

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

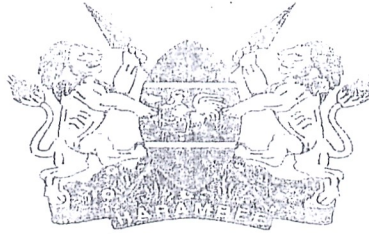
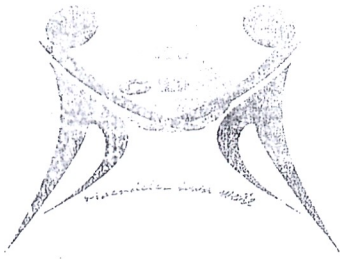
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
BARINGO NORTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**



CONSTITUENCY DEVELOPMENT FUND- BARINGO NORTH
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)

24 JUN 2016

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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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *Baringo North 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	David Okoma
3.	Accountant	Festo Saina
4.	CDFC Chair	Stanley Amdany

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Baringo North 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) BARINGO NORTH CDF Headquarters

P.O. Box 63
 Sunflower Building
 Kabarnet - Kabartonjo Road
 Kabartonjo, KENYA

For the year ended June 30, 2015

(f) BARINGO NORTH CDF Contacts

Telephone: (254) 0722 402 480

E-mail: baringonorthcdf.go.ke

Website: www.go.ke

(g) BARINGO NORTH CDF Bankers

Kenya Commercial Bank

Kabarnet branch

Kabarnet

(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

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

II. 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the *Baringo North 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 *Baringo North 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 *Baringo North 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 *Baringo North 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 15th September, 2015.

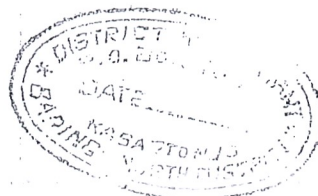


Fund Account Manager



Sub county Account

25 SEP 2015



REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Baringo North set out on pages 5 to 22, which comprise the statement of financial assets as at 30 June 2015, 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.

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

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

Report of The Auditor-General on Constituencies Development Fund - Baringo North Constituency for the year ended 30 June 2015

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

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

Basis for Disclaimer of Opinion

1.0 Bank Balance

The statement of financial assets as at 30 June 2015 reported a bank balance of Kshs.29,624,709. However, the bank reconciliation statement in support of this balance reported payments in cash book not yet recorded in bank statement (unpresented cheques) amounting Kshs.7,086,680.46. Included in these payments were cheques amounting Kshs.3,232,140 dating back to the year 2010 that were not presented to the bank. No reason has been given for their non-presentation to the bank for clearance or reversal in the cashbook.

In addition, the reported bank balance of Kshs.29,624,709 excluded un-spent funds totaling to Kshs.37,481,919 held under various project accounts in Kenya Commercial Bank, Kabartonjo Branch which remained unspent and as a result the approved projects were not implemented. In the circumstance, the accuracy and validity of the bank balance of Kshs.29 624,709 could not be confirmed.

2.0 Transfers to Other Government Units

The statement of receipts and payments as described under Note 5 reflects a balance of Kshs.68,968,542 in respect of transfers to other government units as analysed below:

Category	Nature of Funding	Amount Kshs
1. Government entities	Transfer to Primary Schools And other GoK entities	38,392,542.00
2. Health Institutions	Transfers	22,532,759.00
3. Secondary Schools	Transfers	6,340,000.00
4. Tertiary Institutions	Fund transfers	<u>1,703,479.00</u>
	Total	<u>68,968,542,00</u>

However, the following observations were made in relation to the transfers.

- i) The beneficiary entities and institutions were not disclosed.

- ii) Bank account details of the beneficiary entities were not given for confirmation of receipts.
- iii) There was no acknowledgement showing that the entities received the funds.
- iv) Expenditure returns were not prepared to account for the funds.
- v) Unspent balances as at 30 June 2015 were not disclosed.

3.0 Other Grants and Transfers

The statement of receipts and payments for the year ended 30 June 2015 reported other grants and transfers of Kshs.54,562,400. Included in the transfers were balances totaling Kshs.29,683,400 in respect of the following sectoral projects:

Sector	Nature	Amount Kshs.
1. Water Projects	Grants	10,840,000
2. Agriculture	Grants	350,000
3. Electricity		237,440
4. Security	Grants	8,394,000
5. Sports	Grants	1,555,960
6. Emergency	Grants	<u>4,270,000</u>
		<u>29,683,400</u>

However, no returns were presented for audit review to confirm whether the projects were implemented and their status as at 30 June 2015. In the circumstance, the transfers could not be confirmed to have been used for the intended purposes.

4.0 Un-acknowledged Bursaries

The Baringo North CDF Bursary Committee paid Kshs.23,879,000 as bursaries for needy students in various secondary schools, universities and colleges. However, payments amounting to Kshs.20,387,150 were not acknowledged by the individual beneficiaries or the institutions. It was therefore, not possible to ascertain whether all beneficiaries were bonafide students of the said universities and colleges.

5.0 Committee Expenses

The statement of receipts and payments for the year ended 30 June 2015 reported committee expenses totalling to Kshs.2,279,220. However, supporting schedules presented a balance of Kshs.2,323,220 resulting in an unexplained difference of Kshs.44,000. The accuracy of the reported balance of Kshs.2,279,220 could therefore not be confirmed.

6.0 Compensation of Employees

Compensation of employees increased by Kshs.522,312 from Kshs.278,000 as at 30 June 2014 to Kshs.800,312 as at 30 June 2015. Note 1 to the financial statements reflects compensation of employees of Kshs.136,000 which is not in agreement with the balance reported in the statement of receipts and payments of Kshs.800,312. Further, compensation of employees in the statement of receipts and payments is shown as Note 2. However, this note does not exist in the notes to the accounts. In the circumstance, the accuracy of the reported compensation to employees amount balance of Kshs.800,312 could not be confirmed.

7.0 Others Payments

The statement of receipts and payments for the year ended 30 June 2015 reported other payments totalling to Kshs.124,720 supported by Note 7 which however shows a balance of Kshs.1,076,949. Included in this figure of other payments is an amount of Kshs.316,245 referred to as others which has not been supported or analysed. In addition, the reported amount of other payments of Kshs.1,076,949 does not appear in the statement of receipts and payments for the year ended 30 June 2015. Its inclusion and relevance in the notes to the financial statements has therefore not been explained.

8.0 Failure to Implement Approved Projects

During the year under review, approved projects amounting to Kshs.37,480,964 were not implemented and no reason has been given for their non-implementation despite the fact that the amount had been transferred to project management accounts held at Kenya Commercial Bank, Kabartonjo Branch, for various approved projects. However, the transferred funds remained unused in the bank. No work commenced after the transfer of the funds and it is not known when implementation would begin. In the circumstance, the project funds were not managed in a prudent manner.

9.0 Chepkesin Administration Camp-Construction

Construction works for Chepkesin Administration Camp started in 2008/2009 financial year when the slab was done. After the slab was laid, no other works were carried out on the site. However, a sum of Kshs.5,442,800 was allocated to the project during the year ended 30 June 2015 but the funds were not spent and remained in the bank at the close of the financial year. The fund manager did not explain why construction failed to resume even after the funds were disbursed. In the circumstance, prudent management of funds has not been exercised.

10.0 Bartabwa Youth Polytechnic

The project was allocated Kshs.1,500,000 for construction of a youth polytechnic. At the time of the audit inspection, no construction works had commenced and neither

was there any sign of impending works at the site. Further, a sum of Kshs.1,235,339 paid for the project was not in the project bank account No.1172505357 held at Kenya Commercial Bank . No evidence was presented to explain what happened to the funds allocated to the project.

11.0 Bartabwa Staff Houses

During the financial year 2013/2014, the CDF planned to construct eight (8) prefabricated staff houses at Bartabwa Model Health Center. A sum of Kshs.4,482,759 was released for the project as per minute No.7/15/BN/CDF/DEC/2014 during the year 2013/2014. However, evidence of procurement proceedings was not presented for audit to confirm how the contractor was identified and awarded the works. Further, no contract document was presented for audit to confirm the contract sum and any other important matter relating to the works.

Audit inspection carried out on the project revealed that, ongoing construction works were for four (4) staff houses not the eight (8) houses approved and budgeted for. Further, interlocking bricks were used as opposed to fabricated house materials. No explanation has been made on the change of construction. As at 30 June 2015, the project bank account No. 1128685388 held a balance of Kshs.4,714,694 indicating that additional funding was disbursed to the project. However, no documentary evidence has been presented to confirm the sum paid to the contractor and the outstanding balance. In addition, the works were wanting as the alignment of the interlocking bricks was poor and thus put the stability of the houses at risk. In the circumstance, the cost and the implementation of the project could not be authenticated.

12.0 Kipsaraman D.Os Office

Kipsaraman District Officer's office was allocated a sum of Kshs.3,400,000 and the funds were disbursed to the project bank account No.1111221782 held at the Kenya Commercial Bank, Kabartonjo. However, the money was not spent due to a dispute relating to the ownership of the land where the offices were to be constructed. In the circumstances, it is apparent that due diligence was not conducted before the project was approved.

13.0 Poi Secondary School

Construction of administration block at Poi Secondary School has been ongoing for several years. In the year 2014/2015, the project was provided with further funding amounting to Kshs.1,000,000. A visit to the project revealed that the foundation had severe cracks rendering it unfit for construction of any structure on it. It was revealed that the foundation had been in that state for the last three (3) years. As at 30 June 2015, the project bank account had an unutilized balance of

Kshs.1,135,415. In the circumstance, prudent management of funds has not been exercised.

14.0 Kasisit Water Project

Kasisit water project was issued with Kshs.1,000,000 vide payment voucher number 4 of 27 August, 2014 for purchase of water pipes. Although the pipes were procured, the expenditure amounting to Kshs.1,000,000 was not reported in the financial statement. Thus the expenditure balance reflected in the statement was understated by Kshs.1,000,000.

15.0 Kinyach Water Pan

Kinyach water project was issued with Kshs.500,000 for the purchase of polythene sheet (dam liner) which was bought and transported to the project site. However, the dam liner was put to use but was not kept at Kinyach Primary school in an open field and has suffered wear and tear. The liner may go to waste and public funds lost if the dam is not built without further delay.

16.0 Training Expenses

Included in the expenditure balance for use of goods and services is a sum of Kshs.400,800 incurred on training. The training was held between 29 and 31 August, 2014 at A.I.C Cheptebo Rural Development Centre and payment was made through payment voucher No. 291514 of 3 September, 2014. However, the voucher was not supported with documentary evidence showing how the venue was identified, selected and awarded the service. Further, whereas Local Service Order No.0531812 of 25 August, 2014 was raised, it failed to capture essential details such as rates and charges. In the absence of documentary evidence, the propriety of the expenditure amounting to Kshs.400,800 could not be confirmed.

17.0 Emergency Project

Emergency projects expenditure balance of Kshs.4,270,000 includes a sum of Kshs.400,000 paid to the District Commissioner in respect of renovation of toilets at the District Commissioners compound. The payment was made through payment voucher No. 8 of 16 June 2015 and cheque No. 005392 drawn as per CDFC Sub-County meeting held at Kabarnet Hotel on 24 of May 2015 and request for funds dated 15 April 2015 attached to the voucher. Audit verification on the said toilets revealed that one of the collapsed toilets had not been repaired and remained in a poor state while the second door to the toilet had fallen off. The auditors maximum expenditure estimate of the repairs done was Kshs.40,000. Therefore the expenditure reported in relation to the repairs was excessive.

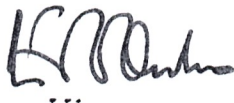
In addition, records showing repair estimates of the repairs made by management and showing the process of identification, selection and award of repair services were not presented for audit. In the circumstances, the CDF Baringo North did not obtain value for money on this expenditure.

18.0 Office Partitioning

A sum of Kshs.349,585 was paid through payment voucher No. 291481 of 28 August 2014 in respect of office partitioning works. However, the Constituency Development Fund Committee did not seek expert opinion of the Ministry of Works in drawing the bills of quantities for the works. Instead, the committee only relied on the estimates given by the land-lord. In the circumstances, it has not been possible to establish whether the works carried out were worth the sum of Kshs.349,585 paid to the contractor.

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.



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

Nairobi


14 November 2016

For the year ended June 30, 2015

III. STATEMENT OF RECEIPTS AND PAYMENTS

TOTAL RECEIPTS	1	139,318,983	37,530,881
PAYMENTS			
Compensation of Employees	2	800,312	278,000
Use of goods and services	3	2,404,223	610,000
Committee Expenses	4	2,279,220	2,620,500
Transfers to Other Government Units	5	68,968,780	38,262,487
Other grants and transfers	6	54,562,400	22,345,250
Others (NHIF, NSSF, PAYE)	7	124,720	96,800
TOTAL PAYMENTS		129,139,655	64,213,840
SURPLUS/DEFICIT		10,179,328	-26,682,959

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BARINGO NORTH CDF financial statements were approved on 15th September 2015 and signed by:



 Chairman - CDFC



 Fund Account Manager

IV. STATEMENT OF ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	29,624,709	19,138,381
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	121,000	428,000
TOTAL FINANCIAL ASSETS		<u>29,745,709</u>	<u>19,566,381</u>
REPRESENTED BY			
Fund balance b/fwd	13	19,566,381	46,151,903
Surplus/Deficit for the year		10,179,328	26,682,959
Prior year adjustments	14		<u>97,437</u>
NET FINANCIAL POSITION		<u>29,745,709</u>	<u>19,566,381</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BARINGO NORTH CDF financial statements were approved on 15th September 2015 and signed by:


Chairman - CDFC


Fund Account Manager

REPORTS AND FINANCIAL STATEMENTS
For the year ended June 30, 2015

V. STATEMENT OF CASHFLOW

		2014 - 2015	2013 - 2014
Receipts for operating income			
Transfers from CDF Board	1	139,318,983	37,530,881
Payments for operating expenses			
Compensation of Employees	4	800,312	278,000
Use of goods and services	5	2,404,223	610,000
Committee Expenses	6	2,279,220	2,620,500
Transfers to Other Government Units	7	68,968,780	38,262,487
Other grants and transfers	8	54,562,400	22,345,250
Social Security Benefits	9	27,608	3,800
Other Payments (NHIF,PAYE)	11	96,392	93,000
Adjusted for:			
Adjustments during the year			-97,437
		129,139,655	64,115,600
		10,179,328	-26,584,719
Net cash flow from operating activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		10,179,328	-26,584,719
Cash and cash equivalent at BEGINNING of the year	13	19,566,381	46,151,903
Cash and cash equivalent at the end of the year		29,745,709	19,566,381

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The BARINGO NORTH CDF financial statements were approved on 15th September 2015 and signed by:


Chairman CDFC


Fund Account Manager

CONGRESSMAN GREGG BROWN
Report and Financial Statements
For the year ended December 31, 2015

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation: f=d/c %
RECEIPTS						
Transfers from CDF Board	107,698,794	31,620,189	139,318,983			
PAYMENTS						
Compensation of Employees	1,854,000		1,854,000	800,312	1,053,688	43%
Use of goods and services	1,915,912	889,111	2,805,023	2,404,223	400,800	85%
Committee Expenses	2,568,000		2,568,000	2,279,220	288,780	88%
Transfers to Other Government Units	68,245,956	8,286,166	76,532,122	68,968,780	7,563,342	90%
Other grants and transfers	32,990,926	22,444,912	55,435,838	54,562,400	873,438	98%
Social Security Benefits	27,608		27,608	27,608		100%
Others (NHIF, PAYE)	96,392		96,392	96,392		100%
TOTALS	107,598,794	31,620,189	139,318,983	129,139,655	10,180,048	

(a) *Commentary on significant underutilization (below 50% of utilization) and any overutilization]*

The budget for employees compensation was not utilized 100% as planned because one employee resigned and therefore the salary which could have been paid to him remained our accounts. Also the budget had previously been done in anticipation of hiring more staff but this was not done in the period 2014/2015

The ~~BUDGET~~ ~~FOR~~ ~~THE~~ CDF financial statement were approved on 15th September 2015 and signed by:


 Chairperson CDF


 Fund Account Manager

VII. 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 -- BARINGO NORTH 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 – BARINGO NORTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2015

VIII. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO	A750140	45,820,259	
AIE NO	A750273	2,163,446	
AIE NO	A759655	37,485,881	
	A796943	26,924,698	
	A796023	26,924,698	
	A735647		2,000,000
	A735847		37,530,881
TOTAL		139,318,982	39,530,881

CONSTITUENCIES DEVELOPMENT FUND -- BARINGO NORTH CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.1.1 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Personal allowances paid as part of salary,		
House allowance	126,000	-
Leave allowance	10,000	-
Total	<u>136,000</u>	<u>-</u>

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

1.1.1.1.1.1.2 USE OF GOODS AND SERVICES

	2014 - 2015 Kshs	2013 - 2014 Kshs
Utilities, supplies and services		33,775
Communication, supplies and services	92,530	25,400
Domestic travel and subsistence	64,000	-
Rent	612,345	283,748
Training expenses	873,400	-
Hospitality supplies and services	-	212,880
Office and general supplies and services	298,348	5,000
Other operating expenses	463,600	50,000
Total	2,404,223	610,803

TOTAL

2,404,223

610,803

1.1.1.1.1.1.3 COMMITTEE EXPENSES

	2014 - 2015 Kshs	2013 - 2014 Kshs
Committee allowances	713,000	454,500
Other committee expenses	1,566,220	2,166,000
Total	2,279,220	2,620,500

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.4 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities	38,392,542	38,262,487
Transfers to primary schools	6,340,000	-
Transfers to secondary schools	1,235,339	-
Transfers to tertiary institutions	468,140	-
Transfers to health institutions	22,532,759	-
TOTAL	68,968,780	38,262,487

1.1.1.1.1.1.5 OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary – secondary schools	11,766,075	8,329,600
Bursary – tertiary institutions	11,512,925	7,190,400
Mock & CAT	600,000	600,000
Water projects	10,840,000	-
Agriculture projects	350,000	-
Electricity projects	4,273,440	-
Security projects	8,394,000	-
Sports projects	1,555,960	-
Emergency projects	4,270,000	660,000
Total	54,562,400	22,345,250

1.1.1.1.1.1.6 SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	27,608	3,800
Total	27,608	3,800

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.7 OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employees salaries	664,312	
NHIF	13,340	
PAYE	83,052	
Others	316,245	93,000
	1,076,949	93,000

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
KCB Kabarnet Branch A/C no. 1103776142 (Kshs)	29,624,709	19,138,381
Total	29,624,709	19,138,381

CONSTITUENCIES DEVELOPMENT FUND – BARINGO NORTH CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Location 1	121,000	-
Total	121,000	-

12C: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Kennedy Chebon</i>	27/11/2014	18,000		18,000
<i>David Okoma</i>	11/12/2014	251,000	195,000	56,000
<i>Kennedy Chebon</i>	26/2/2015	47,000		47,000

CONSTITUENCIES DEVELOPMENT FUND – BARINGO NORTH CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	19,138,387	46,151,903
Imprest	1,155,105	-
Total	20,293,486	46,151,903

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts		97,437
Total		97,437-

CONSTITUENCIES DEVELOPMENT FUND -- BARINGO NORTH CONSTITUENCY

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Civil works	314,387	
Supply of goods	1,914,000	-
Supply of services	500,000	-
	2,728,387	-

15.2: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	23,294,546	-
Amounts due to other grants and other transfers (see attached list)	1,800,000	-
Others (<i>sports services, cdfc expenses, emergency</i>)	1,800,000	-
	26,894,546	-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of civil works						
1. Construction of water dams and roads				314,387		Accruing savings
2.						
3.						
Sub-Total				314,387		
Supply of goods						
4.						
5.						
6.						
Sub-Total				1,914,000		
Supply of services						
7. Supply of services to cd/c offices	2,805,023			500,000		Delayed procurement
8.						
9.						
Sub-Total				500,000		
Grand Total				2,728,387		

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1. Primary schools					8,293,937		Delayed implementation
2. Secondary schools					8,000,000		Delayed implementation
3. Health facilities					3,000,000		Delayed implementation
4. Security					400,000		Delayed implementation
	Sub-Total				23,294,546		
Amounts due to other grants and other transfers							
5. Cattle-dips					800,000		
6. Water projects					1,000,000		
	Sub-Total				1,800,000		
Others (specify)							
7. sports services, cd/c expenses, emergency					1,800,000		Delayed implementation
	Sub-Total				1,800,000		
	Grand Total				26,894,546		

NATIONAL GOVERNMENT ENTITY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Transport equipment	385,236	385,236
Office equipment, furniture and fittings	131,800	131,800
ICT Equipment, Software and Other ICT Assets	607,500	607,500
Other Machinery and Equipment		
Total	1,124,536	1,124,536