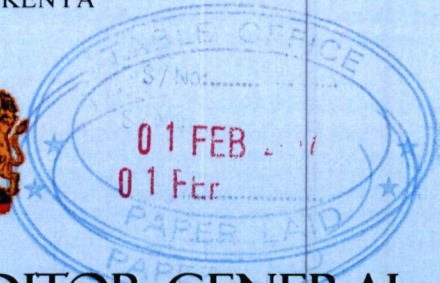


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*paper laid by the
Chamberlain DC
Health on 07/02/2017
Shulu*

REPORT

OF

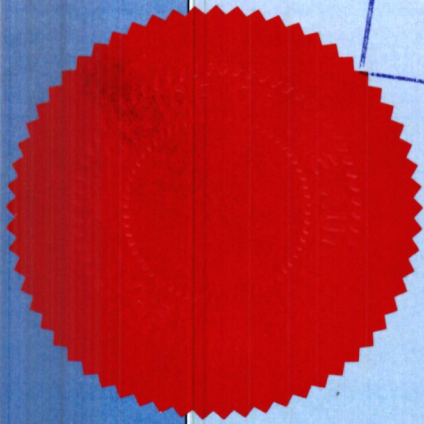
THE AUDITOR-GENERAL

ON

*paper laid by
the Leader of
Majority on
07/02/2017
Shulu*

THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
LURAMBI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015



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CONSTITUENCY DEVELOPMENT FUND- LURAMBI 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 – LURAMBI 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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The *Lurambi 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	Thomas Ontweka
3.	Accountant	Chrispinus Mandare

(d) Fiduciary Oversight Arrangements

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

P.O. Box 2680 - 50100, Kakamega
Opposite Kakamega State Lodge, Gate B
Osogo Road
KAKAMEGA, KENYA

CONSTITUENCY DEVELOPMENT FUND- LURAMBI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

(f) LURAMBI CDF Contacts

Telephone: (254) 0722 288 499

E-mail: cdflurambi@gmail.com

(g) LURAMBI CDF Bankers

1. Kenya Commercial Bank
A/C NO 1101945710
Kakamega Branch

(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)

Our Values

Lurambi CDFC pledges that all CDFC activities and decisions will be based on and guided by the following values:

- Continuous learning
- Integrity
- Service Culture
- Team Work
- Objectivity
- Good corporate citizenship

I am pleased to report that 2014/2015 was a year of challenge. However we managed to improve our operating performance and managed to disburse 75% of the funds received from the Board (2014/15 Budget) to various projects within the year. The last 25% of the funds was received on 29/06/2015. It was not possible to be disbursed to projects since we had not received the AIE as at 30th June, 2015. Despite the challenges and costs we encountered during the year, we managed to construct quite a number of facilities to completion and are now in use.

During the year, we managed to achieve the following:

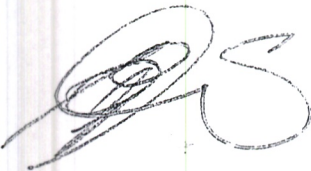
1. Completed quite a number of facilities in Education, health, security, water, roads and bridges.
2. Started new projects. Some of them are complete while others are ongoing.
3. Prepared the 5 year strategic plan.
4. Trained quite a number of Project Management Committees.

Some of the emerging issues that we underwent include;

1. Overwhelming demand for Bursary
2. No clear guidelines relating to the funding of projects under devolved government and National Government.

I take this opportunity to sincerely thank the CDF Board, CDFC and our key stakeholders for continued support and guidance.

On behalf of Lurambi CDFC and employees I assure you of our total dedication and tireless efforts in serving the people of Lurambi better.



Mr. Peter Atana
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 Lurambi 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 2014/2015 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 Lurambi 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 Lurambi 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 Lurambi 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 _____
2015.

Principal Secretary

Principal Accounts Controller

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
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P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund – Lurambi Constituency set out on pages 5 to 36, which comprise the statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation: recurrent and development for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in accordance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards on Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

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

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion

1. Presentation, Accuracy and Completeness of the Financial Statements

The International Public Sector Accounting Standards (Cash Basis) financial statements presentation format prescribed by the National Treasury requires the management to include among financial statements submitted for audit a report on an action taken to address previous year auditor's recommendations. In the year 2013/2014, Lurambi CDF had a qualified opinion. However, a report on follow-up of the audit issues raised was not included in the financial statements for the year under review. Therefore the presentation of the financial statements does not conform to IPSAS (Cash Basis) format prescribed by the National Treasury and the Public Finance Management Act, 2012.

The statement of receipts and payments reflects a deficit of Kshs.23,536,903 implying the cash brought forward of Kshs.53,674,887 and the outstanding imprest of Kshs.393,474 have not been accounted for. In addition, management has not signed the statement of responsibilities and Note 14 to financial statements is omitted. Further, pending bills (payables) totalling Kshs.27,246,811 (Note 15.2 and 15.3) were not supported with schedules showing detail of the bills.

In view of the foregoing, the presentation, accuracy and completeness of the financial statements for the year ended 30 June 2015 could not be confirmed.

2. Budgetary Control and Performance Analysis

During the year under review, the Fund's budgeted receipts amounted to Kshs.158,071,195 but only Kshs.127,539,736 was received thus resulting in under funding by Kshs.30,531,458. Further, budgeted Projects worth Kshs.30,531,458 were not implemented as shown below:

Receipt/Expense Item	Approved Budget Kshs.	Actual Expenditure Kshs.	Variation Kshs.	% age Variation
RECEIPTS				
Transfer from CDF Board	158,071,195	127,539,736	30,531,458	19%
Sub Total	158,071,195	127,539,736	30,531,458	
PAYMENTS				
Compensation of Employees	2,650,000	1,749,699	900,301	34%
Use of Goods and Services	2,804,170	2,778,468	25,702	1%
Committee Expenses	9,090,085	9,076,199	13,886	0%
Transfer to other Government Units	75,004,649	53,632,759	21,371,890	28%
Other grants and transfers	48,350,867	44,926,246	3,424,620	7%
Social Security Benefits	36,000	21,600	14,400	40%
Acquisition of Assets	14,635,424	11,854,765	2,780,659	19%
Other Payments	5,500,000	3,500,000	2,000,000	36%
TOTAL	158,071,195	127,539,736	30,531,458	19%

Consequently, the Fund did not meet its targets and service delivery obligations due to the Constituents.

3.0 Other Payments

3.1 Unaccounted for Equipment

The Fund paid Lurambi Information Resource Centre Kshs.500,000 to establish an Information, Communication and Technology Centre. However, the procured information and communication Technology Equipment could not be verified as there were no stores records. Further, equipment's so procured were not in store at the time of the audit as they were reportedly stolen. Further, there was no police abstract to confirm the theft. In the circumstance, the expenditure amounting to Kshs.500,000 was not accounted for.

3.2 Irregular Procurement of Strategic Plan

The Fund procured a Strategic Plan at a cost of Kshs.3,000,000 through requests for quotations method of procurement instead of open tender as provided for by the Public

Procurement Regulations. The chosen method rendered the procurement irregular. Consequently, it has not been possible to ascertain that the Fund obtained value-for-money from the expenditure of Kshs.3,000,000.

4.0 Other Grants and Transfers

4.1 Stalled Construction of Administration Police Camp

The Other Grants and Transfers balance of Kshs.44,780,028 includes Kshs.1,500,000.00 disbursed for the construction of a one-storey block of houses at Butso Administration Police (AP) Camp. However, audit verification revealed that the project stalled before completion with the walling less than half-way done.

4.2 Unsupported for Bursary Expenditure

During the year under review the Fund disbursed Kshs.13,254,700 in various bursaries. However, acknowledgement letters/receipts were received for disbursements totalling to Kshs.1,009,000 only out of Kshs.6,993,200 that was supported by schedule of beneficiaries list. Consequently, bursaries totalling to Kshs.5,984,200 had not been accounted for as at 30 June 2015.

In view of the foregoing, the propriety of the expenditure of Kshs.7,484,200 could not be confirmed.

5.0 Transfers to Other Government Units

During the year under review, the Fund disbursed Kshs.53,632,759.00 as transfers to Government Units. The following audit observations were made in relation to the transfers.

5.1. Construction of 3 Storey Classroom Block

Included in the balance of Kshs.53,632,750 was a sum of Kshs.2,000,000.00 disbursed to Kakamega Primary School for the construction of a three-storey classroom block under a co-funding arrangement with other stakeholders. Along with previous years' contributions, the grants cumulative to the project by the CDF amounted to Kshs.6,300,000. However, the grants contravened laws governing the operations of the Fund because they were not meant to finance whole project or a defined phase of a project as the law requires.

5.2 Purchase of Land

Further, the Fund disbursed Kshs.2,000,000 for purchase of land worth Kshs.3,500,000 for a secondary school. However, no ownership documents were presented for audit review and as a result, the propriety and value for money of the expenditure could not be ascertained.

6. Acquisition of Assets

6.1 CDF office not handed over

Construction of the CDF's offices at Eshisiru Shopping Centre was commissioned during the year at a contract sum of Kshs.14,054,535. However, the office handed over to the Fund and was therefore not in use as at 30 June 2015.

6.2. Stalled Construction of Old Constituency Development Fund Offices

As previously reported, construction of the stalled old Lurambi CDF offices in Kakamega town was approved by the CDF Board during the year 2008/2009. The allocation for the project over the years totalled to Kshs.65,000,000 out of which Kshs.50,964,576 was spent on the construction works leaving a balance of Kshs.14,035,424 unspent.

On 28 January 2014 the Fund through its Member of Parliament signed a Memorandum of Understanding (MOU) with the County Government of Kakamega for the transfer of the project to the County Government at a consideration of Kshs.54,200,000 to be settled through funding of projects of equivalent amount which at the time of the audit had not been effected by the County Government. Annex 4 to the financial statements which is a summary of the fixed assets register reflects expenditure on the building under Buildings and Structures comprising of old building valued at Kshs.52,464,576 and new building (Eshishiru Centre) valued at Kshs.11,464,576. However, the financial statements do not disclose the details of the MOU.

In the circumstances, the propriety and value-for-money of the expenditure of Kshs.62,429,152 on the projects could not be confirmed.

7.0 Project Implementation and Management

Over the period of two (2) years, to 30 June 2015 the Fund allocated a total of Kshs.181,745,059 to one hundred forty seven (147) projects. However, seventy three (73) projects allocated Kshs.107,574,889 were not completed. These included construction of two (2) staff houses for administration police, three (3) houses for health centres and construction of classrooms in 14 schools allocated funds in 2013/2014 as detailed below:

Sector/ Status	Abandoned		Not Started		Ongoing		Complete	
	No	Value Kshs	No	Value Kshs	No	Value Kshs	No	Value Kshs
Administration				-	9	24,953,500	2	3,600,000
Agriculture								

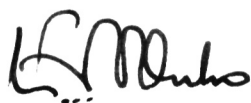
Education	4	2,400,000	1	1,000,000	48	64,838,630	49	29,222,931
Environment			1	500,000	3	2,500,000		-
Health					8	9,282,759		-
ICT			1	1,000,000				
Market			1	1,000,000				
Road	1	2,000,000					11	31,447,239
Security			1	500,000	3	4,000,000	4	1,500,000
Sports					2	2,000,000		
Total	5	4,400,000	5	4,000,000	73	107,574,889	66	65,770,170

Five (5) projects worth Kshs.4,400,000 were abandoned while works on five (5) other allocated Kshs.4,000,000 had not commenced as at 30 June 2015. Seventy three (73) projects were ongoing. Only sixty six (66) projects were completed during the year ended 30 June 2015.

In view of the foregoing, the residents of Lurambi Constituency and the Fund have not obtained value for the money invested in the abandoned and incomplete projects.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of Constituencies Development Fund-Lurambi 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 and do not comply with Constituencies Development Fund Act, 2013.



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

Nairobi

07 December 2016

CONSTITUENCY DEVELOPMENT FUND- LURAMBI CONSTITUENCY

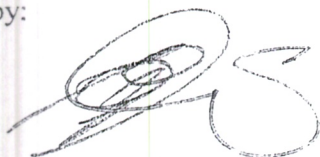
Reports and Financial Statements

For the year ended June 30, 2015

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	104,002,833.00	146,995,500.50
Other Receipts	2	0	247,764.90
TOTAL RECEIPTS		104,002,833.00	147,243,265.40
PAYMENTS			
Compensation of Employees	3	1,749,699.00	1,799,900.00
Use of goods and services	4	2,778,468.00	2,403,390.44
Committee Expenses	5	9,076,199.00	5,524,215.00
Transfers to Other Government Units	6	53,632,759.00	39,398,464.00
Other grants and transfers	7	44,926,246.40	38,764,603.00
Social Security Benefits	8	21,600.00	0
Acquisition of Assets	9	11,854,765.00	7,174,139.70
Other Payments	10	3,500,000.00	0
TOTAL PAYMENTS		127,539,736.40	95,064,712.14
SURPLUS/DEFICIT		(23,536,903.40)	52,178,553.26

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



Chairman - CDFC



Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- LURAMBI CONSTITUENCY

Reports and Financial Statements

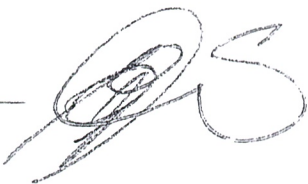
For the year ended June 30, 2015

V. STATEMENT OF ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	30,531,458.35	53,674,887.45
Outstanding Imprests	12C	0	393,474.30
TOTAL FINANCIAL ASSETS		30,531,458.35	54,068,361.75
REPRESENTED BY			
Fund balance b/fwd	13	54,068,361.75	1,889,808.05
Surplus/Deficit for the year		(23,536,903.40)	52,178,553.26
NET FINANCIAL POSITION		30,531,458.35	54,068,361.31

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Lurambi CDF financial statements were approved on 30/9/15 2015 and signed by:

Chairman - CDFC



Fund Account Manager



CONSTITUENCY DEVELOPMENT FUND- LURAMBI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2014 - 2015	2013 - 2014
Transfers from CDF Board	1	104,002,833.00	146,995,500.50
Other Receipts	2		247,764.90
		104,002,833.00	147,243,265.4
Payments for operating expenses			
Compensation of Employees	3	1,749,699.00	1,799,900
Use of goods and services	4	2,778,468.00	2,403,390.44
Committee Expenses	5	9,076,199.00	5,524,215.00
Transfers to Other Government Units	6	53,632,759.00	39,398,464.00
Other grants and transfers	7	44,926,246.40	38,764,603.00
Social Security Benefits	8	21,600.00	0
Other Payments	10	3,500,000.00	0
		115,684,971.40	87,890,572.00
Net cash flow from operating activities		(11,682,138.40)	59,352,693.44
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9	(11,854,765.00)	7,174,139.70
Net cash flows from Investing Activities		(11,854,765.00)	(7,174,139.70)
NET INCREASE IN CASH AND CASH EQUIVALENT		(23,536,903.40)	52,178,553.74
Cash and cash equivalent at BEGINNING of the year	13	54,068,361.75	1,889,808.01
Cash and cash equivalent at END of the year	12A	30,531,458.35	54,068,361.75

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Lurambi CDF financial statements were approved on 30/9/2015 and signed by:

Chairman CDFC



Fund Account Manager



VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	104,002,833	54,068,361.75	158,071,194.75	127,539,736.40	30,531,458.35	81
Sub Total	104,002,833	54,068,361.75	158,071,194.75	127,539,736.40	30,531,458.35	
PAYMENTS						
Compensation of Employees	2,200,000	450,000.00	2,650,000.00	1,749,699.00	900,301.00	66
Use of goods and services	2,704,170	100,000.00	2,804,170.00	2,778,468.00	25,702.00	99
Committee Expenses	4,420,085	4,670,000.00	9,090,085.00	9,076,199.00	13,886.00	99.8
Transfers to Other Government Units	46,737,931	28,266,718.21	75,004,649.21	53,632,759.00	21,371,890.21	72
Other grants and transfers	43,404,647	4,946,219.54	48,350,866.54	44,926,246.40	3,424,619.14	93
Social Security Benefits	36,000.00	0	36,000.00	21,600.00	14,400.00	60
Acquisition of Assets	0	14,635,424.00	14,635,424.00	11,854,765.00	2,780,660.00	81
Other Payments	4,500,000.00	1,000,000.00	5,500,000.00	3,500,000.00	2,000,000.00	64
TOTALS	104,002,833	54,068,361.75	158,071,194.75	127,539,736.40	30,531,458.35	

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.

CONSTITUENCIES DEVELOPMENT FUND – LURAMBI CONSTITUENCY

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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 – LURAMBI CONSTITUENCY
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IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES (Appendix 1)

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO	75968	26,000,708.25	-
AIE NO	79663	14,600,424.95	-
AIE NO	797100	26,000,708	-
AIE NO	796812	11,400,283	-
AIE NO	796127	26,000,708.80	-
AIE NO	711824	0.00	54,918,274.50
AIE NO	750121	0.00	43,546,335.60
AIE NO	711853	0.00	19,500,000.00
AIE NO	711956	0.00	2,000,000.00
AIE NO	711991	0.00	27,030,890.00
TOTAL		104,002,833.00	146,995,500.10

CONSTITUENCIES DEVELOPMENT FUND – LURAMBI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.2 OTHER RECEIPTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	0	247,764.90
Total	0	247,764.90

1.1.1.1.1.1.3 COMPENSATION OF EMPLOYEES (Appendix 2)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,711,440.00	1,799,900
Personal allowances paid as part of salary		
Gratuity	38,259.00	0
Total	1,749,699.00	1,799,900

CONSTITUENCIES DEVELOPMENT FUND – LURAMBI CONSTITUENCY

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For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.4 USE OF GOODS AND SERVICES (Appendix 2)

	2014 - 2015	2013 - 2014 Kshs
Utilities, supplies and services	501,913.00	824,770.44
Communication, supplies and services	300,000.00	275,000.00
Domestic travel and subsistence	272,400.00	0
Printing, advertising and information supplies & services	0	175,900.00
Office and general supplies and services	1,480,841.00	1,114,760.00
Other operating expenses	40,000.00	12,960.00
Routine maintenance – vehicles and other transport equipment	183,314.00	0
TOTAL	2,778,468.00	2,403,390.44

1.1.1.1.1.1.1.5 COMMITTEE EXPENSES (Appendix 2)

	2014 - 2015 Kshs	2013 - 2014 Kshs
Committee allowances	90,000.00	432,000.00
Other committee expenses	8,986,199.00	5,092,215.00
Total	9,076,199.00	5,524,215.00

CONSTITUENCIES DEVELOPMENT FUND – LURAMBI CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.6 TRANSFER TO OTHER GOVERNMENT ENTITIES (Appendix 2)

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to primary schools	23,150,000	15,770,227
Transfers to secondary schools	25,000,000	21,100,000
Transfers to health institutions	5,482,759	2,528,237
TOTAL	53,632,759	39,398,464

1.1.1.1.1.1.7 OTHER GRANTS AND OTHER PAYMENTS (Appendix 2)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary – secondary schools	6,487,400.00	5,201,376.00
Bursary – tertiary institutions	6,993,200.00	7,208,250.00
Bursary – special schools	15,000.00	0
Mock & CAT	1,934,540.11	1,991,996.00
Water projects	0	2,500,000.00
Security projects	3,950,000.00	9,959,399.00
Roads projects	19,489,959.29	9,455,994.00
Sports projects	0	992,128.00
Environment projects	498,800.00	425,460.00
Emergency projects	5,557,347.00	1,030,000.00
Total	44,926,246.40	38,764,603.00

1.1.1.1.1.1.8 SOCIAL SECURITY BENEFITS (Appendix 2)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	21,600.00	19,000.00
Total	21,600.00	19,000.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.9 ACQUISITION OF ASSETS (Appendix 3)

Non Financial Assets

Construction of Buildings

Total

2014 - 2015

Kshs

11,854,765.00

11,854,765.00

2013 - 2014

Kshs

7,174,139.70

7,174,139.70

CONSTITUENCIES DEVELOPMENT FUND – LURAMBI CONSTITUENCY

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For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.10 OTHER PAYMENTS (Appendix 2)

	2014 - 2015	2013 – 2014
	Kshs	Kshs
LIRC-ICT	500,000.00	0
Strategic plan 2013-2017	3,000,000.00	0
	3,500,000.00	0

12A: Bank Accounts (cash book bank balance) – Appendix 4 & 5

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
KCB,KAKAMEGA BRANCH, Account No.1101945710	30,531,458.35	54,068,361.75
Total	30,531,458.35	54,068,361.75

CONSTITUENCIES DEVELOPMENT FUND – LURAMBI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD (Appendix 4)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	53,674,887.45	258,508.71
Cash in hand	0	-
Imprest	393,474.30	-
Total	54,068,361.75	258,508.71

1. The above figures indicate the balances at the beginning of the financial years.

CONSTITUENCIES DEVELOPMENT FUND – LURAMBI CONSTITUENCY
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15. OTHER IMPORTANT DISCLOSURES

15.2: PENDING STAFF PAYABLES

2014-2015

2013-2014

	Kshs	Kshs
Others –Employees’ Gratuity	450,301.00	450,000.00
	450,301.00	450,000.00

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities	21,371,890.21	25,482,759.00
Amounts due to other grants and other transfers	3,424,619.64	8,320,520.00
Others LIRC-ICT, Jua kali sheds, KENAO fees	2,000,000.00	1,000,000.00
	26,796,509.85	34,803,279.00

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Others (Employees' Gratuity)							
1. CDFC employees		-	-	-	450,301.00	450,000.00	The total amount is the cumulative gratuity of CDFC employees the amount will be paid in March 2016
Sub-Total					450,301.00	450,000.00	
Grand Total					450,301.00	450,000.00	

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				13,247,270	11,150,000.0	The funds will be disbursed in 2015/16
2.	Secondary Schools				4,700,000	8,850,000.0	
3.	Health				3,424,620	5,482,759.0	
	Sub-Total				21,371,890	25,482,759	
Amounts due to other grants and other transfers							
4.	Sports Activities				524,619.00		The funds will be disbursed in 2015/16
5.	Roads & Bridges				2,900,000.00	4,800,000.00	
	Sub-Total				3,424,619.00	4,800,000.00	
	Sub-Total						
Others (specify)							
6.	LIRC – ICT				500,000.00	1,000,000.00	The funds will be disbursed in 2015/16
7.	Audit Fees (KENAO)				500,000.00	0.00	
8.	Juakali Sheds				1,000,000.00	0.00	
	Sub-Total				2,000,000.00	1,000,000.00	
	Grand Total						

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Buildings and structures	64,319,341.00	52,464,576.00
Transport equipment	2,667,950.00	2,667,950.00
Office equipment, furniture and fittings	199,540.00	199,540.00
ICT Equipment, Software and Other ICT Assets	504,000.00	504,000.00
Other Machinery and Equipment	58,500.00	58,500.00
Total	67,749,331.00	55,894,566.00