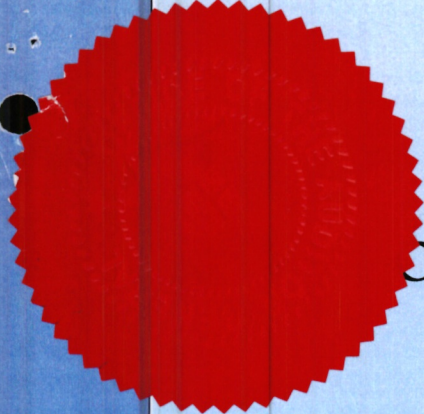


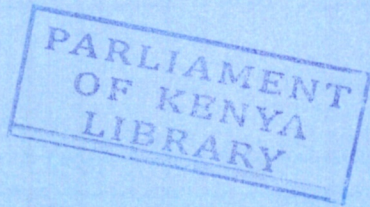
REPUBLIC OF KENYA



*PAPER Laid*  
*By the Leader of*  
*Majority Party*  
*Hon. Adam Duale*  
*on Tuesday*  
*24/9/17*  
*[Signature]*



OFFICE OF THE AUDITOR-GENERAL



**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**CONSTITUENCIES DEVELOPMENT FUND**  
**MT. ELGON CONSTITUENCY**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**





---

**CONSTITUENCY DEVELOPMENT FUND- MT. ELGON CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**(AMMENDED)**

**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 – MT. ELGON CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2015

---

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	1
II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC).....	3
<i>Forward note by the Chairman CDFC</i> .....	3
<i>Sign</i> .....	3
CHAIRMAN CDFC.....	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES .....	4
I. STATEMENT OF RECEIPTS AND PAYMENTS .....	5
II. STATEMENT OF ASSETS.....	6
III. STATEMENT OF CASHFLOW.....	7
IV. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	8
V. SIGNIFICANT ACCOUNTING POLICIES.....	24
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26

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

---

**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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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*. The objective of the fund is to ensure that a specific portion of the national annual budget is devoted to constituencies for the purposes of infrastructural development, wealth creation and in the fight against poverty at constituency level

**(b) Key Management**

The *MT. ELGON 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:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Robert Serem
3.	Accountant	Evans Osuga

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of MT. Elgon 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) MT. ELGON CDF Headquarters**

P.O. Box 267-50203  
Mt. Elgon Sub-County Development Building  
Sub-County Head Quarters  
KAPSOKWONY, KENYA

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

---

**(f) MT. ELGON CDF Contacts**

Telephone: (254) 0721431120  
E-mail: cdfmt.elgon@cdf.go.ke  
Website: none

**(g) MT. ELGON CDF Bankers**

1. Cooperative Bank of Kenya  
Kimilili Branch  
P.O BOX-552-50204  
Kimilili, Kenya

**(h) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

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

*Forward note by the Chairman CDFC*

I have the pleasure to present to you the Financial Statement of Mt Elgon Constituency Development Fund for the financial year 2014/15 which stands at an overall utilization of 73.76%. This is nearly three quarter of the entire budget. The shortfall in utilization may be attributed to the last quarter disbursement which we received barely some days to the closure of the financial year. In all programmes we did above 50%.

**Key achievements for the CDF**

Putting up of infrastructure facilities for schools have fostered learning and increased motivation for teachers and learners, and has increased enrolment.

Improved service deliveries in health facilities, access to medical services within reach. Bursaries have enabled retention of learners in schools, successful completion of education, has given hope and life to orphans and destitute children who would not have got education beyond primary school.

**Emerging issues related to the CDF,**

Declaration of the CDF Act 2013 has unconstitutional by high court. The CDFC was taken to court by contractor Felisha Agencies in relation to contractual agreements with the PMC of Masaek Primary school and Cheptais Community Teachers college. The case is which is now at high court of Bungoma is pending determination. This may bring in financial loss to the fund to a tune of Ksh 4,048,622.60

**Implementation challenges and recommended way forward**

Delay in release of the quarterly allocations to the constituency bank account.

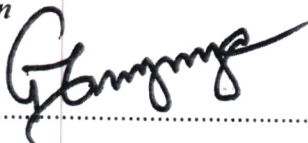
Delay in the provision of AIEs after the funds has been channelled to constituency account. Funds to be channelled to constituency account in time and AIEs of the same to be availed immediately.

Delay in preparation of Bill of quantities and technical drawing in time by relevant government department.

Empower the CDFC clerk of works to do it.

Facilitation of the required documents to be funded as a project to ensure that they are made and availed in time

Sign



CHAIRMAN CDFC

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

---

**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.

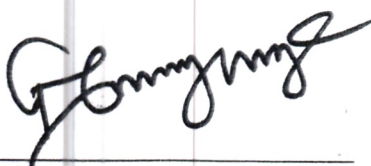
The Accounting Officer in charge of the *Mt Elgon CDF* is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility 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 *Mt Elgon 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 in charge of the *Mt Elgon 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 *Mt Elgon 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 29/2 2015.



CDF Chair Person



Fund Account Manager

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND - MT. ELGON CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

---

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund – Mt. Elgon Constituency set out on pages 5 to 42, which comprise the statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

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

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 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 judgment, including the assessment of the risks of material misstatement of the financial

---

*Constituencies Development Fund – Mt. Elgon Constituency – Annual Reports and Financial Statements for the year ended 30 June 2015*

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. Accuracy, Completeness and Presentation of the Financial Statements**

#### **1.1 Presentation of Financial Statements**

The International Public Sector Accounting Standards (Cash Basis) financial statements presentation format prescribed by the Public Sector Accounting Standards Board (PSASB) requires management to include the action taken on the previous year auditor's recommendations. In the year 2013/2014, Mt. Elgon CDF had a qualified opinion. However, no report on the progress on follow up of audit issues raised was included in the financial statements for the year under review.

In the circumstances, the presentation of the financial statements were not in conformity with IPSAS (Cash Basis).

#### **1.2 Statement of Appropriations**

The statement of appropriations discloses actual receipts of Kshs.120,132,556 which differs with Kshs.127,094,119 shown in the statement of receipts and payments and the cash flow statement. The difference of Kshs.7,038,734 has not been explained.

#### **1.3 Fixed Assets Register**

The summary of fixed assets register shows opening balance of Kshs.105,347,600 which differs with the audited closing balance of 2013/2014 of Kshs.15,347,600 by Kshs.90,000,000. The variance has not been explained.

Consequently, the accuracy and completeness of the financial statements as at 30 June 2015 could not be confirmed.

### **2. Budgetary Control and Performance**

The Fund's approved budget was Kshs.162,286,040 but it spent only Kshs.120,132,556 resulting in an overall under expenditure of Kshs.42,153,484. Further, the Fund had (over)/under expenditure on various budget lines by more than 10% or -10% as analyzed in the table below;

ITEM	Current year budget	Current year actual	Variance	% difference
	Kshs	Kshs	Kshs	
Compensation of employees	3,040,000	1,599,000	1,441,000	47%
Use of goods and services	3,300,743	1,772,751	1,527,992	46%
Committee Expenses	6,557,047	4,052,970	2,504,077	38%
Transfers to Other Government Units	87,220,690	67,420,690	19,800,000	23%
Other grants and transfers	54,325,904	39,239,250	15,086,654	28%
Social Security Benefits	15,000	27,000	(12,000)	-80%
Acquisition of Assets	7,826,656	6,020,895	1,805,761	23%
<b>Total Payments</b>	<b>162,286,040</b>	<b>120,132,556</b>	<b>42,153,484</b>	<b>26%</b>

As a result, the Fund did not meet its planned and budgeted service delivery to the constituents.

### 3. Project Implementation and Management

The Fund had planned to implement a total of 67 projects by different sectors during the year under review. Four (4) or 6% of the projects had not started, twenty five (25) or 37% of the projects were still ongoing while thirty eight (38) or 57% of the projects had been completed as at the time of audit in February 2016.

Sector	Total Project Cost (Kshs.)	Actual / Implemented Projects			Total	% of completed projects
		Not Started	Ongoing	Completed		
Primary Schools	51,337,931	2	19	17	38	45%
Secondary Schools	18,700,000	1	5	10	16	63%
Water	1,000,000	0	0	7	7	100%
Bursary	30,773,529	-	0	2	2	100%
Environment	600,000	0	0	1	1	100%
Administration	1,000,000	0	1	0	1	0%
Security	1,200,000	1	0	1	2	50%
<b>TOTAL</b>	<b>114,365,633</b>	<b>4</b>	<b>25</b>	<b>38</b>	<b>67</b>	<b>57%</b>
<b>% implementation over Budgeted projects</b>		<b>6%</b>	<b>37%</b>	<b>57%</b>	<b>100%</b>	

In the circumstance, the constituents did not receive the planned and budgeted for services due to the project delays and there was no realization of value for money.

#### **4. Purchase of Land and Construction of Police Quarters**

During the year, the CDF disbursed Kshs.1.6 million for purchase of land and construction of police quarters to the Project Management Committee (PMC). However, the title deed for the land purchased was not provided for audit review. Further, the contractor was sourced directly. As a result, the ownership of the land and construction of the Police Quarters could not be confirmed.


#### **5. Cheptais CDF Office**

The Fund's office situated in Cheptais was constructed at a cost of Kshs.10 million in 2010/2011. However, to date, the premises remain unoccupied. Further, title documents for land where the office is constructed have not been obtained.

Consequently, the ownership of the land could not be confirmed while the premises remain unutilized which implies that no value for money spent has been obtained by the constituents for the last five years.

#### **Adverse Opinion**

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of Constituencies Development Fund - Mt. Elgon Constituency as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with Constituencies Development Fund Act, 2013.



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

**Nairobi**


**18 November 2016**


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

**I. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015	2013-2014
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1	127,094,118.50	140,861,686
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
<b>TOTAL RECEIPTS</b>		<b>127,094,118.50</b>	<b>140,861,686.00</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	1,599,000	1,424,000
Use of goods and services	5	2,057,001.45	3,408,231
Committee Expenses	6	3,768,720	1,979,500
Transfers to Other Government Units	7	67,420,690	63,671,272
Other grants and transfers	8	39,239,250	35,049,909
Social Security Benefits	9	27,000	15,000
Acquisition of Assets	10	6,020,895	0
Other Payments	11	0	99,920
<b>TOTAL PAYMENTS</b>		<b>120,132,556.45</b>	<b>105,647,832</b>
<b>SURPLUS/DEFICIT</b>		<b>6,961,562.05</b>	<b>35,213,854</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MT. ELGON CDF financial statements were approved on 24/2 2015 and signed by:

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

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

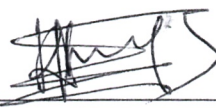
**CONSTITUENCY DEVELOPMENT FUND- MT. ELGON CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**II. STATEMENT OF ASSETS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per cash book)	12A	42,746,241.75	35,464,179.70
Cash Balances (cash at hand)	12B	0	0
Outstanding Imprests	12C	0	320,500
<b>TOTAL FINANCIAL ASSETS</b>		<b>42,746,241.75</b>	<b>35,784,679.7</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	35,784,679.70	570,825.70
Surplus/Deficit for the year		<b>6,961,562.05</b>	35,213,854
Prior year adjustments	14	0	0
<b>NET FINANCIAL POSSITION</b>		<b>42,746,241.75</b>	<b>35,784,679.7</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MT. ELGON CDF financial statements were approved on 20/2 2015 and signed by:

  
 Chairman - CDFC

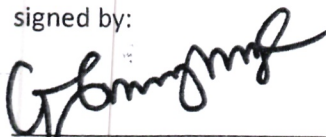
  
 Fund Account Manager

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

**III. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2014 - 2015</b>	<b>2013 - 2014</b>
Transfers from CDF Board	1	127,094,118.50	140,861,686.00
Other Receipts	3	0	0
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,599,000	1,424,000.00
Use of goods and services	5	2,057,001.45	3,408,231.00
Committee Expenses	6	3,768,720	1,979,500.00
Transfers to Other Government Units	7	67,420,670	63,671,272.00
Other grants and transfers	8	39,239,250	35,049,909.00
Social Security Benefits	9	27,000	15,000.00
Other Payments	11	0	99,920.00
<b>Adjusted for:</b>			
Adjustments during the year		0	0
		<b>12,982,477.05</b>	<b>35,213,854.00</b>
<b>Net cash flow from operating activities</b>			
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	(6,020,895)	0
<b>Net cash flows from Investing Activities</b>		<b>(6,020,895)</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>6,961,582.05</b>	<b>35,213,854.00</b>
Cash and cash equivalent at <b>BEGINNING</b> of the year	13	35,784,679.70	<b>570,825.70</b>
Cash and cash equivalent at <b>END</b> of the year	16	<b>42,746,261.75</b>	35,784,679.70

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MT. ELGON CDF financial statements were approved on 2/2/2016 and signed by:



Chairman CDFC



Fund Account Manager

**CONSTITUENCIES DEVELOPMENT FUND – MT. ELGON CONSTITUENCY**

**Reports and Financial Statements**

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

**IV. 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	127,094,118	35,784,679.7	162,878,797.70	120,132,556.45	42,746,241.25	73.76
Proceeds from Sale of Assets	0	0	0	0	0	0
Other Receipts	0	0	0	0	0	0
<b>PAYMENTS</b>						
Compensation of Employees	2,340,000	700,000	3,040,000	1,599,000	1,441,000	52.60
Use of goods and services	3,300,743	0	3,300,743	2,057,001.45	1,243,741.55	62.32
Committee Expenses	5,500,000	1,057,047	6,557,047	3,768,720	2,788,327	57.48
Transfers to Other Government Units	66,837,931	20,382,759	87,220,690	67,420,690	19,800,000	77.30
Other grants and transfers	41,273,788	13,052,116	54,325,904	39,239,250	15,086,654	55.85
Social Security Benefits	15,000	0	15,000	27,000	-12,000	118
Acquisition of Assets	7,826,656	0	7,826,656	6,020,895	1,805,761	76.93
Other Payments	0	0	0	0	0	0
<b>TOTALS</b>	<b>127,094,118</b>	<b>35,191,922</b>	<b>162,286,040</b>	<b>120,132,556.45</b>	<b>42,153,483.55</b>	<b>73.60</b>

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. Compensation of employees at 52.6% since gratuity was factored in yet not paid
- ii. Use of Goods and service at 62.32% since the CDF vehicle was bought in January 2015
- iii. Committee expenses at 57.48% since the last quarter of allocation was received towards closure of the year
- iv. Transfers to government entities 77.5% since the last quarter allocation was received towards the end of year.
- v. NSSF 118% since the rate payable were reviewed upwards

**CONSTITUENCIES DEVELOPMENT FUND – MT. ELGON CONSTITUENCY**

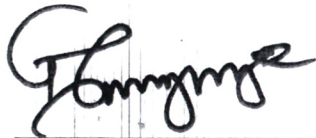
**Reports and Financial Statements**

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

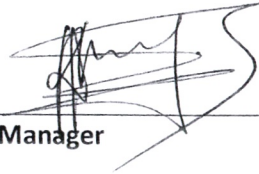
---

vi. *On acquisition of at 76.93% assets there was a savings in procurement of vehicle, and motor bike was not procured.*

The MT. ELGON CDF financial statements were approved on 29/2/16 and signed by:



Chairman CDF



Fund Account Manager

## V. 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.

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

---

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**5. Pending bills**

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

**6. Budget**

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

**7. Comparative figures**

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

**8. Subsequent events**

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

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

VI. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
CDF Board	Kshs	Kshs
AIE NO-A759501	31,773,529.50	2,000,000.00
AIE NO-A796616	14,064,118.20	33,127,494.00
AIE NO-A796837	17,709,412.00	26,345,620.50
AIE NO-A797151	31,773,529.50	26,345,620.50
AIE NO-A796136	31,773,529.30	
<b>TOTAL</b>	<b>127,094,118.50</b>	<b>87,818,735</b>

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.3 OTHER RECEIPTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,575,000	1,424,000
Basic wages of casual labour	0	0
<b>Personal allowances paid as part of salary</b>	0	0
House allowance	0	0
Transport allowance	0	0
Leave allowance	24,000	0
Gratuity	0	0
Other personnel payments	0	0
<b>Total</b>	<b>1,599,000</b>	<b>1,424,000</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.1.1.1.1.1.5 USE OF GOODS AND SERVICES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	86,531.45	47,980
Communication, supplies and services	6,960	854,460
Domestic travel and subsistence	284,250	425,000
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	0	0
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	64,600	0
Office and general supplies and services	669,320	35,000
Other operating expenses	750,000	23,039
Routine maintenance – vehicles and other transport equipment	195,340	2,022,752
Routine maintenance – other assets	0	0
<b>Total</b>	<b>2,057,001.45</b>	<b>3,408,231</b>

**1.1.1.1.1.1.1.6 COMMITTEE EXPENSES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee allowances	3,091,640	1,979,500
Other committee expenses	677,080	0
<b>Total</b>	<b>3,768,720</b>	<b>1,979,500</b>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities	-	0
Transfers to primary schools	37,537,931	27,000,000
Transfers to secondary schools	22,100,000	33,103,448
Transfers to tertiary institutions	00	0
Transfers to health institutions	7,782,759	3,567,824
<b>TOTAL</b>	<b>67,420,690</b>	<b>63,671,272</b>

1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary – secondary schools	11,821,000	22,371,609
Bursary – tertiary institutions	16,082,400	0
Bursary – special schools	0	0
Mock & CAT	878,450	0
Water projects	0	2,000,000
Agriculture projects	0	0
Electricity projects	0	0
Security projects	1,000,000	5,200,000
Roads projects	0	2,025,000
Sports projects	299,400	200,000
Environment projects	958,000	0
Emergency projects	8,200,000	3,253,300
<b>Total</b>	<b>39,239,250</b>	<b>35,049,909</b>

1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	27,000	15,000
<b>Total</b>	<b>27,000</b>	<b>15,000</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

1.1.1.1.1.10 ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	00	00
Construction of Buildings	00	0
Refurbishment of Buildings	00	00
Purchase of Vehicles and Other Transport Equipment	5,750,000	00
Overhaul of Vehicles and Other Transport Equipment	00	00
Purchase of Household Furniture and Institutional Equipment	00	00
Purchase of Office Furniture and General Equipment	118,495	00
Purchase of ICT Equipment, Software and Other ICT Assets	152,400	00
Purchase of Specialised Plant, Equipment and Machinery	00	00
Rehabilitation and Renovation of Plant, Machinery and Equip.	00	00
Acquisition of Land	00	00
Acquisition of Intangible Assets	00	00
<b>Total</b>	<b>6,020,895</b>	<b>0</b>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued) OTHER PAYMENTS

specify	2014 - 2015 Kshs	2013 - 2014 Kshs
		99,920
	<u>0</u>	<u>99,920</u>

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
COOPERATIVE BANK, 01120050483200.	42,746,261.75	35,784,679.70
<b>Total</b>	<b>42,746,261.75</b>	<b>35,784,679.70</b>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

	2014 - 2015 Kshs	2013 - 2014 Kshs
Location 1	0	0
Other Locations (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*[Provide cash count certificates for each]*

12C: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer or Institution	dd/mm/yy	00	00	00
<b>Total</b>				<b>0</b>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	42,746,261.75	35,464,179.70
Cash in hand	0	0
Imprest	0	320,500
<b>Total</b>	<b>42,746,261.75</b>	<b>35,784,679.7</b>

14. PRIOR YEAR ADJUSTMENTS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	-
Imprest	0	-
<b>Total</b>	<b>0</b>	<b>-</b>

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	<b>0</b>	<b>0</b>

15.2: PENDING STAFF PAYABLES

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (CDFC STAFF)	906,710	0
	<b>906,710</b>	<b>0</b>

15.3: OTHER PENDING PAYABLES

	Kshs	Kshs
Amounts due to other Government entities	24,800,000	xxx
Amounts due to other grants and other transfers list)	17,882,214.55	xxx
Others (specify)	0	xxx
	<b>42,682,214.55</b>	<b>xxx</b>

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2015	2014	
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2015	2014	
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**

**Reports and Financial Statements**

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

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2015	2014	
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
5.							
<b>Sub-Total</b>							

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2014 (Kshs)**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2015	2014	
<b>Others (CDFC STAFF)</b>							
6. JOAB CHOLE		27,000	1/6/13	0	124,620	100,440	31% GRATUITY
7. VALMA CHEPCHUMBA		25,000	1/6/13	0	93,000	93,000	31% GRATUITY
8. MOSES SULULIA		15,000	1/6/13	0	65,100	55,800	31% GRATUITY
9. MONTEY IRAEL		18,000	1/6/13	0	91,140	66,920	31% GRATUITY
10. CATERINE CHEREN		13,000	1/6/13	0	70,680	48,360	31% GRATUITY
11. BATHOLEMEW CHENA		15,000	1/7/13	0	41,850	55,800	31% GRATUITY
12.		0			0	0	
	<b>Sub-Total</b>	<b>113,000</b>			<b>486,390</b>	<b>420,320</b>	<b>906,710</b>
	<b>Grand Total</b>	<b>113,000</b>			<b>486,390</b>	<b>420,320</b>	

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**

**Reports and Financial Statements**

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

**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2015	2014	
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1. WASIOP PRY SCH	RENOVATION of classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
2. CHEPYUK PRY SCH	Construct 2 classrooms	2,000,000		0	2,000,000	0	IN THE LAST QUARTER
3. KAIMUGUL PRY SCH	Plastering painting of classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
4. .KAPKERWA PRY SCH	Construct 2 classrooms	2,000,000		0	2,000,000	0	IN THE LAST QUARTER
5. BUGAA PRY SCH	Construct 2 classrooms	2,000,000		0	2,000,000	0	IN THE LAST QUARTER
6. KIMOBO PRY SCH	Renovation of classrooms	2,000,000		0	2,000,000	0	IN THE LAST QUARTER
7. KAPKEKE PRY SCH	Plastering painting of classrooms	500,000		0	500,000	0	IN THE LAST QUARTER
8. NDARET PRY SCH	Construct classroom	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
9. SENDERA PRY SCH	Renovation of classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
10. CHEROMIS PRY SCH	Roofing plastering of classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
11. CHEMUSES PRY SCH	Construct dormitory	2,000,000		0	2,000,000	0	IN THE LAST QUARTER
12. MULIMANI PRY SCH	Roofing plastering of classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
13. KOSTOI PRY SCHOOL	Plastering painting of classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
14. KAPTALELIO BAPTIST PRIMARY	Construct of classrooms	2,000,000		0	2,000,000	0	IN THE LAST QUARTER

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2015	2014	
15. CHERONGOS PRY SCH	Construct 2 classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
16. SIRIGOI PRY SCH	Renovation of classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
17. KUMURIO PRY SCH	Construct classroom.	1,000,000		700,000	300,000	0	IN THE LAST QUARTER
18. NALONDO GIRLS SEC SCH	Construct 2 classrooms	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
19. KIMABOLE SEC SCH	Pay for bus debt	2,000,000		1,000,000	1,000,000	0	IN THE LAST QUARTER
20. CHESITO SEC SCH	Construct classroom	1,000,000		0	1,000,000	0	IN THE LAST QUARTER
<b>Sub-Total</b>				0	<b>24,800,000</b>		
<b>Amounts due to other grants and other transfers</b>				0			
21. KENAO AUDIT FEE	Audit fee	500,000		0	500,000	0	In the last quarter allocation
22. CONSTITUENCY SPORTS	Stage tournament buy sport ware	1,000,000		0	1,000,000	0	In the last quarter allocation
23. BURSARIES	Bursaries to needy students	30,773,529		0	6,927,129	4,441,000	In the last quarter allocation
24. KAPTAMA DO'S OFFICE	Construct police houses, toilet	1,000,000		0	1,000,000	0	In the last quarter allocation
25. MOTOR BIKE	Buy 2 motor bikes	1,000,000		0	1,000,000		
26. CDF VEHICLE	Buy cdf vehicle	6,43,929		5,750,000	793,929	0	savings
27. MOCKS	Fund st 8 mocks	1,000,000		878,450	121,550		
28. EMERGENCY	Fund emergency projects	5,400,259			1,000,259		
29. ENVIRONMENT	Planting of tree seedlings	1,100,000		958,000	142,000		
30. GOODS SERVICES	Purchase of goods/services				<b>1,402,645.55</b>		

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2015	2014	
31. SALARIES	Payment of salaries nd gratuity	2,340,000			1,185,800		
36 .FURNITURE	Office equipment				11,832		
37.COMMITTE EXP	Committee allowances	1,000,000			2,797,070		
					0		
	<b>Sub-Total</b>				17,882,214.55		
	<b>Sub-Total</b>				24,800,000		
<b>Total</b>					42,682,215		
	<b>Sub-Total</b>						
	<b>Grand Total</b>						

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2014/15	2013/14
Land	1,000,000	1,000,000
Buildings and structures	10,000,000	10,000,000
Transport equipment	9,750,000	4,000,000
Office equipment, furniture and fittings	201,600	116,600
ICT Equipment, Software and Other ICT Assets	416,895	231,000
Other Machinery and Equipment	0	0
Heritage and cultural assets	0	0
Intangible assets	0	0
<b>Total</b>	<b>21,368,495</b>	<b>105,347,600</b>

