

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

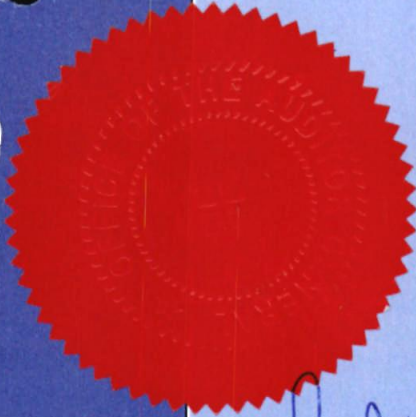
OF

THE AUDITOR-GENERAL

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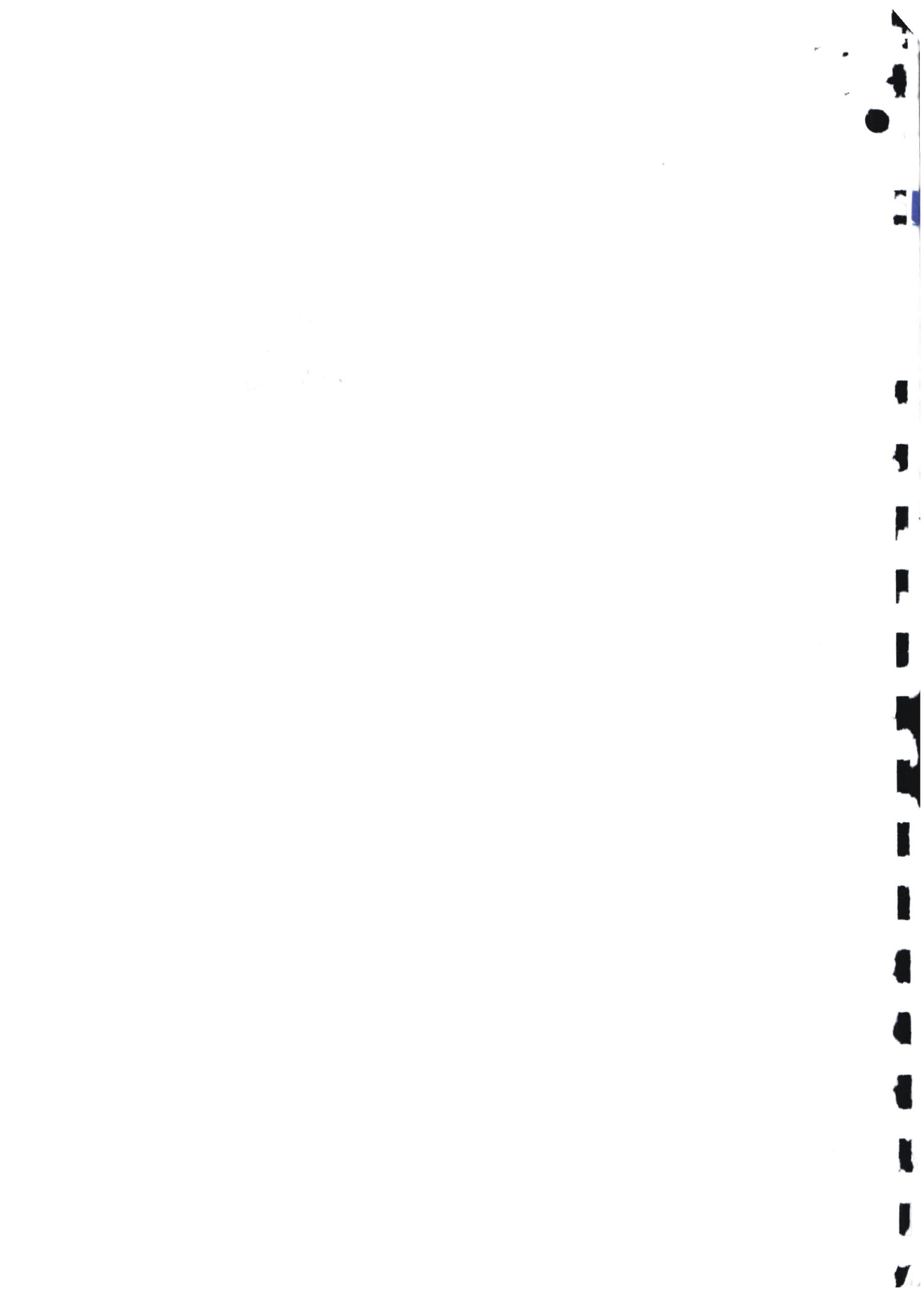
**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND -
GARSEN CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**



*Paper laid
by Hon. A. Bwalya, MP (Lom)
on Tuesday, October 25, 2016*







**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
GARSEN 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 – GARSEN 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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *Garsen 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	Alfred Mnjama
3.	Accountant	Jason K. Ndung'u
4.		

(d) Fiduciary Oversight Arrangements

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

P.O. Box 48-80201
Garsen CDF Office Building
Malindi - Lamu Road
Garsen

(f) GARSEN CDF Contacts

Telephone: (254) 0704144072
E-mail: cdfGarsen@cdf.go.ke
Website: www.cdf.go.ke

(g) GARSEN CDF Bankers

1. Kenya Commercial Bank,
Garsen Branch
Acc/No. 1107969735
Po Box 54 – 80201
Garsen

(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)

Since the establishment of CDF, Garsen constituency has seen tremendous development especially in the education sector where a substantial amount every year goes towards infrastructure development.

In the year 2014/2015 financial year Garsen constituency was allocated ksh 115,610,656.00. Out of this, a total of ksh 43,960,512.00 went towards statutory deductions which accounts to 43% of the allocation, 51% education sector, 3.9% roads sector and 4.3% to security.

Like previous years, education sector has taken the lions share of the total years allocation. This has seen a growth in infrastructure development in the schools which ultimately has resulted in to increased enrollment in schools.

This fund has also made tribal clashes which had been so common in this area become a thing of the past. Through the sports kitty the communities have been able to sit together through the yearly constituency sports tournament.

The issue of insecurity has also been addressed by allocating a good amount towards building staff houses for the security personnel's and also offices.

Despite the few achievements highlighted in the recent years we have witnessed a few emerging issues in regarding implementation of the fund.

With the establishment of county governments we have witnessed competing interests in implementation of projects between county governments and CDFC's. Though CDF Act has provided a channel through which these two functions can sit together and share ideas through the county development committee's we have not seen these two committee sit. The policy makers should see how these CPC's can be operationalised.

The percentages of some of these statutory deductions especially bursary need also to be increased with the increase of allocation. For instance the 25% bursary allocation remained the same despite the fact that the yearly allocations have increased.

The selection /election of CDFC membership also need to be based on a certain education qualification.

Finally the highest CDF decision making organ need to find a better way of remunerating CDFC members as opposed to the current ksh 5000.0 based on two sittings per month.


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 (*indicate actual name of the 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, 20XX. 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 (*name of the 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, 20XX, and of the *CDF's* financial position as at that date. The Accounting Officer charge of the (*name of the 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 (*name of the 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 18/7/2015 2015


Principal Secretary


Principal Accounts Controller

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund – Garsen - Constituency set out on pages 5 to 16, which comprise statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows summary and statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable 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 Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Constituencies Development Fund – Garsen Constituency – Annual Report and Financial Statements for the year ended 30 June 2015

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

Basis for Disclaimer of Opinion

1.0. Inaccuracies in the Financial Statements

The financial statements availed for audit review for the year ended 30 June 2015 contained the following anomalies:

- (i) Name of the CDF not indicated in the statement of management responsibilities on page 4 of the financial statements.
- (ii) The statement of management's responsibilities on page 4 of the financial statements indicated the year of the review as ending on 30 June 20XX instead of the year ended 30 June 2015.
- (iii) The statement of management's responsibilities on page 4 of the financial statements was not signed.
- (iv) Analysis of pending bills as at 30 June 2015 has been omitted from the financial statements.
- (v) Annex 1 indicates year ended as 30 June 2014 instead of the year ended 30 June 2015.
- (vi) Note 10 to the statement of assets reflects cash and cash equivalent of Kshs.29,507,394.25 while notes to the financial statements reflect note 10 as outstanding imprests of Kshs. 2,809,000. Further, note 11 to the statement of assets indicate outstanding imprest of Kshs.2,809,000 while note 11 to the financial statements reflects balances brought forward of Kshs.68,308,919.25. Also note 12 to the statement of assets indicate Kshs.32,316,394.25 on net financial position while notes to the financial statements reflect note 12 as other important disclosures with nil balance.
- (vii) The statement of assets reflect fund balance brought forward of Kshs.66,672,909.25. However, the comparative year 2013/2014 fund

balance carried forward is indicated as Kshs.68,308,919.25 resulting to unexplained or reconciled variance of Kshs.1,636,010.

- (viii) The statement of receipts and payments reflects transfer from Other Government Entities comparative balance of Kshs.148,106,149 while note 1 to the financial statements reflect AIE's brought forward of Kshs.76,357,818.40, resulting to unexplained or reconciled variance of Kshs.71,748,341.10.

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

2.0. Summary Statement of Appropriation

The summary statement of appropriation availed for audit review contained an adjustment of Kshs.45,819,511.50. However, the detailed analysis of Kshs.45,819,511.50 included as adjustments in the summary statement of appropriation, recurrent and development combined for the year ended 30 June 2015 was not provided for audit verification.

In the circumstances, the validity and accuracy of the summary statement contained in these financial statement for the year ended 30 June 2015 could not be ascertained.

3.0 Cash and Cash Equivalents

3.1. Bank Balances

The statement of financial assets reflects cash and cash equivalent balance of Kshs.32,316,394.25 as at 30 June 2015. Included in this figure is bank balances of Kshs.29,507,394.25. Examination of bank reconciliation statements availed for audit revealed that stale cheques totalling Kshs.359,180 have remained outstanding since 2013 and has not been reversed in the cash book. Further, there were payments in the bank statements not posted in the cash book totaling Kshs.343,498 which were bank charges from years 2007 to 2015. No explanation was given for not accounting for the bank charges in these financial statements.

Consequently, it has not possible to confirm the accuracy and completeness of bank balances figure of Kshs.29,507,394.25 as at 30 June 2015.

3.2. Outstanding Imprest

Included in the cash and cash equivalent balance of Kshs.32,316,394.25 is outstanding imprest balance of Kshs.2,809,000 and whose imprest register, date of issue and warrant numbers were not availed for audit verification.

Consequently, the propriety, accuracy and completeness of the outstanding imprest balance of Kshs.2,809,000 as at 30 June 2015 could not be confirmed.

4.0 Unsupported Expenditure

The statement of receipts and payments for the year ended 30 June 2015 reflect total payments of Kshs. 136,981,353.84 out of which the following expenses totalling Kshs. 5,725,222 had no documentary supporting evidence availed for audit review:-

Expenditure	Amount Not Supported Kshs
Printing, advertising and information supplies and services	200,000.00
Routine maintenance – vehicles and other transport equipment	781,960.00
Fuel, oil and lubricants	580,667.00
Other operating expenses	235,095.00
Committee expenses	2,227,500.00
Transfer and other grants - roads	1,700,000.00
Total	5,725,222.00

Consequently, the propriety of Kshs.5,725,222 reported as expenses for the year ended 30 June 2015 could not be confirmed.

5.0 Other Grants and Transfers

Included in other grants and transfers amount of Kshs.38,448,758.60 and as disclosed in note 7 to the financial statements for the year ended 30 June 2015 are emergency projects expenses totalling Kshs.3,453,502. Included in this is a payment of Kshs.2,600,000 spent on emergency roofing and kitchen construction of Kitere Primary School. Documents availed for audit review indicated that on 23 October, 2014, a headmaster of Kitere Primary school wrote to PMC, requesting for emergency funding of Kshs.262,440 for a construction of a kitchen and for buying of iron sheets for a blown off classrooms. On 23 February 2015 vide an amount of Kshs.2,600,000 was released for this project vide payment voucher No.60304. Bills of quantities and quotations were not availed for audit verification to confirm the basis of the increase of Kshs.2,337,560 from the initial request of Kshs.262,440.

Consequently, the propriety, accuracy and completeness of emergency projects expenditure of Kshs.2,600,000 for the year ended 30 June 2015 could not be ascertained.

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. Budget Control and Performance

1.1 Budget Performance

During the year under review, the Fund had a final budget of Kshs.161,430,167.50 and the expenditure of Kshs.136,981,353.84, resulting to an under absorption of Kshs.24,448,813.66 or 15 % as summarized below:-

Expenditure item	Final Budget	Actual Expenditure	Under Absorption	Over Absorption	% Under/ Over Absorption
Compensation of Employees	1,350,000	1,260,865	89,135.00		7%
Use of Goods and services	5,466,439	2,210,948	3,255,491		60%
Committee Allowance	3,468,319	5,998,400		2,530,081	(73)%
Transfer to other Government units	113,281,013.	89,006,770	24,274,243		21%
Other Grant & Transfers	37,744,196	38,448,759		704,563	(2)%
Social Security Benefits	120,000	55,612	64,388		54%
Total	161,430,167	136,981,354	27,683,257	3,234,644	15%

From the above analysis, it is clear that there were excess expenditures on committee expenses 73%, and on other grants and transfers 2%, while under absorptions were on use of goods and services 60%, transfer to other government units 21% and on social security benefits 54%.

The excess expenditure of funds portrays non-adherence to budget ceilings and lack of supervision and control from the Constituency Development Fund Committee (CDFC). The management did not avail for audit review the approval for this over expenditure of Kshs.3,234,644.

The under-utilization of funds is an indication that not all planned projects and programmes were implemented by the CDFC as planned in the year. This is likely to have negative effect on the delivery of goods and services to the people of Garsen Constituency.

1.2 Project Implementation

Project status report availed for audit review indicated that Kshs.107,887,179 was allocated to 41 projects, out of which Kshs.64,871,074 (60%) had been disbursed

and spent as at 30 June 2015, leaving unspent balance of Kshs.43,016,105 or 40% as shown below:-

Item No.	Project name	Sub project activity	Allocation (Kshs)	Disbursed (Kshs)	Cumulative achievement (%)	Unspent Amount
1	Garsen health Centre st	Construction of two units one bedroom self-contained staff house	4,482,759	4,482,759	4,482,759	0
2	Garsen high school	Purchase of school bus	7,500,000	7,500,000	7,500,000	0
3	Garsen high school	Completion of administration block	2,000,000	2,000,000	2,000,000	0
4	Garsen high school	Construction to completion of two classrooms	2,600,000	130,000	130,000	2,470,000
5	Garsen town streetlights	Installation of six solar streetlights	1,500,000	75,000	75,000	1,425,000
6	Garsen town streetlights	Installation of six solar streetlights	1,500,000	75,000	75,000	1,425,000
7	Assa primary school	Construction of a perimeter fence	2,000,000	2,000,000	2,000,000	0
8	Baomo primary school	Construction to completion of two classroom	2,400,000	2,400,000	2,400,000	0
9	Baomo primary school	Purchase of 50 desks	200,000	10,000	10,000	190,000
10	Abaganda primary school	Construction to completion of three classrooms	3,600,000	3,600,000	3,600,000	0
11	Abaganda primary school	Construction of four door VIP latrine and purchase of 50 desks	800,000	40,000	40,000	760,000
12	Kurole primary school (Tana salt)	Construction of two classrooms	2,400,000	2,400,000	2,400,000	0
13	Garden secondary school	Completion of dormitory	1,100,000	1,100,000	1,100,000	0
14	Garden secondary school	Completion of administration block	1,600,000	1,600,000	1,600,000	0

15	Kipini health Centre	Purchase of an ambulance	6,000,000	6,000,000	6,000,000	0
16	Garsen police station	Construction of staff house	3,000,000	3,000,000	3,000,000	0
17	Garsen CDF offices	Renovation of offices and purchase of motorbike	3,004,420	2,253,315	2,253,315	751,105
18	Marengo primary school	Completion of administration block	200,000	200,000	200,000	0
19	Bura kofira primary school	Construction to completion of two classrooms	2,400,000	-	-	2,400,000
20	Garsen primary school	Purchase of 50 desks	300,000	300,000	300,000	0
21	Garsen primary school	Purchase of 50 desks	200,000	-	-	200,000
22	Kipini fish cold store	Construction of a cold store	1,500,000	-	-	1,500,000
23	Bahati primary school	Construction of four classrooms, two, four door VIP latrines and purchase of 50 desks	7,500,000	7,500,000	7,500,000	0
24	Shaurimoyo primary school	Construction of two classrooms	2,600,000	260,000	260,000	2,340,000
25	Kikomo primary school	Construction of two classrooms	2,800,000	280,000	280,000.00	2,520,000
26	Galma primary school	Construction of one, four door VIP latrine and purchase of 50 desks	800,000	80,000	80,000	720,000
27	Onwardei primary school	Construction of two classrooms	2,800,000	280,000	280,000	2,520,000
28	Kone primary school	Construction of two classrooms and purchase of 50 desks	3,200,000	320,000	320,000	2,880,000
29	Bula rahma primary school	Construction of two classrooms	2,600,000	260,000	260,000	2,340,000

30	Kipini primary school	Construction of administration block and purchase of 50 desks	2,700,000	1,350,000	1,350,000	1,350,000
31	Danisa primary school	Construction of administration block	2,200,000	110,000	110,000	2,090,000
32	Odole primary school	Purchase of fifty desks	200,000	10,000	10,000	190,000
33	Shellii primary school	Purchase of fifty desks	200,000	10,000	10,000	190,000
34	Galili primary school	Purchase of fifty desks	200,000	10,000	10,000	190,000
35	Garsen technical training institute	Construction of a technical institute	10,000,000	7,500,000	7,500,000	2,500,000
36	Ngao girls secondary school	Construction of a staff house	4,000,000	200,000	200,000	3,800,000
37	Audit fee	Financing audit expenses	500,000	500,000	500,000	0
38	Sane girls high school	Construction of four classrooms, 2, 4 door VIP latrines, administration block, and fencing	11,400,000	6,840,000	6,840,000	4,560,000
39	Kipini secondary school	Purchase of office furniture	400,000	20,000	20,000	380,000
40	Galma chiefs office	Construction of chiefs office	2,000,000	100,000	100,000	1,900,000
41	OCPDs office	Renovation of OCPDs office	1,500,000	75,000	75,000	1,425,000
	Total		107,887,179	64,871,074	64,871,074	43,016,105

From the above, 3 projects with a total allocation of Kshs.4,100,000 did not receive any disbursements as at the year end, an indication that envisaged benefits from these projects were not received by the residents of Garsen Constituency.

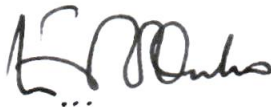
1.3 Project Verification

The following observations were made regarding eight (8) projects with a total cost of Kshs.22,469,059 verified during the audit for the year ended 30 June 2015:-

Item No	Project	Amount in Kshs	Project	Observation
i	Bahati Primary School	7,300,000.00	Construction and completion of 4 No. classrooms block, 2 twin toilets purchase of 50 desks	Project completed and in use though one classroom had cracks on the floor and on walls
ii	Peponi Primary School	2,184,184.00	Construction and completion of 2 No. classrooms block	Project completed and in use but roofing had leakages
iii	Ozi Primary School	2,012,252.00	Construction and completion of 2 No. classrooms block	Project completed and in use but unfinished painting
iv	Semikaro Primary School	1,995,780.00	Construction and completion of 2 No. classrooms block	Project completed and in use but floor had cracks
v	Katsangani Primary School	2,176,314.68	Construction and completion of 2 No. classrooms block	Project completed and in use but gaping holes on the back walls of the classrooms
vi	Tarasaa police post	1,200,000.00	Construction and completion of 2No. VIP toilets	Project completed but the flashing system is broken
vii	Kitere primary school	2,600,000.00	Renovation of two classrooms and store	Some Works done but no BQs to ascertain the extend of Renovation
viii	Garsen police station	3,000,000.00	Construction and completion of staff houses	Project completed and in use but perimeter wall not complete
	Total	22,469,058.68		

Failure to satisfactorily complete the projects is an indication of poor delivery of goods and services to the residents of Garsen constituency.

My opinion is not qualified in respect of this matter.



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

Nairobi

02 August 2016

Constituencies Development Fund – Garsen Constituency – Annual Report and Financial Statements for the year ended 30 June 2015

CONSTITUENCY DEVELOPMENT FUND- GARSEN 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 Other Government Entities	1	102,624,839.50	148,106,149.50
Proceeds from Sale of Assets	2	0	0
TOTAL RECEIPTS		<u>102,624,839.50</u>	<u>148,106,149.50</u>
PAYMENTS			
Compensation of Employees	3	1,260,865.00	975,606.00
Use of goods and services	4	2,210,948.56	1,656,432.30
Committee Expenses	5	5,998,400.00	1,403,000.00
Transfers to Other Government Units	6	89,006,769.68	52,296,089.40
Other grants and transfers	7	38,448,758.60	27,682,101.00
Social Security Benefits	8	55,612.00	37,440.00
TOTAL PAYMENTS		<u>136,981,353.84</u>	<u>84,050,668.70</u>
SURPLUS/DEFICIT		<u>(34,356,514.34)</u>	<u>64,055,480.80</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GARSEN CDF financial statements were approved on 18/9 2015 and signed by:


Chairman - CDFC

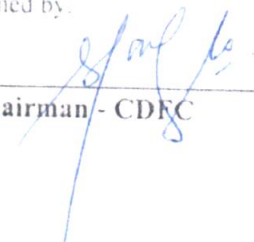

Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- GARSEN 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 cash book)	10	29,507,394.25	66,672,909.25
Outstanding Imprests	11	2,809,000.00	1,636,010.00
TOTAL FINANCIAL ASSETS		32,316,394.25	68,308,919.25
REPRESENTED BY			
Fund balance b/fwd	12	66,672,909.25	4,253,438.45
Surplus/Deficit for the year		(34,356,514.34)	64,055,480.80
NET FINANCIAL POSITION		32,316,394.25	68,308,919.25

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GARSEN CDF financial statements were approved on 18/9 2015 and signed by:



 Chairman - CDFC



 Fund Account Manager



CONSTITUENCY DEVELOPMENT FUND- GARSEN CONSTITUENCY

Reports and Financial Statements


For the year ended June 30, 2015

VI. STATEMENT OF CASHFLOW

Receipts for operating income	2014 - 2015	2013 - 2014
Transfers from CDF Board	1 102,624,839.50	148,106,149.50
Other Receipts	2 0.00	0.00
Payments for operating expenses		
Compensation of Employees	3 1,260,865.00	975,606.00
Use of goods and services	4 2,210,948.56	1,656,432.30
Committee Expenses	5 5,998,400.00	1,403,000.00
Transfers to Other Government Units	6 89,006,769.68	52,296,089.40
Other grants and transfers	7 38,448,758.60	27,682,101.00
Social Security Benefits	8 55,612.00	37,440.00
Net cash flow from operating activities	(34,356,514.34)	64,055,480.80
CASHFLOW FROM INVESTING ACTIVITIES		
Net cash flows from Investing Activities	0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT		
	(34,356,514.34)	64,055,480.80
Cash and cash equivalent at BEGINNING of the year	12 66,672,909.25	4,253,438.45
Cash and cash equivalent at END of the year	32,316,394.91	68,308,919.25

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GARSEN CDF financial statements were approved on 18/9/ 2015 and signed by:


Chairman CDFC


Fund Account Manager



VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilisation Difference	% of Budget Utilisation
RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c %
Transfers from CDF Board	115,610,656.00	45,819,511.50	161,430,167.50	102,624,839.50	58,805,328.00	63.6
Other Receipts				0		
Total	115,610,656.00	45,819,511.50	161,430,167.50	102,624,839.50	58,805,328.00	63.6
PAYMENTS						
Compensation of Employees	1,350,000.00	0	1,350,000.00	1,260,865.00	89,135.00	93.4
Use of goods and Services	5,466,439.00	0	5,466,439.00	2,210,948.56	3,255,490.44	40.4
Committee allowances	3,468,319.00	0	3,468,319.00	5,998,400.00	-2,530,081.00	173.0
Transfer to other Government Units	89,181,013.00	24,100,000.00	113,281,013.00	89,006,769.68	24,274,243.32	78.6
Other grants and transfers	16,024,685.00	21,719,511.50	37,744,196.50	38,448,758.60	-704,562.00	101.8
Social Security Benefits	120,200.00	0	120,200.00	55,612.00	64,588.00	46.3
TOTALS	115,610,656.00	45,819,511.50	161,430,167.50	136,981,353.84	24,448,813.66	84.9

The GARSEN CDF financial statements were approved on 18/9/15 and signed by:

[Signature]
Chairman CDF

[Signature]
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.



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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 NGCDF 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 NGCDF'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 NGCDF'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, 2016.

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
CDF Board		
AIE NO	6,200,000.00	2,000,000.00
AIE NO	38,619,511.50	28,776,772.40
AIE NO	28,902,664.00	45,581,046.00
AIE NO	28,902,664.00	
TOTAL	102,624,839.50	76,357,818.40

2. OTHER RECEIPTS

	2014 - 2015 Kshs	2013 - 2014 Kshs
Receipts from Sale of tender documents	0.00	0.00
Total	0.00	0.00

3. COMPENSATION OF EMPLOYEES

	2014 - 2015 Kshs	2013 - 2014 Kshs
Basic wages of contractual employees	1,260,865.00	975,606.00
Total	1,260,865.00	975,606.00



CONSTITUENCIES DEVELOPMENT FUND – GARSEN CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities supplies and services	17,299.00	13,902.00
Communication, supplies and services	6,960.00	6,000.00
Domestic travel and subsistence	241,607.00	224,500.00
Printing, advertising and information supplies & services	312,510.00	68,095.00
Hospitality supplies and services	0.00	5,180.00
Fuel, oil and Lubricants	580,667.00	460,680.00
Office and general supplies and services	15,350.00	0.00
Routine maintenance- vehicles and other transport equipment's	781,960.56	878,075.30
Other operating expenses	235,095.00	0.00
Routine maintenance- other assets	19,500.00	0.00
Total	2,210,948.56	1,656,432.30

5. COMMITTEE EXPENSES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	1,206,000.00	750,000.00
Other committee expenses	4,792,400.00	653,000.00
Total	5,998,400.00	1,403,000.00

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfer to primary schools	51,164,658.48	30,470,094.80
Transfers to secondary schools	28,012,241.60	14,325,994.60
Transfers to Tertiary institutions	1,981,929.60	0.00
Transfers to Health institutions	7,847,940.00	7,500,000.00
TOTAL	89,006,769.68	52,296,089.40



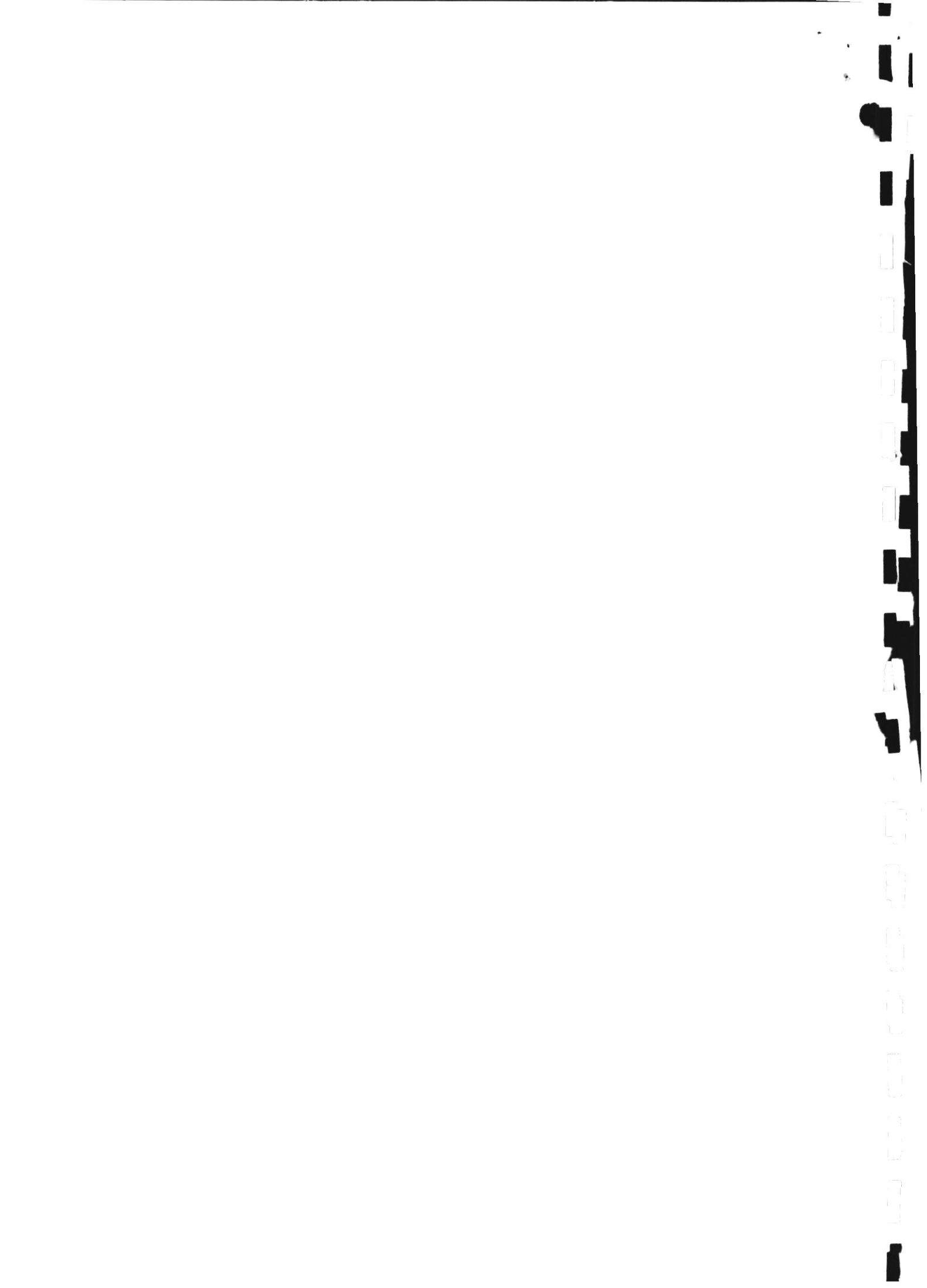
CONSTITUENCIES DEVELOPMENT FUND – GARSEN CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2015

10. 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>
Alfred Mnjama		399,000.00	0	399,000.00
ABDULLAHI HAJI GUDO		2,410,000.00	0	2,410,000.00
<i>Total</i>				<u>2,809,000.00</u>

11. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	66,672,909.25	4,253,438.45
Imprest	1,636,010.00	
<i>Total</i>	<u>68,308,919.25</u>	<u>4,253,438.45</u>



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

7. OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013- 2014
	Kshs	Kshs
Bursary- Secondary	14,435,170.00	10,793,700.00
Bursary- Tertiary	6,039,300.00	7,518,150.00
Mocks & CAT	1,583,902.60	0.00
Office	0.00	1,492,688.00
Water	1,950,000.00	3,862,438.00
Agriculture	1,200,000.00	0.00
Security	7,186,884.00	600,000.00
Sports	0.00	2,315,125.00
Roads	1,700,000.00	1100000
Environment	900,000.00	0.00
Emergency Projects	3,453,502.00	0.00
Total	<u>38,448,758.60</u>	<u>27,682,101.00</u>

8. SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	55,612.00	20,800.00
NHIF		16,640.00
Total	<u>55,612.00</u>	<u>37,440.00</u>

9. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
KCB, Acc/ NO. 1107969735	29,507,394.25	66,672,909.25
Total	29,507,394.25	66,672,909.25

12. OTHER IMPORTANT DISCLOSURES

