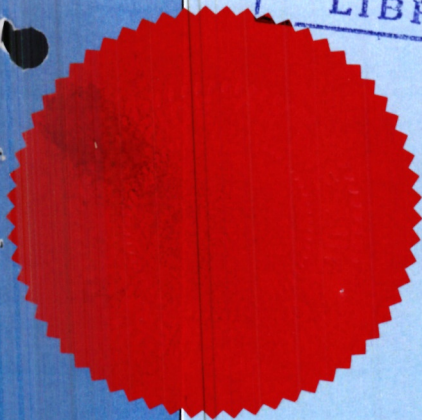


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OFFICE OF THE AUDITOR-GENERAL



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



CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO

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)

FUND ACC. MANAGER
NAVAKHOLO CONSTITUENCY
Sign.....
Date..... 21/09/2015





CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

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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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 CDF Act 2013 aligns the Fund with the Constitution of Kenya 2010 and the Public Finance Management Act 2012 that lay emphasis on citizen participation in public finance management and decision making, transparency and accountability together with equity in public resource utilization. The overall management of the Fund is the responsibility of the Constituencies Development Fund Board.

(b) Key Management

The *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 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Edward Mola
3.	District Accountant	Zakaria Anangwe



(d) Fiduciary Oversight Arrangements

NAME	MEMBER
Chispino Ndombi Makokha	Member
Fund Account Manager : Navakholo	Ex Officio
Deputy County Commissioner : Navakholo	National Government Official
James O. Amunze	Member
Elphas Okwako Makokha	Member
Sofia Nuri Barasa	Member
Margarate Andati Mutonyi	Member
Jones Upande Walumoni	Member
Thomas Nasho Shirotisa	Member
Kennedy Ngao Ndombi	Member

(e) NAVAKHOLO
P.O.Box 14
Nambacha
Kakamega County
Kenya

Navakholo CDF Office is next to the road to Nambacha Centre

(f) Entity Contacts

Provide telephone number and email of the constituency CDF office

Telephone: (254) 0721332818
E-mail: cdfnavakholo@gmail.com
Website: www.go.ke

(g) Entity Bankers

Constituency CDF main banker

1. Co operative Bank of Kenya
Main Kakamega Branch...
...01141545568700
...

(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. STATEMENT OF CONSTITUENCY 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 entity shall prepare financial statements in respect of that entity. 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 Fund Account Manager in charge of the Navakholo *CDF* is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2014. 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the Navakholo *CDF* accepts responsibility for the Constituency'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) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the Navakholo *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2014, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the Navakholo *CDF* further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

The Fund Account Manager in charge of the Navakholo *CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency'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 Fund Account Manager confirms that the Constituency'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

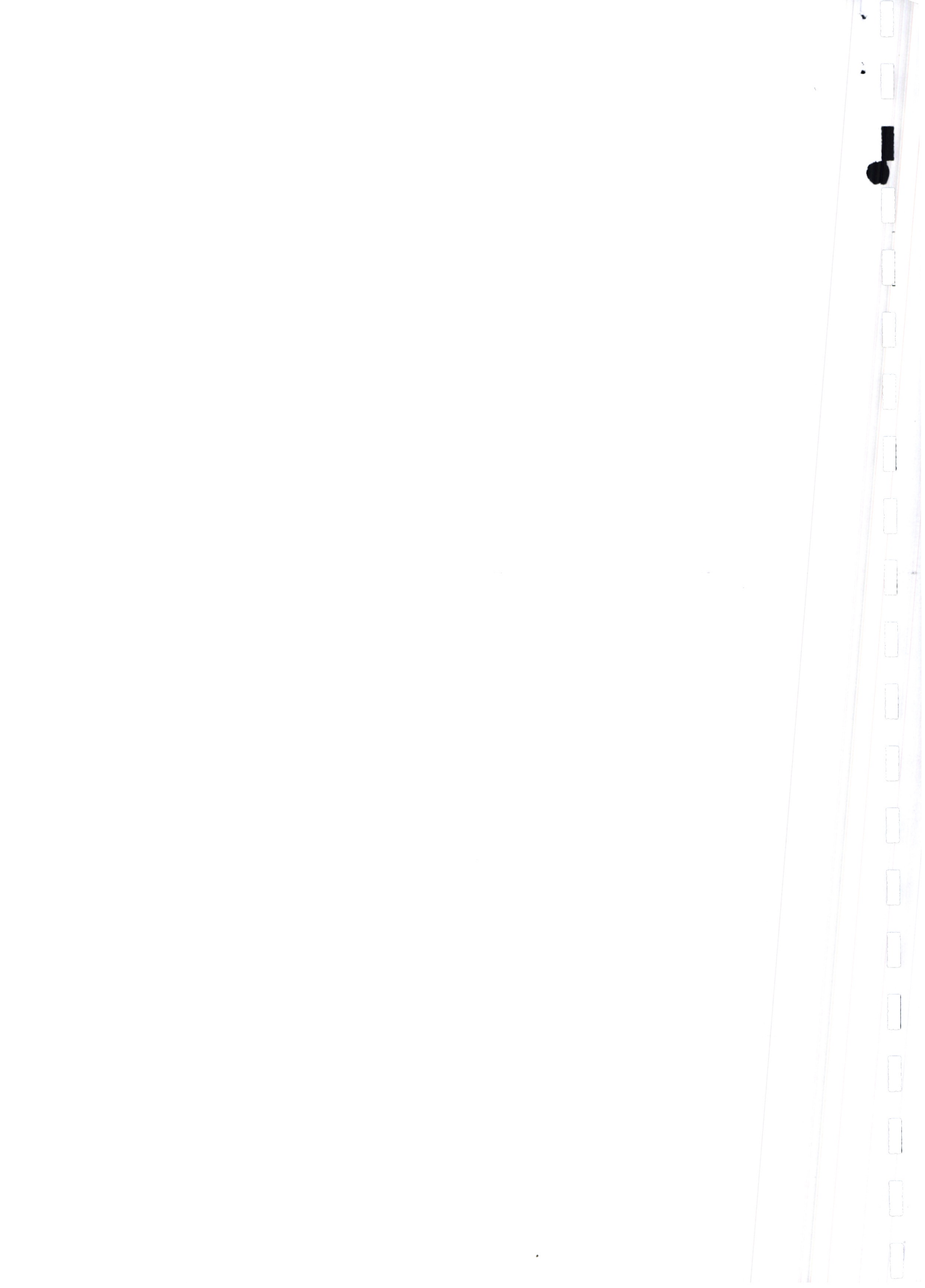
The Navakholo *CDF* financial statements were approved and signed on _10th September 2014.



Chripino Ndombi
Chairman - CDFC



Edward Mola
Fund Account Manager



REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund – Navakholo Constituency set out on pages 5 to 19, which comprise the statement of assets and liabilities 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.

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 compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of

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

accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph, I have not been able to obtain sufficient and appropriate evidence to provide a basis for an audit opinion.

Basis for Disclaimer of 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 the financial statements presented for audit, a report action taken to address previous year auditor's recommendations. In the year 2013/2014, Navakholo 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. As a result, the presentation of the financial statements does not conform with IPSAS (Cash Basis) format prescribed by the National Treasury and the Public Finance Management Act, 2012.

Further, the statement of receipt and payments reflects a surplus of Kshs.3,782,561 while the statement of assets reflects a deficit of Kshs.46,202,048 resulting in a difference (deficit) of Kshs.42,419,487.

In addition, the cash and cash equivalents balance of Kshs.3,782,562 differs with the cash flow statement balance of Kshs.3,781,951.52 and statement of assets deficit of Kshs.46,202,048.

The fixed assets register balance is Kshs.12,850,000. However, the balance brought forward figure of Kshs.511,995 has not been disclosed.

In view of the foregoing, the accuracy, and completeness of the financial statements for the year ended 30 June 2015 cannot be ascertained.

2. Cash and Cash Equivalents

Included in the cash and cash equivalents balance of Kshs.3,782,562 is cash-at-bank of Kshs.3,689,413 which however differs from the corrected cash book balance of Kshs.6,507,166 resulting in an unexplained difference of Kshs.2,817,753. Consequently, the accuracy of the reported bank balance of Kshs.3,689,413 cannot be confirmed.

3. Budgetary Control and Performance

The summary statement of appropriation indicates that the Fund budgeted and received grants totaling to Kshs.106,972,024 from the National CDF Management Board. However, actual expenditure was Kshs.103,189,463 and thus exceeded the budget of Kshs.36,869,763 by amount of Kshs.66,319,700. The original approved budget was not presented for audit to authenticate the statement presented which is summarized below:

Revenue/Expense Item	Final Budget	Actual Expenditure	Variation	Percentage Variation
RECEIPTS	(Kshs)	(Kshs)	(Kshs)	
Transfers from CDF Board: Regular	106,972,024	106,972,024	-	0%
PAYMENTS				
Compensation of Employees	725,600	1,420,000	(694,400)	-96%
Use of goods and services	776,893	2,985,042	(2,208,149)	-284%
Committee Expenses	4,628,045	10,279,305	(5,651,260)	-122%
Transfers to Other Government Units	10,882,759	30,787,937	(19,905,178)	-183%
Other grants and transfers	19,055,641	44,833,819	(25,778,178)	-135%
Social Security Benefits	10,800	33,360	(22,560)	-209%
Acquisition of Assets	764,675	12,850,000	(12,085,325)	-1580%
Other Payments	25,350	-	25,350	100%
TOTALS	36,869,763	103,189,462	(66,319,699)	-180%

In view of the discrepancy, it has not been possible to confirm the budgetary performance of the Fund and whether the statement of appropriation presents fairly the operations of the Fund during the year under review.

4. Project Implementation and Management

During the year under review, the Fund allocated a total amount of Kshs.104,055,492 for a total of seventy six (76) projects. As at 30 June 2015, twenty (20) projects allocated Kshs.42,268,651 were ongoing while twenty six (26) projects allocated Kshs.14,000,000 and falling under the education sector had not commenced at the time of the audit in March 2016 as detailed below:

Sector/ Status	Stalled		Not Completed		Ongoing		Complete	
	No	Value	No	Allocation (Kshs)	No	Allocation (Kshs)	No	Allocation (Kshs)
Administration					3	7,864,725	3	13,257,735
Education			26	14,000,000	9	23,921,167	19	20,329,106

Environment				1	500,000		
Health				3	4,482,759		
Water				1	1,600,000		
Market				1	2,000,000	1	1,600,000
Road				1	900,000	6	11,100,000
Security						1	1,500,000
Sports				1	1,000,000		
Total			26	14,000,000	20	42,268,651	30
							47,786,841

The delay in implementing forty six (46) projects implies that services were not responsively and promptly provided to the public and constituents as required by the Constitution of Kenya.

5. Transfer to Other Government Units - Irregularities in the Implementation of CDF Projects

During the year under review, the Fund reported transfers amounting Kshs.30,787,936 to other government units. The transfers included a sum of Kshs.15,600,000 spent on projects in three health institutions and three secondary schools. However, physical verification revealed the works several irregularities including un-approved variations, abandoned and stalled projects, commissioning of new projects without completing earlier ones and poor workmanship. As a result, the grants totaling to Kshs.15,600,000 were not efficiently and effectively spent and the constituents did not realize value-for-money from the expenditure.

6. Other Grants and Transfers – Irregularities in the Implementation of Projects

Included in the other grants and transfers balance of Kshs.44,833,819 is a sum of Kshs.6,801,148 used to implement two projects namely grading a road at Kshs.4,501,148 and construction of a District Office at a cost of Kshs.2,300,000. However, poor workmanship was evident in respect of the road works while the district office was not completed and occupied without a finished floor, ceiling and other fittings thus implying that the contractor was paid the full contract price before the works were completed.

Consequently, public funds were not spent efficiently and effectively as required by the law and the Fund did not obtain value-for-money from the expenditure totaling to Kshs.6,801,148.

7. Acquisition of Assets – Unprocessed land Title for the CDF Office

During the year under review, the Fund acquired assets worth Ksh.12,850,000.00 including land bought at Kshs.850,000 for the CDF office. However, the CDF paid the seller the full value without transfer documents and title deed. As at the time of audit inspection, the CDF had not obtained the title deed to the land. In the circumstance, it has not been possible to establish ownership of the land by the Fund and this has cast doubt on the propriety of the Kshs.850,000 and to the seller.

Further, included in the asset purchase balance of Kshs.12,850,000 is Kshs.7,950,000 incurred on Construction of Navakholo CDF Office against the total contract price of Kshs.12,000,000. However, tender committee minutes confirming the method of procurement used and award of the tender were not made available for audit review.

In addition, there were irregular variations in materials, for example use of Gauge 30 sheets in roofing instead of the billed Gauge 26 in the construction works among other irregularities related to the building which was not completed anyway.

In view of the foregoing, it has not been possible to confirm that the Fund obtained value-for-money on the expenditure of Kshs.12,850,000 reported to have been incurred on acquisition of assets.

8 Use of Goods and Services

The schedule in supporting expenditure of Kshs.2,985,048 incurred on amounts for use of goods and services revealed that except for bank charges amounting to Kshs.7,245 and rent charges of Kshs.30,000 which adds to a total of Kshs.37,245, the remainder of the balance amounting to Kshs.2,947,797 was paid out in cash to officers at the CDF. Therefore nearly all the procurement for items of use of goods and services was effected in cash. Given the inherent weaknesses of the controls over cash payments, it was not possible to confirm whether the payments represented value received.

Further, Note 3 to the financial statements indicates the expenditure on rent amounting to Kshs.240,000 (also categorized under use of goods and services) while the detailed schedule availed in support of the account reflects Kshs.30,000 as rent paid. The difference in the two sets of information was not explained.

According to the note, the expenditure item use of goods and services was only composed of two components of rent at Kshs.240,000 and specialized materials and services at Kshs.2,745,042 with other items like office and general supplies and utilities respectively reported at nil. This is unrealistic and thus the information in the Note is not fairly stated and also misleading.

Consequently, the propriety of the expenditure of Kshs.2,985,042 under use of goods and services cannot be confirmed.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

Nairobi

06 December 2016

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	56,987,414.50	79,159,288.00
		49,984,609.00	
TOTAL RECEIPTS		106,972,023.50	79,159,288.00
PAYMENTS			
Compensation to employees	2	1,420,000.00	610,100.00
Use of goods and services	3	2,985,042.00	688,162.00
Committee Expenses	4	10,279,305.00	3,651,345.00
Transfers to Other Government Units	5	30,787,936.60	6,900,000.00
Other grants and transfers	6	44,833,819.00	16,788,529.00
Social Security Benefits	7	33,360.00	5100.00
Acquisition of Assets	8	12,850,000.00	511,995.00
Other Payments	9	-	19,448.00
TOTAL PAYMENTS		103,189,462.60	29,174,679.00
SURPLUS/DEFICIT		3,782,560.90	49,984,609.00



Mr Chrispino Ndombi
Chairman - CDFC




Mr Edward Mola
Fund Account Manager




CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

IV. STATEMENT OF FINANCIAL ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12	3,689,412.89	49,965,045
Outstanding Imprests	14	93,149.00	19,564
TOTAL FINANCIAL ASSETS		3,782,562	49,984,609
REPRESENTED BY			
Fund balance b/fwd 1st July...	16	49,984,609.00	xxx
Surplus/Defict for the year		(46,202,048.10)	
		3,782,560.90	49,984,609


Mr Chripino Ndombi
Chairman - CDFC


Mr Edward Mola
Fund Account Manager



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

V: CASHFLOW STATEMENT

		2014-2015	2013-2014
Receipts for operating Activities			
Transfers from the CDF Board	1	56,987,414.50	79,159,288.00
Other Revenues			
		<u>56,987,414.50</u>	<u>79,159,288.00</u>
Payments for operating expenses			
Compensation of Employees	2	1,420,000.00	610,100.00
Use of goods and services	3	2,985,042.00	688,162.00
Committee Expenses	4	10,279,305.00	3,651,345.00
Transfers to Other Government Units	5	30,787,936.60	6,900,000.00
Other grants and transfers	6	44,833,819.00	16,788,529.00
Social Security Benefits	7	33,360.00	5,100.00
Other Expenses	9	-	19,448.00
Adjusted for:		(90,339,462.60)	(28,662,684.00)
Adjustments during the year			
Net cashflow from operating activities		(33,352,048.10)	50,496,604.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets	13	(12,850,000.00)	511,995.00
Net cash flows from Investing Activities		(12,850,000.00)	(511,995.00)
CASHFLOW FROM FINANCING ACTIVITIES			
Net cash flow from financing activities			
NET INCREASE/ IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	12	49,984,000.00	-
Cash and cash equivalent at END of the year		3,781,951.90	49,984,609.00



CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

VI: SUMMARY STATEMENT OF APPROPRIATION

Revenue/Expense Item	Original Budget	Adjustments (includes reallocations and balances b/f from previous year)	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board: Regular	56,987,414.50	49,984,609.00	106,972,023.50	106,972,023.50	0	100
PAYMENTS						
Compensation of Employees	725,600.00	694,000.00	1,420,000.00	1,420,000.00	(0.0)	
Use of goods and services	776,893.00	2,208,149.00	2,985,042.00	2,985,042.00	(0.0)	
Committee Expenses	4,628,045.00	5,651,260.00	12,170,280.95	10,279,305.00	1,890,075.95	
Transfers to Other Government Units	10,882,759.00	19,905,177.60	32,678,912.55	30,787,936.60	1,890,975.95	
Other grants and transfers	10,055,641.00	34,278,178.00	44,333,819.00	44,833,819.00	(0.0)	
Social Security Benefits	10,800.00	22,560.00	33,360.00	33,360.00	(0.0)	
Acquisition of Assets	764,675.00	12,085,325.00	12,850,000.00	12,850,000.00	(0.0)	
Other Payments	25,350.00		25,350.00	25,390.00	0.0	



CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

TOTALS			106,971,414.50	103,189,462.60	3,781,951.95	

The Navakholo CDF financial statements were approved on 30th September 2015 and signed by:



Mr Chrispino Ndombi
Chairman - CDFC



Mr Edward Mola
Fund Account Manager



NOTES TO THE FINANCIAL STATEMENTS (Continued)

VI. SIGNIFICANT ACCOUNTING POLICIES

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

a) 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 and relevant legal framework of the Government of Kenya. 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 Constituency and all values are rounded to the nearest thousand (Kshs'000). 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 Constituency.

b) Recognition of revenue and expenses

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

c) In-kind contributions

In-kind contributions are donations that are made to the Constituency 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 Constituency 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.

d) 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



CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

value. Bank account balances include amounts held 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 – NAVAKHOLO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Receivables and payables

Receivables are funds due to the Constituency at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Constituency at the end of the year. When the receivables or payables are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

f) Budget

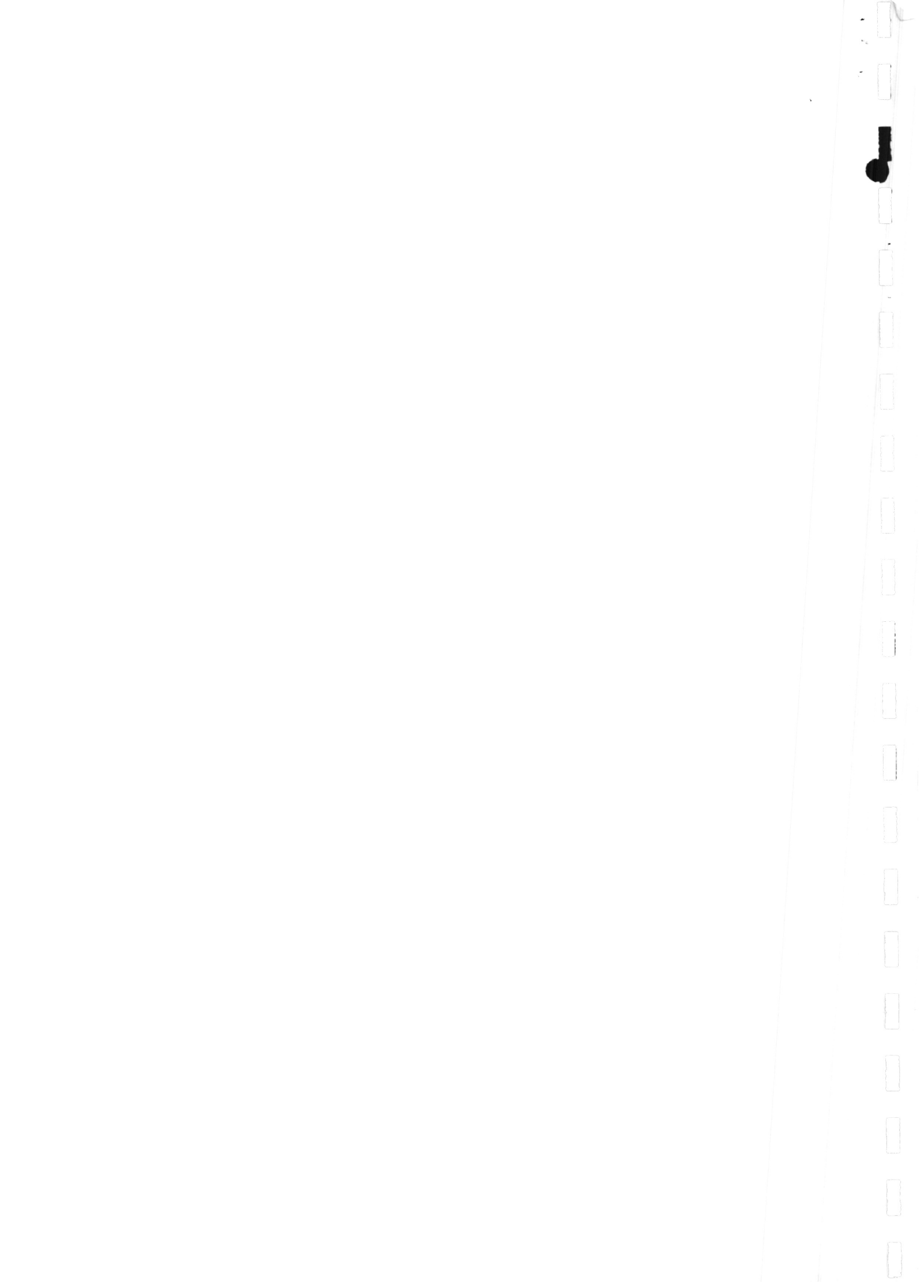
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Constituency's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Constituency's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

g) Comparative figures

This is the first year the Constituency is preparing financial statements and hence we do not have comparative figures.

h) 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, 2014.



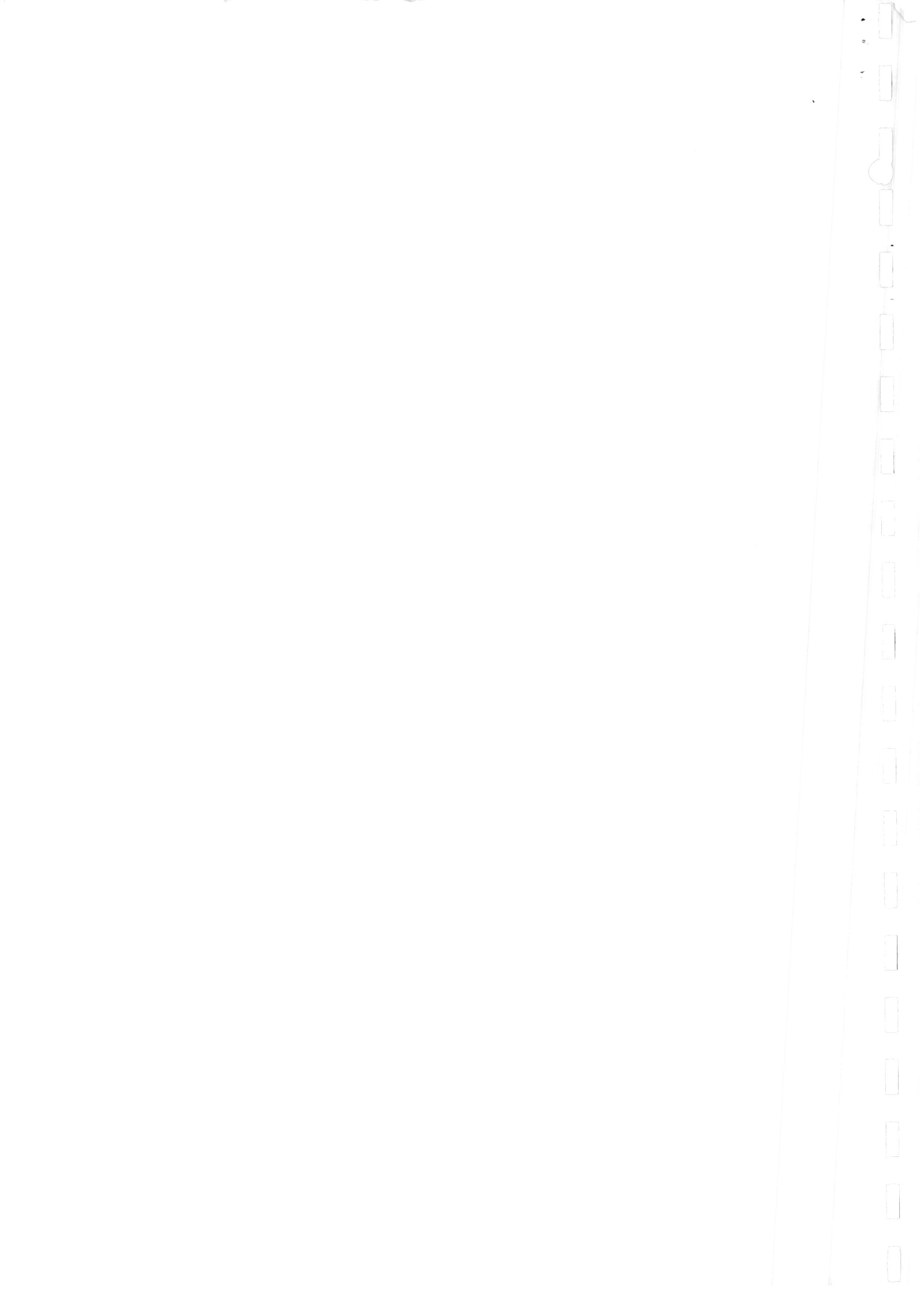
CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

VII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

	Description	2014 - 5	2013 - 2014
		Kshs	Kshs
Normal Allocation	AIE NO...AIE No A709991	28,493,707.25	2,000,000.00
	AIE NO...AIE No A735512.	28,493,707.25	29,663,715.20
	AIE NO...AIE No A750098		47,495,572.80
Conditional grants	AIE NO...		-
	AIE NO...		-
	TOTAL	56,987,414.50	79,159,288.00

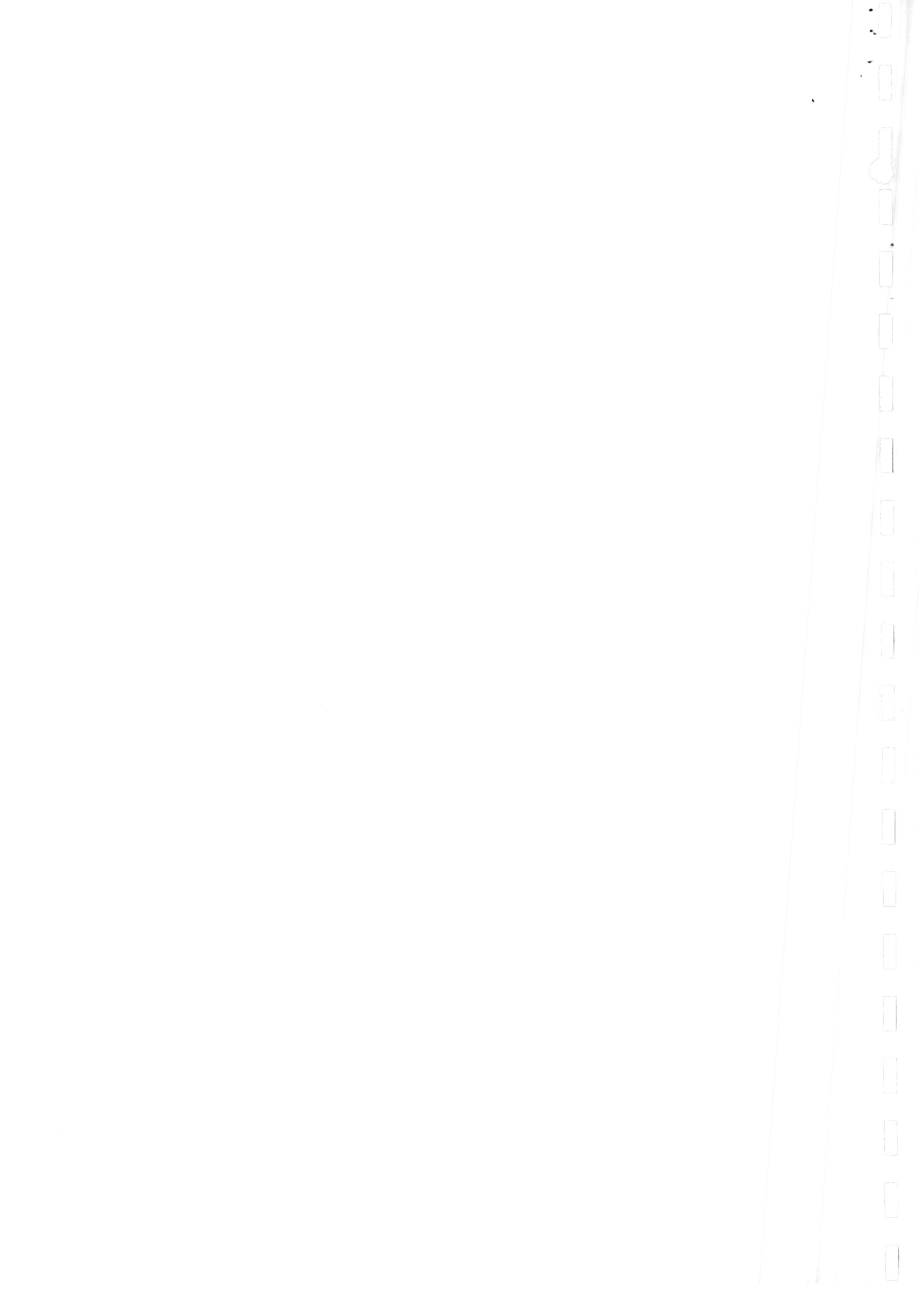


CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2.COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic salaries of permanent employees	1,420,000	555,100
Basic wages of temporary employees	-	55,000
Total	1,420,000	610,100



CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
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• *NOTES TO THE FINANCIAL STATEMENTS (Continued)*

3. USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and service	xxx	xxx
Office Rent	240,000	240,000
Printing, advertising and information supplies & services		30,952
Hospitality supplies and services		114,643
Specialised materials and services	2,745,042	xxx
Office and general supplies and services		252,567
Office Rent		240,000
Total	2,985,042	688,162



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4. COMMITTEE EXPENSES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other committee expenses	-	108,645
Committee allowance	10,275,305	3,542,500
TOTAL	10,275,305	3,651,345

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to Primary Schools	1,737,937	
Transfer to secondary schools	19,500,000	6,900,000
Transfers to health	9,549,999	
TOTAL	30,787,936	6,900,000

6. OTHER GRANTS AND OTHER PAYMENTS

	2014-2015	2013-2014
	Ksh	Ksh
Scholarship and other educational benefits	10,885,483.00	2,520,00
Security	7,000,00	1,500,00
Roads	18,223,336	7,388
Sports	1,800,000	xx
Environment	500,000	xx
Emergency	6,425,000	xx
	<u>44,833,819</u>	<u>16,788,529</u>



CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
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7. SOCIAL SECURITY BENEFITS

	2014-2015	2013-2014
	Ksh	Ksh
Social security benefits in cash and in Kind	<u>33,360</u>	<u>5,100</u>
	<u>33,360</u>	<u>5,100</u>

8. ACQUISITION OF ASSETS

Non Financial Assets

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	xx	xx
Construction of Buildings	12,000,000	xx
Purchase of Specialised Plant, Equipment and Machinery		11,995
Rehabilitation and Renovation of Plant, Machinery and Equip.	xx	xx
Acquisition of Land	850,000	500,000
Acquisition of Intangible Assets	xx	xx

Financial Assets

Total	<u>12,850,000</u>	<u>511,995</u>
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Budget Reserves	xxx	xxx
Other expenses		19,448
Domestic Accounts	xxx	xxx
	<u>-</u>	<u>19,448.00</u>



CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
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10. Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	Amount in bank account currency	Exc rate	2014 - 2015 Kshs	2013 - 2014 Kshs
<i>Cooperative Bank, Kakamega Branch No. 01141545568700 & KSH</i>		xxx	3,689,412.89	51,098,571.3
Total			3,689,412.89	51,098,571.3

11. OUTSTANDING IMPRESTS

Name of Officer or Institution	Amount Taken	Amount Surrendered	Balance
	Kshs	Kshs	Kshs
<i>Edward Mola</i>	xxx	xxx	xxx
Total			xxx

12. BALANCES BROUGHT FORWARD

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	49,984,609.00	-
Cash in hand		-
Total	49,984,609.00	---

[Provide short appropriate explanations as necessary]



CONSTITUENCIES DEVELOPMENT FUND – NAVAKHOLO CONSTITUENCY
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13 **FIXED ASSETS REGISTER**

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land	850,000	
Buildings and structures	12,000,000	XXXXX
Office equipment, furniture and fittings	XXXXX	XXXXX
ICT Equipment, Software and Other ICT Assets	XXXXX	XXXXX
Other Machinery and Equipment	XXXXX	XXXXX
Total	12,850,000	

14. *DISBURSEMENTS FROM THE BOARD*

<i>AIE NO.</i>	<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
<i>AIE NO A 735512</i>	56,987,414.50	2014/2015

