

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
LAIKIPIA EAST CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**

1972-1973

1974-1975

1976-1977

1978-1979

1980-1981

1982-1983

1984-1985



**CONSTITUENCY DEVELOPMENT FUND- LAIKIPIA EAST
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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CONSTITUENCY DEVELOPMENT FUND- LAIKIPIA EAST CONSTITUENCY

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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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 Laikipia East 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 2015 and who had direct fiduciary responsibility were:

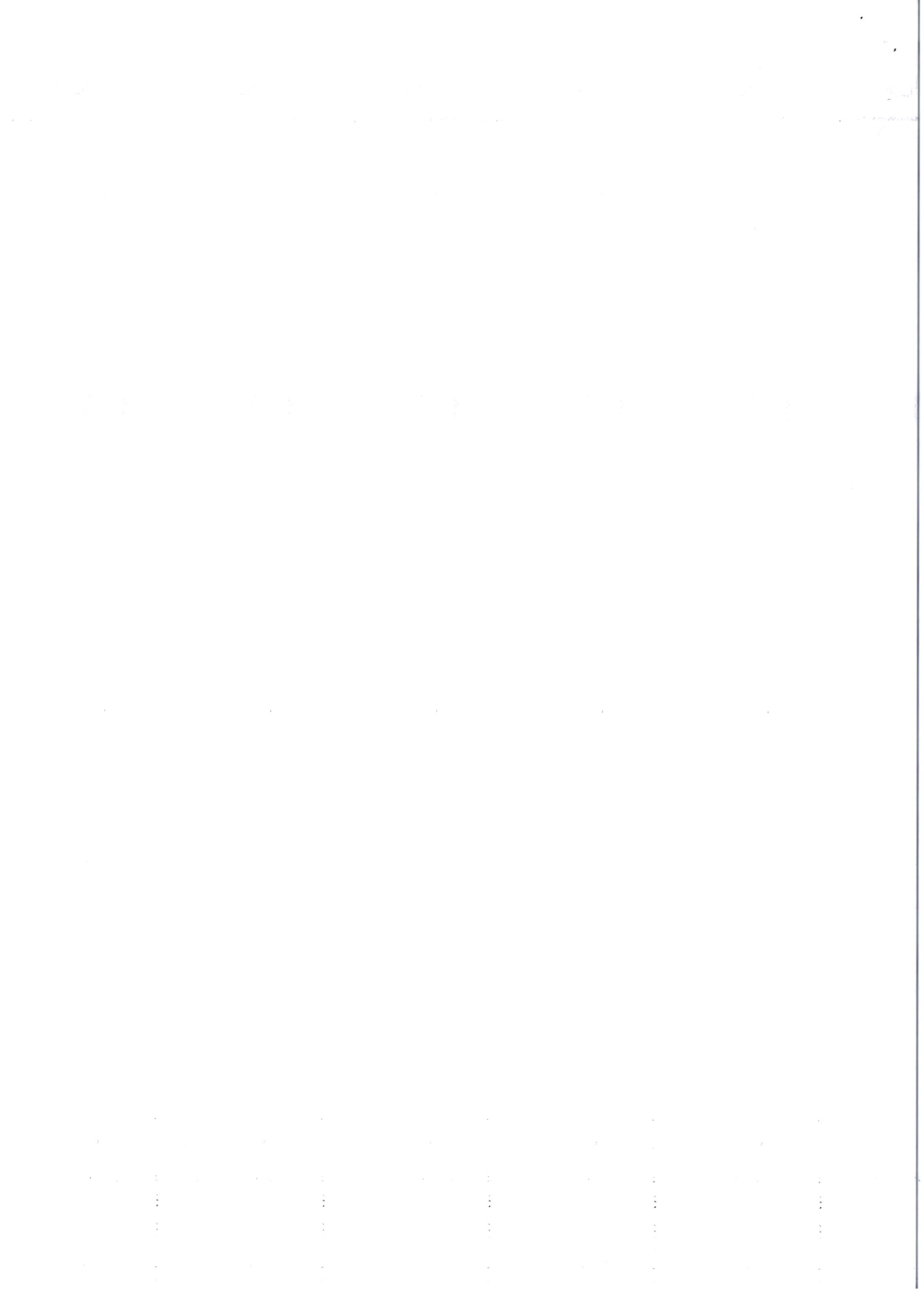
No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Arnold Karani Njiru
3.	Accountant	Monica Gikeri

(d) Fiduciary Oversight Arrangements

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

P.O. Box 920
Gefro Imani Building
Park Road
Nanyuki, KENYA



CONSTITUENCY DEVELOPMENT FUND- LAIKIPIA EAST CONSTITUENCY

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For the year ended June 30, 2015

(f) Laikipia East CDF Contacts

Telephone: (254) (0) 710146307

E-mail: cdflaikipiaeast@cdf.go.ke

Website: www.cdf.go.ke

(g) Laikipia East CDF Bankers

Equity Bank Limited

Nanyuki Branch

A/C No. 0270261969541

Kenyatta Road

P.O. Box 1482 - 10400

Nanyuki, 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

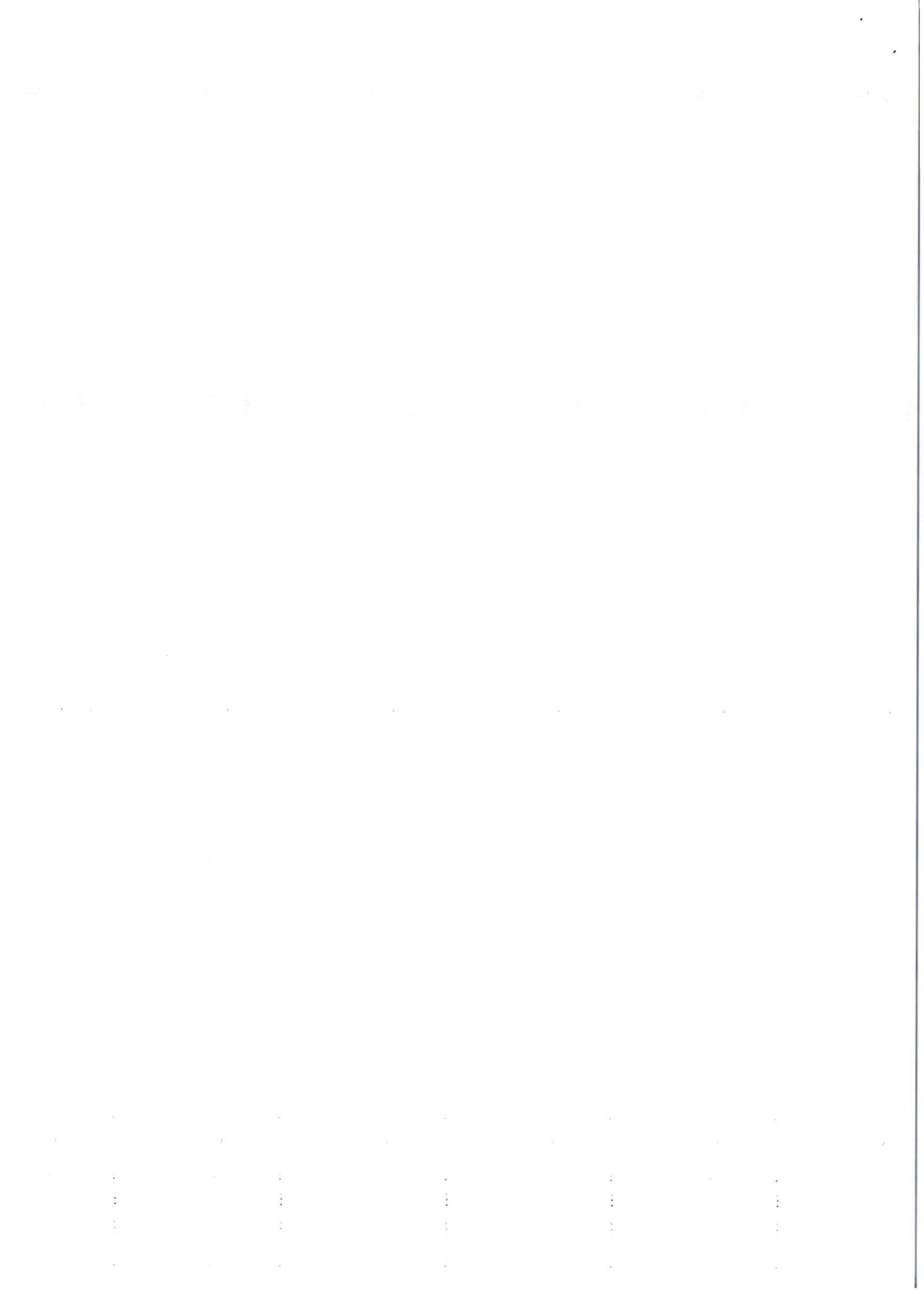
State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



CONSTITUENCY DEVELOPMENT FUND- LAIKIPIA EAST CONSTITUENCY
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II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

Ladies and gentlemen

We have now come to the end of the financial year 2014-2015, as Laikipia East CDF, we were able to achieve the following levels of budget performance against the actual amounts based on economic classification and programmes:-

Economic Classification/Programmes	Achieved Budget Performance Levels
Compensation of Employees	95.62%
Use of Goods and Services	88.28%
Committee Expenses	98.51%
Transfers to Other Government Units	73.54%
Other Grants and Transfers	77.04%
Social Security Benefits	100.00%

The overall performance for the Laikipia East CDF for the year was 77.93%

Key achievements for Laikipia East CDF during the year are as follows:

- a) A total of 39 new projects were completed and officially opened for use by the beneficiary community
- b) A total of 17 old/ongoing projects were completed and officially opened for use by the beneficiary community
- c) A total of 57 projects were prioritised for funding in the current year and by 30th June, 2015, 45 projects had received their allocation

Emerging issues related to CDF

- a) Lack of clarity on continued CDF funding of projects in already devolved sectors

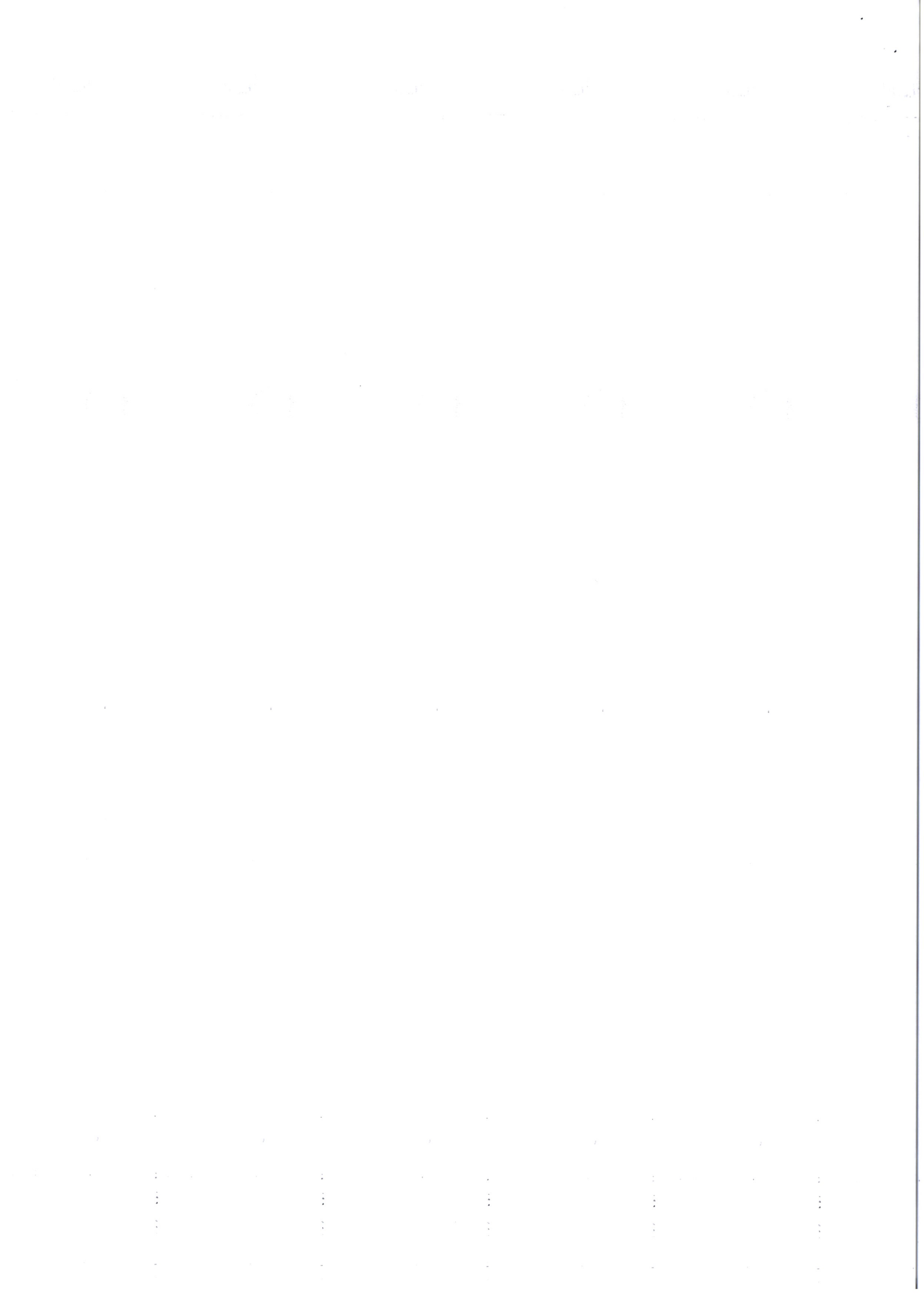
Implementation challenges and recommended way forward

- a) Lack of adequate financial knowledge by members of Projects Management Committees

Way forward: There is need to have a well structured programme on training of members of PMC.



CHAIRMAN CDFC



CONSTITUENCY DEVELOPMENT FUND- LAIKIPIA EAST CONSTITUENCY

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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 Laikipia East 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 Laikipia East CDF accepts responsibility for the *CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *CDF's* financial statements give a true and fair view of the state of *CDF's* transactions during the financial year ended June 30, 2015, and of the *CDF's* financial position as at that date. The Accounting Officer charge of the Laikipia East 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 Laikipia East 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.

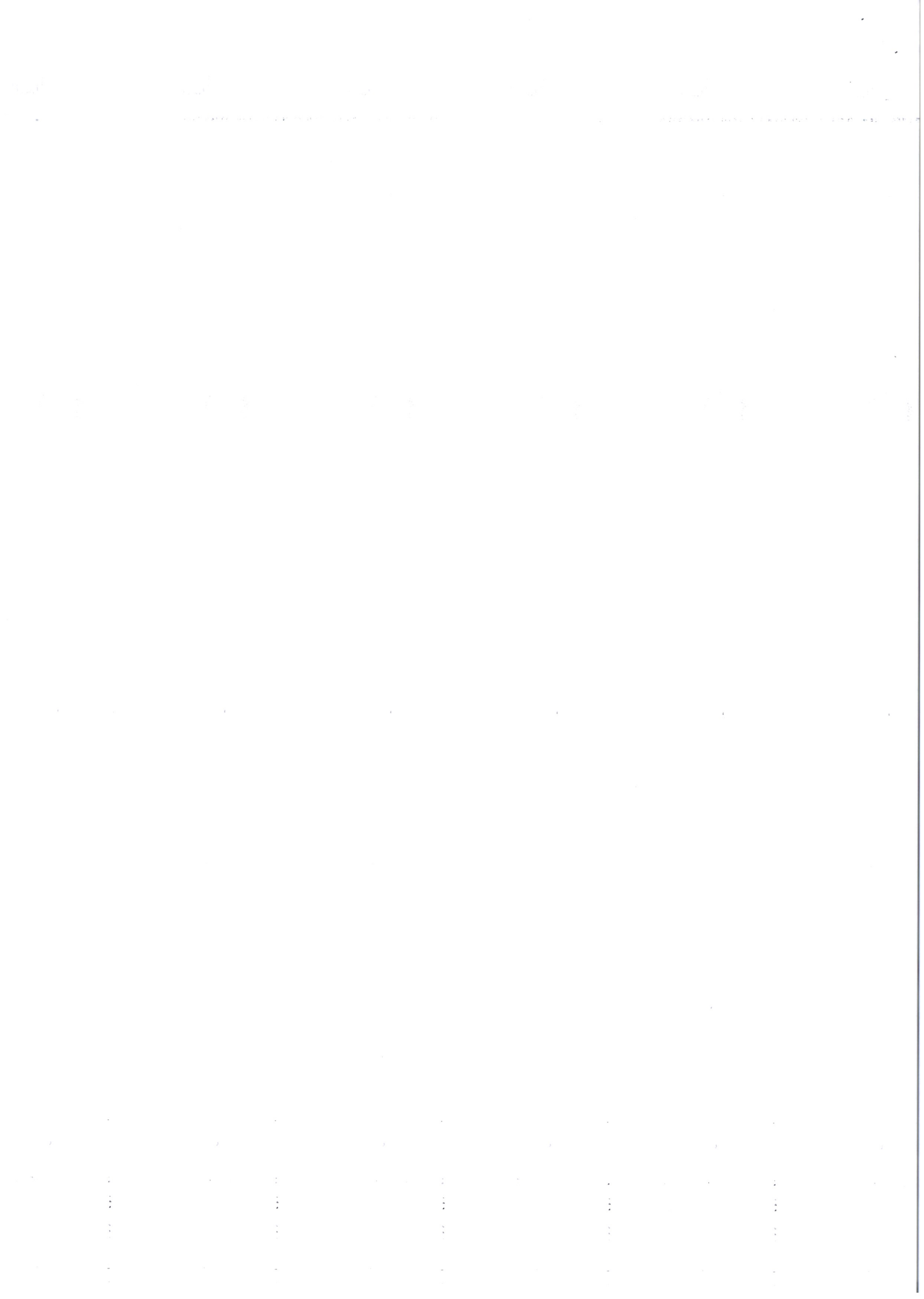
Approval of the financial statements

The *CDF's* financial statements were approved and signed by the Accounting Officer on 17th September 2015.



Fund Account Manager

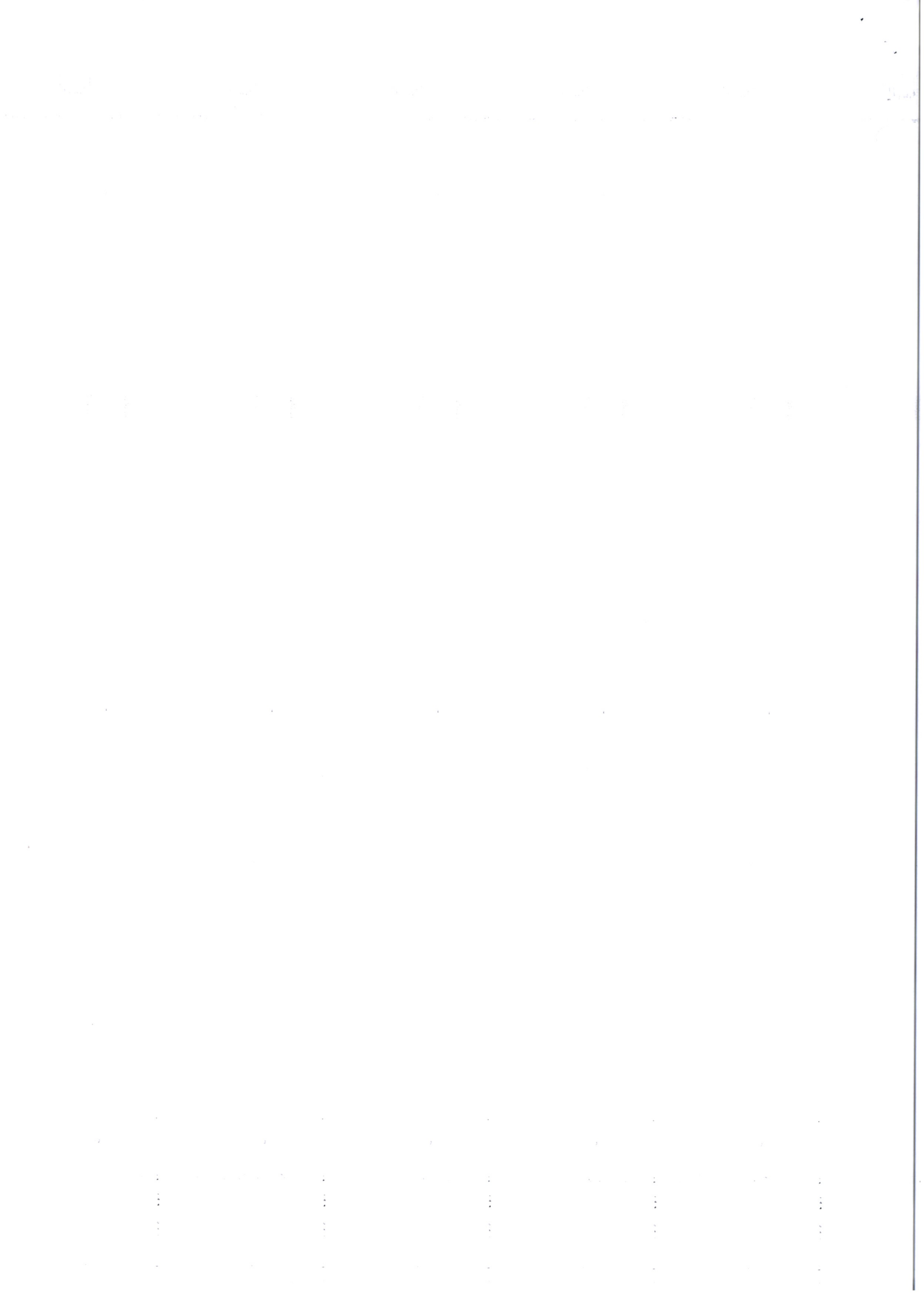
District Accountant



CONSTITUENCY DEVELOPMENT FUND- LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015





OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Laikipia East Constituency set out on pages 6 to 38, which comprise the statement of financial assets as at 30 June 2015, 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 audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 accordance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Basis for Qualified Opinion

1.0 Accuracy of Disbursements from the CDF Board

The statement of receipts and payments reflects receipts amounting to Kshs.102,484,660 while records of disbursements from the CDF Board indicate a total of Kshs.135,776,913 was released to the CDF account during the year. The difference of Kshs.33,292,245 has not been explained. In the circumstances, it has not been possible to confirm the accuracy of receipts of Kshs.102,484,660.

2.0 Use of Goods and Services

2.1 Unsupported Balances

The statement of receipts and payments reflects use of goods and services balance of Kshs.5,653,343 as at 30 June 2015. However, there were no supporting schedules provided for audit verification. Consequently the propriety of the expenditure could not be ascertained.

2.2 Irregular Procurement of Legal Services

Included in use of goods and services balance are legal fees amounting to Kshs.856,000. However, no documents were provided indicating how the services provider was identified and fees determined. As a result, it was not possible to confirm that the CDF obtained value for money from the expenditure.

3.0 Bank Balance

The statement of assets reflects a bank balance of Kshs.27,780,117.10 as at 30 June 2015. A review of the bank reconciliation statement however, indicates that un-presented cheques totaling Kshs.312,027 were already stale as at 30 June 2015 and could not be presented in the bank for payment. No reason was provided for the failure to reverse the cheques to the cashbook.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of Constituencies Development Fund – Laikipia East 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 comply with the Public Finance Management Act, 2012 and Constituencies Development Fund Act, 2013.

Report of The Auditor-General on Constituencies Development Fund – Laikipia East Constituency for the year ended 30 June 2015

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Other Matter

1. Sweet-waters Dispensary-Construction of a Prefabricated Staff House

The Laikipia East CDF disbursed a total of Kshs.2,241,379.00 for construction of a prefabricated house at Sweetwaters Dispensary. Physical verification revealed that, although the prefabricated house had been completed, it was poorly done as indicated by huge cracks emerging from the walls. The ceiling too were crumbling. At the time of audit the house had no occupant. Further, bills of quantities, bank statements, inspection and acceptance committee minutes were not made available for audit review. Under the circumstances, the propriety of expenditure totaling to Kshs.2,241,379.00 incurred on the project could not be ascertained.

2. Thome Boys Secondary school – Construction of a Dormitory

The project was approved by the CDFC in 2008/2009 and has received cumulative allocation from the CDF totalling Kshs.10,700,000 including a sum of Kshs.1,000,000 allocated in 2014/2015. Although the dormitory building was still under construction, it was partially in use. Further, it was not possible to know how the money was spent on the project since construction was not done in specified phases and records relating to the project (including expenditure returns) were not provided for audit verification. In addition, bills of quantities (BQs) prepared by the Ministry of Works were not presented for audit. Further, the school deposited the money in the school business current account instead of opening a separate account for the CDF project as per CDF Act, 2013 and as a result, it was not possible to identify fees money and the funds from the CDF office. In view of these anomalies, propriety of the expenditure could not be ascertained.

3. Nanyuki Muslim Primary School - Construction of a Concrete Fence

The project mentioned above was approved by the CDFC in 2008/2009 and has received cumulative allocation from the CDF totaling to Kshs.3,300,000 including a sum of Kshs.1,000,000 allocation for 2014/2015. However, the official bills of quantities (BQs) prepared by the Ministry of Works were not made available for audit review. Further, bank statements, inspection and acceptance committee minutes were not presented for audit. Although the project appears to be complete and all payments made, no final completion certificate was issued before the final payment was done. Consequently, the propriety of the expenditure totaling to Kshs.3,300,000 incurred on the project could not be confirmed.

4. Delayed and Unutilized Project: Nkando Police Post

The project Nkando Police Post project was approved by the CDFC in 2009/2010 and has since received allocations from the CDF totalling Kshs.2,100,000 comprising Kshs.1,800,000 and Kshs.300,000 disbursed in 2009/2010 and 2014/2015 respectively. Physical verification of the project site revealed staff houses were complete but had not been occupied by police officers. However, the following irregularities were noted;

- (i) No BQs were obtained from the government technical department at the inception of the project and no inspection reports were filed to confirm completion of the project.

- (ii) No records were maintained to account for building materials supplied to the project. Records of receipt and issue of materials for use and balance at any given time were not maintained.
- (iii) Expenditure returns and bank statements to account for Kshs.300,000 disbursed in the year under review were not presented for audit.
- (iv) The police post was not put to use and no information was available and its utilization in the near future could not be confirmed.
- (v) The project has taken too long to completion.

In view of these anomalies, no value for money was obtained from the expenditure totaling to Kshs.2,100,000.

5. Implementation of Mwireri AP Line

During the financial year under review, Mwireri AP line project received a total of Kshs.1,300,000 for construction and completion of AP line houses. However, the houses were not occupied by police officers. Also workmanship was of poor quality as there were cracks on the walls. Further, examination of expenditure records revealed the following:

- (i) No BQs were obtained from the government technical department at the inception of the projects and no inspection reports were filed to confirm completion of the project.
- (ii) Records indicate that the contract for construction, labour and hardware materials was awarded to M/s Midran Kenya Ltd but there was no evidence indicating that the competitively awarded procurement process was done competitively.
- (iii) There were no records to account for building materials supplied on the site. Records of receipt and issue for use and balance at any given time were not maintained.
- (iv) Out of total disbursements totaling to Kshs.1,300,000, the PMC had accounted for Kshs.460,000 only leaving the balance of Kshs.840,000. No explanation was provided on how the unaccounted for funds were utilized.

In view of these anomalies, it has not been possible to confirm the fairness of the cost of the project and validate the quality of workmanship.

6. Rehabilitation of Upper Ngobit Borehole

The project was awarded to M/s Pumpzen Eng.Ltd for Kshs.1,020,000.00. However, the following were noted;

- (i) No BQs were obtained from the government technical (public works) department at the inception of the project and no inspection reports were filed to confirm completion of the project.
- (ii) There were records indicating that the contract for rehabilitation of the borehole awarded to Pumpzen Engineering Ltd at a contract sum of Kshs.1,020,000 was not awarded competitively and thus value for money may not have been realized.
- (vi) Expenditure returns provided for audit review related to repairs and maintenance of Nyakio borehole for Kshs.430,000.00 which was a different project. No explanation was provided for the anomaly. Further, bank statements were not provided for audit review.

As a result of these issues, it has not been possible to confirm that the CDF obtained value for money from the expenditure incurred on the project.

7. Overall Budget Analysis

7.1 Review of summary statement of appropriation revealed the following data on budget performance:

Item	Budgeted 2014/2015	Actual 2014/2015	Absorption rate %
Revenue	102,484,668	102,484,668	100%
Expenditure	125,896,961	98,116,844	78%

The table shows that the CDF received all budgeted receipts totaling to Kshs.102,484,668 from the CDF Board and incurred an expenditure of Kshs.98,116,844 or 78% of the approved budget of Kshs.125,896,961. The low utilization of the budget was attributed to delay in disbursement of funds by the CDF Board.

7.2 Overall Budget Performance on Development Projects

The CDFC budgeted to undertake 71 projects valued at Kshs.104,235,417 under transfer to other Government entities. However, none of the projects was completed. As at 30 June 2015, 24 projects were ongoing and 47 had not commenced:

Project Category	No. Budgeted	No. Completed	No. Ongoing	No. Stalled	No. Status	Budget	Actual Expenditure	Variance	% Variance
Education	57	43	46	0	17	46,279,931.00	30,332,000.00	15,947,931.00	34%
Security	11	10	9	0	2	10,255,000.00	6,105,000.00	4,150,000.00	40%
Health	2	6	5	0	0	1,000,000.00	5,455,759.00	(4,455,759.00)	-446%
Water	7	3	1	0	1	11,330,000.00	8,400,000.00	2,930,000.00	26%
Youth and Sports	1	1	1	0	1	2,049,693.00	1,253,116.00	796,577.00	39%
Roads	1	0	1	0	0	1,000,000.00	600,000.00	400,000.00	40%
Environment	1	0	0	0	0	2,049,693.00	2,693,000.00	(643,307.00)	-13%
Emergency						5,400,259.00	11,423,036.00	(6,022,777.00)	-112%
Totals	80	63	63	0	21	79,364,576.00	66,261,911.00	13,102,665.00	17%

Report of The Auditor-General on Constituencies Development Fund – Laikipia East Constituency for the year ended 30 June 2015

7.3 Budget Control

The CDF received a total of Kshs.102,484,668 during the 2014/2015 financial year. However the CDFC did not comply with the laid down expenditure allocation ratios stipulated in the CDF Act. The CDFC overspent in most line items by a total of 49% as tabulated below:

Compliance to the Act Percentages	Actual Expenditure	Recommended % as per CDF Act 2013	Actual %	Over/under Expenditure
Monitoring & Evaluation	6,722,800	3	7%	4,099,386
Emergency	11,423,036	5	11%	6,149,080
Administration	9,950,951	6	10%	4,099,386
Bursary	14,536,511	25	14%	-11,273,313
Sports	1,253,116	2	1%	-1,024,846
Environment	2,693,000	2	3%	1,024,846
Projects	50,892,759	57	55%	2,049,693
Total	199,956,841	100	100%	

My opinion is not qualified in respect of these matters.



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

Nairobi


14 November 2016

CONSTITUENCY DEVELOPMENT FUND- LAIKIPIA EAST CONSTITUENCY
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	102,484,668	71,575,155
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		102,484,668	71,575,155
PAYMENTS			
Compensation of Employees	4	1,619,918	613,362
Use of goods and services	5	5,653,343	1,200,106
Committee Expenses	6	9,234,020	2,230,500
Transfers to Other Government Units	7	40,687,359	43,062,563
Other grants and transfers	8	40,847,063	1,056,331
Social Security Benefits	9	75,141	0
Acquisition of Assets	10	0	0
Other Payments	11	0	0
TOTAL PAYMENTS		98,116,844	48,162,862
SURPLUS/DEFICIT		4,367,824	23,412,293

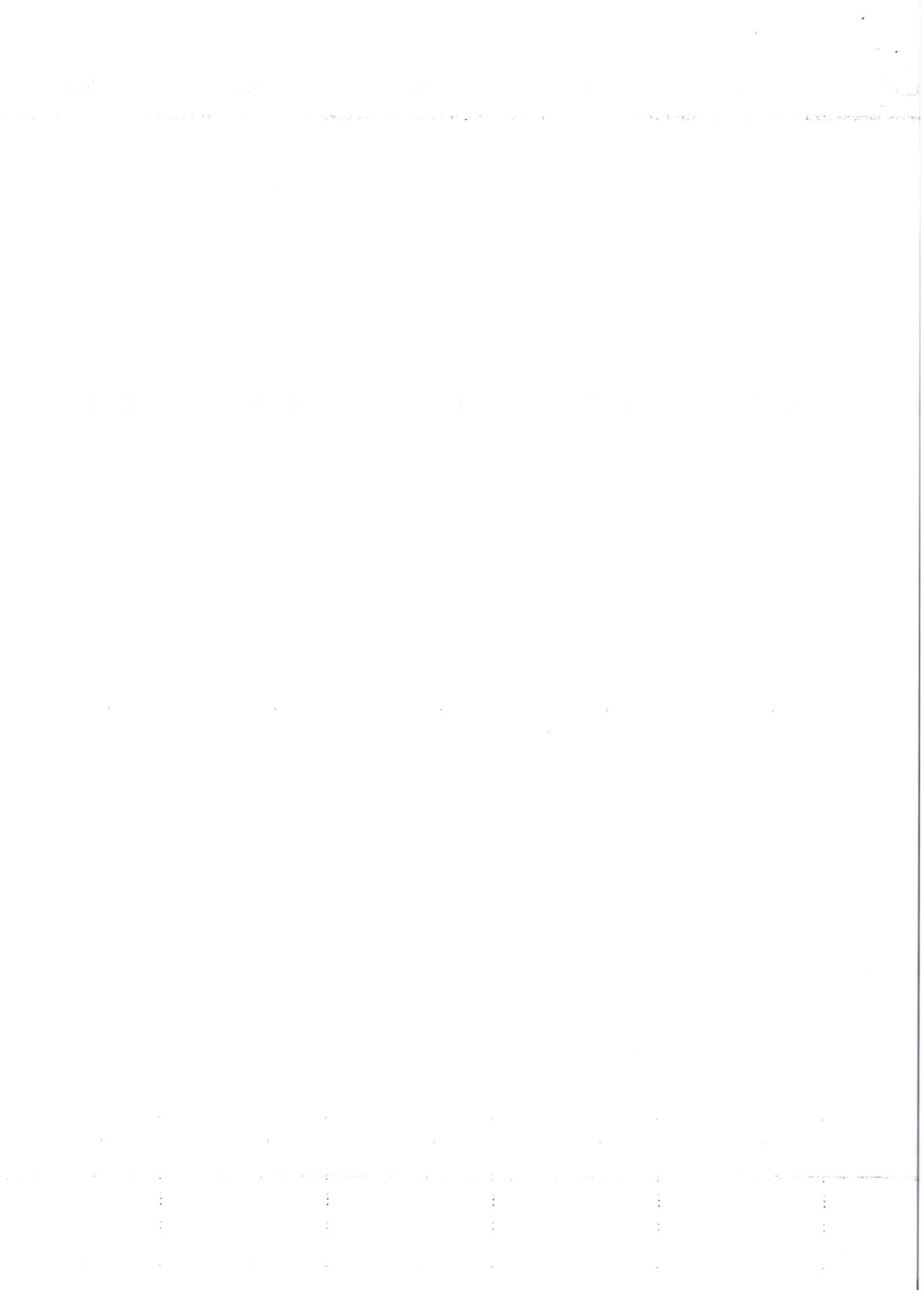
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The LAIKIPIA EAST CDF financial statements were approved on 17/9/15 and signed by:



 Chairman - CDFC



 Fund Account Manager



CONSTITUENCY DEVELOPMENT FUND- LAIKIPIA EAST CONSTITUENCY
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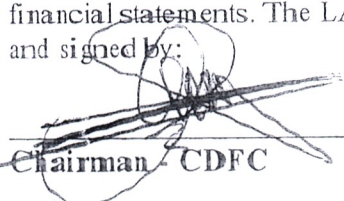
V. STATEMENT OF ASSETS


	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	27,780,117	21,292,123
Cash Balances (cash at hand)	12B	0	0
Outstanding Imprests	12C	0	2,120,170
TOTAL FINANCIAL ASSETS		27,780,117	23,412,293

REPRESENTED BY

Fund balance b/fwd	13	23,412,293	0
Surplus/Deficit for the year		4,367,824	23,412,293
Prior year adjustments	14	0	0
NET FINANCIAL POSITION		27,780,117	23,412,293

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The LAIKIPIA CDF financial statements were approved on 17/9/ 2015 and signed by:


 Chairman - CDFC


 Fund Account Manager

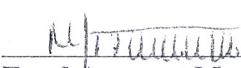
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VI. STATEMENT OF CASHFLOW

		2014 - 2015	2013 - 2014
Receipts for operating income			
Transfers from CDF Board	1	102,484,668	71,575,155
Other Receipts	3	0	0
Payments for operating expenses			
Compensation of Employees	4	1,619,918	613,362
Use of goods and services	5	5,653,343	1,200,106
Committee Expenses	6	9,234,020	2,230,500
Transfers to Other Government Units	7	40,687,359	43,062,563
Other grants and transfers	8	40,847,063	1,056,331
Social Security Benefits	9	75,141	0
Other Payments	11	0	0
Adjusted for:			
Adjustments during the year		0	0
Net cash flow from operating activities		4,367,824	23,412,293
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	0	0
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		4,367,824	23,412,293
Cash and cash equivalent at BEGINNING of the year		23,412,293	0
Cash and cash equivalent at END of the year		27,780,117	23,412,293

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The LAIKIPIA EAST CDF financial statements were approved on 17/7/15 2015 and signed by:


 Chairman CDFC


 Fund Account Manager

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

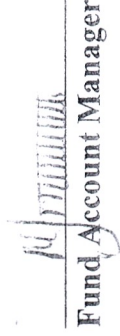
Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	102,484,668	0	102,484,668	102,484,668	0	100%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	1,440,000	254,204	1,694,204	1,619,918	74,286	95.62%
Use of goods and services	3,802,540	2,601,599	6,404,139	5,653,343	750,796	88.28%
Committee Expenses	4,481,080	4,892,171	9,373,251	9,234,020	139,231	98.51%
Transfers to Other Government Units	47,279,931	8,048,650	55,328,581	40,687,359	14,641,222	73.54%
Other grants and transfers	45,481,117	7,540,528	53,021,645	40,847,063	12,174,582	77.04%
Social Security Benefits	0	75,141	75,141	75,141	0	100%
Acquisition of Assets	0	0	0	0	0	0
Other Payments	0	0	0	0	0	0
TOTALS	102,484,668	23,412,293	125,896,961	98,116,844	27,780,117	77.93%

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

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization.

The LAIKIPIA EAST CDF financial statements were approved on 17/9 2015 and signed by:


Chairman CDFC


Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *CDF* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *CDF* includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST 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

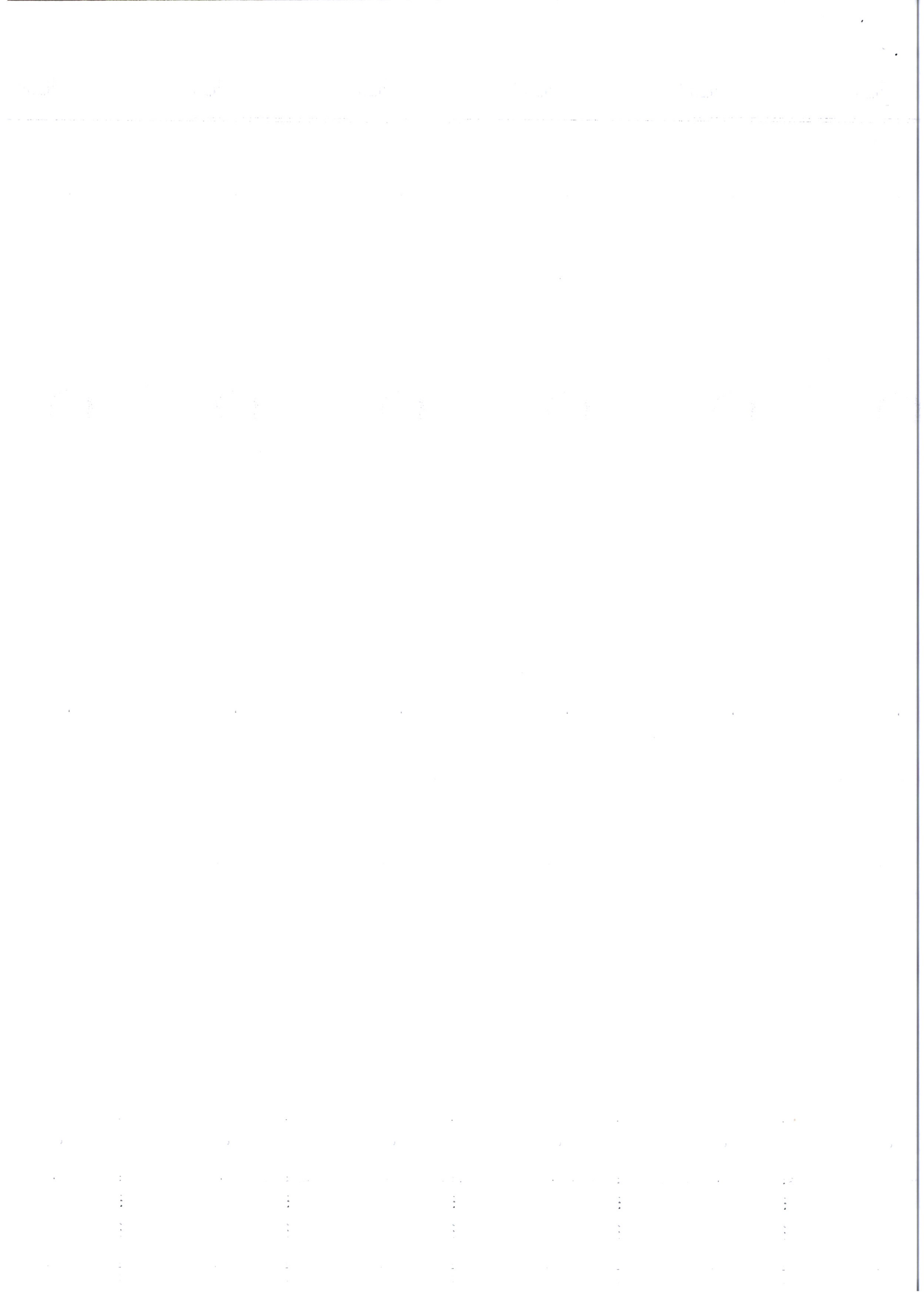
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *CDF's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment 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.



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

IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2014 - 2015		2013 - 2014	
	Kshs		Kshs	
CDF Board				
AIE NO. A 750351	7,300,000.00			
AIE NO. A 750483	18,321,167.00			
AIE NO. A 796592	14,372,700.20			
AIE NO. A 796795	11,248,467.00			
AIE NO. A 797096	25,621,167.00			
AIE NO. A 796118	25,621,166.80	102,484,668	71,575,155	
(other constituency e.g, parent constituency)		00	00	
TOTAL		102,484,668	71,575,155	

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

	2014 - 2015		2013 - 2014	
	Kshs		Kshs	
Receipts from sale of Buildings				
Receipts from the Sale of Vehicles and Transport Equipment		xxx		xxx
Receipts from sale of office and general equipment		xxx		xxx
Receipts from the Sale Plant Machinery and Equipment		xxx		xxx
Total		xxx		xxx

CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST CONSTITUENCY
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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	xxx	xxx
Rents	xxx	xxx
Receipts from Sale of tender documents	xxx	xxx
Other Receipts Not Classified Elsewhere	xxx	xxx
Total	xxx	xxx

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,619,918	613,362
Basic wages of casual labour	xxx	xxx
Personal allowances paid as part of salary	xxx	xxx
House allowance	xxx	xxx
Transport allowance	xxx	xxx
Leave allowance	xxx	xxx
Gratuity	xxx	xxx
Other personnel payments	xxx	xxx
Total	1,619,918	613,362

CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

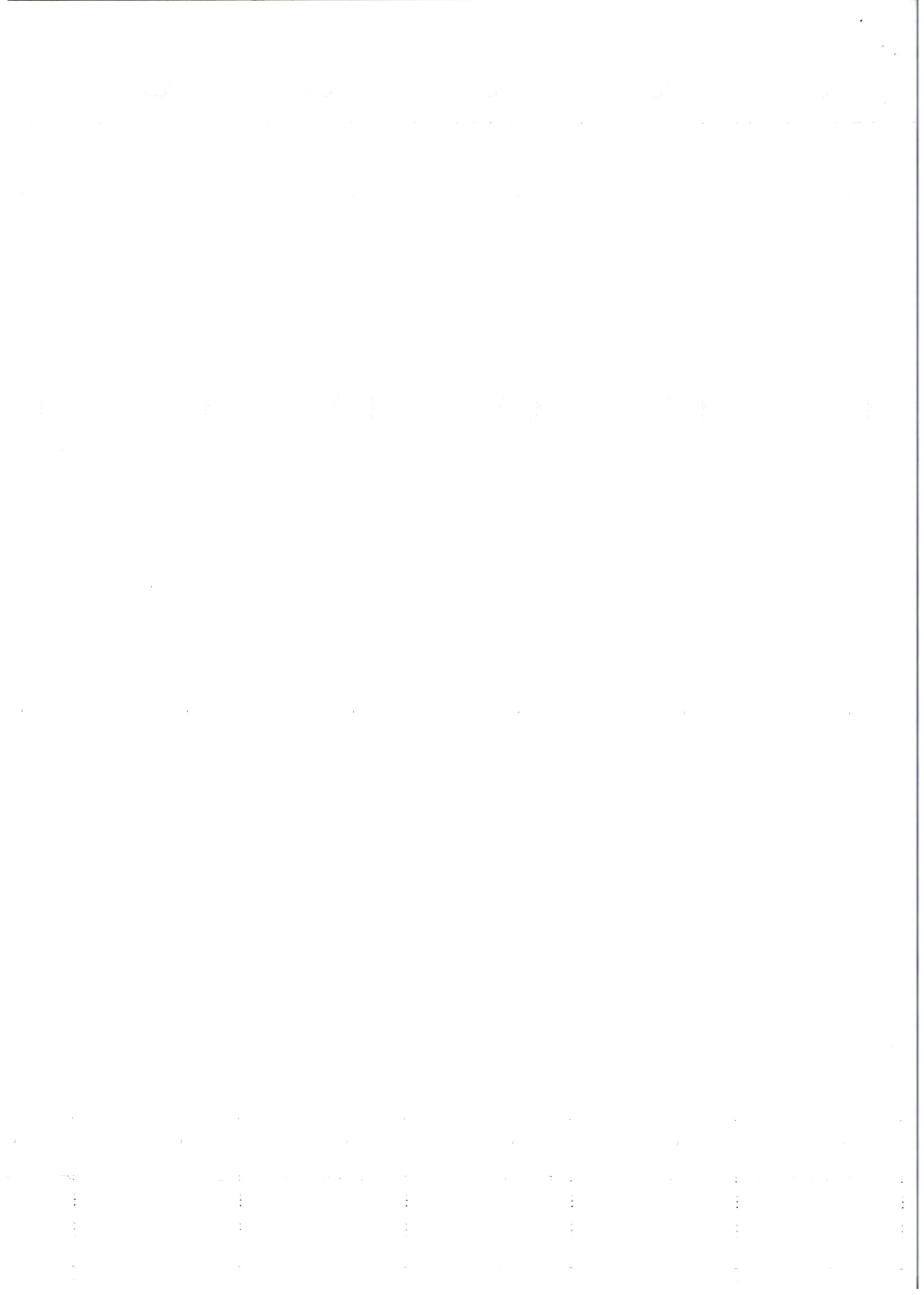
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.5 USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	378,790	xxx
Communication, supplies and services	136,553	xxx
Domestic travel and subsistence	xxx	xxx
Printing, advertising and information supplies & services	xxx	xxx
Rentals of produced assets	xxx	xxx
Training expenses	xxx	xxx
Hospitality supplies and services	67,863	xxx
Insurance costs	xxx	xxx
Specialized materials and services	xxx	xxx
Office and general supplies and services	1,276,595	540,000
Other operating expenses	437,542	xxx
Routine maintenance – vehicles and other transport equipment	3,126,600	500,000
Routine maintenance – other assets	229,400	160,107
Total	5,653,343	1,200,107

1.1.1.1.1.6 COMMITTEE EXPENSES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	9,234,020	2,230,500
Other committee expenses	xxx	xxx
Total	9,234,020	2,230,500



CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST 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

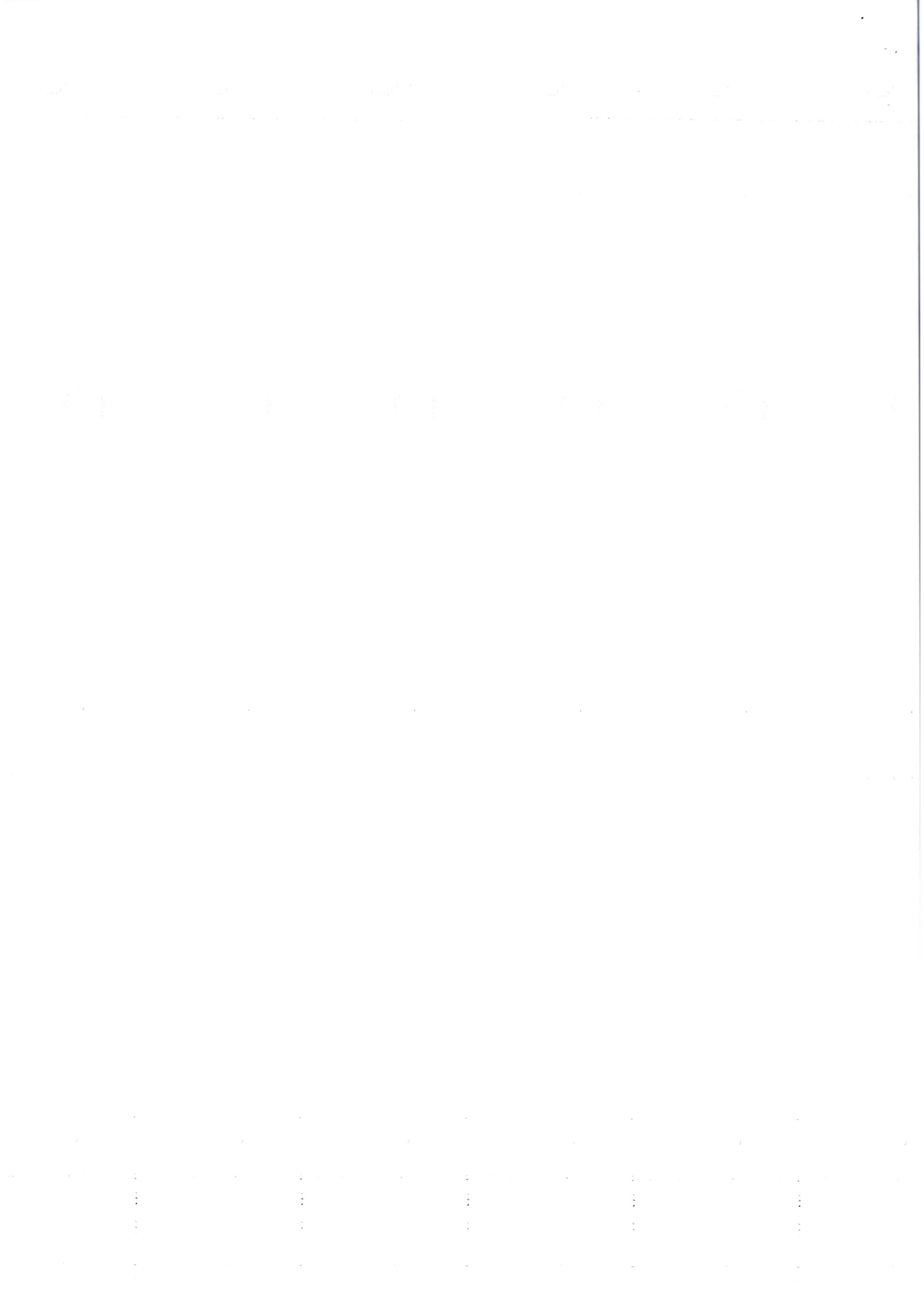
Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities	xx	43,062,563
Transfers to primary schools	15,882,000	xx
Transfers to secondary schools	19,122,600	xx
Transfers to tertiary institutions	0	xx
Transfers to health institutions	5,682,759	xx
TOTAL	40,687,359	43,062,563

1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary – secondary schools	8,421,907	633,800
Bursary – tertiary institutions	5,614,604	422,531
Bursary – special schools	0	xx
Mock & CAT	0	xx
Water projects	10,934,800	xx
Agriculture projects	0	xx
Electricity projects	0	xx
Security projects	7,405,000	xx
Roads projects	6,137,636	xx
Sports projects	363,116	xx
Environment projects	0	xx
Emergency projects	1,970,000	xx
Total	40,847,063	xx

1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	75,141	0
Total	75,141	0



CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

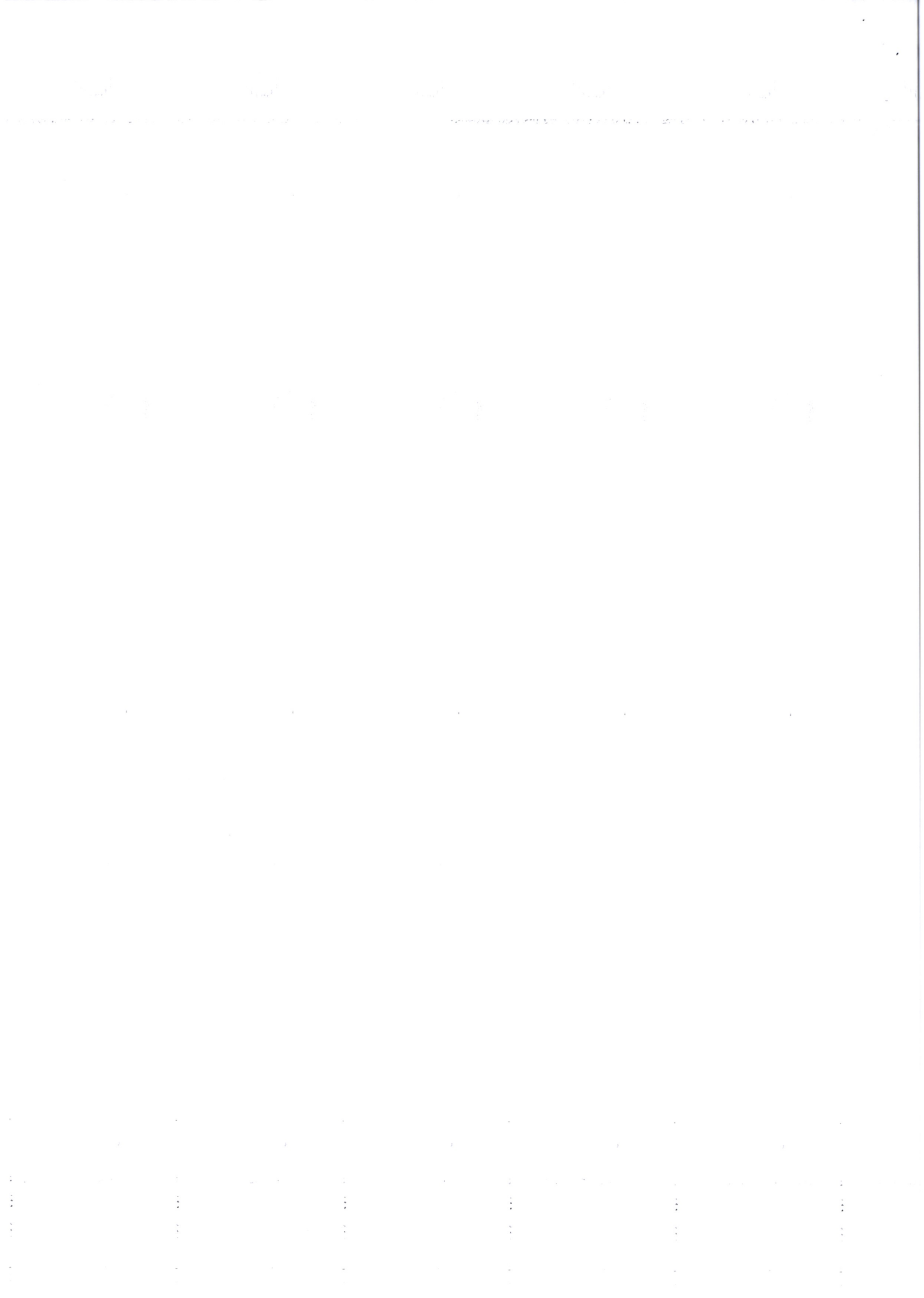
For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.10 ACQUISITION OF ASSETS

Non Financial Assets

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	XX	XX
Construction of Buildings	XX	XX
Refurbishment of Buildings	XX	XX
Purchase of Vehicles and Other Transport Equipment	XX	XX
Overhaul of Vehicles and Other Transport Equipment	XX	XX
Purchase of Household Furniture and Institutional Equipment	XX	XX
Purchase of Office Furniture and General Equipment	XX	XX
Purchase of ICT Equipment, Software and Other ICT Assets	XX	XX
Purchase of Specialised Plant, Equipment and Machinery	XX	XX
Rehabilitation and Renovation of Plant, Machinery and Equip.	XX	XX
Acquisition of Land	XX	XX
Acquisition of Intangible Assets	XX	XX
Total	XX	XX



CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.11 OTHER PAYMENTS

specify

2014 - 2015

Kshs

2013 - 2014

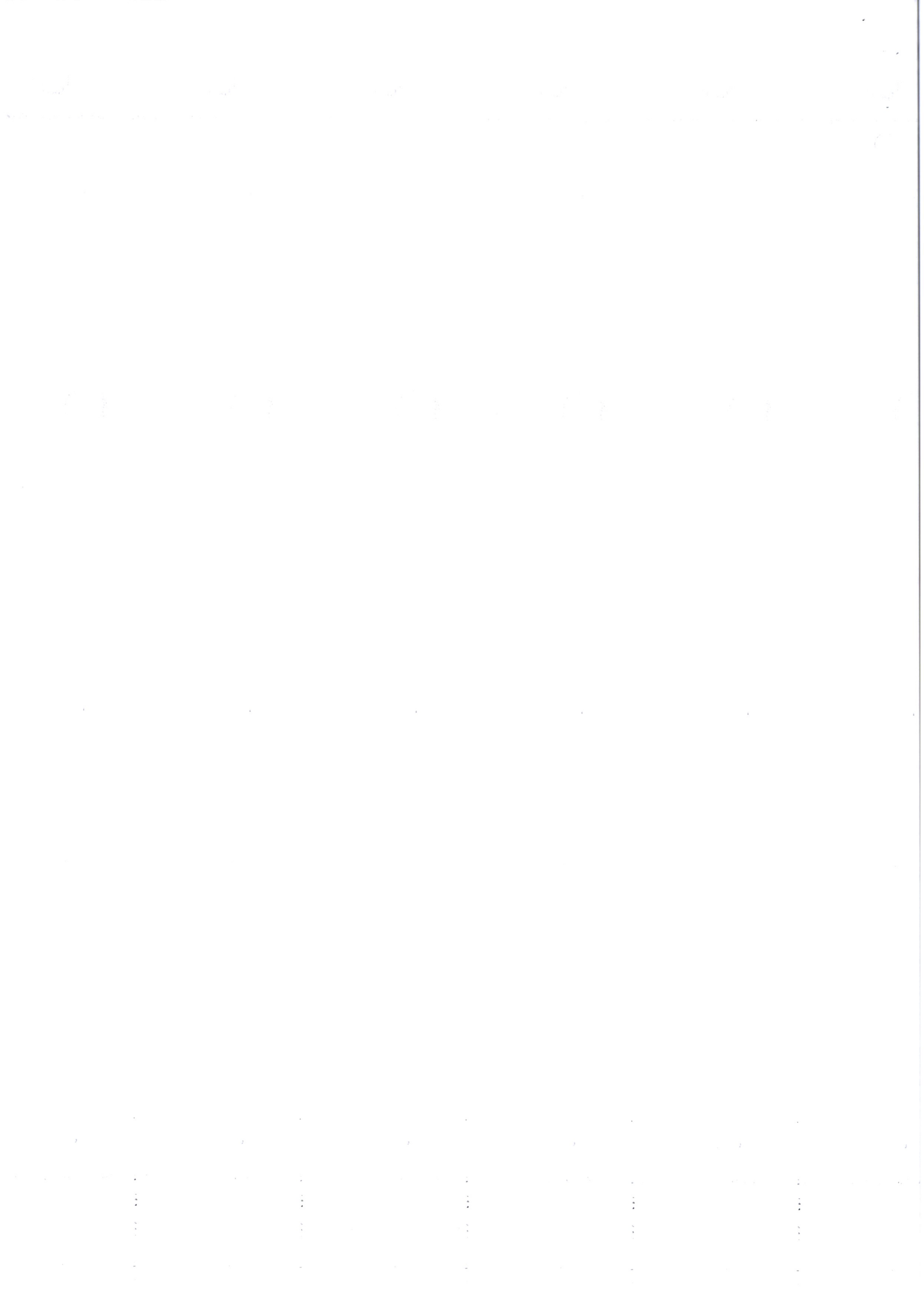
Kshs

xxx

xxx

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>Equity Bank Limited - 0270261969541</i>	27,780,117	21,292,123
<i>Name of Bank, Account No.</i>	xxx	xxx
<i>Name of Bank, Account No.</i>	xxx	xxx
Total	27,780,117	21,292,123



CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

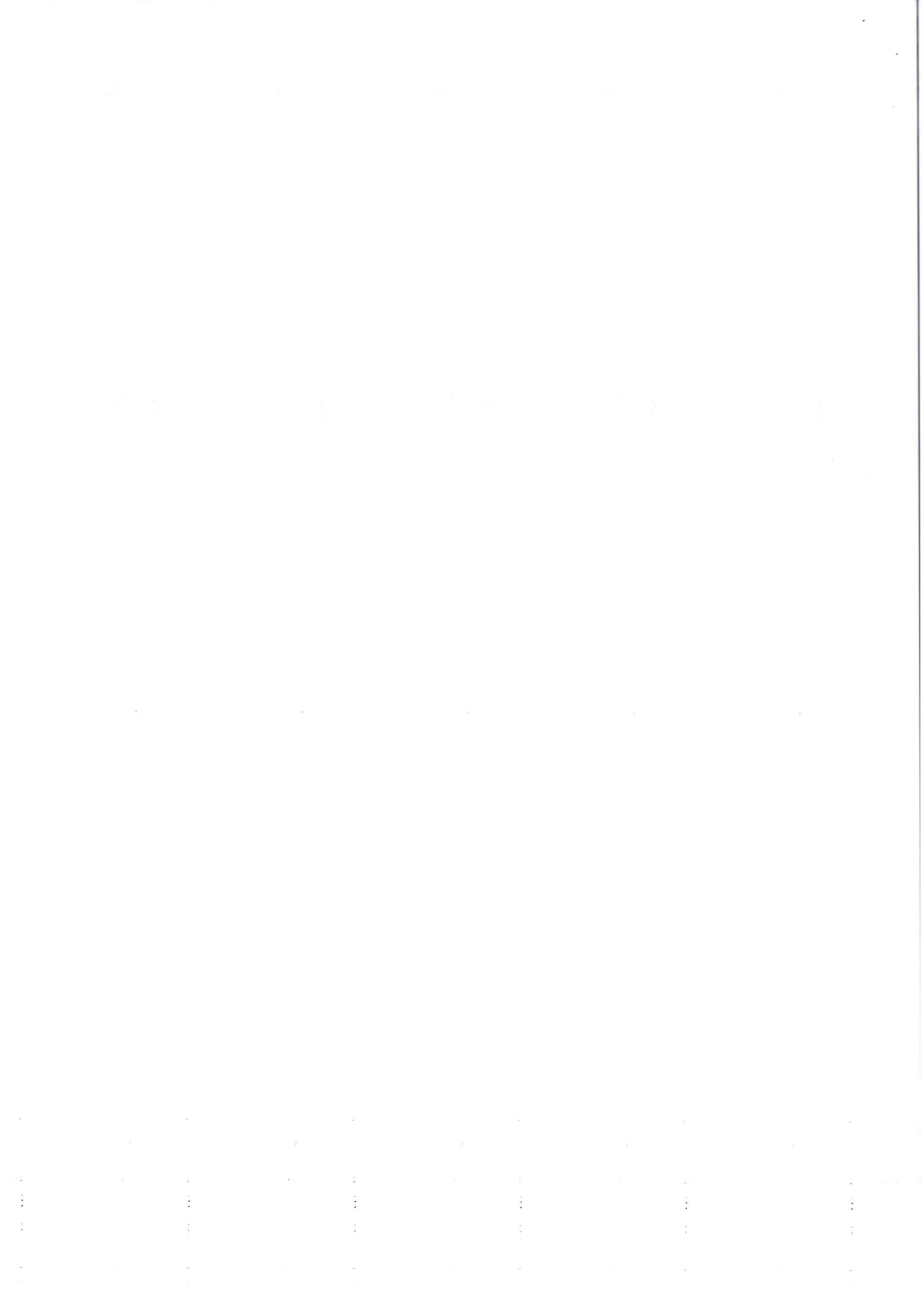
	2014 - 2015 Kshs	2013 - 2014 Kshs
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (<i>specify</i>)	xxx	xxx
Total	xxx	xxx

[Provide cash count certificates for each]

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>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
Total				xxx

[Include an annex of the list is longer than 1 page.]



CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

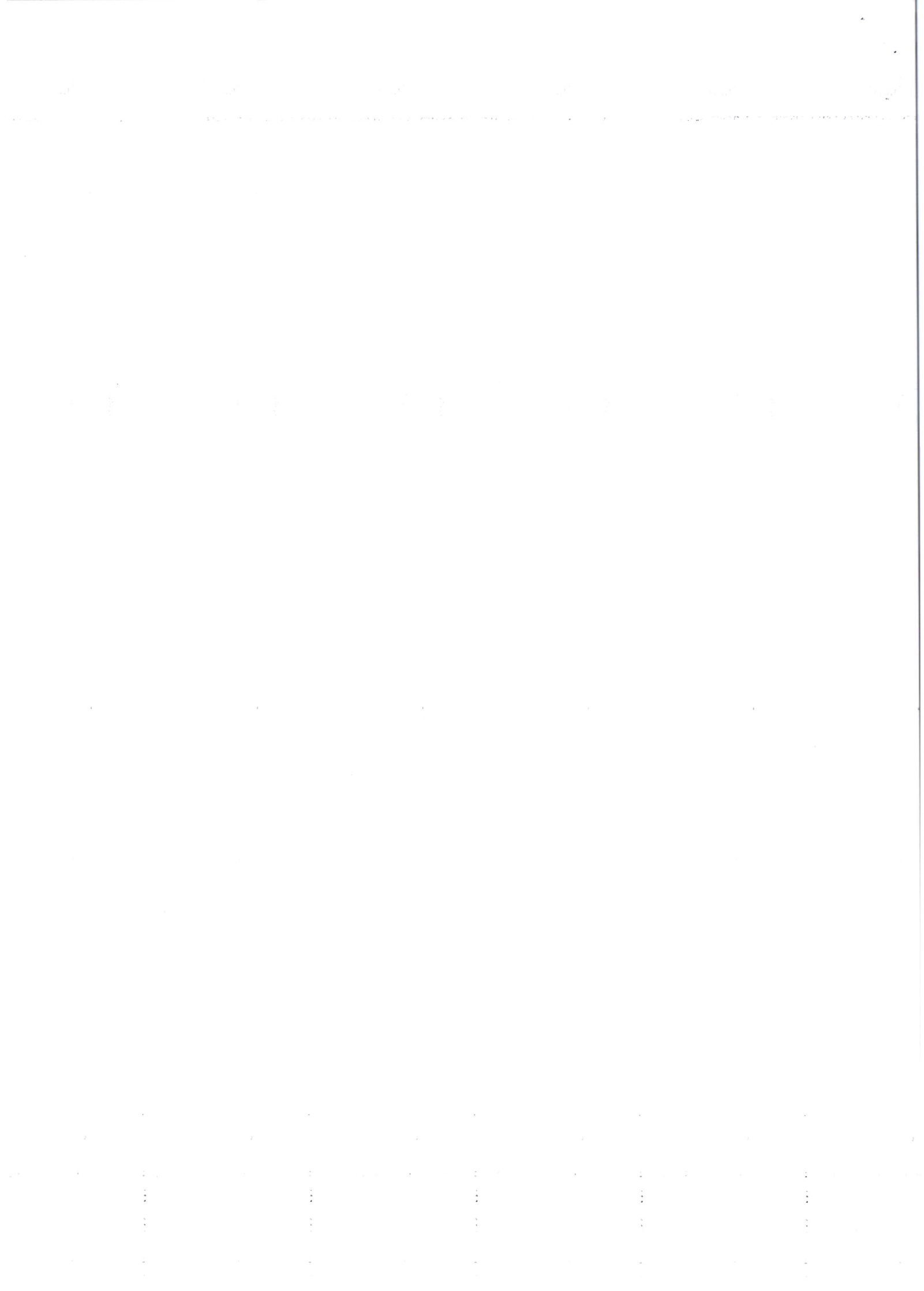
13. BALANCES BROUGHT FORWARD

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	21,292,123	0
Cash in hand	0	0
Imprest	2,120,170	0
Total	23,412,293	0

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2013 - 2014 Kshs	2012 - 2013 Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0



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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

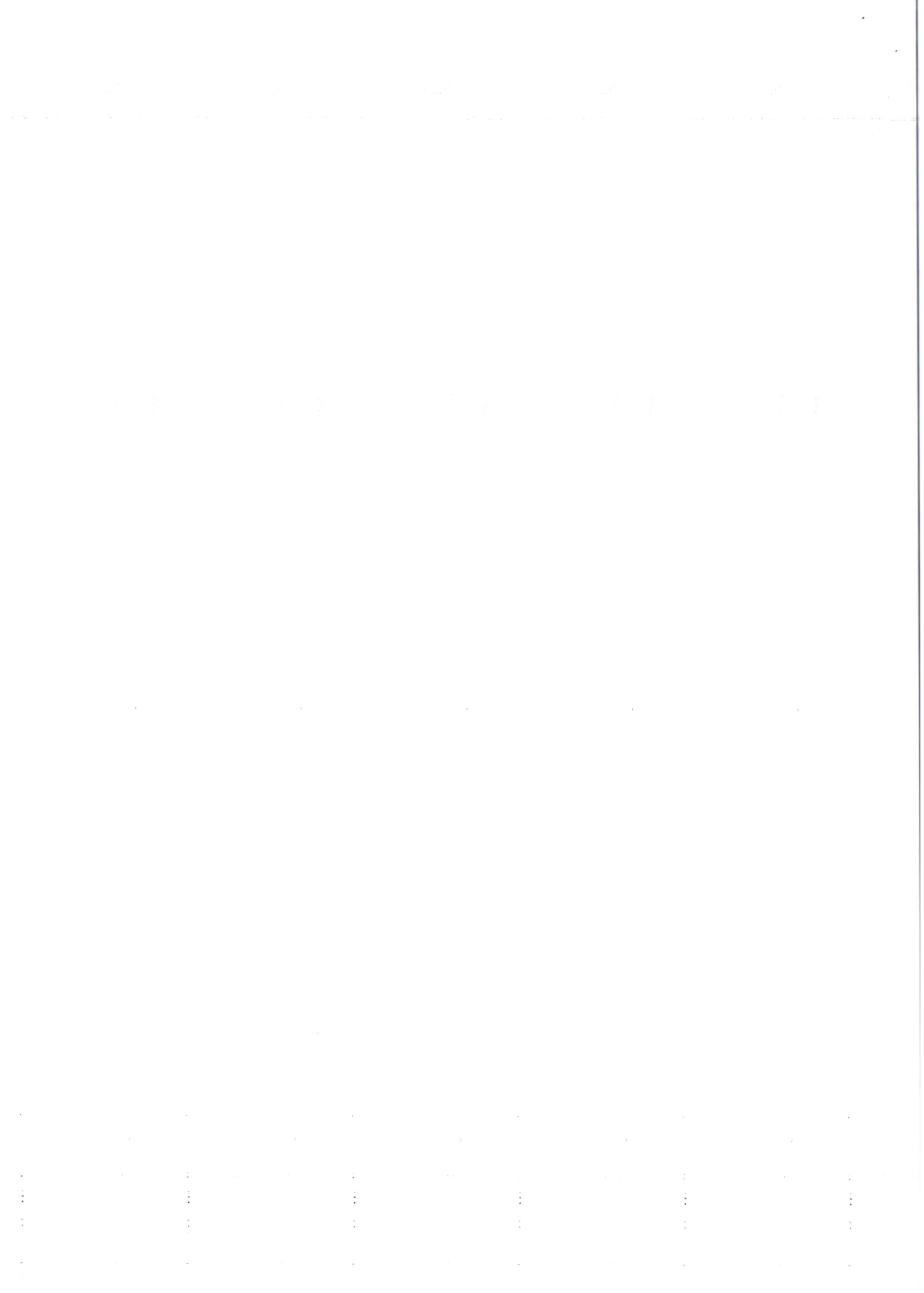
	2014 - 2015 Kshs	2013 - 2014 Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	xxx	xxx

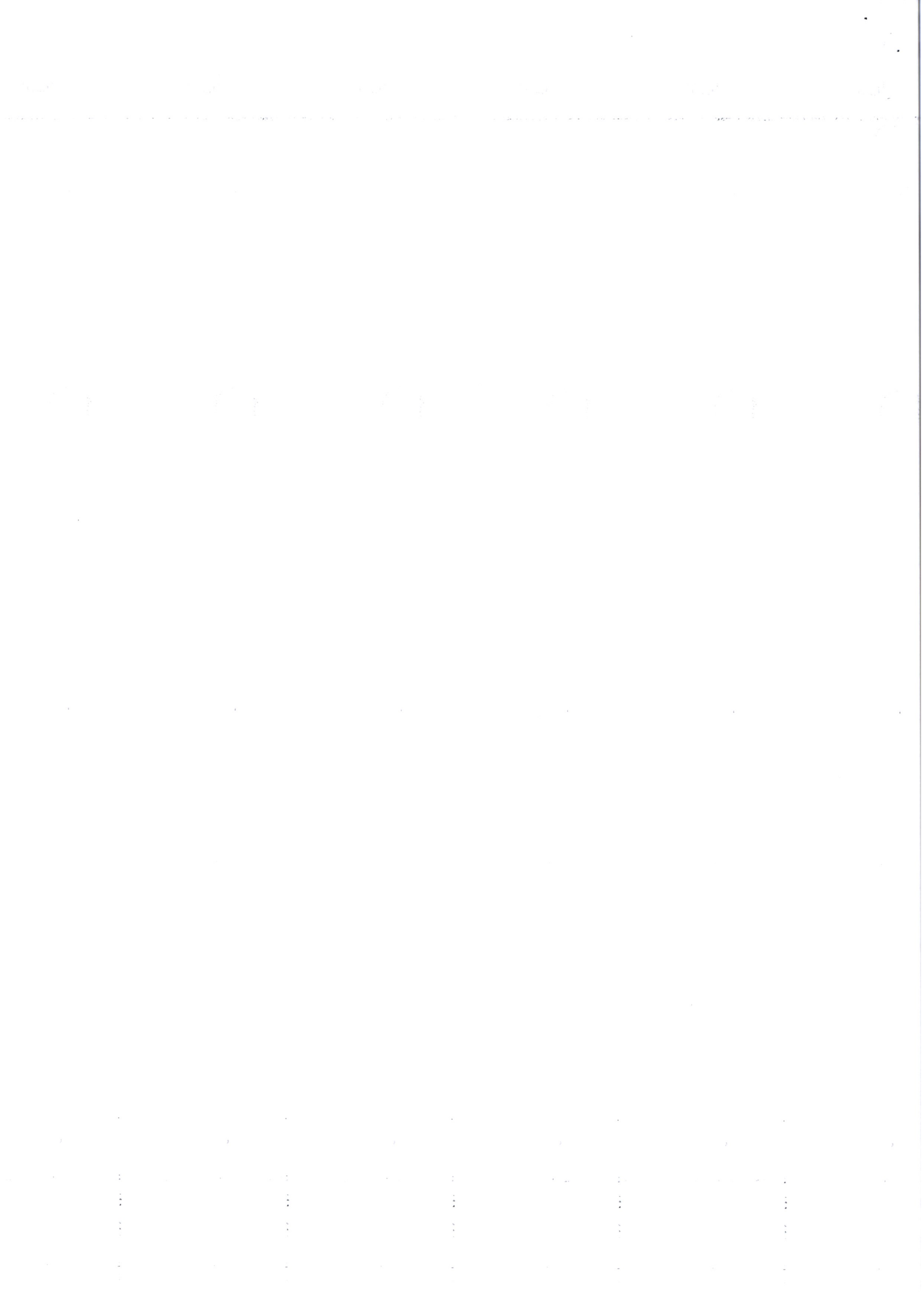
15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	xxx	xxx
Amounts due to other grants and other transfers (see attached list)	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	xxx	xxx



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 buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						



CONSTITUENCY DEVELOPMENT FUND – LAIKIPIA EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land	Not available	Not available
Buildings and structures	Not available	Not available
Transport equipment	Not available	Not available
Office equipment, furniture and fittings	Not available	Not available
ICT Equipment, Software and Other ICT Assets	Not available	Not available
Other Machinery and Equipment	Not available	Not available
Heritage and cultural assets	Not available	Not available
Intangible assets	Not available	Not available
Total	Not available	Not available

