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REPORT

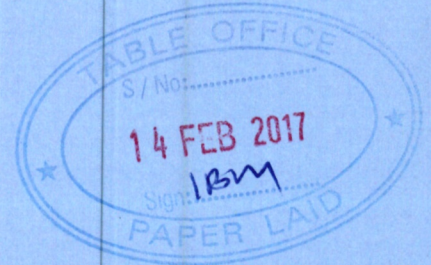
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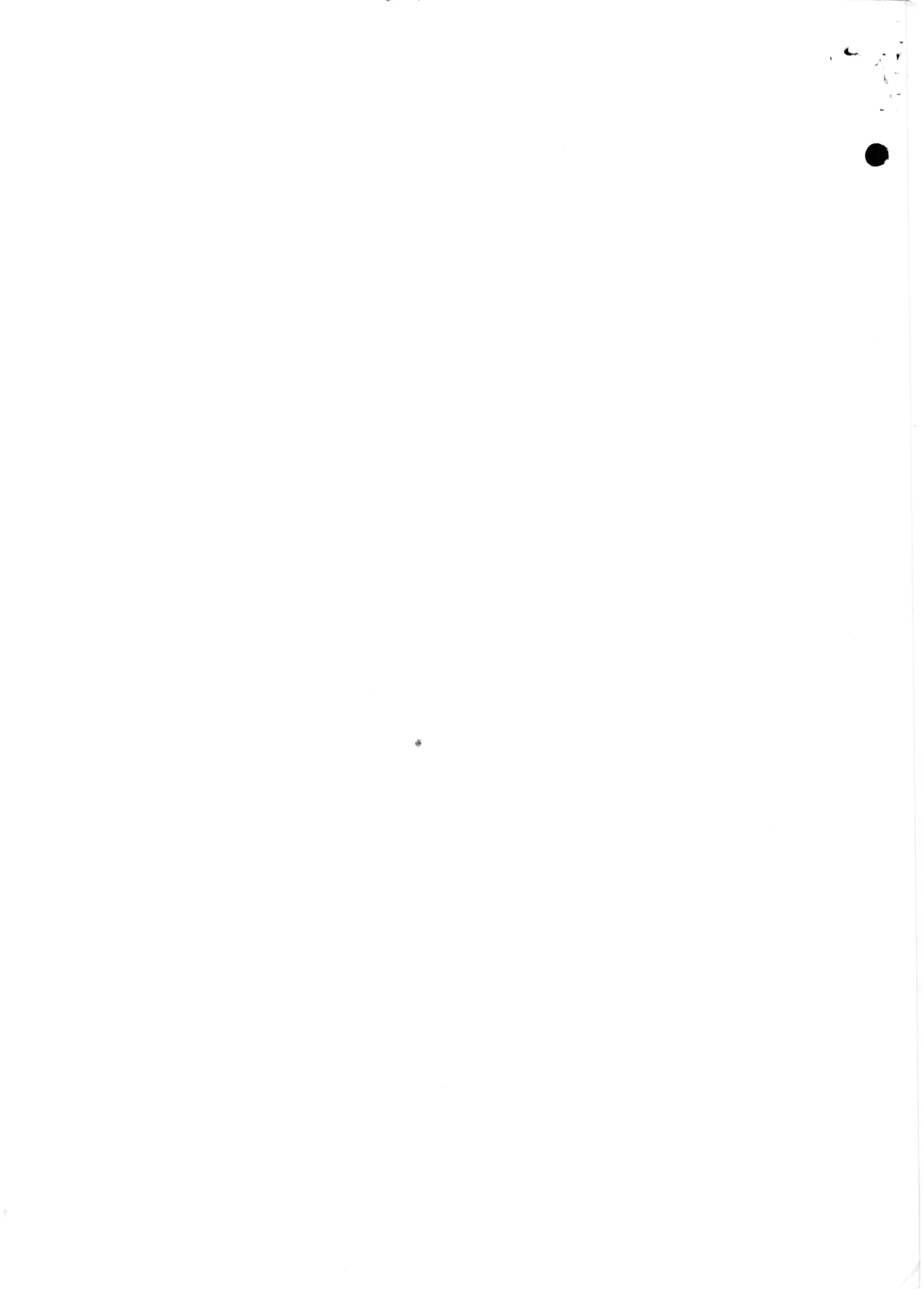
THE AUDITOR-GENERAL

ON

CONSTITUENCIES DEVELOPMENT FUND
GARISSA TOWNSHIP CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015





Thursday, 2nd February, 2017

The House met at 2.30 p.m.

PAPERS LAID

Hon. A.B. Duale: Hon. Deputy Speaker, I beg to lay the following Papers on the Table of the House:

- ✓ The Annual Report and the Financial Statements of Kenya Power and Lighting Company Limited for the year ended 30th June 2016.
- ✓ The Report of the Auditor-General on the Financial Statements in respect of Embu University College for the year ended 30th June 2016, and the Certificate therein.

The Report of the Auditor-General on the Financial Statements in respect of the following constituencies for the year ended 30th June 2015, and the Certificates therein:

- ✓ i) Banisa Constituency.
- ✓ (ii) Mandera West Constituency.
- ✓ (iii) Bumula Constituency;
- ✓ (iv) Mumias East Constituency.
- ✓ (v) Kimilili Constituency.
- ✓ (vi) Tarbaj Constituency.
- ✓ (vii) Tongaren Constituency.

- ✓ (i) Kandara Constituency; and, } 14.2.2017
- ✓ (ii) Garissa Town Constituency }

(the two reports were laid on 14.2.2017)

Hon. Ganya: Hon. Deputy Speaker, I beg to lay the following Paper on the Table of the House:

The Report of the Departmental Committee on Environment and Natural Resources on the Consideration of the Hydrologists Bill, 2016.

Wednesday, 1st February, 2017

The House met at 2.30 p.m.

PAPERS LAID

Hon. A.B. Duale: Hon. Deputy Speaker, I beg to lay the following Papers on the Table of the House:

The Reports of the Auditor-General on the Financial Statements in respect of the following constituencies for the year ended 30th June 2015, and the certificates therein:

- (i) Wajir North Constituency; ✓
- (ii) Mumias West Constituency; ✓
- (iii) Matungu Constituency; ✓
- (iv) Mwingi Central Constituency; ✓
- (v) Navakholo Constituency; ✓
- (vi) Butere Constituency; ✓
- (vii) Teso South Constituency; ✓
- (viii) Tigania West Constituency; ✓
- (ix) Kitui Rural Constituency; and, ✓
- (x) Emuhaya Constituency. ✓

Wednesday, 1st February, 2017

The House met at 9.30 a.m.

PAPERS LAID

Hon. Katoo: Hon. Deputy Speaker, I beg to lay the following Papers on the Table of the House:

✓ The Report of the Auditor-General on the Financial Statement in respect of the Kenya Roads Board Fund for the year ended 30th June, 2016 and the Certificate therein.

The Reports of the Auditor-General on the Financial Statements in respect of the following constituencies for the year ended 30th June, 2015 and the Certificates therein:

1. Teso North Constituency ✓
2. Malava Constituency ✓
3. Lafey Constituency ✓
- ✓ 4. Nambale Constituency ✗
5. Wajir South Constituency ✓
6. Butula Constituency ✓
7. Funyula Constituency ✓
8. South Imenti constituency ✓
9. Lurambi Constituency ✓
10. Kanduyi Constituency ✓
11. Wajir East Constituency ✓

Hon. (Ms.) R.K. Nyamai: Hon. Deputy Speaker, I beg to lay the following Papers on the Table of the House:

The Report of the Departmental Committee on Health on a Petition by the family of Mr. Mohamed Bakari on negligence by the Mombasa Hospital and failure to attend to a patient.

The Kenya Student Nurses Chapter of the National Nurses Association of Kenya regarding direct employment of degree nurses by the Public Service Commission.

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI

08 FEB 2017

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**CONSTITUENCY DEVELOPMENT FUND- GARISSA TOWNSHIP
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 – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS	5
V. STATEMENT OF ASSETS	6
VI. STATEMENT OF CASHFLOW	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	9
IX. NOTES TO THE FINANCIAL STATEMENTS	11

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*.

(b) Key Management

The *Garissa Township 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	Hassan Billow Ismail
3.	Accountant	Mohamed Aden Arab
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Garissa Township 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) GARISSA TOWNSHIP CDF Headquarters

P.O. Box 259
Off- Kismanyo Road
Opposite AIC Church
Garissa, KENYA

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

(f) GARISSA TOWNSHIP CDF Contacts

Telephone: (254) 723283423
E-mail: hismail@cdf.go.ke
Website: www.cdf.go.ke

(g) GARISSA TOWNSHIP CDF Bankers

Equity Bank Limited
Garissa Branch
Box 700-70100
Mandeleo Plaza
Garissa, Kenya

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



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

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

has achieved and successfully implemented over 80% of projects for the financial year 2014-2015. We directed good percentage of our allocations to Education projects as well as Bursaries to reduce illiteracy and increase retention rates in both Secondary and Tertiary institutions.

The Fund utilization and absorption has been good and we were able to disburse the funds to Project Management Committees for timely completion of projects.

KEY ACHIEVEMENTS

Completed construction and renovations of all classrooms that was financed during the current year

- Constructions and Equipment of Science laboratories to improve learning and performance of students within the constituency.
- Support to over 1000 needy and poor students in both Secondary and Tertiary institutions from the constituency.
- Improved livelihoods and reduced food insecurity of the Farmers in the constituency through Purchase and supply of Pump Sets for Farm Groups.
- Increased access to Water through Disilting of Water pan

EMERGING ISSUES

Though some sectors like Water, Health and Agriculture are devolved, the public feels that the county government is not doing much thus making them approach CDFCs to continue implement projects of those devolved sectors.

IMPLEMENTING CHALLENGES

- High illiteracy levels of the PMCs hindering the Efficient and Effective implementations of projects.
- Disbursement of fund from the board is not timely thus affecting the completion rate
- Insecurity in the region causes poor supervision of the projects by the technical department
- Inadequate allocations of the funds for the projects may slow implementations

RECOMMENDATIONS AND WAY FORWARD

- ✓ Frequent and Adequate trainings for the PMCs
- ✓ Adequate allocations of funds to projects.
- ✓ Timely disbursement of the constituency allocations from the Board

Sign



CHAIRMAN CDFC



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

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 (*Garissa Township Constituency Development Fund*) is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the (*Garissa Township Constituency Development Fund*) 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 (*Garissa Township Constituency Development Fund*) 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 (*Garissa Township Constituency Development Fund*) 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 05/09/15 2015.



Chairman- Garissa Township



Fund Account Manager-Garissa Township

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Garissa Township Constituency as set out on pages 5 to 14, which comprise the statement of financial assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation recurrent and development combined and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 (4) of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanation 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 6 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 (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Constituencies Development Fund – Garissa Township Constituency – Reports and financial statements for the year ended 30 June 2015

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

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

Basis for Qualified Opinion

1. Irregular Award of Capital Projects

National CDF Board approved a total allocation of Kshs.90,780,753.00 for Garissa Township Constituency for the financial year 2014/2015. An amount of Kshs.82,474,543 was allocated for various projects ranging from education, security, agriculture, water and roads. However, examination of payment vouchers, Bill of Quantities (BQs) and request for quotations for projects worth Kshs.19,100,000 revealed the following irregularities:-

- i. Payments to the contractors were not supported by certificate of partial or practical completion. Payments may have therefore been made for works not done.
- ii. The Bill of Quantities for some projects was not properly filled. In some cases one or more pages of BQs were not signed by tender committee as required by Section (60) (7) of Public Procurement Act, 2005. It was further noted that Bills of Quantities for some projects were not made available for audit verifications.

In view of the foregoing, the propriety of the expenditure of Kshs.19,100,000.00 could not be confirmed.

2. Unaccounted For Pump Sets

The CDF office procured six (6) pump sets worth Kshs.6,000,000 for farm groups, during the period under review. The same were however, not properly accounted for as detailed below:-

- i. Specification of the pumps i.e the model of the pump sets, pump head and pipe size were not clear as indicated in the quotations.

- ii. The sets were neither received vide S13 nor taken on charge in the stores ledger.
- iii. The pumps were allegedly issued to various farms. However, there were no issue notes duly signed by the beneficiaries of the pump sets attached to the payment voucher or availed for audit review.

Under the circumstances, it has therefore not been possible to confirm that the pump sets were actually received and issued to the rightful recipients.

3. Unaccounted For Administration/Monitoring and Evaluation Expenses

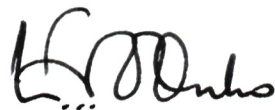
Examination of payment vouchers and other supporting documents revealed that CDF Garissa Township spent Kshs.1,988,000 on monitoring and evaluation during the year under review. However,

- i. The CDF officials hired various vehicles during the monitoring and evaluation exercise, the hired vehicles had no temporary work tickets as required by the Code of Regulations (Revised) 2006
- ii. In some instances, list of the projects visited and the progress report on the projects were neither attached to the payment voucher nor availed for audit review. It was therefore not possible to ascertain the projects visited by the monitoring and evaluation team.

In view of the foregoing, it has not been possible to confirm the propriety of the expenditure of Kshs.1,988,000.00.

Qualified Opinion

In my opinion, except for 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 the Constituencies Development Fund - Garissa Township Constituency as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the CDF Act, 2013.



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

Nairobi

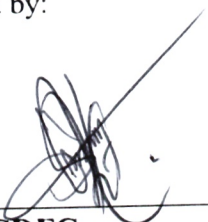
09 May 2016

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

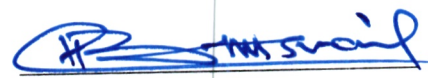
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	90,780,753.00	65,632,079.00
Proceeds from Sale of Assets		-	---
Other Receipts		--	---
TOTAL RECEIPTS		90,780,753.00	65,632,079.00
PAYMENTS			
Compensation of Employees	2	713,760.00	118,960
Use of goods and services	3	1,436,954.00	--
Committee Expenses	4	4,999,204.00	----
Transfers to Other Government Units	5	48,722,000.00	10,700,00.00
Other grants and transfers	6	55,453,360.00	18,728000.00
Social Security Benefits	7	6,240.00	--
Acquisition of Assets	8		---
Other Payments	9		-----
TOTAL PAYMENTS		111,331,518.00	29,546,960.00
SURPLUS/DEFICIT		(20,550,765.00)	36,085,119.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GARISSA TOWNSHIP CDF financial statements were approved on 25/09/15 and signed by:



Chairman - CDFC



Fund Account Manager




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

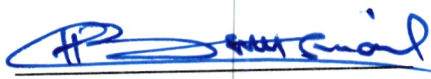
V. STATEMENT OF ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	15,534,354.00	36,085,119.00
Cash Balances (cash at hand)	12B		-
Outstanding Imprests	12C		-
TOTAL FINANCIAL ASSETS		15,534,354.00	36,085,119.00
REPRESENTED BY			
Fund balance b/fwd	13	36,085,119.00	-
Surplus/Deficit for the year		(20,550,765.00)	36,085,119.00
Prior year adjustments	14		-
NET FINANCIAL POSITION		15,534,354.00	36,085,119.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GARISSA TOWNSHIP CDF financial statements were approved on 05/09/15 2015 and signed by:



Chairman - CDFC



Fund Account Manager

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

VI. STATEMENT OF CASHFLOW

		2014 - 2015	2013 - 2014
Receipts for operating income			
Transfers from CDF Board	1	90,780,753.00	65,632,079.00
Other Receipts	3	-	
Payments for operating expenses			
Compensation of Employees	4	713,760.00	118960
Use of goods and services	5	1,436,954.00	0
Committee Expenses	6	4,999,204.00	0
Transfers to Other Government Units	7	48,722,000.00	10700000
Other grants and transfers	8	55,453,360.00	18728000
Social Security Benefits	9	6,240.00	0
Other Payments	11	0	0
		111,331,518.00	29,546,960
Adjusted for:			
Adjustments during the year		0	0
Net cash flow from operating activities		(20,550,765.00)	36,085,119.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	0	0
Net cash flows from Investing Activities		00	00
			0
NET INCREASE IN CASH AND CASH EQUIVALENT		(20,550,765.00)	
Cash and cash equivalent at BEGINNING of the year	15	36,085,119.00	36,085,119.00
Cash and cash equivalent at END of the year	16	15,534,354.00	36,085,119.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The GARISSA TOWNSHIP CDF financial statements were approved on 05/09/15 2015 and signed by:

Chairman CDFC



Fund Account Manager





CONSTITUENCIES DEVELOPMENT FUND – GARISSA TOWNSHIP CONSTITUENCY

Reports and Financial Statements

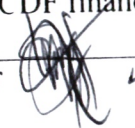
For the year ended June 30, 2015

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	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	93,480,733.00	36,085,119.00	129,565,852.00	90,780,753.00	38,785,099.00	70
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
Total	93,480,733.00		129,565,852.00		129,565,852.00	0
PAYMENTS						
Compensation of Employees	1,300,000.00		1,300,000.00	713,760.00	586,240.00	55
Use of goods and services	4,408,855.00	3,549,999.00	7,958,854.00	1,436,954.00	6,521,900.00	18
Committee Expenses	2,204,422.00		2,204,422.00	4,999,204.00	(2,794,782.00)	227
Transfers to Other Government Units	37,862,000.00	18,382,759.00	56,244,759.00	48,722,000.00	7,522,759.00	87
Other grants and transfers	44,205,476.00	6,307,443.00	50,512,919.00	55,453,360.00	(4,940,441.00)	110
Social Security Benefits	50,000.00		50,000.00	6,240.00	43,760.00	12
Acquisition of Assets	450,000.00		450,000.00	-	450,000.00	0
Other Payments	3000000	7,844,918.00	10,844,918.00	-	10,844,918.00	0
TOTALS	93,480,753.00	36,085,119.00	129,565,872.00	111,331,518.00	18,234,354.00	86

The Garissa Township CDF financial statements were approved on 05/09/15 2015 and signed by:

Chairman CDF



Fund Account Manager





CONSTITUENCIES DEVELOPMENT FUND – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

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

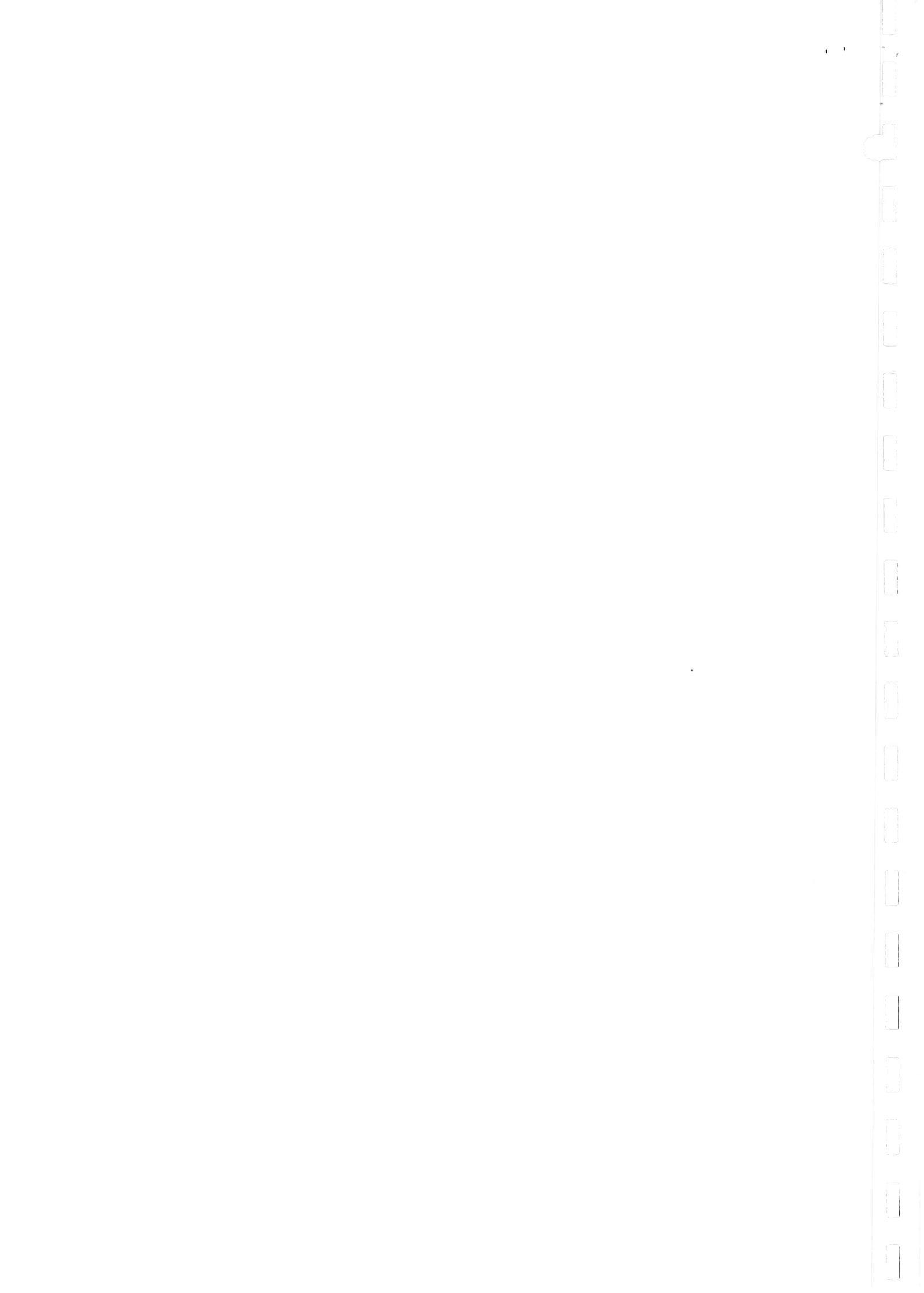
The *CDF* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *CDF*. In addition, the *CDF* recognises all expenses when the event occurs and the related cash has actually been paid out by the *CDF*.

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 – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

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

7. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

CONSTITUENCIES DEVELOPMENT FUND – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

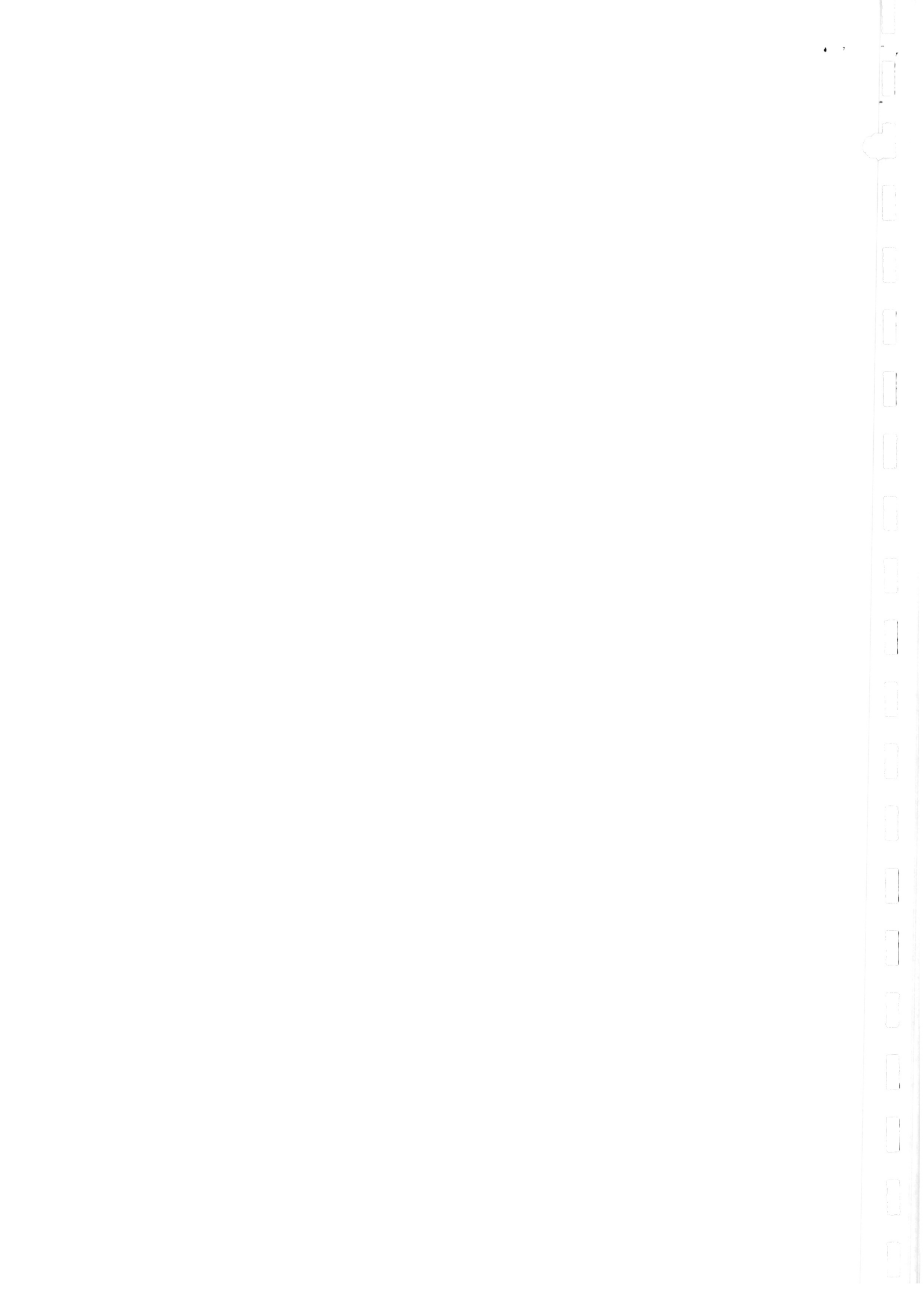
IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
CDF Board		
AIE NO	46,740,376.50	32,816,039.50
AIE NO	44,040,376.50	32,816,039.50
AIE NO	-	--
(other constituency e.g, parent constituency)	-	-
TOTAL	90,780,753.00	65,632,079.00

2. COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	713,760.00	118,960.00
Basic wages of casual labour	---	--
Personal allowances paid as part of salary		
House allowance	--	--
Transport allowance	--	--
Leave allowance	--	--
Gratuity	--	--
Other personnel payments	--	---
Total	713,760.00	118,960.00



CONSTITUENCIES DEVELOPMENT FUND – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

	2014 - 2015 Kshs	2013 - 2014 Kshs
Utilities, supplies and services	----	----
Communication, supplies and services	----	----
Domestic travel and subsistence	----	----
Printing, advertising and information supplies & services	----	----
Rentals of produced assets	----	----
Training expenses	300,000.00	----
Hospitality supplies and services	----	----
Insurance costs	----	----
Specialized materials and services	----	----
Office and general supplies and services	536,919.00	----
Fuel Expense	600,035.00	----
Routine maintenance – vehicles and other transport equipment	--	--
Routine maintenance – other assets	----	--
Total	1,436,954.00	000

4. COMMITTEE EXPENSES

	2014 - 2015 Kshs	2013 - 20 Kshs
Committee allowances	2,641,134.00	-----
Other committee expenses	2,358,070.00	-----
Total	4,999,204.00	



CONSTITUENCIES DEVELOPMENT FUND – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Transfers to National Government entities		10,700,000
Transfers to primary schools (see attached list)	34,122,000	--
Transfers to secondary schools (see attached list)	10,200,000.00	--
Transfers to tertiary institutions (see attached list)		---
Transfers to health institutions (see attached list)	4,400,000.00	--
TOTAL	<u>48,722,000.00</u>	<u>10,700,000.00</u>

6. OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015 Kshs	2013- 2014 Kshs
Bursary – secondary schools (see attached list)	15,480,000.00	9,228,000.00
Bursary – tertiary institutions (see attached list)	8,987,000.00	3,728,000.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	2,000,000.00	8,000,000.00
Agriculture projects (see attached list)	12,000,000.00	--
Electricity projects (see attached list)		--
Security projects (see attached list)	-	--
Roads projects (see attached list)	5,500,000.00	7,000,000.00
Sports projects (see attached list)	2,276,360.00	--
Environment projects (see attached list)	1,700,000.00	---
Emergency projects (see attached list)	7,510,000.00	--
Total	<u>55,453,360.00</u>	<u>27,956,000.00</u>

CONSTITUENCIES DEVELOPMENT FUND – GARISSA TOWNSHIP CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. SOCIAL SECURITY BENEFITS

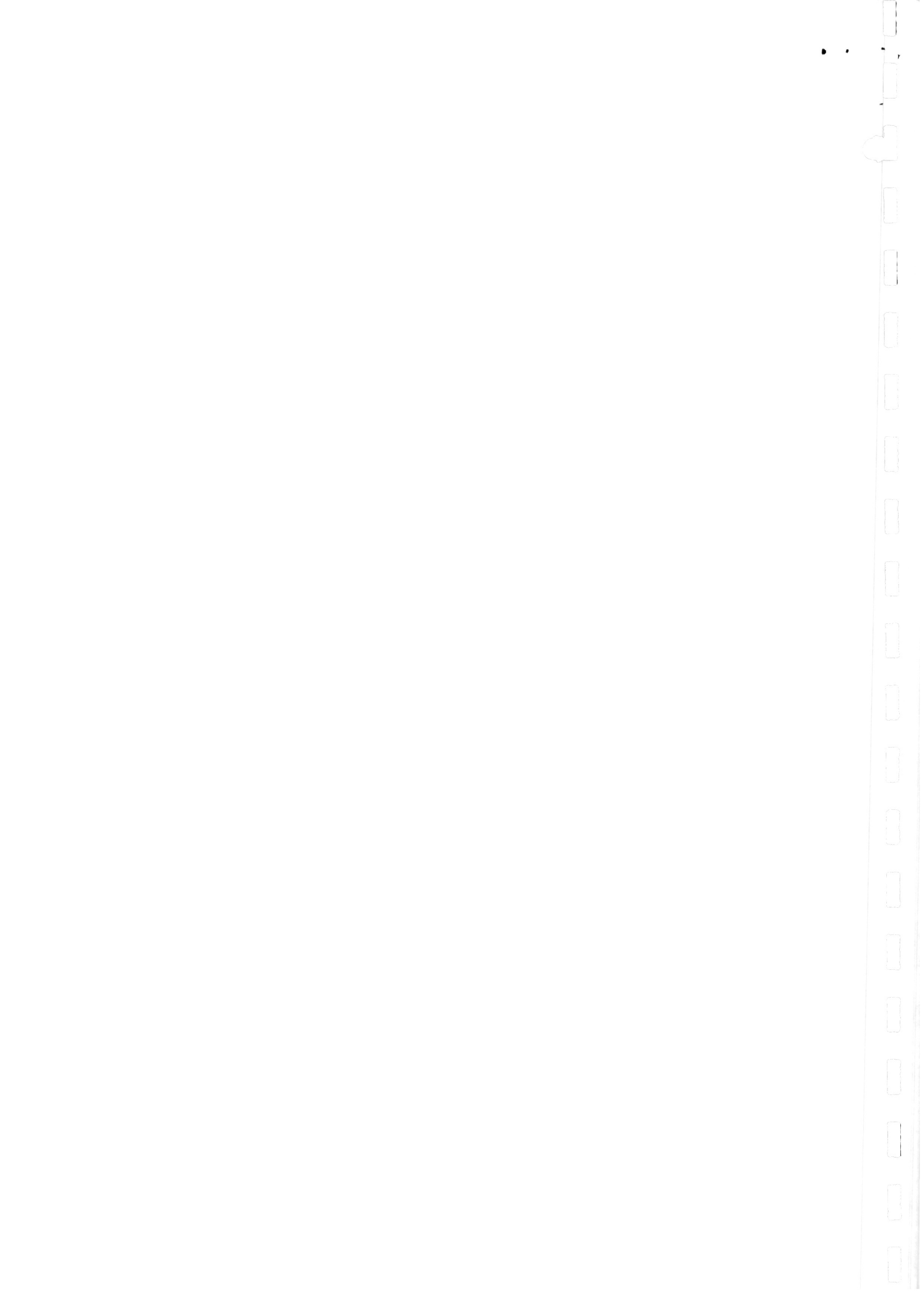
	2014 - 2015 Kshs	2013 - 2014 Kshs
Employer contribution to NSSF	6,240.00	--
Total	6,240.00	000

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015 Kshs	2013 - 2014 Kshs
<i>Equity Bank Ltd, Account No. 0580261988646</i>	15,534,354.00	36,085,119.00
Total	15,534,354.00	36,085,119.00

13. BALANCES BROUGHT FORWARD

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	36,085,119.00	
Cash in hand	-	-
Imprest	-	-
Total	36,085,119.00	-



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 (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings	850,000	1,150,000
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	850,000.00	1,150,000.00



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NATIONAL GOVERNMENT ENTITY - (Garissa Township Constituency Development Fund)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

19 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
CDF/INSP/Township/VolI (1)	Bursary acknowledgement letters missing	Provided the acknowledgement letters from the institution which were not available during the audit process	FAM	Resolved	
	Overfunding of project	Reallocation provided AIE for the same project provided	FAM	Resolved	
	Procurement overflow	Procurement oversight addressed and missing document provided		Resolved	

Guidance Notes:

- (ii) Use the same reference numbers as contained in the external audit report;
- (iii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iv) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (v) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



NG CDF Fund Account Manager

Date: 12th July, 2015

NG CDF Chairman

Date:

