

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

PAPER LAID
By Hon. A. DUMLEMP (LDM)
on Tues. 28.03.2017 (pm)
Mhmw



REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
LANG'ATA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015



CONSTITUENCY DEVELOPMENT FUND- LANGATA 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)

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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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *LANGATA 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	Crispin Ngugi
3.	Accountant	C.O.Oyaro

(d) Fiduciary Oversight Arrangements

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

P.O. Box
Wilson
Nairobi, KENYA

(f) LANGATA CDF CONTACTS

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

(g) LANGATACDF Bankers

1. Bank Name: Equity bank
Branch: Nairobi west
Account Name: LANGATA CDF
Account Number: 00
Address: 75104 Nairobi

(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

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

Total disbursement by LANGATA CDF for financial year 2014/2015 was kshs **121,287,482.50** Down from kshs72,368,491.00 disbursed for FY 2013/2014. This was caused by the by elections which were held in between the financial year.

Our key focus during FY 2014/15 implementation was on education (schools infrastructural development and issuance of bursaries to needy students) which ranks the constituency's priority number one. However we equally performed well in the following sectors:-

- a) General infrastructural development (chiefs offices)
- b) Environmental activities (planting of trees and cleanup in LANGATA constituency)
- c) Sports for the youth (we run successful sports tournament for our youth) the sporting activities included football for men, women, volleyball for men and women and netball.

Key achievements

1. Construction of bus shelters e.g in high-rise And Karen bus shelter.
2. Construction of a new CDF offices in Wilson D.OS offices
3. Education bursary was disbursed to over 2,500 needy students.
4. Construction of toilets ieWilson abulation block and mandaraka abulation block.
5. Construction of secondary and primary schools.

Emerging issues:-

1. Arising from the impact so far created at the grass roots and the high expectation from the local community there is need to enhance CDF kitty from the current 2.5% to at least 7.5%.
2. Due heavy responsibility bestowed on the chairman's position, the national CDF board should enhance the chairperson's allowance to be commensurate to the duties and this should cascade to other cdf members.

Implementation challenges.

1. Delay in disbursement of CDF funds. The board should strive to release funds to the CDFC in the first quarter of each financial year. It will also be helpful if the funds are released in at least two trances in a year.
2. The CDF relies fully on ministerial technical departments for support in areas like construction of bridges, building and other technical work. This includes the production of BQs, technical design and drawing for such technical projects, delays normally occur as the personnel involved are not under direct control of CDFC. The national CDF board should have own technical experts within her structures.
3. Some projects may require long span of implementation creating a big variance between initial budget and actual cost during implementation. The national CDF board needs to be flexible on financing of such projects.

We humbly look forward to working very closely with the national CDF board with a view to enhancing accountability and efficiency in project management

Signed:



Francis Ochwacho.
CHAIRMAN CDFC

II. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of LANGATACDF 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 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 LANGATACDF 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 LANGATACDF 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 LANGATACDF 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


Chairman - CDFC


Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- LANGATA CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015****III. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	121,287,482.50	72,368,491.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		121,287,482.50	72,368,491.00
PAYMENTS			
Compensation of employees	4	1,727,000.00	1,698,672.60
Use of goods and services	5	7,088,774.60	1,294,990.09
Committee Expenses	6	5,910,000.00	5,286,000.00
Transfers to Other Government Units	7	48,667,534.96	7,739,012.70
Other grants and transfers	8	57,423,755.60	29,122,243.50
Social Security Benefits	9	24,000.00	4,000.00
Acquisition of Assets	10	9,458,220.82	9,013,373.30
Other Payments	11	3,000,000.00	
TOTAL PAYMENTS		133,299,285.98	54,158,292.19
SURPLUS/DEFICIT		(12,011,803.48)	18,210,198.81

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



Francis Ochwacho
Chairman - CCDFC



Crispin Ngugi
Fund Account Manager

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Lang'ata Constituency set out on pages 6 to 22, which comprise the statement of assets and liabilities 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 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 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 misstatements.

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

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

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 evaluation of 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. Budget and Budgetary Controls

1.1 Differences in Financial Records

The summary statement of appropriation reflects a budget of Kshs.118,965,030 while the project proposal document with the CDF Board reflects a budget of Kshs.89,714,432 as detailed below:-

Item	Budgeted Amount as per Statements of Appropriation	Budgeted Amount as per Project Proposal	Difference
Compensation of Employees	1,756,800	1,756,800	-
Use of goods and services	7,551,432	1,751,432	5,800,000
Committee Expenses	7,551,432	4,552,865	2,000,000
Transfers to Other Govts	35,106,789	21,337,921	13,768,868
Other Grants and Transfers	58,003,144	54,823,144	3,180,000
Social Security Benefits	24,000	43,200	19,200
Acquisition of Assets	10,000,000	4,000,000	6,000,000
Other payments	-	1,479,070	(1,479,070)
	<u>118,965,030</u>	<u>89,714,432</u>	<u>29,250,598</u>

No explanation was provided for the differences between the two sets of records. Consequently, the accuracy of the budget figures reflected in the summary statement of appropriation could not be confirmed.

1.2 Budget Versus Actual Expenditure in the Year

The summary statement of appropriation reflects a budget of Kshs.118,965,030 while the total receipts for the year from the CDF Board was Kshs.121,287,483. At the same time, the Fund opened with a balance of Kshs.18,210,198. It therefore had an amount

of Kshs.139,497,681 available for utilization but the Fund utilized Kshs.133,299,287 as detailed below:-

Item	Budgeted Amount	Actual Expenditure	Under/ Expenditure
Compensation of Employees	1,756,800	1,727,000	29,800
Use of goods and services	7,551,432	1,088,775	462,657
Committee Allowances	6,522,865	5,910,000	612,865
Transfers to Other Govt.	23,337,921	48,667,535	-5,329,614
Other Grants and Transf.	69,772,012	57,423,756	14,262,861
Social Security Benefits	24,000	24,000	-
Acquisition of Assets	10,000,000	9,458,221	541,779
Other Payments	-	3,000,000	-3,000,000
	<u>118,965,030</u>	<u>133,299,287</u>	<u>-12,419,652</u>

It was noted that the Constituency spent an additional Kshs.25,329,614 and Kshs.3,000,000 on Transfers to Other Government units and other payments respectively, without the approval of the CDF Board. No explanations was provided for this breach of the law.

1.3 Transfers to Other Government Entities

The summary statement of appropriation reflects an amount of Kshs.48,667,535 under transfers to other government entities, which exceeded the budget by Kshs.25,329,614, as shown below:-

Project	Budgeted Amount Kshs	Actual Expenditure Kshs	Under/Over Expenditure Kshs
Madaraka Primary School	12,000,000	21,563,613	(9,563,613)
Nyayo Highrise Primary	4,500,000	-	4,500,000
Caren C Sec School	6,000,000	27,103,922	(21,103,922)
Conditional Grant (Rehabilitation)	<u>837,921</u>	<u>-</u>	<u>837,921</u>
Total	<u>23,337,921</u>	<u>48,667,535</u>	<u>(25,329,614)</u>

No reason was given for the failure to finance Nyayo Highrise Primary School. In addition there was no authority from the CDF Board for the over-expenditure on Madaraka Primary School and Caren C Secondary School.

1.4 Other Grants and Transfers

The summary statement of appropriation reflects an expenditure of Kshs.57,423,756 under other grants and transfers while the budget for the same was Kshs.58,003,144 as detailed below:-

Project/Item	Budgeted Amount Kshs	Actual Expenditure Kshs	Under/Over Expenditure Kshs
Bursary Secondary/ Tertiary Schools	14,354,309	21,569,000	(7,214,691)
Sports	1,794,288	1,516,250	278,038
Environment	1,794,288	1,000,000	794,288
Emergency Projects	5,400,259	5,026,650	373,609
Water and Sewers	-	-	-
Highrise Ablution Block	3,000,000	1,355,313	1,644,687
south Land Ablution Block	3,000,000	2,621,940	378,060
Wilson Ablution Block	3,000,000	3,750,930	(750,930)
Kambi Kisii Ablution Block	3,000,000	1,110,183	1,889,817
Manyatta Ablution Block	3,000,000	2,643,338	356,662
Madaraka Ablution Block	3,000,000	-	3,000,000
Raila Village Ablution Block	2,000,000	2,561,840	(561,840)
South C Ablution Block	2,000,000	-	2,000,000
Bus Shelters	-	-	-
Hardy Bus Shelter	996,666	998,650	(1,984)
CUEA Bus Shelter	996,666	999,650	(2,984)
Highrise Bus Shelter	996,666	999,650	(2,984)
Wilson Bus Shelter	996,666	999,650	(2,984)
Karen Bus Shelter	996,666	879,650	117,016
Security	-	-	-
Silanga Chiefs Camp	5,445,538	6,915,802	(1,470,264)
Raila Village Chief Office	5,000,000	-	5,000,000
South C Chief Office	5,000,000	-	5,000,000
Karen Chief Office	4,000,000	-	4,000,000
Wilson AP/Chief Camp	-	1746000	(1,746,000)
Bomas AP/Chief Camp	-	174600	(174,600)
Wilson Mugumoini AP/Chief Camp	-	554760	(554,760)
Total	69,772,012	57,423,856	12,348,156

No reason was given for the failure to fund the budgeted projects. No authority was sought from the CDF Board for the reallocation of the expenditure, and over expenditure on some of the projects.

2. Unaccounted for Imprests

The statement of receipts and payments reflects an expenditure of Kshs.57,423,756 under other grants and transfers, which include an amount of Kshs.5,209,700 issued as imprest to the Fund Account Manager and which had not been accounted for as at 30 June 2015.

In addition, the statement of receipts and payments balance of Kshs.7,088,775 under use of goods and services includes an amount of Kshs.6,284,550 issued as imprests but had not been accounted for as at 30 June 2015.

Consequently, the expenditure of Kshs.57,423,756 on other grants and transfers and Kshs.7,088,775 on use of goods and services had been over-stated with the imprest amounts.

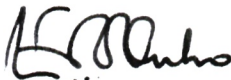
3. Cash and Cash Equivalents

The statement of assets and liabilities reflects an amount of Kshs.4,828,988 as at 30 June 2015. Review of bank reconciliation statements revealed that unpresented cheques amounted to Kshs.13,129,811 out of which cheques totalling to Kshs.3,682,439 were stale. No effort was made to reverse the stale cheques in the cash book. In addition, the fund did not disclose the bank account held at the Cooperative Bank of Kenya Limited A/C No. 01120011171900, whose last known balance as at 28 February 2015 was Kshs.10,613,382.

Consequently, the cash and cash equivalents balance of Kshs.4,828,988 disclosed in the financial statements could not be confirmed.

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 – Lang'ata 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 Constituencies Development Fund Act, 2013.



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

Nairobi

21 October 2016


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

IV. STATEMENT OF ASSETS AND LIABILITIES

	Note	2014-2015	2013-2014
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book) EQUITY	12A	4,828,988.32	16,687,256.00
Bank Balances (as per the cash book) CO-OP	12A	12,409,805.75	12,563,341.55
Cash Balances (cash at hand)	12B	-	
Outstanding Imprests	12C	-	
TOTAL FINANCIAL ASSETS		17,238,794.07	29,250,597.55
REPRESENTED BY			
Fund balance b/fwd 1st July...2014	13	29,250,597.55	11,040,398.74
Surplus/Deficit for the year		(12,011,803.48)	18,210,198.81
Prior year adjustments	14	-	
NET LIABILITIES		17,238,794.07	29,250,597.55

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


 Francis Ochwacho
 Chairman - CDFC


 Crispin Ngugi
 Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- LANGATA CONSTITUENCY**Reports and Financial Statements**

For the year ended June 30, 2015

V. STATEMENT OF CASHFLOW**CONSTITUENCY DEVELOPMENT FUND - LANGATA CONSTITUENCY**

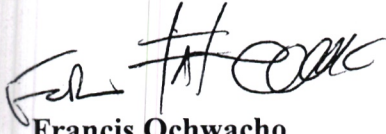
Receipts for operating income		2014 - 2015	2013 - 2014
Transfers from CDF Board	1	121,287,482.50	72,368,491.00
Other Receipts	3	-	0
		121,287,482.50	72,368,491.00
Payments for operating expenses			
Compensation of Employees	4	1,727,000.00	1,698,672.60
Use of goods and services	5	7,088,774.60	1,294,990.09
Committee Expenses	6	5,910,000.00	5,286,000.00
Transfers to Other Government Units	7	48,667,534.96	7,739,012.70
Other grants and transfers	8	57,423,755.60	29,122,243.50
Social Security Benefits	9	24,000.00	4,000.00
Other Payments	11	3,000,000.00	
Adjusted for:			
Adjustments during the year		-	
		(123,841,065.16)	(45,144,918.89)
Net cash flow from operating activities		(2,553,582.66)	27,223,572.11
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	0
Acquisition of Assets	10	9,458,220.82	9,013,373.30
Net cash flows from Investing Activities		(9,458,220.82)	(9,013,373.30)
NET INCREASE IN CASH AND CASH EQUIVALENT		(12,011,803.48)	18,210,198.81
Cash and cash equivalent at BEGINNING of the year	15	29,250,597.55	11,040,398.74
Cash and cash equivalent at END of the year	16	<u>17,238,794.07</u>	<u>29,250,597.55</u>

CONSTITUENCY DEVELOPMENT FUND- LANGATA CONSTITUENCY

Reports and Financial Statements

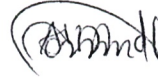
For the year ended June 30, 2015

The financial statements. The LANGATA CDF financial statements were approved on -----
2015 and signed by:



Francis Ochwacho

Chairman – CDFC



Crispin Ngugi

Funds accounts manager

VI. 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	89,714,432.00	29,250,597.55	118,965,029.55	121,287,482.50	(2,322,452.95)	101.95%
Proceeds from Sale of Assets	-	-	-	-	-	0
Other Receipts	-	-	-	-	-	0
	89,714,432.00	29,250,597.55	118,965,029.55	121,287,482.50	(2,322,452.95)	101.95%
PAYMENTS						
Compensation of Employees	1,756,800.00		1,756,800.00	1,727,000.00	29,800.00	89.79%
Use of goods and services	6,051,432.00	1,500,000.00	7,551,432.00	7,088,774.60	462,657.40	93.87%
Committee Expenses	4,522,865.00	2,000,000.00	6,522,865.00	5,910,000.00	612,865.00	90.60%
Transfers to Other Government Units	18,356,191.00	16,750,597.55	35,106,788.55	48,667,534.96	(13,560,746.41)	138.62%
Other grants and transfers	55,003,144.00	3,000,000.00	58,003,144.00	57,423,755.60	579,388.40	99.00%
Social Security Benefits	24,000.00	-	24,000.00	24,000.00	-	83.33%
Acquisition of Assets	4,000,000.00	6,000,000.00	10,000,000.00	9,458,220.82	541,779.18	94.58%
Other Payments	-	-	-	3,000,000.00	(3,000,000.00)	0
TOTALS	89,714,432.00	29,250,597.55	118,965,029.55	133,299,285.98	(14,334,256.43)	111.92%

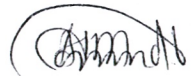

CONSTITUENCIES DEVELOPMENT FUND – LANGATA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

The LANGATACDF financial statements were approved on _____ 2015 and signed by:


 Francis Ochwacho
Chairman - CCDFC


 Crispin Ngugi.
Fund Account Manager

VII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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 – LANGATA CONSTITUENCY
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IX NOTES TO THE FINANCIAL STATEMENTS

GFS CODES				
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
	Description		2014 - 2015	2013 - 2014
			Kshs	Kshs
1330407	Normal Allocation	AIE NO...750266	31,573,050.50	31,573,050.50
		AIE NO...750267	22,428,608.00	40,795,440.50
		AIE NO...750268	13,457,165.00	
		AIE NO...750269	22,428,608.00	
		AIE NO...750270	31,400,051.00	
		AIE NO...750271		
1330408	Conditional grants	AIE NO...	-	-
		AIE NO...	-	
1330409	Receipt from other Constituency		-	
	TOTAL		121,287,482.50	72,368,491.00
3510000	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
	Description		2014 - 2015	2013 - 2014
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings			
3510601	Receipts from the Sale of Vehicles and Transport Equipment			-
3510801	Receipts from the Sale Plant Machinery and Equipment			
3510803	Receipts from the Sale of office and general equipment			
		Total	-	-

CONSTITUENCIES DEVELOPMENT FUND – LANGATA CONSTITUENCY

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3 OTHER RECEIPTS				
1 0				
Description		2014 - 2015	2013 - 2014	
		Kshs	Kshs	
1410107	Interest Received	-	-	
1410405	Rents	-	-	
1420601	Sale of tender documents	-	-	
1450207	Other Receipts Not Classified Elsewhere (specify)	-	-	
	Total	-	-	

4 COMPENSATION OF EMPLOYEES				
2110000				
Description		2014 - 2015	2013 - 2014	
		Kshs	Kshs	
2110201	Basic wages of contractual employees	1,727,000.00	1,698,672.60	
2110202	Basic wages of casual labour	-		
	Personal allowances paid as part of salary			
2110301	House allowance	-	-	
2110314	Transport allowance	-	-	
2110320	Leave allowance		-	
2110326	Other personnel payments	-	-	
2710120	gratuity			
	Total	1,727,000.00	1,698,672.60	

5 USE OF GOODS AND SERVICES				
2200000				
Description		2014 - 2015	2013 - 2014	
		Kshs	Kshs	
2210100	Utilities, supplies and services	400,000.00	1,180,000.00	
2210104	Office rent			
2210200	Communication, supplies and services	600,000.00	25,000.00	
2210300	Domestic travel and subsistence	800,000.00		
2210500	Printing, advertising and information supplies & services	1,000,000.00		
2210600	Rentals of produced assets			
2210700	Training expenses	2,500,000.00		

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2210800	Hospitality supplies and services				
2210900	Insurance costs				
2211000	Specialised materials and services/strategic plan		849,326.00		
2211100	Office and general supplies and services		753,231.00		
2211200	Fuel ,oil & lubricants				
2211300	Other operating expenses/b charges		186,217.60	89,990.09	
2220100	Routine maintenance – vehicles and other transport equipment				
2220200	Routine maintenance – other assets				
	Total		7,088,774.60	1,294,990.09	

2210800 6 COMMITTEE EXPENSES

	Description	2014 - 2015 Kshs	2013 - 2014 Kshs
2210802	Other committee expenses	3,500,000.00	1,660,000.00
2210809	Committee allowance	2,410,000.00	3,626,000.00
	TOTAL	5,910,000.00	5,286,000.00

2630200 7 TRANSFER TO OTHER GOVERNMENT ENTITIES

	Description	2014 - 2015 Kshs	2013 - 2014 Kshs
2630204	Transfers to primary schools	21,563,612.50	3,439,012.70
2630205	Transfers to secondary schools	27,103,922.46	4,300,000.00
2630206	Transfers to Tertiary institutions		
2630207	Transfers to Health institutions		
	TOTAL	48,667,534.96	7,739,012.70

CONSTITUENCIES DEVELOPMENT FUND – LANGATA CONSTITUENCY
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For the year ended June 30, 2015

2640000 8 OTHER GRANTS AND OTHER PAYMENTS				
	Description	2014 - 2015	2013 - 2014	
		Kshs	Kshs	
2640101	Bursary -Secondary	10,784,500.00	16,525,060.00	
2640102	Bursary -Tertiary	10,784,500.00		
2640104	Bursary-Special schools			
2640105	Mocks & CAT			
2640504	water/Sewers	14,043,544.10	1,375,000.00	
2640505	Agriculture (food security)			
2640506	Electricity projects		1,070,236.80	
2640507	Security	9,391,161.50	2,000,000.00	
2640508	Roads			
2640509	Sports	1,516,250.00	1,510,300.00	
2640510	Environment	1,000,000.00	1,115,325.00	
2640200	Emergency Projects (specify)	5,026,650.00	5,526,321.70	
2640511	Development - factories/stadiums/B.shelters	4,877,150.00	-	
	Total	57,423,755.60	29,122,243.50	
2120000 9 SOCIAL SECURITY BENEFITS				
	Description	2014 - 2015	2013 - 2014	
		Kshs	Kshs	
2120101	Employer contribution to NSSF	24,000.00	4,000.00	
	Total	24,000.00	4,000.00	
3100000 10 ACQUISITION OF ASSETS				
	<u>Non Financial Assets</u>	2014- 2015	2013 - 2014	
		Kshs	Kshs	
3110102	Purchase of Buildings	-	-	
3110202	Construction of Buildings	9,458,220.82	6,640,623.30	
3110302	Refurbishment of Buildings		1,682,000.00	
3110701	Purchase of Vehicles			
3110704	Purchase of Bicycles & Motorcycles			
3110801	Overhaul of Vehicles			

CONSTITUENCIES DEVELOPMENT FUND – LANGATA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

3111001	Purchase of Office furniture and fittings				
3111002	Purchase of computers ,printers and other IT equipments			690,750.00	
3111005	Purchase of photocopier				
3111009	Purchase of other office equipments				
3111112	Purchase of soft ware				
3130101	Acquisition of Land				
	Total		9,458,220.82	9,013,373.30	

11 OTHER PAYMENTS

		2014- 2015	2013 - 2014
		Kshs	Kshs
legal fees		3,000,000.00	
specify		-	-
TOTAL		3,000,000.00	-

12A: Bank Balances (cash book bank balance)

Name of Bank	Account Number	2014 - 2015	2013 - 2014
		Kshs (30/6/2015)	Kshs (30/6/2014)
<i>Equity bank - NAIROBI WEST</i>		4,828,988.32	16,687,256.00
<i>Co op Bank</i>		12,409,805.75	12,563,341.55
		-	-
Total		17,238,794.07	29,250,597.55

12B: CASH IN HAND

		2014 - 2015	2013 - 2014
		Kshs (30/6/2015)	Kshs (30/6/2014)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-

CONSTITUENCIES DEVELOPMENT FUND – LANGATA CONSTITUENCY

Reports and Financial Statements

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Total		-	-	
		<i>[Provide cash count certificates for each]</i>		
12C: OUTSTANDING IMPRESTS				
Name of Officer	Date imprest taken	Amount Taken	Amount Surrendered	Balance (30/6/2015)
		Kshs	Kshs	Kshs
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
Total				-
13 BALANCES BROUGHT FORWARD				
		2014 - 2015	2013 - 2014	
		Kshs (1/7/2014)	Kshs (1/7/2013)	
Bank accounts		17,238,794.07	29,250,597.55	
Cash in hand		-		
Imprest		-		
Total		17,238,794.07	29,250,597.55	
		<i>[Provide short appropriate explanations as necessary]</i>		
14 PRIOR YEAR ADJUSTMENTS				
		2014 - 2015	2012 - 2013	
		Kshs	Kshs	
Bank accounts				
Cash in hand		-	-	
Imprest		-	-	
		-	-	
Total		-	-	
15 OTHER IMPORTANT DISCLOSURES				
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)				
		2014 - 2015	2013 - 2014	
		Kshs	Kshs	

CONSTITUENCIES DEVELOPMENT FUND – LANGATA CONSTITUENCY

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Construction of buildings			-	-
Construction of civil works			-	-
Supply of goods			-	-
Supply of services			-	-
TOTAL			-	-
15.2: PENDING STAFF PAYABLES (See Annex 2)				
			2014 - 2015	2013 - 2014
			Kshs	Kshs
Senior management			-	-
Middle management			-	-
Unionisable employees			-	-
Others (<i>specify</i>)			-	-
			-	-
15.3: OTHER PENDING PAYABLES (See Annex 3)				
			2014 - 2015	2013 - 2014
			Kshs	Kshs
Amounts due to other Government entities (see attached list)			-	-
Amounts due to other grants and other transfers (see attached list)			-	-
Others (<i>specify</i>)			-	-
			-	-

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

Reports and Financial Statements

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

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						

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

Reports and Financial Statements

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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		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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

Reports and Financial Statements

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

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	C	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
Sub-Total							
Grand Total							

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

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2014/15	2013/14
Land		-
Buildings and structures	9,458,220.82	9,013,373.30
Transport equipment		
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	9,458,220.82	9,013,373.30