

REPUBLIC OF KENYA



PARLIAMENT  
OF KENYA  
LIBRARY

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*Katos Ole nehta*  
*on Tuesday*

OFFICE OF THE AUDITOR-GENERAL 31.1.2017



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
CONSTITUENCIES DEVELOPMENT FUND -  
KAJIADO EAST CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2015**





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**CONSTITUENCY DEVELOPMENT FUND- KAJIADO EAST  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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



**CONSTITUENCY DEVELOPMENT FUND –KAJIADO EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

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# CONSTITUENCY DEVELOPMENT FUND- KAJIADO EAST 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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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*. The objectives of the fund is to ensure that specific part of the National annual budget is devoted to the constituency for purposes of infrastructure development wealth creation and in the fight against poverty at the constituency level.

#### (b) Key Management

The *Kajiado East's constituency* day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (CDFB)
- ii. Constituency Development Fund Committee (CDFC)

#### (c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Paul s. Ole Nteiya
3.	Accountant	Rose Ileri
4.		

#### (d) Fiduciary Oversight Arrangements

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

P.O. Box 804  
Along Namanga Road  
Kitengela, KENYA



**CONSTITUENCY DEVELOPMENT FUND- KAJIADO EAST CONSTITUENCY**

**Reports and Financial Statements**

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

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**(f) KAJIADO EASTCDF Contacts**

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E-mail: [kajiadoeastcdf@yahoo.com](mailto:kajiadoeastcdf@yahoo.com)/[kajiadoeastcdf.go.ke](http://kajiadoeastcdf.go.ke)

Website:

**(g) KAJIADO EASTCDF Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
  
2. Equity Bank  
Kajiado East Constituency Development Fund  
A/c No. 0700261666226

**(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- KAJIADO EAST CONSTITUENCY

## Reports and Financial Statements

For the year ended June 30, 2015

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

*I have the pleasure to thank the almighty God for granting us his grace that has brought us to the end of this financial year. I also would like to convey my heartfelt gratitude to the Area MP, The Fund Manager, CDFC, CDF Staff and Kajiado east constituents for their support they have offered during these financial year.*

*Kajiado East constituency is a newly created constituency that was curved from the larger Kajiado North Constituency and Kajiado central. It has received Funds from the board for two financial years.*

*The following are key highlights:*

#### *Budget performance as compared to actual performance:*

- Kajiado east constituency in the financial year 2014-2015 projected a budget of Ksh 100,430,316.00 of which ksh 90,430,316.00 was approved by the board. The Ksh 10,000,000.00 that was meant to fund Agricultural projects in the constituency were later reallocated to fund the proposed Kajiado East Technical Training Institute.*
- The constituency also received Ksh 35,409,585.00 that was budgeted during the year 2013-2014. These Funds were used to fund approximately 28 new projects in the constituency and bursaries were issued to needy students in the constituency.*
- Of the Ksh 90,430,316.00 the constituency received Ksh 50,215,158.00 form the cdf board which was used to fund Education projects, Roads, Water and sanitation, Health Projects, administration and monitoring and Evaluation.*

*The Actual performance for the year as compared with our budget was good and most encouraging.thing is that we were able to constitute Project Management committees on time, trained and disburse funds to them. There was a low absorption of fund s at the begin of the first quarter of the year which was attributed to land dispute which we were to build our cdf office making the funds unutilised for the better part of the year. These enabled our project implementation process for almost all projects to begin and end on time.*

*Bursary allocation to needy student in secondary school, colleges and Universities was also good and was carried out through and very transparent process that saw many benefit from the funds. I Comment the work of the Fund manager, Bursary subcommittee and cdf staff for the good work.*

*These has gone a long way to improve the life of Kajiado East constituents who are very much pleased with the assistance they have received form CDF.*

#### *Achievements for the year:*

- Office construction: we have been able to build our own cdf office and moved out of the rented one.*
- Completion of inherited projects from parent constituencies: We have been able to complete most the projects we inherited from the parent constituencies.*
- New project: We have started and completed new projects the constituency i.e. Education projects, health, water, and Roads.*



**CONSTITUENCY DEVELOPMENT FUND- KAJIADO EAST CONSTITUENCY**

**Reports and Financial Statements**

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

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- **Bursary:** *We have been able to initiate transparent and reliable way for indentifying and awarding bursary funs to needy students in the constituency. These has gone a long way to facilitate education and eradicate illiteracy in theconstituency*

**Emerging issue related to CDF**

*There is uncertainty in cdf due to the court ruling declaring cdf unconstitutional.*

**Challenges in the constituency**

- **Drought** – *The dry spell in the constituency has posed us a real challenge forcing us to use emergency funds to buy beds to institutions to enable student's board in school.*
- **Poor infrastructure:** *These Made monitoring and evaluation of project very difficult.*
- **Awareness;** *People in the constituency were not aware about cdf and we had to take a lot of time and necessary initiative to educate them.*

*Sign*



**CHAIRMAN CDFC**

**CONSTITUENCY DEVELOPMENT FUND- KAJIADO EAST 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 (*Kajiado East CDF*) is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year (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.

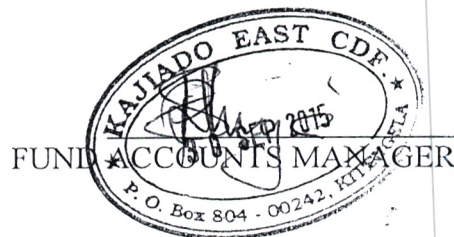
The Accounting Officer in charge of the *Kajiado East* accepts responsibility for the *CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). 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 *Kajiado East CDF* further confirms the completeness of the accounting records maintained for the *CDF*, which have been relied upon in the preparation of the *CDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *Kajiado east* 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 30<sup>TH</sup> SEPTEMBER 2015.

  
CHAIRMAN





# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kajiado East Constituency set out on pages 6 to 23, which comprise the statement of financial assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined 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 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 (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

*Constituencies Development Fund – Kajiado East Constituency – Reports and Financial Statements for the year ended 30 June 2015*



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. Un-budgeted Expenditure**

The statement of receipts and payments reflects Kshs.41,120,690 under transfer to other government entities and an amount of Kshs.33,730,793 under other grants and other payments respectively. Included in these amounts are 3 projects with a value of Kshs.6,482,758 implemented in 2014/15, which were funded by the Kajiado East CDF Committee although they were not budgeted for nor approved by the Board as shown:-

<b>Project name</b>	<b>Amount disbursed Kshs.</b>
Olooltepes dam	2,000,000
Mashuuru Dispensary	2,241,379
Osarai dispensary	<u>2,241,379</u>
<b>Total</b>	<b>6,482,758</b> =====

No reason was given for this breach of regulations by the CDF Committee. In addition, the statement of receipts and payments reflect an amount of Kshs.6,425,328 under acquisition of assets, which include an amount of Kshs.2,150,000 disbursed to a Project Management Committee (PMC) by the Constituency Development Fund Committee (CDFC) for the purchase of one CDF computer, one laptop and office furniture and equipment which had an approved budget of Kshs.2,000,000 thus resulting in over expenditure of Kshs.150,000 that had not been approved by the Board. Further no expenditure returns or other documents were made available to confirm the existence and eligibility of this expenditure and to confirm whether the items were delivered to the CDF.

### **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 the Constituencies Development Fund – Kajiado East 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.

## Other Matter

### 1. Budget and Budgetary Controls

The summary statement of appropriation reflects receipts from CDF board totaling Kshs.86,655,537 against the budget amount of Kshs.139,205,310. The Fund had a positive opening balance of Kshs.12,334,616 making total available funds of Kshs.98,990,153 or about 71% of the budget. However, out of the Kshs.98,990,153 available funds, the Fund utilized Kshs.92,029,513 or about 93% as detailed below:-

Item	Budget	Actual	Absolute Variance	% Variance
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
AIEs received	139,205,309	86,655,537	52,549,772	38%
<b>Payments</b>				
Compensation of employees	1,122,566	867,816	254,750	23%
Use of goods and services	7,300,910	7,272,353	28,557	0%
Committee expenses	3,493,781	2,565,960	927,821	27%
Transfer to other Government Units	44,016,773	41,120,690	2,896,083	7%
Other grants and transfers	59,531,051	33,730,793	25,800,258	43%
Social security benefits	34,560	46,572	(12,012)	-35%
Acquisition of Assets	11,000,000	6,425,328	4,574,672	42%
Other payments	12,705,668	-	12,705,668	100%
	<b>139,205,309</b>	<b>92,029,512</b>	<b>47,175,797</b>	<b>34%</b>

In addition, the statement of receipts and payments reflects total receipts of Kshs.86,655,537 received from the CDF Board in 2014/2015 financial year, which includes an AIE of Kshs.35,109,585 disbursed by the Board on 17 October 2014 to fund 2013/2014 projects within the Constituency in 2014/2015. Effectively, only Kshs.51,545,951 in respect of 2014/2015 budget proposal was disbursed by the Board to Kajiado East CDF Committee, while the approved budget as reflected by documents maintained by the CDF Board amounted to Kshs.100,430,316, thus resulting to underfunding of Kshs.48,884,365 representing 43% of the total budget. No reason was given for this under-funding.

## 2. Accuracy of Data on Budget

The summary statement of appropriation reflects a budget of Kshs.139,205,310, while the project proposal document with the CDF Board shows an amount of Kshs.100,430,316 resulting to a difference of Kshs.38,774,993 as shown below:-

Item	Budget Amount as per the Statement of Appropriation	Budget Amount as per Project Proposal document with CDF Board	Variance
	Kshs	Kshs	Kshs
Compensation of employees	1,122,566	1,460,000	(337,434)
Use of goods and services	7,300,910	2,697,566	4,603,344
Committee expenses	3,493,781	4,250,000	(756,219)
Transfers to other Govt. Units	44,016,773	46,150,000	(2,133,227)
Other grants and transfers	59,531,051	33,500,259	26,030,792
Social Security benefits	34,560	34,560	-
Acquisition of Assets	11,000,000	11,000,000	-
Other payments	<u>12,705,668</u>	<u>1,337,931</u>	<u>11,367,737</u>
	<b>139,205,309</b> =====	<b>100,430,316</b> =====	<b>38,774,993</b> =====

No reason was given for the variance of Kshs.38,774,993 between the budget figures as reflected in the summary statement of appropriation and the documents held by the CDF Board on the same. In addition, the documents availed for audit reflected a budget of Kshs.90,430,316, which differed with the final budget figure of Kshs.139,205,309 by Kshs.48,774,993. No supporting documentation or explanation was provided for the variance.

## 3. Implementation of Projects

The statement of receipts and payments reflects an amount of Kshs.46,150,000 and Kshs.33,500,259 under transfers to other government units and other grants and transfers respectively. The following was observed in respect to these two expenditure categories:-

- (i) The CDF Board, in the year under review, did not disburse an amount totaling to Kshs.5,800,000 to Kajiado East CDF Committee for the implementation of 12 projects which had been budgeted for and approved by the CDF Board as shown below:-



	Name of project	Activity	Approved budget Kshs
1	Noonkopir AP line	Roofing, plastering, keying and painting of the post block	1,000,000
2	Kimalat security lighting	Erection of a security light mast	1,000,000
3	Poka/Kenyawa ward	Purchase and planting of trees and supporting equipment to the tree projects	380,000
4	Oloosirkin/sholinke ward	Purchase and planting of trees and supporting equipment to the tree projects	380,000
5	Kaputiei north ward	Purchase and planting of trees and supporting equipment to the tree projects	380,000
6	Ilmaroro ward	Purchase and planting of trees and supporting equipment to the tree projects	380,000
7	Kitengela ward	Purchase and planting of trees and supporting equipment to the tree projects	380,000
8	Poka/Kenyawa ward	Purchase of sporting equipment's, wears and trophies to sport clubs	380,000
9	Oloosirkon/sholinke ward	Purchase of sporting equipment's, wears and trophies to sport clubs	380,000
10	Kaputiei north ward	Purchase of sporting equipment's, wears and trophies to sport clubs	380,000
11	Ilmaroro ward	Purchase of sporting equipment's, wears and trophies to sport clubs	380,000
12	Kitengela ward	Purchase of sporting equipment's, wears and trophies to sport clubs	380,000
	<b>TOTAL</b>		<b>5,800,000</b>

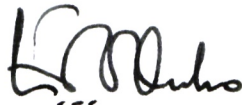
Consequently, projects meant to be implemented in 2014/2015 financial year could not takeoff due to under funding by the Board. No reason was given for the failure to fund the projects as per the approved budget.

- (ii) During the period under review, four (4) projects were underfunded with an amount of Kshs.9,000,000 as shown below:-

<b>Project name</b>	<b>Project activity</b>	<b>Approved Budget</b>	<b>Amount Disbursed</b>	<b>Under funding</b>
Bursary secondary schools	Bursary award to needy and bright students	7,000,000	3,000,000	4,000,000
Bursary Tertiary institutions	Bursary award to needy and bright students	7,000,000	3,000,000	4,000,000
Naserian Dispensary	Construction of a dispensary block	1,500,000	1,000,000	500,000
Olooltepes Dispensary	Construction of a dispensary block	1,500,000	1,000,000	500,000
<b>Total</b>		<b>17,000,000</b>	<b>8,000,000</b>	<b>9,000,000</b>

No reason was given for the failure to fund the projects as budgeted.

My opinion is not qualified in respect of these matters.



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

**Nairobi**

**14 October 2016**



**CONSTITUENCY DEVELOPMENT FUND- KAJIADO EAST CONSTITUENCY**


**Reports and Financial Statements**

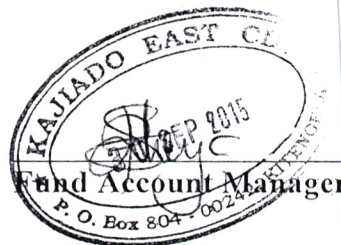
**For the year ended June 30, 2015**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1.1	86,655,537	35,409,585
Proceeds from Sale of Assets	1.2	-	-
Other Receipts	1.3	-	-
<b>TOTAL RECEIPTS</b>		<b>86,655,537</b>	<b>35,409,585</b>
<b>PAYMENTS</b>			
Compensation of Employees	1.4	867,816	222,791
Use of goods and services	1.5	7,272,353	1,458,174
Committee Expenses	1.6	2,565,961	1,528,545
Transfers to Other Government Units	1.7	41,120,690	6,400,000
Other grants and transfers	1.8	33,730,793	8,520,827
Social Security Benefits	1.9	46,572	7,360
Acquisition of Assets	1.10	6,425,328	4,937,272
Other Payments	1.11	-	-
<b>TOTAL PAYMENTS</b>		<b>92,029,513</b>	<b>23,074,969</b>
<b>SURPLUS/DEFICIT</b>		<b>(5,373,977)</b>	<b>12,334,616</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KAJIADO EASTCDF financial statements were approved on 30<sup>TH</sup> SEPTEMBER 2015 and signed by:

  
Chairman - CDFC



**CONSTITUENCY DEVELOPMENT FUND- KAJIADO EAST CONSTITUENCY**

**Reports and Financial Statements**

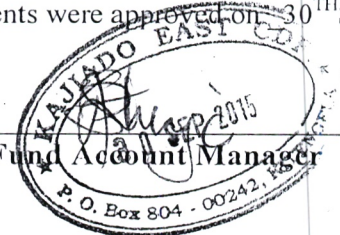
**For the year ended June 30, 2015**

**V. STATEMENT OF ASSETS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per cash book)	12A	6,056,082	12,334,616
Cash Balances (cash at hand)	12B		
Outstanding Imprests	12C	905,557	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,961,639</b>	<b>12,334,616</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	12,334,616	-
Surplus/Deficit for the year		(5,373,977)	12,334,616
Prior year adjustments	14		
<b>NET FINANCIAL POSITION</b>		<b>6,961,639</b>	<b>12,334,616</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KAJIADO EAST CDF financial statements were approved on 30<sup>TH</sup> SEPTEMBER 2015 and signed by:

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

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



**CONSTITUENCY DEVELOPMENT FUND- KAJAIDO EAST CONSTITUENCY**

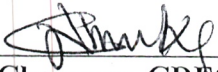
**Reports and Financial Statements**

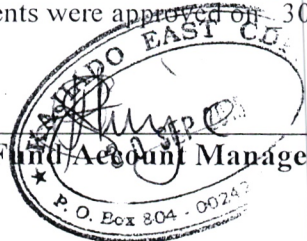
**For the year ended June 30, 2015**

**VI. STATEMENT OF CASHFLOW**

		<b>2014 – 2015</b>	<b>2013 – 2014</b>
<b>Receipts for operating income</b>			
Transfers from CDF Board	1.1	86,655,537	35,409,585
<b>Proceeds from sale of Asset</b>			
Other Receipts	1.3	-	-
<b>Payments for operating expenses</b>			
Compensation of Employees	1.4	867,816	222,791
Use of goods and services	1.5	7,272,353	1,458,173
Committee Expenses	1.6	2,565,961	1,528,545
Transfers to Other Government Units	1.7	41,120,690	6,400,000
Other grants and transfers	1.8	33,730,79	8,520,827
Social Security Benefits	1.9	46,572	7,360
Other Payments	11	-	4,937,272
<b>Adjusted for:</b>			
Adjustments during the year			-
<b>Net cash flow from operating activities</b>			
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	1.2	-	-
Acquisition of Assets	10	6,425,328	(4,937,272)
<b>Net cash flows from Investing Activities</b>			<b>(4,937,272)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
Cash and cash equivalent at BEGINNING of the year	15	12,334,616	
Cash and cash equivalent at END of the year	16	6,961,639	12,334,616

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KAJAIDO EAST CDF financial statements were approved on 30<sup>th</sup> SEPTEMBER 2015 and signed by:

  
Chairman CDFC

  
Fund Account Manager  
P.O. Box 804 - 00242

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 %
<b>RECEIPTS</b>						
Transfers from CDF Board “AIA”	90,430,316	48,774,994	139,205,309	86,655,537	52,549,772	62%
Proceeds from Sale of Assets	-	-	-			
Other Receipts “AIA”		-	-			
<b>PAYMENTS</b>						
Compensation of Employees	1,122,566	-	1,122,566	867,816	254,750	77%
Use of goods and services	4,935,000	2,365,910	7,300,910	7,272,353	28,557	100%
Committee Expenses	2,850,000	643,780	3,493,781	2,565,960	927,821	73%
Transfers to Other Government Units	25,287,931	18,728,842	44,016,773	41,120,690	2,896,083	93%
Other grants and transfers	45,200,259	14,330,792	59,531,051	33,730,793	25,800,258	57%
Social Security Benefits	34,560		34,560	46,572	12,012	135%
Acquisition of Assets	11,000,000	-	11,000,000	6,425,328	4,574,672	58%
Other Payments		12,705,668	12,705,668		12,705,668	
<b>TOTALS</b>	<b>90,430,316</b>	<b>48,774,993</b>	<b>139,205,310</b>	<b>92,029,513</b>	<b>47,175,797</b>	<b>66%</b>

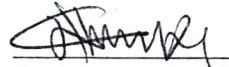
(a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]

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

i.



The KAJIADO EASTCDF financial statements were approved on 30<sup>th</sup> SEPTEMBER 2015 and signed by:



Chairman CDF



Fund Account Manager



## VIII. 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. 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*.

### b **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*.

### c **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.

### 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 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

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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.



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*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**e 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.

**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 *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.

**g Comparative figures**

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

**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, 2015.

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IX. NOTES TO THE FINANCIAL STATEMENTS

1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO	xx	25,107,579.00	300,000.00
AIE NO	xx	25,107,579.00	2,000,000.00
AIE NO	xx	35,109,585.00	33,109.585.00
(other constituency e,g, parent constituency)		1,330,793.00	
<b>TOTAL</b>		<b>86,655,537.00</b>	<b>35,409,585.00</b>

1.2 PROCEEDS FROM SALE OF ASSETS

	2014- 2015	2013- 2014
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.3 OTHER RECEIPTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

1.4 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	867,816	222,791
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
<b>Total</b>	<b>867,816</b>	<b>222,791</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.5 USE OF GOODS AND SERVICES**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	500,000	150,000
Communication, supplies and services	679,557	
Domestic travel and subsistence	501,072	75,000
Printing, advertising and information supplies & services	229,360	100,000
Rentals of produced assets	-	108,000
Training expenses	2,000,000	
Hospitality supplies and services	-	800,000
Insurance costs	-	65,000
Specialized materials and services	-	
Office and general supplies and services	1,471,000	
Other operating expenses	1,432,699	80,174
Routine maintenance – vehicles and other transport equipment	458,666	
Routine maintenance – other assets	-	80,000
	-	
<b>Total</b>	<b>7,272,353</b>	<b>1,458,174</b>

**1.6 COMMITTEE EXPENSES**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	2,000,000	590,200
Other committee expenses	565,961	938,345
<b>Total</b>	<b>2,565,961</b>	<b>1,528,545</b>



*CONSTITUENCY DEVELOPMENT FUND - KAJIADOEAST CONSTITUENCY*

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**For the year ended June 30, 2015 (Kshs'000)**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**1.6 TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	22,537,931	3,400,000
Transfers to secondary schools (see attached list)	11,800,000	3,000,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	6,782,759	-
<b>TOTAL</b>	<b>41,120,690</b>	<b>6,400,000</b>

**1.7 OTHER GRANTS AND OTHER PAYMENTS**

	2014- 2015	2013- 2014
	Kshs	Kshs
Bursary – secondary schools (see attached list)	3,000,000	2,843,747
Bursary – tertiary institutions (see attached list)	3,000,000	1,877,080
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	4,000,000	-
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	1,200,000	-
Roads projects (see attached list)	19,200,000	-
Sports projects (see attached list)	130,793	1,000,000
Environment projects (see attached list)	-	1,000,000
Emergency projects (see attached list)	3,100,000	800,000
STRATERGIC PLAN	-	1,000,000

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Total

33,730,793

8,520,827

1.7 SOCIAL SECURITY BENEFITS

2014 - 2015

2013 - 2014

Kshs

Kshs

Employer contribution to NSSF

46,572

7,360

Total

46,572

7,360



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For the year ended June 30, 2015 (Kshs'000)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.8 ACQUISITION OF ASSETS

Non Financial Assets

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	6,425,328	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	4,772,272
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	165,000
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>6,425,328</b>	<b>4,937,272</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.9 OTHER PAYMENTS

2014 - 2015                      2013- 2014  
Kshs                                      Kshs

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>EQUITY BANK</i>	6,056,082	12,334,616
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
<b>Total</b>	<b>6,056,082</b>	<b>12,334,616</b>



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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		
<b>Amounts due to other Government entities</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Amounts due to other grants and other transfers</b>							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
<b>Others (specify)</b>							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

*CONSTITUENCY DEVELOPMENT FUND - KAJIADOEAST CONSTITUENCY*

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

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land		
Buildings and structures	6,425,328	
Transport equipment		4,772,272
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		165,000
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>6,425,328</b>	<b>4,937,272</b>