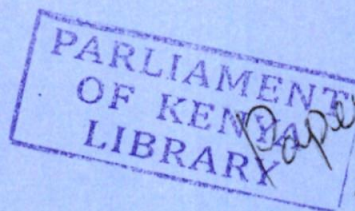


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



*laid  
by the Majority  
Whip on 20/7/2016 (pm)*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
CONSTITUENCIES DEVELOPMENT FUND  
VOI CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2015**





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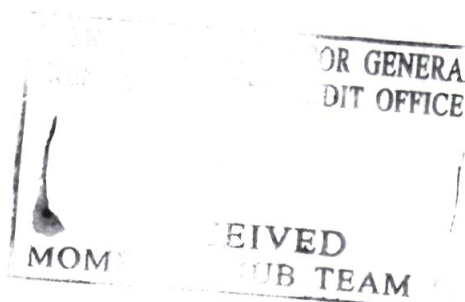
**CONSTITUENCY DEVELOPMENT FUND- VOI CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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



**CONSTITUENCY DEVELOPMENT FUND- VOI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2015**

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	1
II FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC).....	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES .....	4
IV.STATEMENT OF RECEIPTS AND PAYMENTS .....	5
V. STATEMENT OF FINANCIAL ASSETS& LIABILITIES .....	6
VI. STATEMENT OF CASHFLOWS .....	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	8
VIII. SIGNIFICANT ACCOUNTING POLICIES .....	9
IX. NOTES TO THE FINANCIAL STATEMENTS .....	11

**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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 Voi Town Constituency's day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Amina Ali</b>
3.	Accountant	<b>Evans Obae</b>
4.		

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Voi 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) VOI CDF Headquarters**

P.O. Box 168 – 80300  
VOI.

**(f) VOI CDF Contacts**

Telephone: (254)  
Website: www.go.ke

**(g) VOI CDF Bankers**

1. Kenya Commercial Bank

VOI 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)**

*Note by the Chairman CDFC*

CDF Voi has made significant improvements in the way bursary funds are spent in the community. We take priority in sponsoring extremely needy students. We have a list of orphans and needy children who we ensure that are retained in school.

The funds allocated to cdf are inadequate compared to the needs on the ground. More funds should be allocated to CDF.

Sign



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 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 VOI 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 VOI 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 (VOI 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 VOI 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 \_17 Sep 2015.

  
\_\_\_\_\_  
Chairman CDF

  
\_\_\_\_\_  
Fund Account Manager



# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND (CDF) – VOI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Voi Constituency set out on pages 5 to 15, which comprise the statement of financial assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003.

#### Management's Responsibility for the Financial Statements

The 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 of Kenya. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor 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. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion.

## **Basis for Disclaimer of Opinion**

### **1. Inaccuracies in the Financial Statements**

The financial statements availed for audit review for the year ended 30 June 2015 had the following inaccuracies:

- 1.1 The summary statement of appropriation: recurrent and development combined for the year ended 30 June 2015 reflects acquisition of assets budget of Kshs.6,000,000 against expenditure of Kshs.5,606,308(93.5%), resulting to under expenditure of Kshs.393,692(6.5%) but which has not been reflected under budget utilisation difference.
- 1.2 The summary statement of appropriation: recurrent and development combined for the year ended 30 June 2015 reflects other grants and transfers budget of Kshs.49,700,816 and actual expenditure of Kshs.47,333,931 with a budget utilisation difference indicated as Kshs.2,196,436. However, the recomputed figure for budget utilization is Kshs.2,366,885, resulting to a variance of Kshs.170,449 which has not been explained nor reconciled. Further, the surplus of Kshs.17,059,5533 shown in the statement of receipts and payments is not reflected in this financial statement.
- 1.3 The statement of financial assets reflects bank balance of Kshs.18,990,486 while Note 10 on the same reflects a balance of Kshs.19,340,486, resulting to a variance of Kshs.350,000 which has not been explained nor reconciled.
- 1.4 The statement of financial assets reflects Note 12 as fund balance brought forward of Kshs.2,280,933. However, these financial statements do not contain Note 12.
- 1.5 The financial statements at page 13 do not reflect the client's name, year and name of the statement contrary to the requirements of International Public Sector Accounting Standard 1.

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June 2015 could not be confirmed.

### **2. Transfers from CDF Board – AIEs Received**

The statement of receipts and payments for the year ended 30 June 2015 reflects Kshs.111,523,346 in respect of transfers from CDF Board-AIEs received while CDF

Board Circular No. CDF BOARD/CIRCULARS/VOL.II/170 of July 2014 indicates a transfer figure of Kshs.99,972,618, resulting to a variance of Kshs.11,550,728 which has not been reconciled nor explained.

Consequently, the accuracy and completeness of Kshs.111,523,346 in respect of transfers from CDF Board-AIEs Received for the year ended 30 June 2015 could not be confirmed.

### 3. Transfers to Other Government Units

Included in the statement of receipts and payments for the year ended 30 June 2015 is an amount of Kshs.32,752,759 in respect of transfers to other government units, out of which Kshs.5,932,759 relates to transfers to health institutions. However, of the amount transferred to health institutions, Kshs.4,482,759 as detailed below was paid to 4 (four) health institutions which were not in the approved project proposal list availed for audit review:

Date	P.V.No	Payee	Cheque No	Amount (Kshs)
12/6/2015	975	Makwasinyi Dispensary	4869	747,126.50
12/6/2015	976	Kayanda Dispensary	4870	747,126.50
12/6/2015	977	Maungu Heath Centre	4871	1,494,253.00
12/6/2015	978	Ndovu Health Centre	4872	1,494,253.00
	<b>Total</b>			<b>4,482,759.00</b>

Further, the project files, completion certificates and site inspection reports by the line Ministry for these projects were not availed for audit verification.

Consequently, the propriety and validity of transfers to health institutions of Kshs.4,482,759 for the year ended 30 June 2015 could not be confirmed.

### 4. Other Grants and Transfers

#### 4.1 Sports Projects

Included in the other grants and transfers balance of Kshs.47,333,931 shown in the statement of receipts and payments for the year ended 30 June 2015 is Kshs.1,926,450 paid to two suppliers for supply of sports materials and equipment. However, the inspection and acceptance committee report, stores register where the sports materials and equipment were recorded and distribution list were not availed for audit verification.

Consequently, the propriety of expenditure totalling Kshs.1,926,450 on sports materials and equipment for the year ended 30 June 2015 could not be confirmed.

#### 4.2 Transfers to Primary Schools

Included in the other grants and transfers balance of Kshs.47,333,931 shown in the statement of receipts and payments for the year ended 30 June 2015 is Kshs.12,820,000

transferred to primary schools of which Kshs.3,500,000 comprising; Kshs.2,000,000 for construction of a classroom at Ghanzi Primary School and Kshs.1,500,000 for a similar purpose at Buguta Primary School. However, quotations and contract agreements for the construction of these classrooms were not availed for audit verification. Details on how the bidders were invited, winners identified and terms and conditions of the contracts were not availed for audit review.

Consequently, the propriety and value for money for Kshs.3,500,000 transferred to primary schools for the year ended 30 June 2015 could not be confirmed.

#### **4.3 Transfers to Secondary Schools**

Included in the other grants and transfers balance of Kshs.47,333,931 shown in the statement of receipts and payments for the year ended 30 June 2015 is Kshs.3,500,000 relating to transfers to secondary schools of which the following observations were made:

- i) A total of Kshs.2,000,000 was transferred to Makwasinyi Girls Secondary School for construction of a girls' dormitory. However, quotations for the contract, Bill of Quantities, contract agreement and certificate of completion were not availed for audit verification.
- ii) An amount of Kshs.1,500,000 was transferred to Marungu Secondary School for construction of a dormitory which was done through labour-based contract. However, inspection and acceptance committee report on construction materials procured for the project were not availed for audit review. Further, the materials were purchased from non-prequalified suppliers.

Consequently, the propriety and value for money for Kshs.3,500,000 transferred to secondary schools for the year ended 30 June 2015 could not be confirmed.

#### **4.4 Water Projects**

Included in the other grants and transfers figure of Kshs.47,333,931 shown in the statement of receipts and payments for the year ended 30 June 2015 is Kshs.16,285,000 in respect of grants to water projects of which completion certificates and site inspection reports by respective technical departments of the government were not availed for audit review. Consequently, the propriety and value for money for Kshs.16,285,000 disbursed to the project for the year ended 30 June 2015 could not be confirmed.

#### **4.5 Emergency Projects**

Included in the other grants and transfers figure of Kshs.47,333,931 shown in the statement of receipts and payments for the year ended 30 June 2015 is Kshs.7,550,000 in respect of disbursements to emergency projects of which the project files were not availed for audit verification. Further, payment vouchers availed for audit review indicated that Kshs.3,400,000 was disbursed to four schools for emergency projects as shown below:-

<b>Date</b>	<b>Payee</b>	<b>P.V.No</b>	<b>Chq No</b>	<b>Amount (Kshs.)</b>
14-Oct	Makwisinyi Girls	887	4240	500,000
14-Oct	Buguta Primary School	914	4324	1,500,000
12/6/2015	Wongonyi Dispensary	972	4856	400,000
12/6/2015	Mwakingali Water Project	974	4862	1,000,000
	<b>Total</b>			<b>3,400,000</b>

However, the vouchers were not supported with request for funding by the Project Management Committees, Engineer's estimate of costs and Report of the Inspection and Acceptance Committee.

Consequently, the propriety and value for money for Kshs.7,550,000 disbursed and spent on emergency projects for the year ended 30 June 2015 could not be confirmed.

## **5. Cash and Cash Equivalents**

The statement of financial assets indicates a bank balance of Kshs.18,990,486 as at 30 June 2015. However, the bank reconciliation statement availed for audit indicated a cash book balance of Kshs.573,767 resulting to unexplained nor reconciled variance of Kshs.18,416,719. In addition, the bank reconciliation statement reflects a bank balance of Kshs.12,848,545.80 of which the supporting certificate of bank balance was not availed for audit review and unrepresented cheques totaling Kshs.12,274,778 whose dates of subsequent clearance in the bank were not indicated. Further, included in the cash and cash equivalents balance of Kshs.19,340,486 shown in the statement of financial assets as at 30 June 2015 is outstanding imprest of Kshs.350,000 which is at variance with the recomputed balance of Ksh.364,704. The variance of Kshs.14,704 between the two figures has not been explained nor reconciled.

Under the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.19,340,486 as at 30 June 2015 could not be confirmed.

## **6. Unremitted Statutory Deductions**

The statement of receipts and payments for the year ended 30 June 2015 includes compensation of employees balance of Kshs.877,717. Included in this are NHIF and NSSF deductions totaling Kshs.107,520 deducted from staff salaries but not remitted to the respective authorities. The unremitted amount consisted of NSSF and NHIF deductions of Kshs.86,400 and Kshs.21,120 respectively which attracted penalties totaling Kshs.94,320.

As a result, the Fund stands to lose Kshs.94,320 as a result of penalties on the unremitted statutory deductions. In the circumstances, the Fund is in breach of the law.

## 7. Fixed Assets

Annex 1 to the financial statements at reflects a fixed assets balance of Kshs.22,515,816 as at 30 June 2015. However, the fixed assets register in support of the balance was not availed for audit verification. Further, Annex 1 indicates fixed assets opening balance of Kshs.21,600,000 and a closing balance of Kshs.22,515,816, which is an increase or additions of Kshs.915,816 between the two years. However, the increase is at variance with the acquisition of assets cost of Kshs.5,606,308 shown in the statement of receipts and payments for the year under review. The variance of Kshs.4,690,492 between the two figures has not been explained nor reconciled.

Consequently, the details of the assets and the accuracy and completeness of fixed assets balance of Kshs.22,515,816 as at 30 June 2015 could not be confirmed.

### Disclaimer of Opinion

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

### Other Matter

#### 1.0 Budgetary Control and Performance

##### 1.1 Budget Performance

During the year under review, the Fund had a budget of Kshs.104,253,551 against expenditure of Kshs.94,463,793(90.6%), resulting in under expenditure of Kshs.9,789,758 or 9% as shown below:

Item	Budget (Kshs.)	Expenditure (Kshs.)	Under Absorption (Kshs.)	Under Absorption (%)
Compensation of Employees	1,000,000	877,717	122,283	12
Use of Goods and Services	2,955,157	1,941,878	1,013,279	34
Committee Expenses	6,439,178	5,950,000	489,178	8
Transfers to Other Government Units	38,120,000	32,752,759	5,367,241	14
Other Grants and Transfers	49,700,816	47,333,931	2,366,885	5
Social Security Benefits	38,400	1,200	37,200	97
Acquisition of Assets	6,000,000	5,606,308	393,692	7
<b>Total</b>	<b>104,253,551</b>	<b>94,463,793</b>	<b>9,789,758</b>	<b>9</b>

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

Funds not utilized is an indication of services and approved programs not implemented, hence the budget not fully meeting the intended objective of improving delivery of goods and service to the residents of Voi Constituency or the management may be over budgeting on its activities, hence need to re-look on its budgeting mechanism to ensure only priority areas are budgeted. Further, whereas the Fund reported a budget of Kshs.104,253,551, records maintained by CDF Board indicated that the Fund was allocated Kshs.99,972,618 for the year under review. This resulted to a variance of Kshs.4,280,933 which has neither been explained nor reconciled.

## 1.2 Projects Implementation

The projects status report availed for audit review indicated that Kshs.71,900,372 was allocated and disbursed to 61 projects, out of which Kshs.50,470,266 or 70% had been spent as at 30 June 2015 leaving unspent balance of Kshs.21,430,106 or 30%.

Further, 10 out the 61 projects which received disbursements totalling Kshs.14,500,000 had not been implemented as at year end, an indication that envisaged goods and services were not rendered to residents of Voi Constituency.

## 1.3 Projects Verification

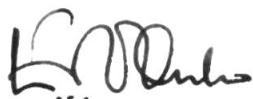
The following observations were made regarding 8 projects costing Kshs.7,850,000 verified during the audit for the year ended 30 June 2015:

S/No.	Project Name	Amount (Kshs.)	Observation
1	Voi Girls Secondary School - Purchase of tree seedlings	130,000	Where planted not shown. -G30 iron sheets used instead of G28 Dumu ZAS specified in the Bill of Quantities (BQ). -Painting – only under coat done instead of 3 coats of plastic emulsion. -Doors – the classroom has 19 doors, but the BQ indicated 25 doors. -Ordinary hinges used on the doors instead of brass butt -Ordinary locks were used instead of Mortice locks.
2	Ghanzi Primary School – Construction of a classroom.	2,000,000	-Shutters and heavy duty weld mesh not fitted in windows.
3	Mwanyambo Primary School - Purchase of special equipment for the physically challenged pupils.	1,020,000	Learning equipment not purchased. Funds purportedly diverted to construction of a classroom.

4	Voi Primary School – Purchase of beds, tables, chairs, cupboards, mattresses and a water tank.	700,000	As at the time of audit verification on 1/2/2016, no equipment had been bought.
5	Buguta Primary School - construction of a classroom.	1,500,000	-Floors and walls had cracks. . -Iron sheets Gauge 30 used instead of Gauge 28
6	Makwasinyi Girls Secondary School - Construction of girls' dormitory.	2,000,000	Cracks seen in the walls and floors.
7	Buguta Secondary School - and construction of dining hall.	1,000,000	Funds earmarked for the dining hall diverted to construction of a dormitory.
8	Marungu Secondary School - Construction of dormitory.	1,500,000	Stalled at slab level
	<b>Total</b>	<b>7,850,000</b>	

Consequently, the propriety and value for money for Kshs.7,850,000 spent on various projects during the year ended 30 June 2015 could not be confirmed.

My opinion is not qualified in respect of these matters.



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

**Nairobi**

**13 June 2016**



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

<b>IV.STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2015.</b>			
	<b>Note</b>	<b>2014-2015</b>	<b>2013-2014</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	<b>1</b>	111,523,346	75,132,673
Other Receipts	<b>2</b>	-	10,000
<b>TOTAL RECEIPTS</b>		<b>111,523,346</b>	<b>75,142,673</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>3</b>	877,717	550,342
Use of goods and services	<b>4</b>	1,941,878	1,406,317
Committee Expenses	<b>5</b>	5,950,000	3,745,777
Transfers to Other Government Units	<b>6</b>	32,752,759	37,848,338
Other grants and transfers	<b>7</b>	47,333,931	25,767,675
Social Security Benefits	<b>8</b>	1,200	-
Acquisition of Assets	<b>9</b>	5,606,308	3,878,686
<b>TOTAL PAYMENTS</b>		<b>94,463,793</b>	<b>73,197,135</b>
<b>SURPLUS/DEFICIT</b>		<b>17,059,553</b>	<b>1,945,538</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Voi CDF financial statements were approved on 17<sup>TH</sup> Sep 2015 and signed by:

  
 \_\_\_\_\_  
**Chairman - CDFC**

  
 \_\_\_\_\_  
**Fund Account Manager**

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

<b>V. STATEMENT OF FINANCIAL ASSETS&amp; LIABILITIES</b>			
<b>AS AT 30 JUNE 2015.</b>			
	<b>Note</b>	<b>2014-2015</b>	<b>2013-2014</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10	18,990,486	2,280,932
Cash Balances (cash at hand)		-	-
Outstanding Imprests	11	350,000	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>19,340,486</b>	<b>2,280,932</b>
<b>REPRESENTED BY</b>			
<b>Fund balance Brought foward 1st July 14</b>	12	2,280,933	335,395
<b>Surplus/(Deficit) for the year</b>		<b>17,059,553</b>	<b>1,945,538</b>
<b>Prior year adjustments</b>		-	-
<b>TOTAL LIABILITIES</b>		<b>19,340,486</b>	<b>2,280,933</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Voi CDF financial statements were approved on 17<sup>TH</sup> Sep 2015 and signed by:



Chairman - CDFC



Fund Account Manager

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

<b>VI. STATEMENT OF CASHFLOWS</b>			
<b>FOR THE YEAR ENDED 30 JUNE 2015</b>			
<b>Receipts for operating income</b>	<b>NOTES</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
Transfers from CDF Board	1	111,523,346	75,132,673
Other Receipts	2	-	10,000
<b>TOTAL RECEIPTS</b>		<b>111,523,346</b>	<b>75,142,673</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	3	877,717	550,342
Use of goods and services	4	1,941,878	1,406,317
Committee Expenses	5	5,950,000	3,745,777
Transfers to Other Government Units	6	32,752,759	37,848,338
Other grants and transfers	7	47,333,931	25,767,675
Social Security Benefits	8	1,200	-
Other Payments		0	-
<b>TOTAL PAYMENTS</b>		<b>88,857,485</b>	<b>69,318,449</b>
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>22,665,861</b>	<b>5,824,224</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	9	(5,606,308)	(3,878,686)
<b>Net cash flows from Investing Activities</b>		<b>(5,606,308)</b>	<b>(3,878,686)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>17,059,553</b>	<b>1,945,538</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>2,280,933</b>	<b>335,395</b>
<b>Cash and cash equivalent at END of the year</b>		<b>19,340,486</b>	<b>2,280,933</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Voi CDF financial statements were approved on 17<sup>TH</sup> Sep 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**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	99,972,618	4,280,932	104,253,550	111,523,346	(7,269,796)	107%
Proceeds from Sale of Assets			-	-	-	
Other Receipts			-	-	-	
<b>PAYMENTS</b>						
Compensation of Employees	1,000,000		1,000,000	877,717	122,283	88%
Use of goods and services	2,955,157		2,955,157	1,941,878	1,013,279	66%
Committee Expenses	3,439,178	3,000,000	6,439,178	5,950,000	489,178	92%
Transfers to Other Government Units	38,120,000		38,120,000	32,752,759	5,367,241	86%
Other grants and transfers	47,419,883	2,280,933	49,700,816	47,333,931	2,196,436	95%
Social Security Benefits	38,400	-	38,400	1,200	37,200	3%
Acquisition of Assets	7,000,000	(1,000,000)	6,000,000	5,606,308	-	
Other Payments			-	-	-	
<b>TOTALS</b>	<b>99,972,618</b>	<b>4,280,933</b>	<b>104,253,551</b>	<b>94,463,793</b>	<b>9,619,309</b>	<b>91%</b>

(a) There was no AIA realized during the Financial Year

The VOI CDF financial statements were approved on 17<sup>TH</sup> Sep 2015 and signed by:

  
 \_\_\_\_\_  
**Chairman CDF**

  
 \_\_\_\_\_  
**Fund Account Manager**

## 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.

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

**IX. NOTES TO THE FINANCIAL STATEMENTS**

<b>1. TRANSFER FROM OTHER GOVERNMENT AGENCIES</b>			
	<b>Description</b>	<b>2014-2015</b>	<b>2013-2014</b>
Normal Allocation	balance b/	2,290,932	2,000,000
1330407	AIE NO.750145	30,252,951	40,174,141
	AIE NO	2,000,000	
	AIE NO 7595551	24,993,154	32,958,532
	AIE NO 796660	14,995,892	
	AIE NO 796892	9,997,262	
	AIE NO 797127	2,000,000	
	AIE NO 796067	24,993,155	
	<b>Total</b>	<b>111,523,346</b>	<b>75,132,673</b>
<b>2 OTHER RECEIPTS</b>			
		<b>2014-2015</b>	<b>2013-2014</b>
		<b>Kshs</b>	<b>Kshs</b>
1410107	Interests received	-	-
1410405	Rents	-	-
1420601	Sale of tender documents	-	10,000
1450207	Other receipts Not Classified	-	-
	<b>Total</b>	<b>-</b>	<b>10,000</b>
<b>3 COMPENSATION OF EMPLOYEES</b>			
		<b>2014-2015</b>	<b>2013-2014</b>
		<b>Kshs</b>	<b>Kshs</b>
	Basic wages of contractual employees	877,717	386,992
2110201	Basic wages of casual labour		
2110301	House Allowance		
2110314	Transport Allowance		
2110320	Leave Allowance		
2110326	Other personal payments		
2710120	Gratuity	-	163,350
	<b>Total</b>	<b>877,717</b>	<b>550,342</b>

**CONSTITUENCIES DEVELOPMENT FUND – VOI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2015**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

<b>4 USE OF GOODS AND SERVICES</b>			
		<b>2014-2015</b>	<b>2013-2014</b>
		<b>Kshs</b>	
2210100	Utilities supplies and services	1,941,878	303,793
2210104	office Rent	-	-
2210200	Communication, supplies and services	-	216,000
2210300	Domestic Travel and subsistence		735,000
2210500	Printing, advertising and information supplies & services	-	
2210600	Rentals of produced Assets		
2210700	Training Expenses		
2210800	Hospitality supplies and services	-	-
2210900	Insurance cost		
2211000	Specialised materials and services		
2211100	office and general suppliers and services		151,524
2211200	Fuel, oil and Lubricants	-	
2211300	Other operating expenses	-	-
2220100	Routine maintenance- vehicles and other transport equipments	-	
2220200	Routine maintainance -other assets		
	<b>Total</b>	<b>1,941,878</b>	<b>1,406,317</b>
<b>5. Committee Expenses</b>			
	<b>Description</b>	<b>2014-2015</b>	<b>2013-2014</b>
		<b>Kshs</b>	<b>Kshs</b>
2210802	Other Committee expenses office	4,250,000	1,515,777
2210809	Committee allowance	1,700,000	2,230,000
	<b>Total</b>	<b>5,950,000</b>	<b>3,745,777</b>



**CONSTITUENCIES DEVELOPMENT FUND – VOI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***Error! Not a valid link.**

<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>			
<b>2630200</b>	<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
		<b>Kshs</b>	<b>Kshs</b>
2630204	Transfers to primary schools	12,820,000	12,684,115
2630205	Transfers to secondary schools	14,000,000	23,764,223
2630206	Transfers to Tertiary institutions	-	-
2630207	Transfers to Health institutions	5,932,759	1,400,000
	<b>TOTAL</b>	<b>32,752,759</b>	<b>37,848,338</b>
<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>			
<b>2640000</b>	<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
		<b>Kshs</b>	<b>Kshs</b>
2640101	Bursary -Secondary	11,255,357	10,941,300
2640102	Bursary -Tertiary	5,181,752	5,358,050
2640104	Bursary-Special schools	0	40,000
2640105	Mocks & CAT	0	-
2640504	water	16,285,000	7,928,325
2640509	Sports	3,436,450	-
2640510	Environment	1,969,452	-
2640200	Emergency Projects (specify)	7,550,000	-
	Other payments	1,655,920	1,500,000
	<b>Total</b>	<b>47,333,931</b>	<b>25,767,675</b>
<b>8 SOCIAL SECURITY BENEFITS</b>			
<b>2120000</b>		<b>2014 - 2015</b>	<b>2013 - 2014</b>
		<b>Kshs</b>	<b>Kshs</b>
2120101	Employer contribution to NSSF	1,200	-
	<b>Total</b>	<b>1,200</b>	<b>-</b>

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

<b>9 ACQUISITION OF ASSETS</b>			
<b>3100000</b>	<b>Non-Financial Assets</b>	<b>2014- 2015</b>	<b>2013 - 2014</b>
		<b>Kshs</b>	<b>Kshs</b>
3110102	Purchase of Buildings	-	-
3110202	Construction of Buildings	-	3,368,686
3110302	Refurbishment of Buildings	-	-
3110701	Purchase of Vehicles	5,606,308	-
3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	-	-
3111001	Purchase of Office furniture and fittings	-	-
3111002	Purchase of computers ,printers and other IT equipments	-	510,000
3111005	Purchase of photocopier	-	-
3111009	Purchase of other office equipments	-	-
3111112	Purchase of soft ware	-	-
3130101	Acquisition of Land	-	-
	<b>Total</b>	<b>5,606,308</b>	<b>3,878,686</b>

**10. BANK BALANCES**

VOI CONSTITUENCY DEVELOPMENT FUND	
A/C No. 1104887819	
Kenya Commercial Bank-Voi Branch	
	<b>Kshs</b>
Bank Balance 30 <sup>TH</sup> JUNE 2015	19,340,486

**11. OUTSTANDING IMPREST AS AT 30<sup>TH</sup> JUNE 2015**

<b>NAME OF OFFICER</b>	<b>AMOUNT</b>	<b>AMOUNT SURRENDERED</b>	<b>BALANCE</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Amina Ali	350,000	-	350,000

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2014/15	2013/14
Land	-	-
Buildings and structures	15,000,000	15,000,000
Transport equipment	6,000,000	6,000,000
Office equipment, furniture and fittings	1,515,816	600,000
ICT Equipment, Software and Other ICT Assets	-	-
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
<b>Total</b>	<b>22,515,816</b>	<b>21,600,000</b>