

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

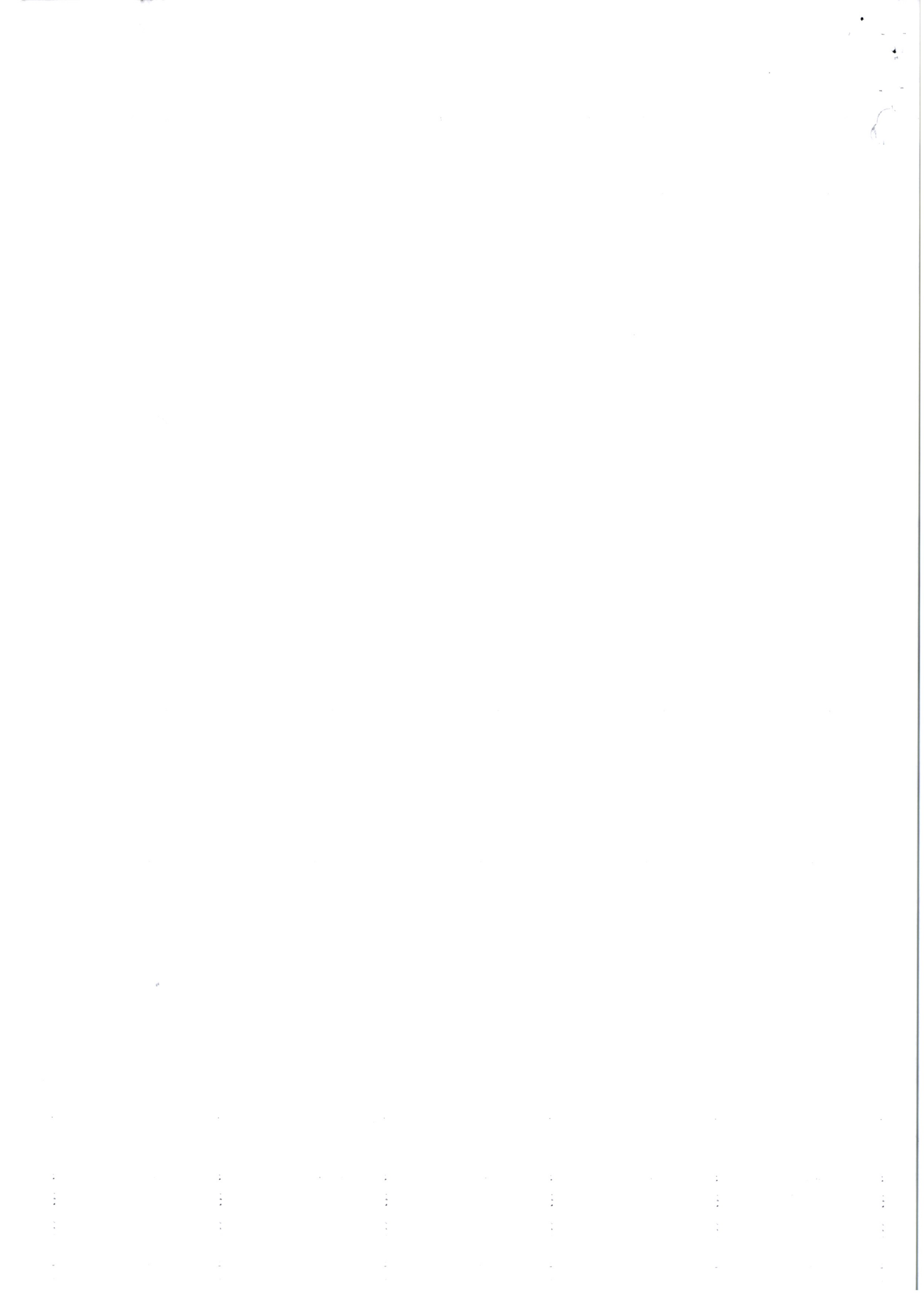
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
CONSTITUENCIES DEVELOPMENT FUND  
KIBWEZI WEST CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2015





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**CONSTITUENCY DEVELOPMENT FUND- KIBWEZI WEST  
CONSTITUENCY**

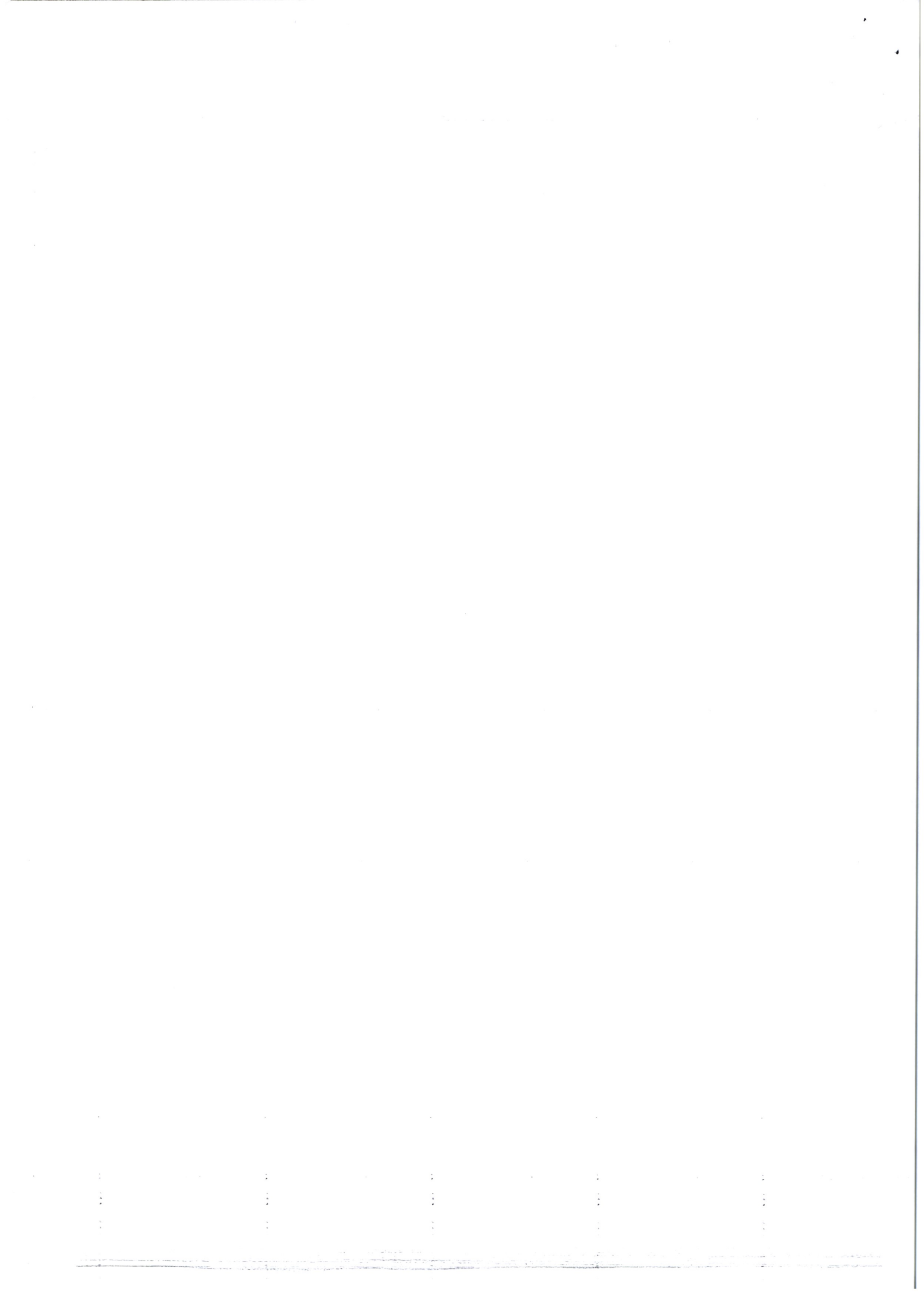
**REPORTS AND FINANCIAL STATEMENTS**

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

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

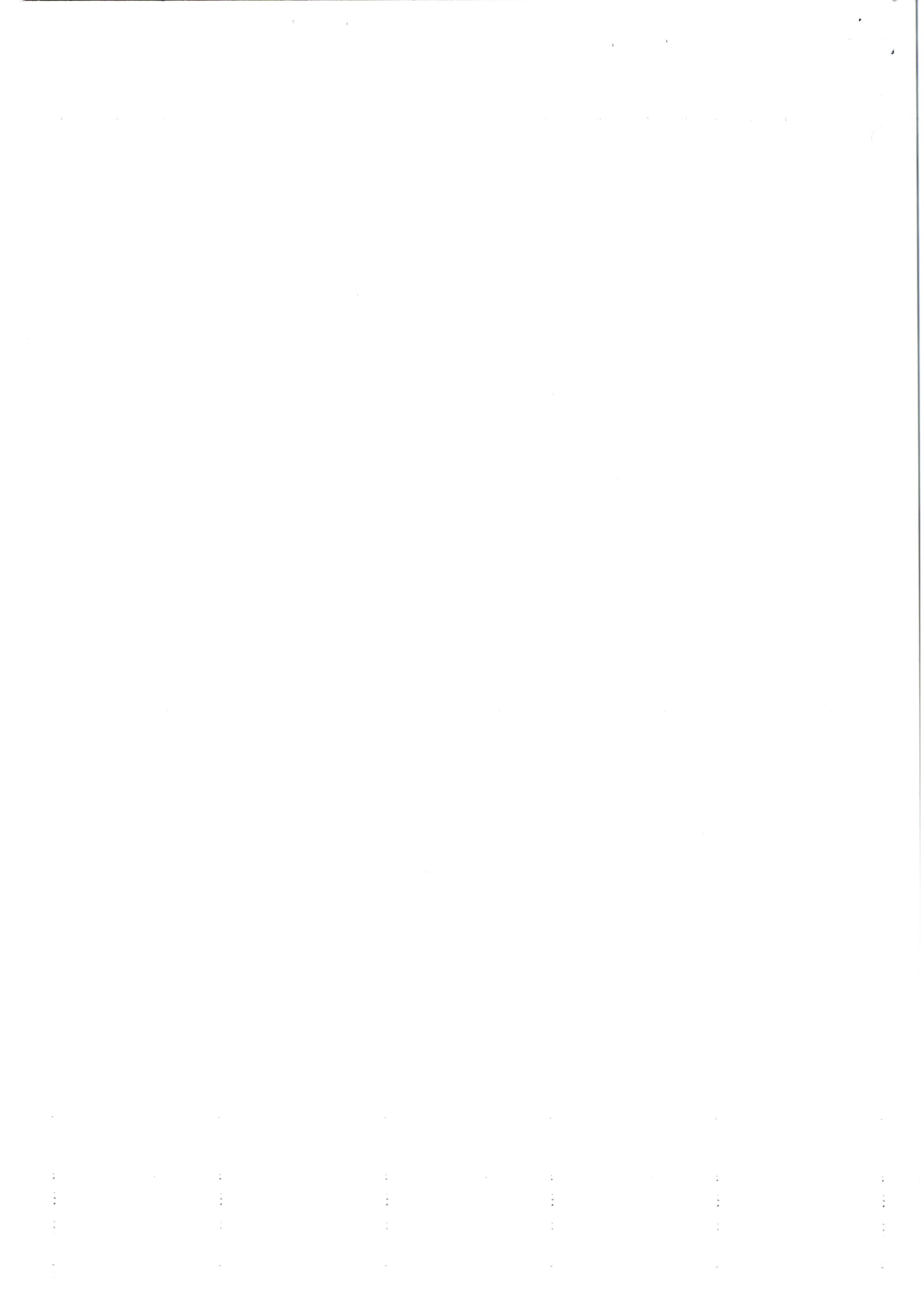
KENYA NATIONAL AUDIT OFFICE  
EMBU HUB  
21 OCT 2015  
1038  
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**CONSTITUENCY DEVELOPMENT FUND – KIBWEZI WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

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## **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

### **(a) Background information**

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*. The objective of the fund is to ensure that a specific portion of the annual national budget is devoted to the constituency for the purposes of infrastructural development; wealth creation and in the fight of poverty at the constituency level.

### **(b) Key Management**

The *Kibwezi West 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:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Duncan Muga</b>
3.	Accountant	<b>Joseph Tanui</b>

### **(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Kibwezi West 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) KIBWEZI WEST CDF Headquarters**

P.O. Box 127  
Action Aid  
Kibwezi, KENYA





**(f) KIBWEZI WEST CDF Contacts**

Telephone: (254) 735825290  
E-mail: cdfkibweziwest@cdf.go.ke  
Website: www.go.ke

**(g) KIBWEZI WEST CDF Bankers**

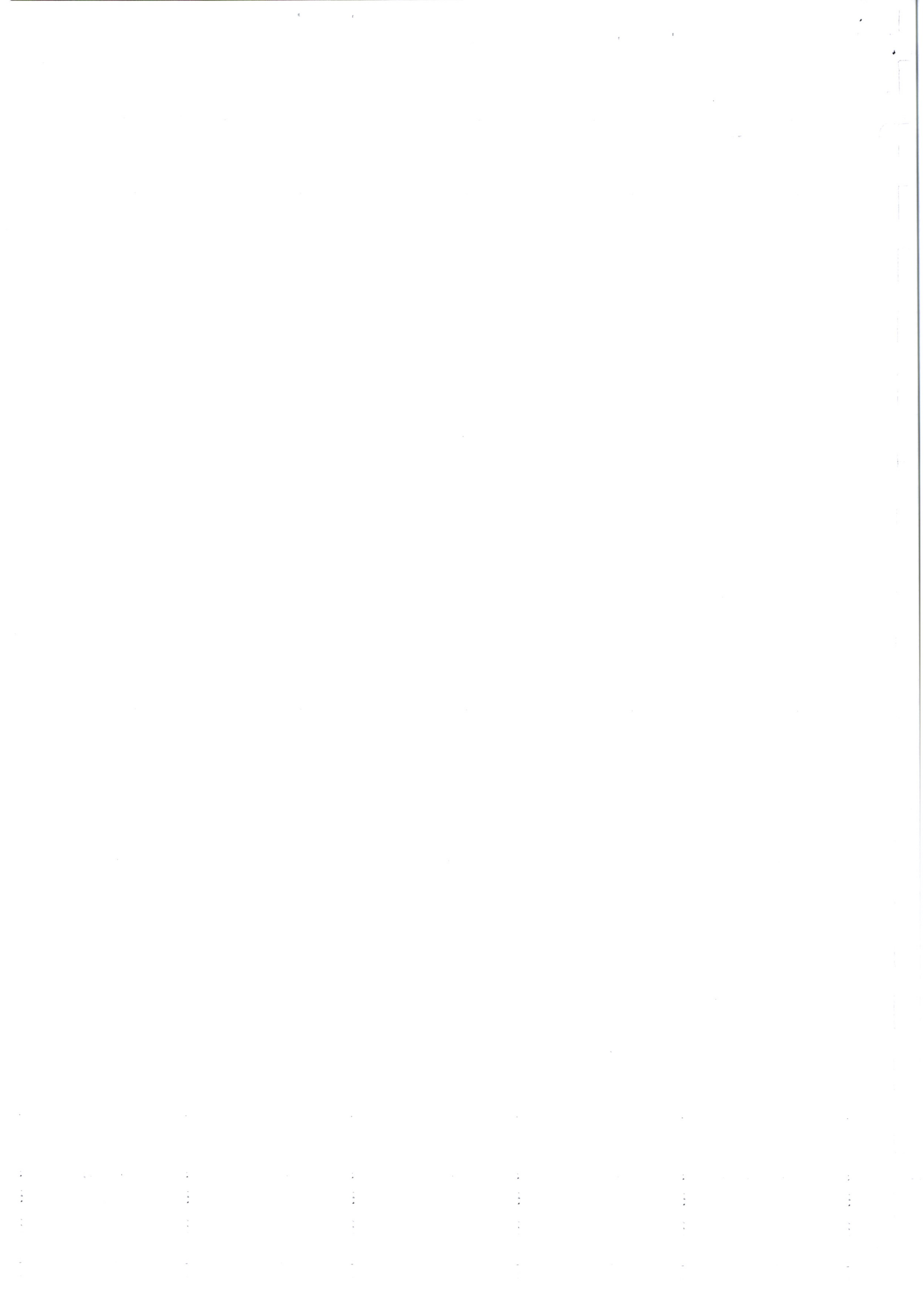
1. Kenya Commercial Bank  
Makindu Branch  
Account Number 1148787925  
P.O.Box 206-90138  
Makindu

**(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)**

The year 2014-2015 was a much productive year as compared with the year just before it. A decent overall utilization rate of 89% is testament to the energies that were put by the CDFC, in efforts to bring more rapid development to the people. An increase in utilization rate of available funds can be singled out as one of the key achievements of the CDFC in this financial year. Other achievements would include: signing and making a commitment to service delivery through the performance contract; general improvement in the quality of projects through a systematic plan; greater involvement of the PMC's and the larger community in both the conceptualization and implementation of projects among many more positives.

The positives, notwithstanding, challenges are always present. One major challenge that was not dealt with effectively in this financial year was the under allocation of project funding. Though the state of affairs has appreciably improved from the previous year, a number 2014-2015 projects were still underfunded. This means slower impact. As a way forward, the CDFC made a commitment to henceforth complete all ongoing projects as well as observance of adequate funding of projects.

The future of the fund in this constituency remains rosy. As a CDFC, we commit ourselves to the performance contract and do undertake to continually strive for excellence in the administration of this noble fund. God bless Kibwezi West, God bless Kenya.

Sign



**CHAIRMAN CDFC**



**III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES**

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

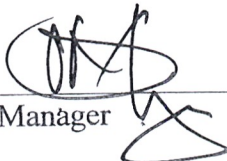
The Accounting Officer in charge of the Kibwezi West Constituency Development Fund is responsible for the preparation and presentation of the *Kibwezi West CDF's* financial statements, which give a true and fair view of the state of affairs of the *Kibwezi West CDF* for and as at the end of the financial 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 *Kibwezi West 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 *Kibwezi West 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 *Kibwezi West 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 23/09/15 2015.



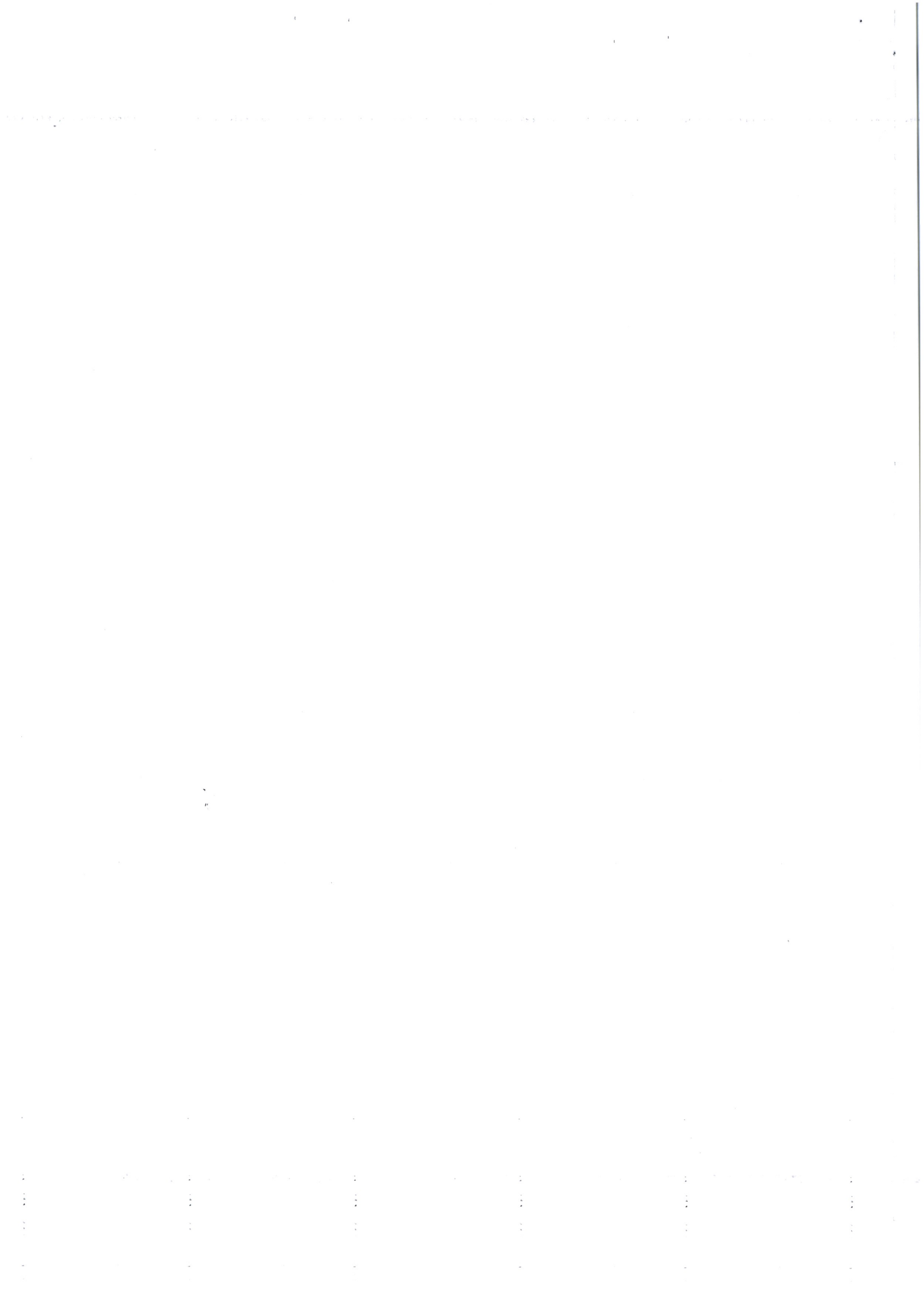
Fund Manager

FUND ACCOUNT MANAGER  
KIBWEZI WEST CONSTITUENCY  
DEVELOPMENT FUND



District Accountant

DISTRICT ACCOUNTANT  
MAKINDU DISTRICT



# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND - KIBWEZI WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kibwezi West Constituency set out on pages 5 to 31, 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 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 the 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 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 - Kibwezi West 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.

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

## **Basis for Adverse Opinion**

### **1.0 Bank Balances**

The financial statements reflect a cash book bank balance of Kshs.11,026,284 as at 30 June 2015. Available information indicates that the balance was held at Kenya Commercial Bank – Makindu branch. However, a review of the bank reconciliation statement for the account for the month of June revealed that old un-presented cheques amounting to Kshs.851,803 as at 30 June, 2015 had gone stale but had not been reversed in the cash book.

The Fund also operated a bank account at Kenya Commercial Bank-Mtito Andei which had a balance of Kshs.4,197,144.03 and cash book/ bank reconciled balance of Kshs.1,706,727.50. However, the bank account balance has not been disclosed in the financial statement as at 30 June 2015. Further, included in the balance were stale cheques totaling Kshs.2,662,731.55 which had remained outstanding for long but were not written back to the cash book.

Included in the cash and cash equivalents balance of Kshs.11,162,919 is an outstanding imprest of Kshs.136,635 which includes long outstanding imprests totalling Kshs.63,835 brought forward from the previous (2013/2014) financial year.

In the circumstance, the accuracy of the cash and cash equivalents balance of Kshs.11,162,919 as at 30 June 2015 could not be ascertained.

### **2.0 Budget and Budgetary Control**

#### **(i) Receipts**

During the year under review, the CDF received a total of Kshs.118,898,251 from the Constituency Development Fund Board against a budget of Kshs.130,062,705 leading to a variance of Kshs.65,031,353. Included in the Kshs.118,898,251 balance was Kshs.53,866,899 which ought to have been received in 2013/2014.

The total grants received for the year under review was Kshs.65,031,352 which was equivalent to 50% of the total receipts budgeted. Thus, the projects which would have been financed through the undisbursed funds could not be implemented during the year and as a result, the residents did not enjoy the respective services.



## (ii) Expenditure

During the year under review, the CDF had budgeted to spend Kshs.130,062,705 but received Kshs.118,898,251 as follows:

Serial	Name of Project	Amount Allocated (Kshs.)	Actuals (Kshs.)	Variance (Kshs.)
087/AP1/2	Administration/Recurrent/M&E/ Capacity Building	11,705,643.45	16,098,565	4,392,921.55
087/2211310	Auditors Fee (KENAO)	500,000	-	(500,000)
087/2640100	Bursary/CATs/Mocks	10,909,258.10	14,495,294	3,586,035.90
087/2630204	Primary School Projects	23,367,529	28,970,000	5,602,471
087/2630205	Secondary School Projects	45,061,000	33,522,339	(11,538,661)
087/2630204	Rehabilitation of School	837,931	-	(837,931)
087/2630206	Tertiary Institution Projects	519,000	600,000	81,000
087/2630207	Health Projects	3,070,000	7,632,759	4,562,759
087/2640504	Water Projects institution projects	8,916,700	4,954,936	(3,961,764)
087/2640508	Roads Projects	4,097,235.25	1,549,000	(2,548,235.25)
087/2640509	Sports Activities	2,601,254.10	1,331,052	(1,270,202.10)
087/2640510	Environmental Projects	2,601,254.10	852,954	(1,748,300.10)
087/3110104	CDF Offices	10,400,000	-	(10,400,000)
087/2640200	Emergency	5,400,259	1,133,550	(4,266,709)
087/3110511	Kathyaka Market Public Toilet	100,000	-	(100,000)
087/2640507	Security Projects	50,000	200,000	150,000
		<b>130,062,705</b>	<b>111,340,449</b>	<b>(18,796,615)</b>

As the table shows, undisbursed grants for the year under review totaled to Kshs.18,796,615 with total expenditure during the year totaling to Kshs.111,340,449 against the receipt of Kshs.118,898,251 leading to unspent balance amounting to Kshs.7,557,802. The expenditure incurred during the year included Kshs.53,866,899 spent on projects approved in 2013/2014 but implemented during the year under review.

In the circumstances, the constituents did not enjoy promised and expected services equivalent to Kshs.7,557,802 representing funds disbursed by the CDF Board which were not utilized.

### 3.0 Project Implementation Status

The approved projects' budget was allocated to various sectors namely Primary schools, Secondary schools, Health institutions, Sports, Water projects, Security, roads and Environment as shown below:

Sector	Project Status	Amount Allocated (Kshs.)	Amount Disbursed (Kshs.)	No. of projects
Education	Completed	66,832,460.00	66,832,460.00	139
	Ongoing	31,153,000.00	30,323,000.00	32
	Not started	3,100,000.00	500,000.00	12
	Sub Total	101,085,460.00	97,655,460.00	183
Health	Completed	9,602,759.00	9,602,759.00	13
	Ongoing	-	-	0
	Not started	500,000.00	-	2
	Sub Total	10,102,759.00	9,602,759.00	15
Water	Completed	10,310,000.00	10,310,000.00	17
	Ongoing	1,406,700.00	1,406,700.00	2
	Not started	500,000.00	-	1
	Sub Total	12,216,700.00	11,716,700.00	20
Security	Completed	-	-	0
	Ongoing	-	-	0
	Not started	50,000.00	-	1
	Sub Total	50,000.00	-	1
Roads	Completed	4,477,235.25	4,477,235.25	5
	Ongoing	720,000.00	720,000.00	1
	Not started	-	-	0
	Sub Total	5,197,235.25	5,197,235.25	6
Environment	Completed	-	-	0
	Ongoing	-	-	0
	Not started	3,454,208.00	852,954.06	4
	Sub Total	3,454,208.00	852,954.06	4
Sport	Completed	1,705,908.12	-	1
	Ongoing	-	-	0
	Not started	2,601,254.10	-	1
	Sub Total	4,307,162.22	-	2
Sanitation	Completed	-	-	0
	Ongoing	300,000.00	300,000.00	2
	Not started	-	-	0

	Sub Total	300,000.00	300,000.00	2
<b>CDF Office</b>	Completed	-	-	0
	Ongoing	10,400,000.00	7,000,000.00	1
	Not started		-	0
	Sub Total	10,400,000.00	7,000,000.00	1
<b>Grand Total</b>		<b>147,113,524.47</b>	<b>132,325,108.31</b>	<b>234</b>

From the analysis, it is clear that 21 projects with a total allocation of Kshs.10,205,462 and total disbursements of Kshs.1,352,954 had not yet commenced as at 30 June 2015 and as a result the residents did not receive services expected from the projects.

It was further observed that expenditure totaling to Kshs.132,325,108.31, shown indicated in the implementation status report differed from actual expenditure of Kshs.111,340,449 disclosed in the financial statements as at 30 June 2015 thus resulting in an unreconciled and unexplained difference of Kshs.20,984,659.

In the circumstance, the completeness and accuracy of the expenditure balance of Kshs.111,340,449 could not be confirmed.

#### **4.0 Incomplete and Abandoned Projects**

Four projects were funded by the CDF during the year under review at a total budgeted cost of Kshs.2,700,000. However, a review of the respective project files and physical verification on 24 February 2016 revealed the following unsatisfactory issues:

##### **4.1 Kisingo Primary School**

The project involved the construction of an administration block. The works contract was awarded a contract sum of Kshs.1,961,695 and a contract period of five (5) weeks from 6 May 2015 to 1 July 2015. A physical verification in February 2016 - eight months after the contract completion date, revealed that the building had only been done up to the roofing stage. However, construction works had stalled after Kshs.900,000 out of the budget allocation of Kshs.1,000,000 was paid to the contractor.

##### **4.2 Ikungu Secondary School**

The project for the construction of a science laboratory was awarded at a contract sum of Kshs.2,828,675. Although, only Kshs.1,000,000 had been budgeted for the project during the year. Audit verification in February 2016 revealed that the building was constructed to lintel level and works stalled after Kshs.975,870 was paid to the contractor. Further, no contract agreement was made available for audit review.

### **4.3 Mukame Ambeu Dispensary**

The project for construction of a three-roomed dispensary was labour based. However, the estimated works for the project to completion and the contract duration could not be ascertained as the engineers' estimate was not presented for audit. Physical verification in February 2016 revealed that the construction was done to slab level but stopped after the budgetary allocation for the year totaling to Kshs.300,000 was exhausted.

### **4.4 Masumba Dispensary**

The project for construction of a female ward was designed to be labour intensive with Bills of Quantities totaling to Kshs.1,931,762. However, only Kshs.400,000 was allocated to the project during the year. Audit verification in February 2016 revealed that the building had been done to only five courses of bricks above the foundation slab and stopped after exhausting the budgetary allocation.

In the circumstance, no value for money was obtained in the expenditure of Kshs.2,575,870 incurred on the four projects as they were not completed as at 30 June 2015.

### **5.0 Kwa Mukonyo Water Project**

During the year under review, Kwa Mukonyo Water project was funded by the CDF at a total cost of Kshs.492,836. However, the project PMC awarded the works contract at a contract sum of Kshs.518,000 leading to an over-expenditure of Kshs.25,165. The project was for the extension of the water pipeline from Kwa Mukonyo Borehole to the gate of the Kwa Mukonyo Primary School where there was to be placed a 10,000 litre water tank and a water kiosk was to be constructed. Physical verification done in February 2016 revealed that the project had been done to completion but the water in the borehole was not sufficient and could therefore not fill the water tank.

In the circumstance, it was not possible to confirm that residents obtained value-for-money in the Kshs. 518,000 expenditure.

### **6.0 Failure to Utilize Borehole Mortar**

The CDF Committee granted Kshs.283,550 from the emergency fund to Kyeni Kya Ngagaka Borehole for the replacement of a borehole mortar. However, audit verification conducted on February 2016 revealed that the mortar was not in use but was stored in the pump control room. Information Available indicated that the project had been taken over by a non-governmental organization by the name German Agro Action, who had supplied the project with solar powered pumps and motors. For this reason, the mortar bought by the CDF was not put to use.

In the circumstances, value for money in respect of the mortar costing Kshs.283,550 could not be ascertained.

## 7.0 Non-Compliance with the Prescribed Format

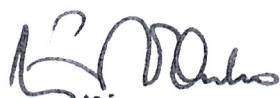
The Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS) template prescribed by the National Treasury requires that a report on follow – up of auditor recommendations form part of the financial statements.

However, although the Fund had a qualified audit opinion in 2013/2014, no report on the progress of follow – up on the issues raised in the audit report for the previous year was included in the financial statements for the year under review.

In the circumstance, the financial statements do not comply with IPSAS (Cash Basis) financial presentation format prescribed by the National Treasury.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of the Constituencies Development Fund - Kibwezi West 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**

**21 November 2016**



**CONSTITUENCY DEVELOPMENT FUND- KIBWEZI WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>RECEIPTS</b>			
		118,898,252	35,911,266.00
Transfers from Other Government Entities	1		
Proceeds from Sale of Assets	2		
Other Receipts	3		
<b>TOTAL RECEIPTS</b>		<b>118,898,252.00</b>	<b>35,911,266.00</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	854,425.00	413,826.00
Use of goods and services	5	7,847,689.00	1,954,454.00
Committee Expenses	6	6,426,256.00	920,200.00
Transfers to Other Government Units	7	70,725,098.00	18,650,000.00
Other grants and transfers	8	24,516,786.00	10,318,600.00
Social Security Benefits	9	9,600.00	4,800.00
Acquisition of Assets	10	960,595.00	23,500.00
Other Payments	11		20,770.00
<b>TOTAL PAYMENTS</b>		<b>111,340,449.00</b>	<b>32,306,150</b>
<b>SURPLUS/DEFICIT</b>		<b>7,557,803.00</b>	<b>3,605,116.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Kibwezi West CDF* financial statements were approved on 23/09/2015 and signed by:

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

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

**FUND ACCOUNT MANAGER**  
**KIBWEZI WEST CONSTITUENCY**  
**DEVELOPMENT FUND**






**CONSTITUENCY DEVELOPMENT FUND- KIBWEZI WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**V. STATEMENT OF ASSETS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
		11,026,284.00	3,541,281.00
Bank Balances (as per cash book)	12A		
Cash Balances (cash at hand)	12B		
Outstanding Imprests	12C	136,635.00	63,835.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>11,162,919.00</b>	<b>3,605,116.00</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	3,605,116.00	0
Surplus/Deficit for the year		7,557,803.00	3,605,116.00
Prior year adjustments	14		
<b>NET FINANCIAL POSITION</b>		<b>11,162,919.00</b>	<b>3,605,116.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kibwezi West CDF financial statements were approved on 23/09/2015 and signed by:

  
 Chairman - CDFC

  
 Fund Account Manager

FUND ACCOUNT MANAGER  
 KIBWEZI WEST CONSTITUENCY  
 DEVELOPMENT FUND

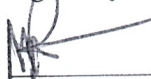


**CONSTITUENCY DEVELOPMENT FUND- KIBWEZI WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**VI. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2014 - 2015</b>	<b>2013 - 2014</b>
Transfers from CDF Board	1	118,898,252	35,911,266.00
Other Receipts	3		
 <b>Payments for operating expenses</b>			
Compensation of Employees	4	(854,425.00)	(413,826.00)
Use of goods and services	5	(7,847,689.00)	(1,954,454.00)
Committee Expenses	6	(6,426,256.00)	(920,200.00)
Transfers to Other Government Units	7	(70,725,098.00)	(18,650,000.00)
Other grants and transfers	8	(24,516,786.00)	(10,318,600.00)
Social Security Benefits	9	(9,600.00)	(4,800.00)
Other Payments			(20,770.00)
 <b>Adjusted for:</b>			
Adjustments during the year			
<b>Net cash flow from operating activities</b>		<b>8,518,398.00</b>	<b>3,628,616.00</b>
 <b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets		(960,595.00)	(23,500.00)
<b>Net cash flows from Investing Activities</b>		<b>(960,595.00)</b>	<b>(23,500.00)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>7,557,803.00</b>	<b>3,605,116.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>3,605,116.00</b>	
<b>Cash and cash equivalent at END of the year</b>		<b>11,162,919.00</b>	<b>3,605,116.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The *Kibwezi West CDF* financial statements were approved on 23/09 2015 and signed by:



**Chairman CDFC**



**Fund Account Manager**

**FUND ACCOUNT MANAGER**  
**KIBWEZI WEST CONSTITUENCY**  
**DEVELOPMENT FUND**

Reports and Financial Statements  
For the year ended June 30, 2015

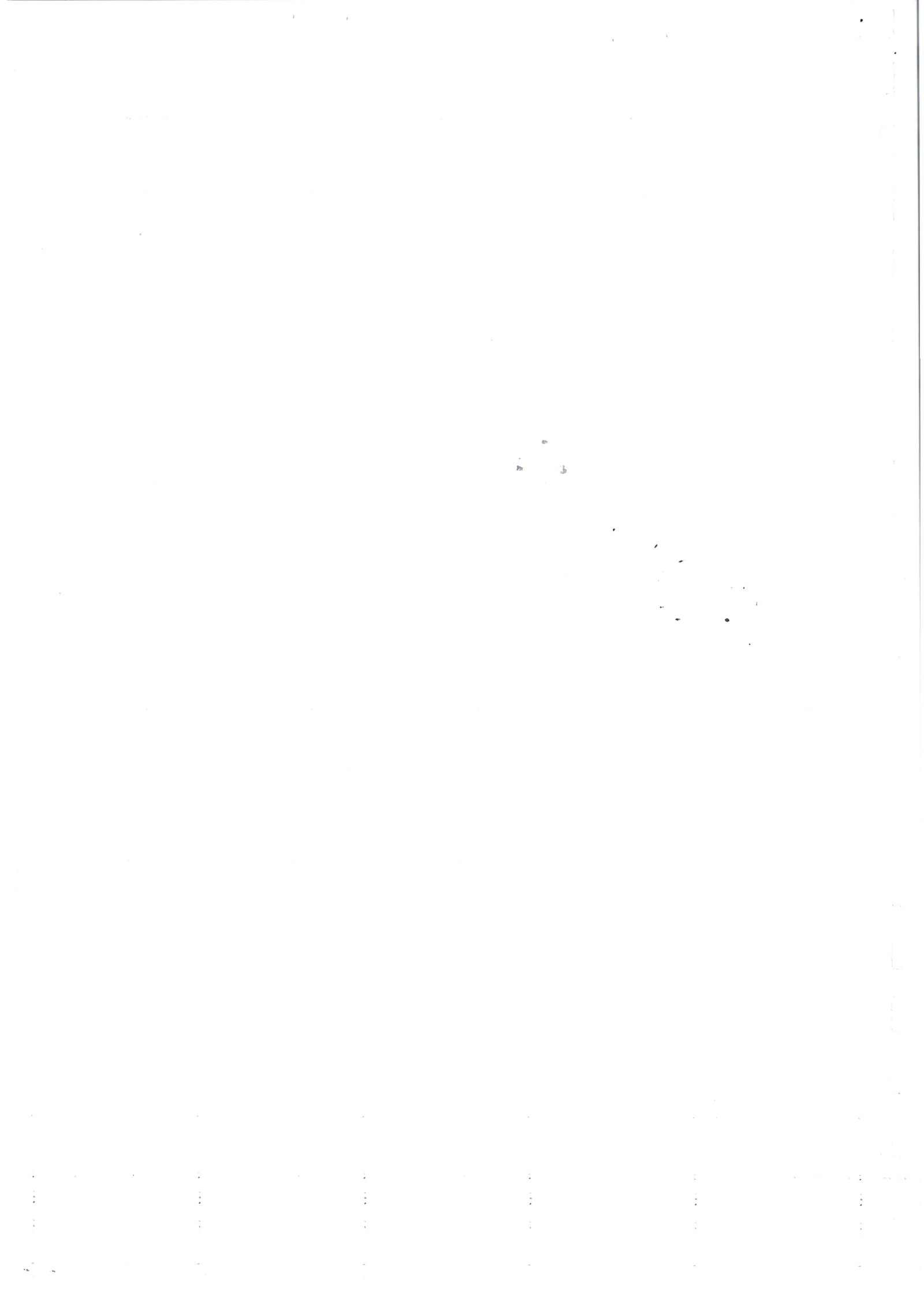
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	130,062,705.00	3,541,281.00	133,603,986.00	118,898,252.00	14,705,734.00	89
Proceeds from Sale of Assets						
Other Receipts						
<b>PAYMENTS</b>						
Compensation of Employees	1,600,000.00		1,600,000.00	854,425.00	745,575.00	53
Use of goods and services	4,585,643.45	1,000,000.00	5,585,643.45	7,847,689.00	(2,262,045.55)	140
Committee Expenses	4,925,641.00		4,925,641.00	6,426,256.00	(1,500,615.00)	130
Transfers to Other Government Units	72,017,529.00		72,017,529.00	70,725,098.00	1,292,431.00	98
Other grants and transfers	34,575,960.55	2,541,281.00	37,117,241.55	24,516,786.00	12,600,455.55	66
Social Security Benefits	120,000.00		120,000.00	9,600.00	110,400.00	8
Acquisition of Assets	400,000.00		400,000.00	960,595.00	(560,595.00)	240
Other Payments	11,837,931.00		11,837,931.00	-	11,837,931.00	0
<b>TOTALS</b>	<b>130,062,705.00</b>	<b>3,541,281.00</b>	<b>133,603,986.00.00</b>	<b>118,898,252.00</b>	<b>36,969,271.00</b>	<b>89</b>

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


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

- i. Use of goods and services (140%) – A significant portion of the previous year's AIE was received in this financial year
- ii. Transfer to other Government Units (98%) - A significant portion of the previous year's AIE was received in this financial year
- iii. Social Security Benefits (8%) – The allocation was grossly overstated
- iv. Acquisition of Assets (240%) - A significant portion of the previous year's AIE was received in this financial year



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

The Kibwezi West CDF financial statements were approved on 25/06 2015 and signed by:

  
\_\_\_\_\_  
**Chairman CDF**

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

**FUND ACCOUNT MANAGER**  
**KIBWEZI WEST CONSTITUENCY**  
**DEVELOPMENT FUND**



## **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*.

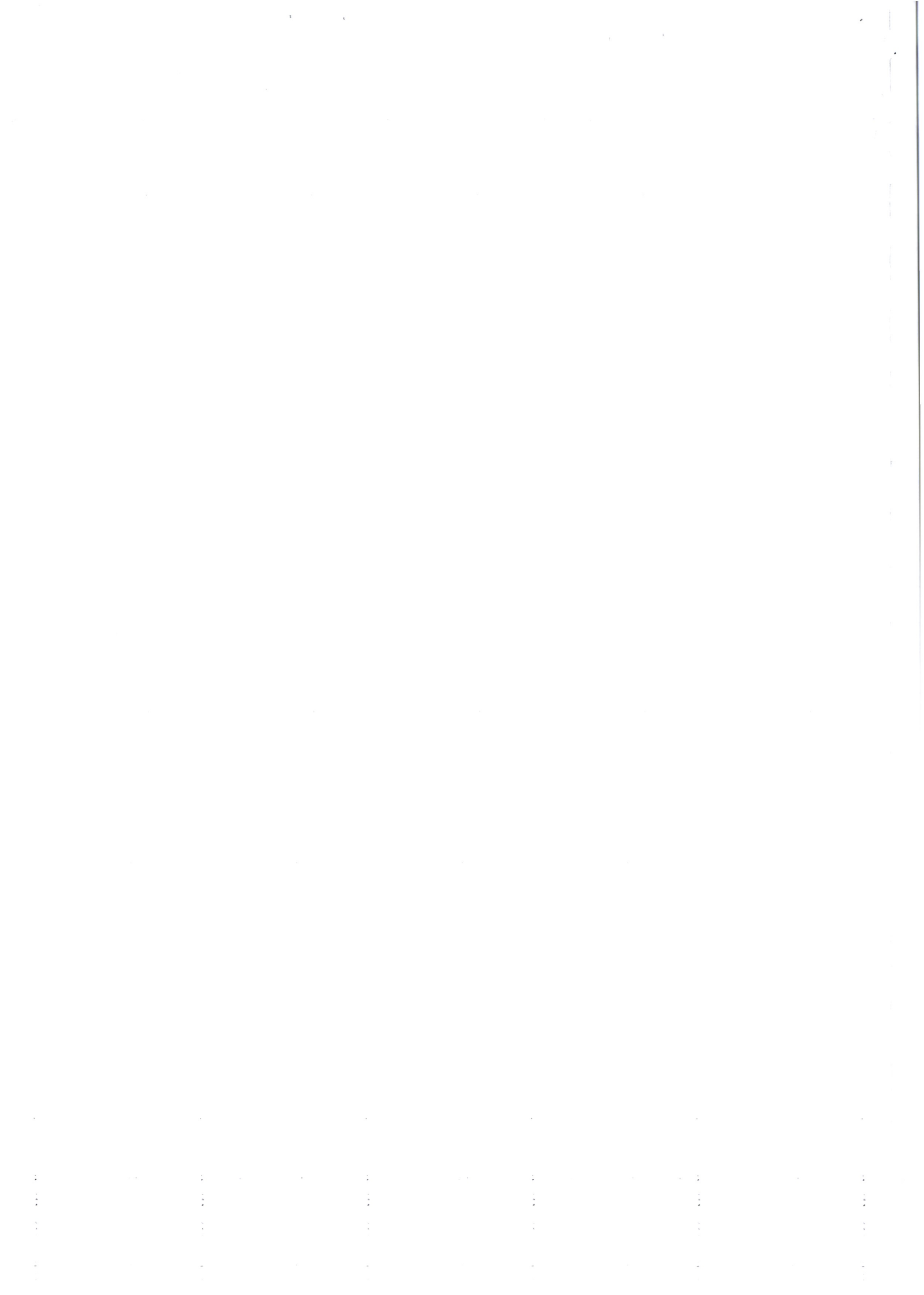
### **3. In-kind contributions**

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.





*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**

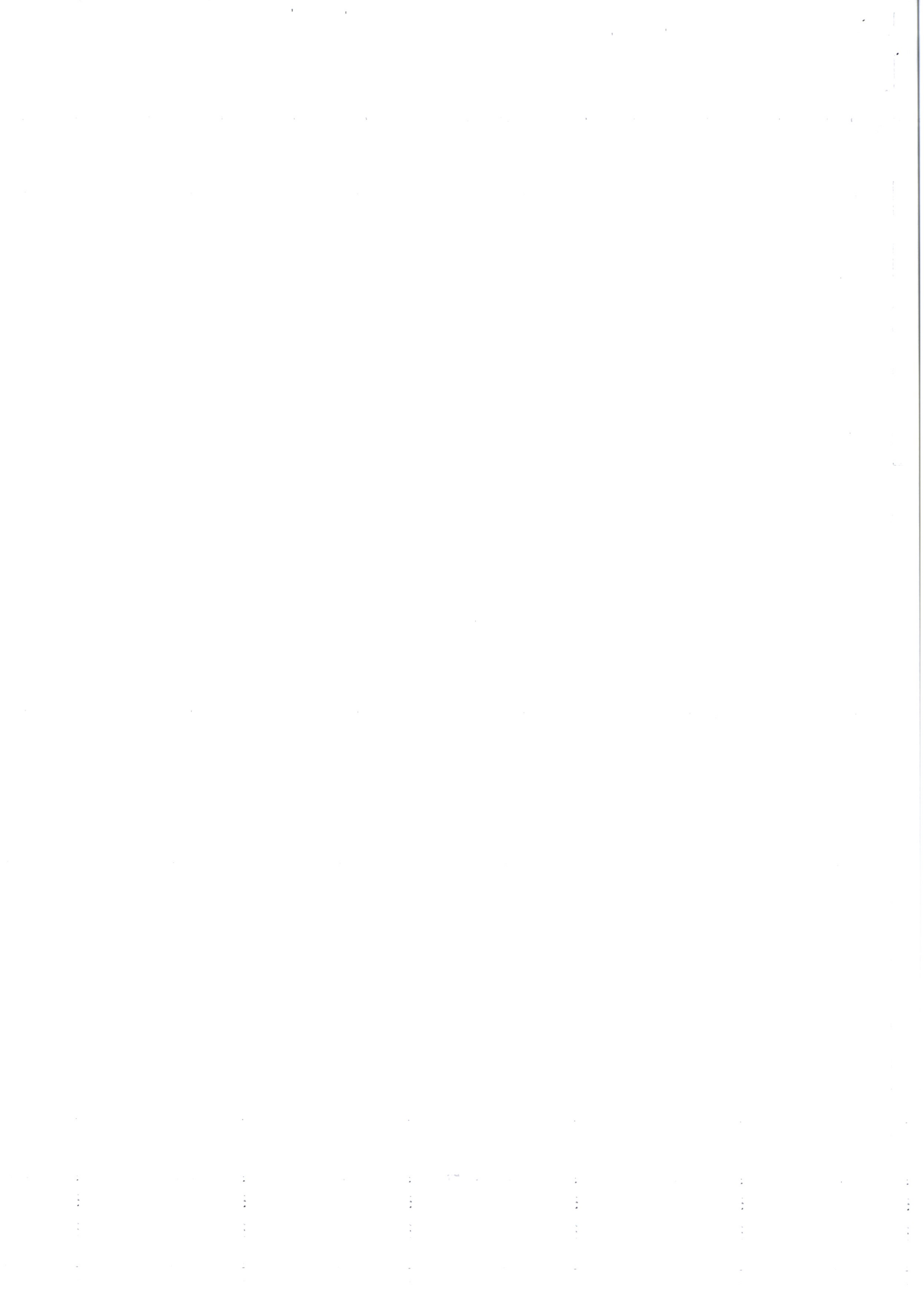
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *CDF*'s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment 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 – KIBWEZI WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
CDF Board		
AIE NO.....750171	53,866,899.00	35,911,266.00
AIE NO.....796672	5,200,000.00	
AIE NO.....796905	27,315,676.00	
AIE NO.....797012	32,515,677.00	
(other constituency e.g, parent constituency)		
<b>TOTAL</b>	<b>118,898,252.00</b>	<b>35,911,266.00</b>

**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	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	-	-

**3. OTHER RECEIPTS**

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>Total</b>	-	-

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	738,025.00	362,982.00
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	116,400.00	50,844.00
Transport allowance	-	-
Leave allowance	-	-
Other personal payments	-	-
Gratuity	-	-
<b>Total</b>	<b>854,425.00</b>	<b>413,826.00</b>

**5. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	67,337.00	150,000.00
Office rent	-	-
Communication, supplies and services	208,500.00	120,000.00
Domestic travel and subsistence	3,035,410.00	380,000.00
Printing, advertising and information supplies and services	-	250,000.00
Rentals of produced assets	-	-
Training expenses	-	24,200.00
Hospitality supplies and services	164,887.00	50,000.00
Insurance costs	-	-
Specialized materials and services	-	350,000.00
Office and general supplies and services	866,390.00	210,254.00
Fuel, oil and lubricants	326,668.00	300,000.00
Other operating expenses	3,062,400.00	-
Routine maintenance –vehicles and other transport equipment.	-	-
Routine maintenance –other assets	116,097.00	20,000.00
Electricity		50,000.00
Water		50,000.00
<b>Total</b>	<b>7,847,689.00</b>	<b>1,954,454.00</b>

**CONSTITUENCIES DEVELOPMENT FUND – KIBWEZI WEST CONSTITUENCY**

**Reports and Financial Statements**

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

**a. COMMITTEE EXPENSES**

<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Other committee expenses	-	-
Committee allowances	6,426,256.00	920,200.00
<b>Total</b>	<b>6,426,256.00</b>	<b>920,200.00</b>

**b. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfer to primary schools	28,970,000.00	7,250,000.00
Transfer to secondary schools	33,522,339.00	10,900,000.00
Transfer to tertiary institutions	600,000.00	500,000.00
Transfer to health institutions	7,632,759.00	-
<b>Total</b>	<b>70,725,098.00</b>	<b>18,650,000.00</b>

**c. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary –secondary schools	7,051,198.00	5,498,685.90
Bursary –tertiary schools	7,444,096.00	3,665,790.60
Bursary –special schools	-	121,000.00
Mocks & CAT	4,954,936.00	-
Water	-	-
Agriculture (food security)	-	-
Electricity projects	200,000.00	200,000.00
Security	1,549,000.00	-
Roads	1,331,052.00	-
Sports	852,954.00	-
Environment	1,133,550.00	833,125.00
Emergency	-	-
<b>Total</b>	<b>24,516,786.00</b>	<b>10,318,601.50</b>

**d. SOCIAL SECURITY**

<b>Description</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>

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

Employer contribution to NSSF	9,600.00	4,800.00
<b>Total</b>	<b>9,600.00</b>	<b>4,800.00</b>

**e. ACQUISITION OF ASSETS**

Description	2014 - 2015	2013 - 2014
Non-Financial Assets	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	-	-
Refurbishment of buildings	-	-
Purchase of vehicles	-	-
Purchase of Bicycles and Motorcycles	285,000.00	-
Overhaul of vehicles	-	-
Purchase of Office Furniture and Fittings	194,000.00	-
Purchase of Office Computers, printers and other IT equipments	275,400.00	23,500.00
Purchase of photocopier	-	-
Purchase of other office equipments	206,195.00	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>Total</b>	<b>960,595.00</b>	<b>23,500.00</b>

**f. Other payments**

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Specify	-	-
Specify	-	-
Specify	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**g. Bank Balances (cash book bank balance)**

	2014 - 2015	2013 - 2014
	Kshs (30/6/2015)	Kshs (30/6/2014)
<b>Name of Bank, Account No. &amp; currency</b>		
Kenya commercial Bank, Makindu Branch A/C no. 1148787925	11,026,284.00	3,541,281.00
	-	-
<b>Total</b>	<b>11,026,284.00</b>	<b>3,541,281.00</b>

**h. Cash in Hand**

	2014 - 2015	2013 - 2014
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CONSTITUENCIES DEVELOPMENT FUND – KIBWEZI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

	Kshs (30/6/2015)	Kshs (30/6/2014)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
<b>Total</b>	-	-
	(Provide cash count certificate for each)	

i. OUTSTANDING IMPRESTS

Name of Officer	Date imprest taken	Amount taken	Amount surrendered	Balance (30/6/2015)
	Kshs	Kshs	Kshs	Kshs
Duncan Muga	bf	-	-	63,835.00
	9/6/2015			72,800.00
<b>Total</b>	-	-		136,635.00

j. BALANCES BROUGHT FORWARD

		2014-2015	2013-2014
		Kshs	Kshs
Bank balance		3,541,281.00	-
Cash in hand		-	-
Imprest		63,835.00	-
<b>Total</b>		<b>8,449,659.00</b>	-



*NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)*  
**Reports and Financial Statements**  
**For the year ended June 30, 2014 (Kshs'000)**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2014/15</b>	<b>Historical Cost (Kshs) 2013/14</b>
Land		
Buildings and structures		
Transport equipment	285,000	
Office equipment, furniture and fittings	214,400	
ICT Equipment, Software and Other ICT Assets	275,400	
Other Machinery and Equipment	232,050	
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>1,006,850</b>	