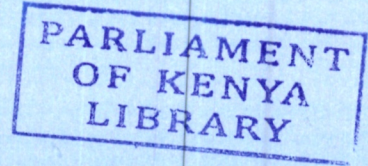


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper laid
By Hon. A. Sule, MP (Loms)
on Thurs. January 26, 2017
Mmm*

REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND -
NYAKACH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**





CONSTITUENCIES DEVELOPMENT FUND – NYAKACH

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)**

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

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NYAKACH CONSTITUENCY DEVELOPMENT FUND

Reports and Financial Statements

For the year ended June 30, 2014

I. KEY ENTITY 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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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	Mr. Yusuf Mbuno
2.	Fund Account Manager	Mr. Jakoo Miyumo Okoth
3.	District Accountant	Mr. Gilbert Rombo

(d) Fiduciary Oversight Arrangements

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

Nyakach Constituency Development Fund
P.O. Box 169
Pap Onditi, KENYA

(f) Entity Contacts

Provide telephone number and email of the constituency CDF office

Telephone: (254) 720777330
E-mail: cdfnyakach@cdf.go.ke
Website: www.cdf.go.ke

(g) Entity Bankers

Constituency CDF main banker (provide the bank, branch, account number and address)

Bank KCB
Branch Kisumu Main
Account No. 1104034220

P.O. Box 17 – 40100,
Kisumu, 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

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

CDF has made tremendous and effective impact since inception. Some changes are already experienced due to the constitution and devolution, as we now have the national function and the County integrated Development Plan.

In our current budget, we have included key economic issues as opposed to the rest of the years. The current economic status requires serious adjustment on the CDF allocation, so that our budget suits the range of demand in terms of projects. The projects range from Education, Health services and infrastructural projects. The inflated economy make is hard to come up with a comprehensive budget where performance can be monitored and program objectives evaluated.

ACHIVEMENTS

The CDF achievements are well exhibited within our Constituency.

1. On the Bursary allocation, the 3000 plus beneficiaries are pasted on notice boards within CDF offices, Divisional offices, ward and locational offices. On the notice boards we display the name of the beneficiary, institution, location and the amount awarded to the student.
2. We have realized quite a number of Health facilities in terms of building dispensaries, health centres and improving on the existing ones.
3. Classrooms have been built in almost all secondary and primary schools
4. We have opened a number of roads and improved them for easy mobility for the constituents and security agents moving within the constituency
5. The people's involvement in identification and implementation of all the projects within the constituency. This has improved the living standards of the community as they work in the projects hence boosting the local market economy

EMERGENCY ISSUES

1. Development has come up with a lot of issues ranging from duplication of projects
2. Projects under devolved functions have a lot of confusions with no proper guideline on how to implement e.g. the CDF started some health facilities but are now stalling. CDF as a National Government Fund took care of everything while devolution has brought about specific functions.

CHALLENGES

1. There should be in place County Project Committee where County Development agencies and all Departmental Heads sit to discuss projects so as to avoid duplications and over funding
2. All projects from development partners be discussed within the County Project Committee(CPC) for appropriate budgeting
3. To avoid stalled projects, CDF should be allowed to complete the projects they started then hand them over to the county government. This call for more funding to CDF.

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

- 4. The Project Committee at the County must also be devolved to sub counties and wards. This will ensure effective budget

Sign



CHAIRMAN CDFC

REPUBLIC OF KENYA

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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-NYAKACH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Nyakach Constituency set out on pages 6 to 22, which comprise the statement of assets as at 30 June 2015, and statement of receipts and payments, statement of cash flows and summary statement of appropriation recurrent and development for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of 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 – Nyakach Constituency – Report 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 adverse opinion.

Basis for Adverse Opinion

1. Inaccuracies of Financial Statements

- i. The statement of financial assets disclosed a fund balance brought forward figure of Kshs.14,421,059 as at 30 June 2015 instead of Kshs.4,687,445 as reflected in the 2013/2014 audited financial statements.
- ii. The surplus for the year of Kshs.18,955,291 as at 30 June 2015 was not disclosed in the statement of financial assets as at 30 June 2015.
- iii. The summary statement of appropriation indicates that the current year's final budget figures as Kshs.70,675,329. However, records from the CDF Board indicate that the final approved budget figure as Kshs.110,311,610 resulting in unreconciled variance of Kshs.39,636,281.
- iv. Examination of payment vouchers and schedules supporting the balances as disclosed in the financial statements for the period ended 30 June 2015, revealed that various payment vouchers under different items were not availed for audit as shown in the table below:-

Item	Total of payment vouchers availed for audit Kshs.	Total as reported in the financial Statement Kshs.	Variance Kshs.
Use of Goods and Services	3,336,000.00	4,555,000.00	1,219,000.00
Other Grants and Other payments	57,577,813.49	58,400,000.00	822,186.51
Transfer to Other Government units	21,020,000	37,720,000	16,700,000.00

In the circumstances, the accuracy and completeness of the balances stated in the financial statement cannot be confirmed.

2. Total Financial Assets

Included in the total financial assets figure of Kshs.14,595,059 as at 30 June 2015 was bank balance of Kshs.14,421,051 and outstanding imprest of Kshs.174,000. However, the following anomalies were noted:-

- i. Included in the bank balance of Kshs.14,421,059 is Kshs.2,645,621 as un-presented cheques which had become stale.
- ii. The bank balance confirmation certificate was not availed for audit verification.
- iii. The outstanding imprest balance of Kshs.174,000 had not been surrendered as at 30 June 2015.
- iv. Payment vouchers amounting to Kshs.27,880,509 had not been posted in the cash book.
- v. There were unexplained and unreconciled receipts in bank statements not recorded in cash book amounting to Kshs.2,176,390.40.

In the circumstances, the accuracy of the total financial assets balance of Kshs.14,595,059 could not be confirmed.

3. Transfers to Other Government Entities

Included in the transfers to other government entities figure of Kshs.37,720,000 is Kshs.20,700,000 disclosed in the financial statements as transfers to secondary school which differs with the payment vouchers provided for audit totalling Kshs.7,656,700 resulting in a variance of Kshs.12,343,300 as detailed below:-

Description	Financial statement figure Kshs.	PV total figures Kshs.	Variance Kshs.
Secondary schools	7,680,500	1,086,500	6,594,000
Tertiary Institutions	12,199,500	6,075,000	6,124,500
Special schools	120,000	495,200	(375,200)
Total	20,000,000	7,656,700	12,343,300

Included in the payments for bursaries was a payment to Phonex Driving School of Kshs.3,250,000 in respect of training of 300 youth from Nyakach constituency. However examination of tender documents revealed that:-

- i. Tender opening meeting and the contract award meeting were all held on 8 December, 2014.

- ii. The minutes for the meetings had not been signed by the chairman.
- iii. A telephone call to two of the beneficiaries of the trainings revealed that one had attended and the other one had not.
- iv. The training program attended by the beneficiaries was not available for audit review.

The expenditure could therefore not be confirmed and the Fund may have lost Kshs.12,343,300 spent without raising payment vouchers. It's evident that the constituency did not train the 300 youth during the year 2014/2015.

4. Unaccounted for Tree Seedlings

Included in the other grants and transfer figure of Kshs.81,260,000 is Kshs.1,960,000 paid to Toheja Enterprises for supply of tree seedlings.

The following were noted:-

- i. It was unclear how the supplier was identified to supply the tree seedlings
- ii. Nyakach Constituency Development Fund attached a Local Service Order (LSO) to the payment voucher instead of a Local Purchase Order (LPO).
- iii. No delivery note(s) was available for audit examination to confirm delivery of tree seedlings and the actual number delivered.
- iv. The tree seedlings were not received in stores by raising a counter receipt voucher (form S13) nor were they entered in the stores ledger and subsequently issued out by the use of a counter issue voucher (form S11).
- v. The tree seedlings were not inspected as to their quality and quantity by the inspection and acceptance committee.
- vi. The Fund management was unable to confirm where the tree seedlings were planted during audit inspection.

Under the circumstances the propriety of the expenditure of Kshs.81,260,000 could not be confirmed.

5. Unaccounted for Fuel

Included in the use of goods and services figure of Kshs.4,555,333 is Kshs.1,300,000 on the expenditure of fuel, oil and lubricants not accounted for as follows:-

- i. The fuel register was poorly maintained hence it was not possible to reconcile as to how many litres of fuel was being issued out for the vehicles.

- ii. No detail orders were availed for our audit examination to confirm that Government vehicles were actually being fuelled.
- iii. Departmental voucher No.068, showed that 2000 litres of diesel worth Kshs.200,000.00 was procured vide invoice/delivery note number 003 of 2 December 2014 without a Local Purchase Order (LPO), hence no valid contract was in place.
- iv. The Nyakach Constituency Development Fund motor vehicle is registered with a private number plate KBB 586T and therefore the vehicle is open to misuse without detection. Fuel costs incurred by the vehicle cannot be confirmed to have been applied for the CDF.

Under the circumstances the propriety of the expenditure could not be confirmed.

Adverse Opinion

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

Other Matter

1. Budget Implementation Analysis

During the year under review, the Constituency budgeted to spend Kshs.102,451,610 on various transfers and projects while the actual expenditure totaled Kshs.85,485,679 as highlighted below:-

Projects	No of approved projects	Budgeted Amount Kshs.	No of projects done Kshs.	Actual disbursement Kshs.	Undisbursed amount Kshs.	Over disbursed amounts Kshs.	% Level of Absorption
Administration		12,131,351		9,719,586	2,411,764		80
Primary Schools	25	9,720,000	25	9,720,000			100
Secondary Schools	14	10,700,000	14	11,000,000		300,000	103
Health Institutions		300,000		300,000			100
Bursary		20,000,000		7,656,700	12,343,300		38
Security	1	3,000,000	1	2,860,000	140,000		
Roads	6	37,200,000		35,679,193	1,520,807		95
Sports	6	2,000,000	6	2,000,000			96
Environment	5	2,000,000	5	1,960,000	40,000		100

Emergency		5,400,000		4,590,200	810,059		98
Total	57	102,451,610	51	85,485,679	17,265,930	300,000	85

The following were noted:-

- i. The actual expenditure was Kshs.102,451,610 against a budget of Kshs.85,485,679 achieving 85% absorption.
- ii. The Constituency had budgeted to receive Kshs.102, 451, 610, however the CDF Board released Kshs.145,682,291 resulting in un-explained excess receipts of Ksh.43,230,681.
- iii. The Constituency under spent on six (6) line items with a total expenditure of Kshs.17,265,930 and overspent on one (1) line items with Kshs.300,000.
- iv. Included in the total payments of Kshs.126,727,000 in the statements of receipts and payments is an expenditure of Kshs.4,687,445 which relates to 2013/2014 which were rolled over to 2014/2015.

2.0 Procurement of Works

2.1 Construction of Sondu-Kaseda Road

Included in the other grants and transfer figure of Ksh.81,260,000 was Kshs.10,619,455 paid to Polo Piach Holdings, Kshs.4,988,349 and Nam Rajope Supplies & Services Ltd Kshs.6,772,850 in respect of Construction of Sondu-Kaseda Road phase I and II respectively.

The following observations were noted:-

- i. No tendering documents were availed for our audit for phase II of opening and improvement of Sondu-Kaseda road which was awarded to Nam Rajope Supplies & Services Ltd.
- ii. It was not explained why a payment of Kshs.6,229,855 was made to Nam Rajope Supplies and Services instead of Polo Piach Holdings for phase I of the project yet he was not awarded the contract as per records made available for our audit.
- iii. A total of Kshs.10,619,455 was paid to the contractors without inspection and acceptance committee reports. Thus this was contrary to Section 17 of the Public Procurement and Disposal Regulations, 2006.
- iv. The contract was not reported to the Public Procurement and Oversight Authority (PPOA) which was contrary to Section 46 subsection 1 of the Public Procurement and Disposal Act 2005.

- v. An amount of Kshs.100,000 was included in the bill of quantities in respect of provisional sum which was not accounted for.
- vi. No retention money was deducted from the payments made to the contractor to cover for any defect during the defect liability period.

The Constituency may not have received value for its money on the construction of Sodu-Kaseda road because the contractor was not competitively sourced.

2.2 Construction of Olwalo Bridge in River Olwalo

Included in the other grants and transfer figure of Kshs.81,260,000 was Kshs.9,227,493 paid to Elterics East Africa Limited for the construction of Olwalo Bridge in River Olwalo. However the following were noted:-

- i. Quotations was used instead of open tendering in total disregard of the Public Procurement and Disposal Act, 2005. The contract was not reported to the Public Procurement and Oversight Authority (PPOA) which was contrary to Section 46 subsection 1 of the Public Procurement and Disposal Act 2005.
- ii. No Contract agreement was availed for audit.
- iii. Included in the statement for payment on account number three (3) was a sum of Kshs.1,305,720.65 which was for additional works but was not supported with site instructions and documentary evidence as to how it was arrived at.
- iv. The contractor was paid Kshs.9,227,493 without the report of the Inspection and Acceptance Committee contrary to Section 17 of the Public Procurement and Disposal Regulations 2006.
- v. Included in the Bill of Quantities was a provisional sum of Kshs.450,000 for supervision. This amount was not accounted for with documentary evidence.
- vi. Physical verification of the project on 15 January 2016, revealed that works totalling Kshs.2,074,400 were not carried out.
- vii. Included in the Bill of Quantities (BQ) 5% of subtotal for contingencies to be expended on the engineers approval was a balance of Kshs.370,064 which was not accounted for with documentary evidence.

Consequently, Nyakach Constituency did not receive value for the money spent on these works.

2.3 Construction of North Ward Footbridge on River Nyando

Included in the other grants and transfer figure of Ksh.81,260,000 was Kshs.7,289,999 paid to M/S Elterics EA Limited for Construction of North ward footbridge on River Nyando.

However, the following observations were made in the construction work:-

- i. Quotations were used instead of open tendering in total disregard of the Public Procurement and Disposal Act 2005. The contract was not reported to the Public Procurement and Oversight Authority (PPOA) which was contrary to Section 46 subsection 1 of the Public Procurement and Disposal Act 2005.
- ii. Tender documents were not availed for audit verification.
- iii. No contract agreement was availed for audit.
- iv. The contractor was paid without inspection and acceptance committee reports.
- v. Included in payment certificate number two (2) was a provisional sum of Kshs.400,000 for supervision. This amount was not accounted for with documentary evidence as to how it was spent.
- vi. Statement for payment on account certificate number one (1) and two (2) for Kshs.6,786,000 and Kshs.1,459,999 no clear and detailed breakdown was availed for audit examination to determine how the amounts were arrived at.
- vii. The contractor was not on site as at the time of our audit verification.

Nyakach Constituency Development Fund (CDF) may not have received value for the money on the construction of the bridge.

2.4 Rehabilitation of Nyamaroka- Sigoti Road

Included in the other grants and transfer figure of Ksh.81,260,000 was Kshs.6,897,258 paid to Aroma Developers Limited for improvement of Nyamaroka-Sigoti road.

The following were however noted:-

- i. No explanation was availed as to why quotations were used instead of open tendering.
- ii. A total of Kshs.4,050,000 was paid to the contractor without inspection and acceptance committee reports contrary to Section 17 of the Public Procurement and Disposal Regulations 2006.

- iii. The contract was not reported to the Public Procurement and Oversight Authority (PPOA) contrary to Section 46 subsection 1 of the Public Procurement and Disposal Act, 2005.
- iv. No contract documents were made available for our audit examination and confirmation.
- v. Physical verification of the project 18/01/2016, works totalling Kshs.614,174 revealed that Nyakach Constituency did not receive value for its money on the improvement of Nyamaroka-Sigoti road because the contractor was not competitively sourced.

2.5 Construction of Bodi-Michura Road

Further, included in the other grants and transfer figure is Ksh.81,260,000 was Kshs.10,619,455 paid to Nam Rajope Supplies and Services for improving Bodi-Michura road.

The following observations were however made:-

- i. A total of Kshs.3,885,000 was paid to the contractor without inspection and acceptance committee reports contrary to Section 17 of the Public Procurement and Disposal Regulations 2006.
- ii. Nyakach Constituency Development Fund paid Nam Rajope Supplies and Services a sum of Kshs3,885,000 although the letter of contract award dated 15 June 2015 indicated that the contract sum was Kshs.2,500,000.
- iii. No contract agreement was availed for our audit examination.
- iv. Statements for payment on certificate number one (1) and two (2) for Kshs.1,990,200 and 2,500,000 respectively, were not supported by any analysis of amounts and of work done. It was also noted from the bill of quantities that grading and gravelling were to cost Kshs.2,101,200 but the certificate shows that grading and gravelling cost Kshs.2,500,000 which has not been supported.
- v. No retention money was deducted from payment certificate number 1 of Kshs.1,990,200.

Under the circumstances, the Constituency may have not received value for its money on the improvement of Bodi-Michura road.

2.6 Construction of Kadinda-Michura Road

Included in the other grants and transfer figure of Kshs.81,260,000 was Kshs.4,222,000 paid to Atlantic Ventures Limited to carry works of opening and improvement of Kadinda-Michura road.

The following observations were however made on the works:-

- i. A total of Kshs.3,419,820 was paid to the contractor without the Inspection and Acceptance Committee reports contrary to Section 17 of the Public Procurement and Disposal Regulations 2006.
- ii. As per the statement for payment on account number (1), the project no documentary evidence was made available to support the breakdown Kshs.4,222,000.
- iii. Another project Kshs.100,000 was included in interim payment certificate number one as preliminaries with no supporting documentary evidence.

Consequently, Nyakach Constituency may have not received value for money on the improvement of Kadinda-Michura road.

3. Purchase of Motor cycles

Included in the other grants and transfer figure of Ksh.81,260,000 was Kshs.2,860,000 paid to Toyota Kenya Limited for supplying thirty two (32) Yamaha motor bikes.

However, the following observations were made:-

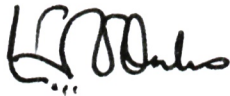
- i. It was not clear how Toyota Kenya was identified to supply the motor cycles since no tendering documents were availed for audit.
- ii. No technical evaluation report from the line Ministry was availed to confirm the specifications of the motor cycles that were required.
- iii. Nyakach Constituency Development Fund disregarded Section 17 of the Public Procurement and Disposal Regulations, 2006 and had no Inspection and Acceptance committee report as a basis of making the payment for the motor cycles.
- iv. No log books for the thirty two motor cycles were availed for our audit verification.
- v. From the delivery note/gate pass attached to the payment voucher, two motor cycles GKB 485G and GKB 478G respectively were found to be faulty and it is doubtful that they were replaced.

Under the circumstances, the Constituency may not have received value for the amount used in the Purchase of these motor Cycles and the propriety of the expenditure could not be confirmed.

4. Procurement of Legal Services

Examination of payment vouchers under the item of office administration revealed that Kimanga and Company advocates was paid Kshs.116,000 through payment voucher number 174 for offering services in Kisumu industrial Court case number 204/2014 between Gabriel M. Onyango versus Nyakach Constituency development Fund. The payment voucher was supported by a fee note number 1/2014 dated 27 October 2014 and Nyakach Constituency Development Fund Committee minutes of 9 December, 2014. However, it was not possible to establish how the advocate was identified to offer the legal services.

My opinion is not qualified in respect of these matters.



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

Nairobi

18 October 2016

NYAKACH CONSTITUENCY DEVELOPMENT FUND

Reports and Financial Statements

For the year ended June 30, 2015

IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH June, 2015

	Note	2014 -2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from CDF Board	1	145682291.50	85,192,700
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		145682291.50	85,192,700
PAYMENTS			
Compensation of Employees	4	1080000	825,279
Use of goods and services	5	4555333	4,061,769
Committee Meeting Allowances	6	2100333	3,258,500
Transfers to Other Government Units	7	37720000	25,005,000
Other grants and transfers	8	81260000	47,118,337
Social Security Benefits	9	12000	15,600
Acquisition of Assets	10	0	400,000
Other Payments	11	0	0
TOTAL PAYMENTS		126727000	80,684,485
SURPLUS/DEFICIT		18955291.50	4,508,215

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 15th June 2015 and signed by:

[Signature]

Chairman - CDFC

[Signature]
Fund Account Manager
15 June 2015

Fund Account Manager

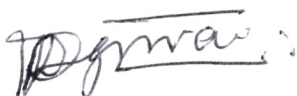
NYAKACH CONSTITUENCY

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

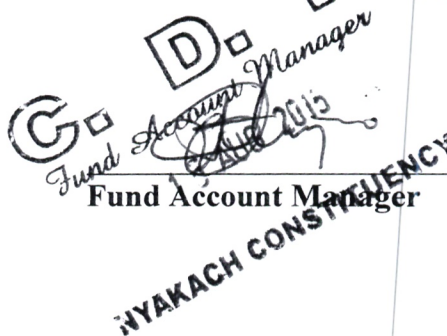
V. STATEMENT OF ASSETS

	Note	2014 -2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	14421059	4,508,215
Cash Balances (cash in hand)	12B	0	0
Outstanding Imprests	12C	174000	853,000
TOTAL FINANCIAL ASSETS		14595059	5,361,215
REPRESENTED BY			
Fund balance b/fwd	13	14421059	179,230
Surplus/Deficit for the year		0	4,508,215
Prior year adjustments	14	0	0
NET FINANCIAL POSITION		14421059	4,687,445

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyakach Constituency CDF financial statements were approved on 15/08 2015 and signed by:



Chairman - CDFC


Fund Account Manager
NYAKACH CONSTITUENCY

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

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE, 2014

	Note	2014 -2015 Kshs	2013-2014 Kshs
RECEIPTS FROM OPERATING ACTIVITIES			
Transfers from CDF Board	1	145682291.50	85,192,700
Other Receipts	3	0	0
TOTAL RECEIPTS		145682291.50	85,192,700
PAYMENTS FOR OPERATING EXPENSES			
Compensation of Employees	4	1080000	825,279
Use of goods and services	5	4555000	4,061,769
Committee Meeting Allowances	6	2100000	3,258,500
Transfers to Other Government Units	7	37720000	25,005,000
Other grants and transfers	8	81260000	47,118,337
Social Security Benefits	9	12000	15,600
Other Expenses	11	0	0
TOTAL PAYMENTS		126727000	80,284,485
ADJUSTED FOR			
Adjustments during the year		0.00	0.00
Net Cash Flow from Operating Activities		0.00	0.00
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	10	0	400,000
Net Cash flow From Investing Activities		0	(400,000)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		0	(400,000)
Cash & cash Equivalents at the BEGINNING of the year	16	4,508,215	179,230
Cash & cash Equivalents at the END of the year		14595059	4,508,215

NYAKACH CONSTITUENCY DEVELOPMENT FUND

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For the year ended June 30, 2014

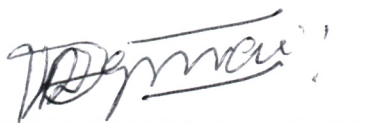
**SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
FOR THE YEAR ENDED 30TH JUNE, 2014**

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Comp
	a	b	c=a+b	
Compensation of Employees	1,000,000	0	1,000,000	
Use of goods and services	2,000,000	0	2,000,000	
Committee Member Expenses	1,500,000	0	1,500,000	
Transfers to Other Government Units	26,469,654	0	26,469,654	
Other grants and transfers	39,285,675	0	39,285,675	
Social Security Benefits	20,000	0	20,000	
Acquisition of Assets	400,000	0	400,000	
Other Payments	0	0	0	
TOTALS	70,675,329	0	70,675,329	

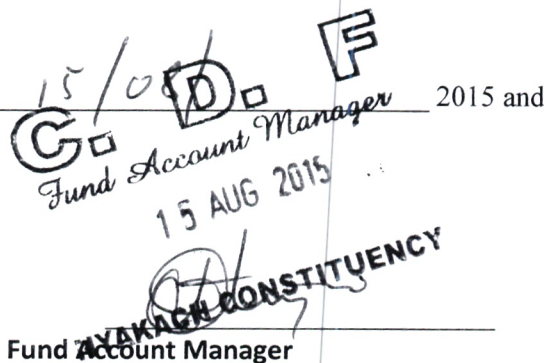

(a) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. Xxxx
- ii. Xxxx
- iii. Xxxx
- iv. Xxxx
- v. Xxxx

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



Chairman CDF

15/08/2015

 Fund Account Manager
 15 AUG 2015

 Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2014

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 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 *entity* 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 *entity*.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *entity* 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 *entity* 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

NYAKACH CONSTITUENCY DEVELOPMENT FUND

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For the year ended June 30, 2015

authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

NYAKACH CONSTITUENCY DEVELOPMENT FUND

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 *entity* 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 *entity'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 *entity'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.

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
CDF Board		
AIE No. A750286	38,370,681.50	46,822,019
AIE No. A750270	2,000,000.00	2,000,000
AIE No. A796505 AIE No. A796854	25,577,902.50	36,370,681
AIE No. A797236	16,546,742.00	
AIE No. A796145	40,609,063.00	
(other constituency e.g, parent constituency)	22,577,902.50	
	00	00
TOTAL	145,682,291.50	85,192,700

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Receipts from sale of Buildings		

NYAKACH CONSTITUENCY DEVELOPMENT FUND

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For the year ended June 30, 2015

Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
	00	00
Total	00	00

1.1.1.1.1.1.1.3 OTHER RECEIPTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	00	00
Rents	00	00
Receipts from Sale of tender documents	00	00
Other Receipts Not Classified Elsewhere	00	00
	00	00
Total	00	00

1.1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic salaries of Contractual employees	79	813,279
Basic wages of Casual Labour	0	0
Personal allowances paid as part of salary	0	0
House allowances.	0	0
Transport allowances.	0	0
Leave Allowance	0	0
Other personnel payments	0	0
Total	813,279	813,279

NYAKACH CONSTITUENCY DEVELOPMENT FUND**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.5 USE OF GOODS AND SERVICES**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	1265000	1,280,796
Office Rent	0	0
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	0	1,200,000
Hospitality supplies and services	0	0
Insurance costs	240000	497,307
Specialised materials and services	0	0
Office and general supplies and services	0	136,900
Fuel, Oil & Lubricants	2100000	600,000
Other operating expenses	0	0
Routine maintenance – vehicles and other transport equipment	950000	346,766
Routine maintenance – other assets	0	0
Total	4555000	4,061,769

1.1.1.1.1.1.6 COMMITTEE EXPENSES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other Committee Expenses	0	0
Committee Allowances	2100000	3,258,500
Total	2100000	3,258,500

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

1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2013 - 2014	2013 - 2014
	Kshs	Kshs
Transfers to Primary Schools	16720000	10,675,000
Transfers to Secondary Schools	20700000	13,180,000
Transfers to Tertiary Institutions	0	0
Transfers to Health Institutions	300000	1,150,000
Transfer to BodaBoda Sheds		
TOTAL	37720000	25,005,000

1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary – secondary schools (see attached list)	7680500	1,164,865
Bursary – tertiary institutions (see attached list)	12199500	19,166,000
Bursary – special schools (see attached list)	120000	0
Mock & CAT (see attached list)	0	437,110
Water projects (see attached list)	0	2,965,189
Agriculture projects (see attached list)	0	0
Electricity projects (see attached list)	0	0
Security projects (see attached list)	2860000	0
Roads projects (see attached list)	51000000	16,000,000
Sports projects (see attached list)	0	1,445,173
Environment projects (see attached list)	2000000	1,440,000
Emergency projects (see attached list)	5400000	4,500,000

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

Total	81260000	47,118,337
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1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer Contribution to NSSF	12000	15,603
Total	12000	15,603

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.10 ACQUISITION OF ASSETS

Non Financial Assets

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	400,000
Acquisition of Intangible Assets	0	0
Total	0	400,000

NYAKACH CONSTITUENCY DEVELOPMENT FUND

Reports and Financial Statements

For the year ended June 30, 2015

1.1.1.1.1.1.1.11 OTHER PAYMENTS

specify

	2014 - 2015	2012 - 2013
	Kshs	Kshs
	0	0
	0	0

12A. Bank Accounts

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>KCB Kisumu A/c. No. 1104034220</i>	48363304.85	4,508,215.30
Total	48363304.85	4,508,215.30

NYAKACH CONSTITUENCY DEVELOPMENT FUND

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B. CASH IN HAND

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0

[Provide cash count certificates for each]

12C. OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Jakoo Miyumo</i>	26/06/2015	174000	0	174000
Total				174000

• **NYAKACH CONSTITUENCY DEVELOPMENT FUND**

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	14421059	179,730
Cash in hand	0	0
Imprest	174000	0
Total	14595059	179,730

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0

NYAKACH CONSTITUENCY DEVELOPMENT FUND

Reports and Financial Statements

For the year ended June 30, 2015

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	xxx	xxx

15.3: OTHER PENDING PAYABLES (See Annex 3)

Kshs **Kshs**

NYAKACH CONSTITUENCY DEVELOPMENT FUND

Reports and Financial Statements

For the year ended June 30, 2015

Amounts due to other Government entities (see attached list)	xxx	xxx
Amounts due to other grants and other transfers (see attached list)	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	xxx	xxx