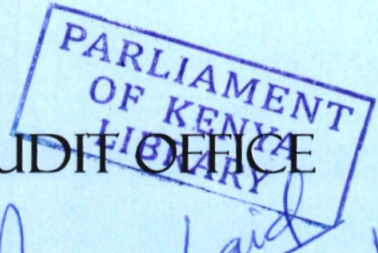


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

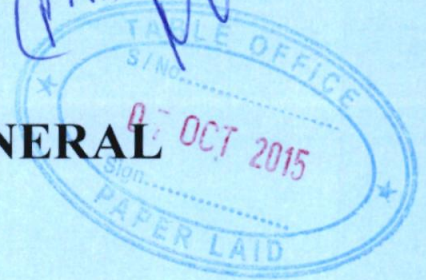


Paper Laid
By Hon. A. Suake MP
(on) on wed. 07.10.2015
(P.M.)

REPORT

OF

THE AUDITOR-GENERAL



ON

THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND-
NYALI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2014



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 - NYALI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Nyali Constituency set out on pages 4 to 19, which comprise of the statement of financial assets and liabilities as at 30 June 2014 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. 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 the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion

1. Transfers to other Government Units and other Grants and Transfers

According to the statement of receipts and payments, the Constituency Development Fund committee transferred Kshs.2,425,555 and Kshs.15,081,450 being transfers to other Government units and other grants and transfers respectively for various projects during the year. However, project expenditure status reports to support this expenditure as reported in the financial statements were not availed for audit review.

In the circumstance, the accuracy, completeness and propriety of the expenditure of Kshs.2,425,555 and Kshs.15,081,450 for transfers to other Government units and other grants and transfers respectively for the year ended 30 June 2014 could not be ascertained.

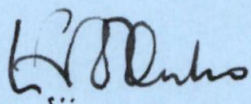
2. Cash and Cash Equivalent

Included in the statement of financial assets and liabilities is cash and cash equivalents balance of Kshs.4,279,495 as at 30 June 2014. However, the balance of cash and cash equivalents exclude undetermined balances of funds held in various project management committees' bank accounts as at 30 June 2014.

Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.4,279,495 as at 30 June 2014 could not be ascertained.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly the financial position of the Fund as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash basis) and does not comply with the CDF Act, 2013.



Edward R.O.Ouko, CBS
AUDITOR-GENERAL

Nairobi

19 August 2015



OFFICE OF THE AUDITOR GENERAL
KENYA NATIONAL AUDIT OFFICE

22 JUL 2015

RECEIVED
MOMBASA HUB TEAM II

CONSTITUENCIES DEVELOPMENT FUND – NYALI

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

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 CDF Act 2013 aligns the Fund with the Constitution of Kenya 2010 and the Public Finance Management Act 2012 that lay emphasis on citizen participation in public finance management and decision making, transparency and accountability together with equity in public resource utilization. The overall management of the Fund is the responsibility of the Constituencies Development Fund Board.

(b) Key Management

The CDF'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 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Kenneth Amany
3.	District Accountant	Julius Tuei

(d) Fiduciary Oversight Arrangements

The NYALI CDFC members as gazetted

- | | |
|----------------------------|----------------------------|
| 1. Hassan Mmbetsa | Chairman |
| 2. Rehema Iddi | Secretary |
| 3. Michael Ouko | Member |
| 4. Emmanuel Ruwa | Member |
| 5. Joseph Wambura | Member |
| 6. Jennifer Moki | Member |
| 7. Husna Mohamed | Member |
| 8. Silvia Opere | Member |
| 9. Kenneth Martin Amany | Fund Account Manager |
| 10. Julius Kavita | Deputy County Commissioner |
| 11. Hon. Hezron Awiti Bolo | M.P. |

(e) Entity Headquarters

Nyali CDF Office,
Off Malindi road Leisure
Stage.
P.O. Box 31 - 80122
MOMBASA, KENYA

(f) Entity Contacts

Telephone: (254) – 0721498239
E-mail: cdfNyali@cdf.go.ke

(g) Entity Bankers

Equity Bank
Kengeleni Branch
A/C No. 01140261189476

(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. STATEMENT OF CONSTITUENCY DEVELOPMENT FUND MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

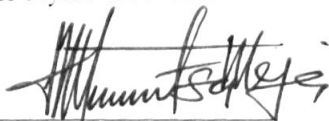
The Fund Account Manager in charge of the Nyali *CDF* is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the constituency; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the Nyali *CDF* accepts responsibility for the Constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the Nyali *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2014, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the Nyali *CDF* further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund financial statements as well as the adequacy of the systems of internal financial control.

The Fund Account Manager in charge of the Nyali *CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Fund Account Manager confirms that the Fund'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 Nyali *CDF* financial statements were approved and signed on 23/09/ 2014.



Hassan Mmbetsa
Chairman - CDFC




Kenneth Amanyua
Fund Account Manager

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Notes	2013-2014	2012-2013
		Kshs	
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	27,035,763.00	
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
Total Receipts		<u>27,035,763.00</u>	
PAYMENTS			
Compensation of Employees	4	731,999.00	
Use of goods and services	5	1,033,999.00	
Committee meeting allowances	6	1,482,500.00	
Transfers to Other Government Units	7	2,425,555.00	
Other grants and transfers	8	15,081,450.00	
Social Security Benefits	9	5,800.00	
Acquisition of Assets	10	1,267,465.00	
Other Payments	11	727,500.00	
Total Payments		<u>22,756,268.00</u>	
Surplus		<u>4,279,495.00</u>	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyali CDF financial statements were approved on 23/09/ 2014 and signed by:


Hassan M'mbetsa
 Chairman - CDFC


Kenneth Amanya
 Fund Account Manager

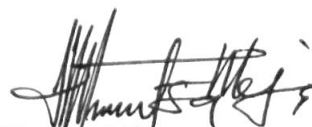
IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2013-2014 Kshs	2012- 2013
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12	3,811,995.00	
Cash Balances (sale of tenders,hire of grader)	13	0	
Outstanding Imprests	14	467,500.00	
Cash Equivalents	15	0	
TOTAL FINANCIAL ASSETS		<u><u>4,279,495.00</u></u>	
REPRESENTED BY			
Fund balance b/fwd 1st July...	16		
Surplus/Deficit for the year (from stm of receipt & expenditure		4,279,495.00	
Prior year adjustments	17	0.00	
NET LIABILITIES		<u><u>4,279,495.00</u></u>	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyali CDF financial statements were approved on 23/09/2014 and signed by:



Kenneth Amanya
Fund Manager



Hassan M'bitsa
Chair Person

V. SUMMARY STATEMENT OF APPROPRIATION

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=d-c	f=e/c %
Compensation of Employees	2,276,652.00	0	2,276,652.00	731,999.00	(1,544,653.00)	-67.85%
Use of goods and services	1,901,000.00	0	1,901,000.00	1,033,999.00	(836,001.00)	-43.98%
Committee Members Expenses	3,800,000.00	0	3,800,000.00	1,482,500.00	(2,317,500.00)	-49.50%
Transfers to Other Government Units	34,222,162.00	0	34,222,162.00	2,425,555.00	(31,796,607.00)	-92.91%
Other grants and transfers	18,145,563.00	0	18,145,563.00	15,081,450.00	(3,064,113.00)	-16.88%
Social Security Benefits	14,400.00	0	14,400.00	5,800.00	(8,600.00)	59.72%
Acquisition of Assets	1,967,465.00	0	1,967,465.00	1,267,465.00	(700,000.00)	-35.58%
Other Payments	2,000,000.00			727,500.00		
TOTALS	64,327,242.00	0	62,327,242.00	22,756,268.00	(39,830,476.00)	

The under absorption of the budget was due to late disbursement of the AIE from the CDI Board which was received in the 3rd quarter of 2013/2014.

The under absorption of the budget is due to late disbursement of A.I.E which was received in the third quarter of the financial 2013/2014.

VI. STATEMENT OF CASH FLOWS

	Notes	KES	2013-2014
Receipts for operating Activities (a)			
Transfers from the CDF Board	1	27,035,763.00	
Other Receipts	3		27,035,763.00
Payments for operating expenses(b)			
Compensation of Employees	4	731,999.00	
Use of goods and services	5	1,033,999.00	
Committee Expenses	6	1,482,500.00	
Transfers to Other Government Units	7	2,425,555.00	
Other grants and transfers	8	15,081,450.00	
Social Security Benefits	9	5,800.00	
Other Expenses	11	<u>727,500.00</u>	21,488,803.00
Net cashflow from operating activities(c=a-b)			5,546,960.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	10	1,267,465.00	
Net cash flows from Investing Activities (d)			1,267,465.00
NET INCREASE/ IN CASH AND CASH EQUIVALENT (f=c-d-e)			4,279,495.00
Cash and cash equivalent at BEGINNING of the year(g)	16		
Cash and cash equivalent at END of the year (h=f+g)			<u><u>4,279,495.00</u></u>



VII. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund. 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 Fund.

b) Recognition of revenue and expenses

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

c) In-kind contributions

In-kind contributions are donations that are made to the Fund 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 Fund includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

d) Cash and cash equivalents

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

REPUBLIC OF KENYA

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Website: www.kenao.go.ke



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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – KIPKELION WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kipkelion West Constituency set out on pages 4 to 16, which comprise the statement of financial assets and liabilities as at 30 June 2014, and the statement of receipts and payments and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation 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 Section 9 of the Public Audit Act, 2003 and submit the report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards on Auditing. 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.

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

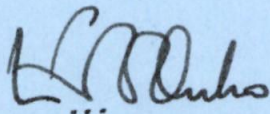
Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2014, and its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Constituencies Development Fund Act, 2013.

Other Matter

Under-absorption of Funds

The summary statement of appropriation account for the year ended 30 June 2014 shows that out of total budgeted expenditure of Kshs.72,556,787.00 only Kshs.41,430,558.70 or 57% was actually spent despite the Fund having received full funding. The low fund absorption capacity implies a possible delay in project implementation, escalation of costs and denial of services to the constituents.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

02 September 2015



CONSTITUENCIES DEVELOPMENT FUND – KIPKELION WEST

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

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

FUND ACCOUNT MANAGER
KIPKELION CONSTITUENCY
P.O. BOX 150 KIPKELION
Date: 30/6/14 Sign: [Signature]

CONSTITUENCIES DEVELOPMENT FUND – KIPKELION WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

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FUND ACCOUNT MANAGER
KIPKELION CONSTITUENCY
P.O. BOX 150 KIPKELION
30/6/14
Date
Sign

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 CDF Act 2013 aligns the Fund with the Constitution of Kenya 2010 and the Public Finance Management Act 2012 that lay emphasis on citizen participation in public finance management and decision making, transparency and accountability together with equity in public resource utilization. The overall management of the Fund is the responsibility of the Constituencies Development Fund Board.

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Mwibiri Njoroge
3.	District Accountant	Simon Ochieng

(d) Fiduciary Oversight Arrangements

- | | |
|------------------------|-----------------------------|
| 1. KORIR P.K KOSKE | -CHAIRMAN CDFC |
| 2. KIPLANGAT TANUI | -MEMBER |
| 3. PETER GITONGA NGURE | -MEMBER |
| 4. JACKLINE CHEBET | -MEMBER |
| 5. GEOFREY LANGAT | -MEMBER |
| 6. MARGARET KIGET | -MEMBER |
| 7. JOSPHAT K. MIBEI | -MEMBER |
| 8. CHEPKURUI SAMBU | -MEMBER |
| 9. JULIUS MUTULA | -DEPUTY COUNTY COMMISSIONER |
| 10. FRANCIS NJOROGE | -FUND ACCOUNT MANAGER |
| 11. HON.JACKSON ROP | -AREA MEMBER OF PARLIAMENT |

FUND ACCOUNT MANAGER
 KIPKELION CONSTITUENCY
 P.O. BOX 150 KIPKELION
 Date: 30/6/14 Sign: 

(e) Entity Headquarters

CDF BOARD SECRETARIAT
P.O. Box 46682-00100
Harambee Plaza
Haille Sellasie Avenue
Nairobi, KENYA

(f) Entity Contacts

Kipkelion west CDF Office
P.O.Box 150,
Kipkelion

(g) Entity Bankers

1. Kenya Commercial Bank
Londiani Branch, A/c No.1147413584.
P.O.Box,143- 20203
Kericho.

(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

FUND ACCOUNT MANAGER
KIPKELION CONSTITUENCY
P.O. BOX 150 KIPKELION
Date 30/6/14 Sign: 

II. STATEMENT OF CONSTITUENCY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.


The Fund Account Manager in charge of the Kipkelion west *CDF* is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the constituency; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

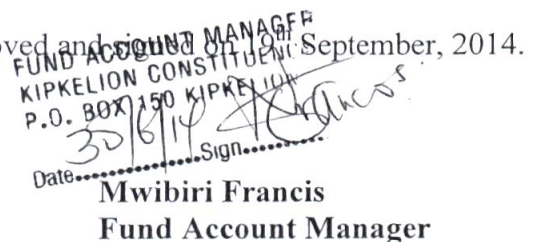
The Fund Account Manager in charge of the Kipkelion west *CDF* accepts responsibility for the Constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the Kipkelion west *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2014, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the Kipkelion west *CDF* further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

The Fund Account Manager in charge of the Kipkelion west *CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Fund Account Manager confirms that the Constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Kipkelion west *CDF* financial statements were approved and signed on 19 September, 2014.


Korir P. K. Koske
Chairman - CDFC


Date: 30/6/14 Sign: Mwibiri Francis
Mwibiri Francis
Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND - KIPKELION WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

III. STATEMENT OF RECEIPTS AND PAYMENTS

#REF!	Note	2013-2014 Kshs	2012-2013 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	72,556,787.00	
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		72,556,787.00	XXX
PAYMENTS			
Staff Salaries	4	✓ 165,480.00	Xxx
Use of goods and services	5	✓ 562,423.70	Xxx
Committee Expenses	6	✓ 2,953,591.00	Xxx
Transfers to Other Government Units	7	20,000,000.00	Xxx
Other grants and transfers	8	17,746,184.00	Xxx
Social Security Benefits	9	2,880.00	Xxx
Acquisition of Assets	10	-	Xxx
Other Payments	11	-	Xxx
TOTAL PAYMENTS		41,430,558.70	Xxx
SURPLUS/DEFICIT		31,126,228.30	xxx

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kipkelion West CDF financial statements were audited on 19th September 2014 and signed by:


Korir P. K Koske
 Chairman -CDFC


Mwibiri Njoroge
 Fund Account Manager

FUND ACCOUNT MANAGER
 KIPKELION CONSTITUENCY
 P.O. BOX 150 KIPKELION
 Date: 30/6/14

CONSTITUENCIES DEVELOPMENT FUND – KIPKELION WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

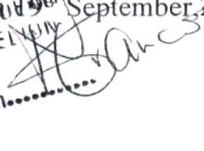
IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2013-2014	2012-2013
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12	31,126,228.30	XXX
Cash Balances (sale of tenders,hire of grader)	13		XXX
Outstanding Imprests	14		XXX
Cash Equivalents (eg sale of tender doc held in bankers cheque)	15		XXX
TOTAL FINANCIAL ASSETS		31,126,228.30	XXX
REPRESENTED BY			
Fund balance b/fwd 1st July...	16	-	XXX
Surplus/Deficit for the year (from stm of receipt & expenditure		31,126,228.30	XXX
Prior year adjustments	17	-	XXX
NET LIABILITIES		-	XXX

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kipkelion West CDF financial statements were approved on 9th September 2014 and signed by:

 30/6/14

Korir P.K Koske
Chairman - CDFC

FUND ACCOUNT MANAGER
KIPKELION CONSTITUENCY
P.O. BOX 150 KIPKELION
Date: 30/6/14 Sign: 

Mwibiri Njoroge
Fund Account Manager



V: SUMMARY STATEMENT OF APPROPRIATION

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=e/c %
Compensation of Employees	6,126,662.52	-	6,126,662.52	3,684,374.70	2,442,287.82	40.00
Use of goods and services		-				
Committee Members Expenses		-				
	-	-	-		-	-
Transfers to Other Government Units	20,700,000.00	-	20,700,000.00	20,000,000.00	700,000.00	3.38
Other grants and transfers	45,730,124.48	-	45,730,124.48	17,746,184.00	27,983,940.48	61.00
Social Security Benefits		-			-	-
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTALS	72,556,787.00	-	72,556,787.00	41,430,558.70	-	-

[Handwritten signature]
 30/6/14

FUND ACCOUNT MANAGER
 KIPKELION CONSTITUENCY
 P.O. BOX 150, KIPKELION
 Date: 30/6/14 Sign: *[Signature]*

VI. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Constituency and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

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

b) Recognition of revenue and expenses

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

c) In-kind contributions

In-kind contributions are donations that are made to the Constituency 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 Constituency includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

d) Cash and cash equivalents

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



CONSTITUENCIES DEVELOPMENT FUND – NYALI
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Receivables and payables

Receivables are funds due at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Fund at the end of the year. When the receivables or payables are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

f) Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Fund'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 Fund's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

g) Comparative figures

This is the first year the Nyali CDF is preparing financial statements and hence we do not have comparative figures.

h) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

Description	2013 - 2014 Kshs
AIE NO...A 709989	2,000,000.00
AIE NO.....A73551	25,035,763.00
TOTAL	27,035,763.00

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

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

CONSTITUENCIES DEVELOPMENT FUND – NYALI
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs)

3. OTHER RECEIPTS

	2013 - 2014 Kshs
Transfers from Projects	
Rents	-
Sale of tender documents	
Other Receipts Not Classified Elsewhere	-
Total	-

4 COMPENSATION OF EMPLOYEES

	2013 - 2014 Kshs
Basic wages of contractual employees	678,095
Basic wages of casual labour	53,904
Personal allowances paid as part of salary	
House allowance	
Transport allowance	
Leave allowance	-
Other personnel payments- Gratuity	
Total	731,999.00

5. USE OF GOODS AND SERVICES

CONSTITUENCIES DEVELOPMENT FUND – NYALI
 Reports and Financial Statements
 For the year ended June 30, 2014 (Kshs)

	2013 - 2014 Kshs
Utilities, supplies and services	
Office rent	225,000.00
Communication, supplies and services	66,000.00
Domestic travel and subsistence	124,671.00
Printing, advertising and information supplies & services	81,925.00
Rentals of produced assets	-
Training expenses	437,218.00
Hospitality supplies and services	70,520.00
Office and general supplies and services-Security	26,965.00
Routine maintenance – other assets	1,700.00
Total	1,033,999.00

6 COMMITTEE EXPENSES

Description	2013 - 2014 Kshs
Other committee expenses	132,000.00
Committee allowance	1,350,500.00
TOTAL	1,482,500.00

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2013 - 2014
-------------	-------------

CONSTITUENCIES DEVELOPMENT FUND – NYALI
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs)

	Kshs
Transfers to primary schools	2,425,555.00
Transfers to secondary schools	-
TOTAL	2,425,555.00

8 OTHER GRANTS AND OTHER PAYMENTS

	2013 - 2014 Kshs
Bursary -Secondary	2,465,000.00
Bursary -Tertiary	3,511,000.00
Bursary-Special schools	345,000.00
water	1,250,000.00
food security- Health	
Electricity	5,621,320.00
Sports	861,630.00
Environment	500,000.00
Emergency Projects	527,500.00
Total	15,081,450.00

9. SOCIAL SECURITY BENEFITS

	2013 - 2014 Kshs
Employer contribution to NSSF	5,800.00

CONSTITUENCIES DEVELOPMENT FUND – NYALI

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs)

Total 5,800.00

10 ACQUISITION OF ASSETS

Non-Financial Assets 2013 - 2014
Kshs

Purchase of Buildings	0
Construction of Buildings	0
Refurbishment of Buildings	0
Purchase of Vehicles	0
Purchase of Bicycles & Motorcycles	0
Overhaul of Vehicles	0
Purchase of Office furniture and fittings	942,465.00
Purchase of computers ,printers and other IT equipments	302,000.00
Purchase of photocopier	-
Purchase of other office equipments	23,000.00
Purchase of soft ware	-
Acquisition of Land	-
Total	1,267,465.00

11 Other Payments 727,500.00

12) Bank Balances

Name of Bank, Account No. & currency 2013 - 2014

CONSTITUENCIES DEVELOPMENT FUND – NYALI
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs)

	Kshs
Equity Bank, Kengeleni Branch A/C no.	
A/C No. 1140261189476	3,811,995.00
Total	3,811,995.00

13 Cash In Hand

	2013 - 2014 Kshs
Sale of tender	
Hire of graders	0
Hire of hall	0
Other receipts (specify)	0
Total	0

14 OUTSTANDING IMPRESTS

Name of Officer	Amount Kshs
Anthony Munyao	467,500.00
Total	467,500.00

CONSTITUENCIES DEVELOPMENT FUND – NYALI

Reports and Financial Statements

For the year ended June 30, 2014 (Kshs)

15 Cash equivalents (short-term deposits)

Name of Bank, Account No. & currency	Amount in foreign currency
Sale of tender docs held in banker chq	0
Describe the nature of deposit	0
Describe the nature of deposit	0
Describe the nature of deposit	0
Total	0

16 BALANCES BROUGHT FORWARD

	2013 - 2014 Kshs
Bank accounts : KCB Bank	
Cash in hand	
Total	-

17 PRIOR YEAR
ADJUSTMENTS

	2013 - 2014 Kshs
Bank accounts	0
Cash in hand	0
Cash equivalents (short-term deposits)	0
Imprest	0
Receivables	0
Payables	0

CONSTITUENCIES DEVELOPMENT FUND – NYALI
 Reports and Financial Statements
 For the year ended June 30, 2014 (Kshs)

Total

0

18 OTHER DISCLOSURES

18.1 FIXED ASSET REGISTER

Item	Make	Serial No.	Year of Purchase	Purchase Cost	Condition
Executive 12 seater conference table	Kryton	NYL/CC/01/14	2014	137,600	good
12 visitor seats		NYL/VST/01/14	2014	50,400	good
Complete four way working station	Kryton	NYL/WST/01/04	2014	159,600	good

CONSTITUENCIES DEVELOPMENT FUND – NYALI
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs)

Standard office table	Kryton	NYL/STDT/01/04	2014	62,500	good
Executive shaped office table	Kryton	NYL/LTB/01/04	2014	52,500	good
Executive office chair	Leather	NYL/ECH/01/04	2014	35,000	good
Executive office chair	Leather	NYL/ECH/02/04	2014	35,000	good
Office sofa set – 5 seater	Leather	NYL/ECH/03/04	2014	223,965	good
Executive office table	Krypton	NYL/ETB/01/04	2014	95,900	good
Executive office chair	Leather	NYL/EOC/01/04	2014	39,000	good
Executive coffee table	glass	NYL/ECT/01/04	2014	19,000	good
Office curtains	Cotton	NYL/CNTS/01/04	2014	8,000	good
Office flower pot	clay	NYL/OFP/01/04	2014	2,200	good
Wall to wall carpet	cotton	NYL/WWC/01/04	2014	21,800	good
Computer	ACER	NYL/COMP/01/04	2014	55,000	good
Laptop	Lenovo	NYL/LPTOP/01/04	2014	55,000	good
Printer	H.P Laser	NYL/PRT/01/04	2014	26,000	good
Calculator	casio	NYL/CIC/01/04	2014	2,000	good
Modem	Orange	NYL/MDM/01/04	2014	2,500	good
Flash disk	Sony	NYL/FLD/01/04	2014	900	good
Flash disk	Sony	NYL/FLD/02/04	2014	900	good
Flash disk	Sony	NYL/FLD/03/04	2014	900	good
Extension cable	OHMS	NYL/CBL/01/04	2014	1,000	good
Extension cable	OHMS	NYL/CBL/02/04	2014	1,000	good
staplers	Kangaroo	NYL/STP/01/04	2014	450	good

CONSTITUENCIES DEVELOPMENT FUND – NYALI
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs)

staplers	Kangaroo	NYL/STP/02/04	2014	450	good
Paper Punch	Kangaroo	NYL/PP/01/04	2014	450	good

18.2. RECEIVABLES FROM CDF BOARD & OTHER RECEIVABLES

NO YET RECEIVED FROM THE BOARD AS AT 30TH JUNE 2014

18.3. PAYABLES

18.4. FUNDS DUE TO PROJECTS

18.5. DISBURSEMENTS FROM THE CDF BOARD

AIE NO...A 709989	2,000,000.00
AIE NO.....A73551	25,035,763.00
TOTAL	27,035,763.00