,765.90
Prior year adjustments	17	-	0
NET LIABILITIES		<u>26,908,794.86</u>	<u>4,944,765.90</u>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kibra CDF financial statements were approved on 10th September, 2015 and signed by:



 Chairman - CDFC



 Fund Account Manager



CONSTITUENCY DEVELOPMENT FUND- KIBRA CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015****VI. STATEMENT OF CASHFLOW**

		2014-2015		2013-2014	
Receipts for operating Activities					
Transfers from Other Government Entities	1	82,375,084.00		33,936,770.50	
Other Revenues	3	<u>794,700.00</u>	83,169,784.00	<u>55,000.00</u>	33,991,770.50
Payments for operating expenses					
Compensation of Employees	4	1,630,144.80		681,599.60	
Use of goods and services	5	1,618,000.00		1,731,400.00	
Committee Expenses	6	3,455,700.00		1,832,000.00	
Transfers to Other Government Units	7	24,269,053.24		7,810,005.00	
Other grants and transfers	8	30,208,857.00		11,892,000.00	
Social Security Benefits	9	24,000.00		-	
Other Expenses	11	=	(61,205,755.04)	-	<u>(23,947,004.60)</u>
Adjusted for:					
Adjustments during the year			-	-	
Net cashflow from operating activities			21,964,028.96		10,044,765.90
CASHFLOW FROM INVESTING ACTIVITIES					
Proceeds from Sale of Assets	2	-		-	
Acquisition of Assets	10	-	-	5,100,000.00	<u>(5,100,000.00)</u>
Net cash flows from Investing Activities			-	-	(5,100,000.00)
CASHFLOW FROM FINANCING ACTIVITIES					
Net cash flow from financing activities			0	-	
NET INCREASE/ IN CASH AND CASH EQUIVALENT			21,964,028.96		4,944,765.90
Cash and cash equivalent at BEGINNING of the year	16		4,944,765.90		-
Cash and cash equivalent at END of the year			26,908,794.86		4,944,765.90

CONSTITUENCY DEVELOPMENT FUND- KIBRA CONSTITUENCY

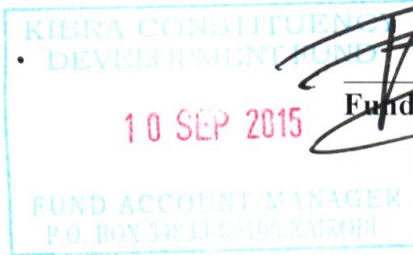
Reports and Financial Statements

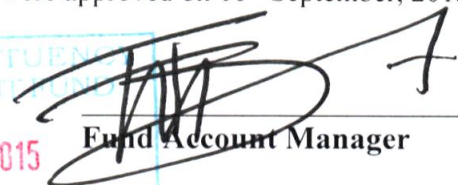
For the year ended June 30, 2015

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kibra CDF financial statements were approved on 10th September, 2015 and signed by:



Chairman CDFC






Fund Account Manager


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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
Compensation of Employees	1,617,720.00	518,400.40	2,136,120.40	1,630,144.80	505,975.60	76.31%
Use of goods and services	2,932,877.62	301,184.50	3,234,062.12	1,618,000.00	1,616,062.12	50.03%
Committee Members Expenses	4,156,298.81	520,584.50	4,676,883.31	3,455,700.00	1,221,183.31	73.89%
Transfers to Other Government Units	37,163,249.74	11,210,576.00	48,373,825.74	24,269,053.24	24,104,772.50	50.17%
Other grants and transfers	50,494,480.83	9,755,791.00	60,250,271.83	30,208,857.00	30,041,414.83	50.14%
Social Security Benefits	12,000.00	30,000.00	42,000.00	24,000.00	18,000.00	57.14%
Acquisition of Assets	-	-	-	-	-	0.00%
Other Payments	500,000.00	-	500,000.00	-	500,000.00	0.00%
TOTALS	96,876,627.00	22,336,536.40	119,213,163.40	61,205,755.04	58,007,408.36	51.00%

The Kibra CDF financial statements were approved on 10th September, 2015 and signed by:


Chairman CDF


Fund Account Manager

KIBRA CONSTITUENCY DEVELOPMENT FUND
10 SEP 2015
FUND ACCOUNT MANAGER
P.O. BOX 34831-0100 NAIROBI

TRIAL BALANCE AS AT 30TH JUNE 2015

	DR	CR
Cash and Cash equivalents		
Bank Balances	29,452,276	
Cash Balances	-	
Outstanding Imprest	-	
Payments		
Compensation of Employees	1,146,834	
Use of goods and services	2,431,315	
Committee Expenses	2,707,100	
Transfers to Other Government Units	32,764,904	
Other grants and transfers	56,446,855	
Social Security Benefits	9,400	
Acquisition of Assets	-	
Other Payments	-	
Receipts		
Transfers from the Board		106,316,219
Proceeds from sale of assets		-
Others receipts		129,000
Fund Balance b/f		18,513,465
TOTAL	124,958,684	124,958,684

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.

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 STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
AIE NO.....A750197	30,936,770.50	2,000,000.00
AIE NO.....A750307	3,000,000.00	31,936,770.50
AIE NO.....A796681	24,219,157.00	
AIE NO.....A797012	24,219,156.50	
		0
AIE NO...	-	0
AIE NO...	-	
TOTAL	82,375,084.00	33,936,770.50

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

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

CONSTITUENCIES DEVELOPMENT FUND – KIBRA CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.3 OTHER RECEIPTS**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	-	0
Rents	-	0
Sale of tender documents	42,000.00	55,000.00
Other Receipts Not Classified Elsewhere	752,700.00	0
Total	794,700.00	55,000.00

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,630,144.80	681,599.60
Basic wages of casual labour	-	
Personal allowances paid as part of salary		
House allowance	-	0
Transport allowance	-	0
Leave allowance	-	0
Other personnel payments	-	0
Total	1,630,144.80	681,599.60

CONSTITUENCIES DEVELOPMENT FUND – KIBRA CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.5 USE OF GOODS AND SERVICES**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	1,100,000.00	567,400.00
Office rent		
Communication, supplies and services		
Domestic travel and subsistence		
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses		
Hospitality supplies and services		
Insurance costs		
Specialised materials and services/Strategic plan	368,000.00	1,164,000.00
Office and general supplies and services		
Fuel ,oil & lubricants	150,000.00	
Other operating expenses		
Routine maintenance – vehicles and other transport equipment		
Routine maintenance – other assets		
Total	1,618,000.00	1,731,400.00

1.1.1.1.1.1.6 COMMITTEE EXPENSES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other committee expenses	1,496,700.00	232,000.00
Committee allowance	1,959,000.00	1,600,000.00
TOTAL	3,455,700.00	1,832,000.00

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

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to Primary schools	17,329,183.24	749,875.00
Transfers to Secondary schools	6,939,870.00	7,060,130.00
Transfers to Tertiary institutions		XX
Transfers to Health institutions		XX
TOTAL	24,269,053.24	7,810,005.00

1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary -Secondary	13,185,000.00	6,682,000.00
Bursary -Tertiary	9,428,100.00	2,000,000.00
Bursary-Special schools		
Mocks & CAT	3,210,982.00	1,622,000.00
water		XX
food security		XX
Electricity		
Security		
Roads		
Sports	1,859,225.00	788,000.00
Environment	1,266,000.00	
Emergency Projects	1,259,550.00	800,000.00
Total	30,208,857.00	11,892,000.00

1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	24,000.00	0
Total	24,000.00	-

CONSTITUENCIES DEVELOPMENT FUND – KIBRA CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.10 ACQUISITION OF ASSETS**

Non Financial Assets	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings		XX
Construction of Buildings		XX
Refurbishment of Buildings		XX
Purchase of Vehicles	-	4,500,000.00
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles		XX
Purchase of Office furniture and fittings		XX
Purchase of computers ,printers and other IT equipments	-	600,000.00
Purchase of photocopier		XX
Purchase of other office equipments		XX
Purchase of soft ware		XX
Acquisition of Land		XX
Total	-	5,100,000.00

CONSTITUENCIES DEVELOPMENT FUND – KIBRA CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.11 OTHER PAYMENTS**

	2014 - 2015	2013 - 2014
	-	
	-	

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>EQUITY BANK KIBERA BRANCH</i>	26,908,794.86	4,889,765.90
	-	-
		0
Total	26,908,794.86	4,889,765.90

CONSTITUENCIES DEVELOPMENT FUND – KIBRA 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
Sale of tender	-	55,000.00
Hire of graders		0
Hire of hall		0
Other receipts (specify)		0
Total	-	55,000.00

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>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
Total				xxx

CONSTITUENCIES DEVELOPMENT FUND – KIBRA 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	4,944,765.90	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Imprest	-	-
Receivables	-	-
Payables	-	-
Total	4,944,765.90	-

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	xxx	xxx

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

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						

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							

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						

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land	–	–
Buildings and structures	11,279,170.00	11,279,170.00
Transport equipment	4,500,000.00	4,500,000.00
Office equipment, furniture and fittings	1,550,495.84	1,550,495.84
ICT Equipment, Software and Other ICT Assets	518,418.40	518,418.40
Other Machinery and Equipment	–	–
Heritage and cultural assets	–	–
Intangible assets	–	–
Total	17,848,084.24	17,848,084.24