

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL



**REPORT**



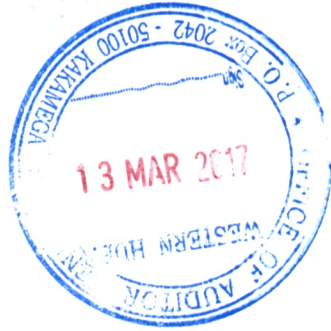
**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2015**



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**CONSTITUENCY DEVELOPMENT FUND- MATAYOS 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)**

**FUND ACC. MANAGER  
MATAYOS NG CDFC**  
Sign.....  
*[Signature]*



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

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FUND DEVELOPMENT COMMITTEE  
MATAYOS NG CDFO  
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**CONSTITUENCY DEVELOPMENT FUND- MATAYOS 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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *Matayos 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 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	Ignatius Kweyu Ateya
3.	Accountant	Caleb Omolo
4.		

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 1055 – 50400  
BUSIA(K)  
Oposite Kisumu Stage - Kisumu Stage  
Busia – Kisumu Road

FUND ACC. MANAGER  
MATAYOS, NG CDFC  
SIGN



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

**(f) MATAYOS CDF Contacts**

Telephone: (254) 773-864-705  
E-mail: cdfmatayos@cdf.go.ke  
Website: www.cdf.go.ke

**(g) MATAYOS CDF Bankers**

1. Cooperative Bank of Kenya  
P.O. Box 326- 50400  
BUSIA  
BUSIA, 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

FUND ACC. MANAGER  
MATAYOS NG CDFC  
Sign: 





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

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

At Matayos constituency, we tried and utilized funds disbursed to us by the board optimally by achieving a target of 80%. Our key area of success was in the education sector. This is exemplified by the amount given to various learning institutions in form of bursaries across the country. Within the constituency, almost all learning institutions have benefitted in terms of infrastructures mainly classrooms, laboratories, libraries and administration blocks.

The Court Case declaring disbandment of CDF has raised a lot of heat in our constituency with our clients/consumers being worried of how to finance their projects. They view CDF as their only saviour in terms of development.

**Challenges**

Late disbursement of funds delays the implementation of projects. The Board should release the funds timely.

*Sign*



**CHAIRMAN CDFC**

FUND ACC. MANAGER  
MATAYOS NS CDFC  
Sign: 



**CONSTITUENCY DEVELOPMENT FUND- MATAYOS 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 *Matayos 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 *Matayos CDF* 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 *Matayos 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 *Matayos CDF* confirms that the *CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *CDF's* funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *CDF's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The *CDF's* financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_  
2015.

  
\_\_\_\_\_  
James Obakha – Chairman Matayos CDFC

  
\_\_\_\_\_  
Ignatius Kweyu Ateya - Fund Account Manager

FUND ACC. MANAGER  
MATAYOS NG CDFC  
Sign.....



# REPUBLIC OF KENYA

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E-Mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund – Matayos Constituency set out on pages 5 to 23, which comprise the statement of assets as at 30 June 2015, and the statement receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

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

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

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the 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 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. Accuracy, Completeness and Presentation of the Financial Statements**

According to the International Public Sector Accounting Standards (Cash Basis) financial statements presentation format prescribed by the National Treasury, the management is required to include among the financial statements, a report on actions taken in relation to the previous year auditor's recommendations. In the year 2013/2014, Matayos CDF disclaimer of opinion audit report. However, the report on follow-up of the audit issues raised has not been included in the financial statements for the year under review.

In addition, the Fund did not maintain a complete and updated summary fixed assets register as Annex 4 shows balances totalling to Kshs.5,457,536 and Kshs.12, 562,390 for 2014 and 2015 respectively whereas the 2015 balance should include the 2014 balance and thus aggregate to Kshs.18,019,926. Apparently, the difference of Kshs.5,457,536 represents land valued at Kshs.1,200,000 but which lacks ownership documents and transport equipment valued at Kshs.4,257,536 bought in 2014. In addition, Notes 12b, 12c, 14, and 15.1 to 15.3, Annex 1 to Annex 3 attached to the statements are not explained.

In the circumstances, the accuracy, completeness and presentation of the financial statements do not conform to IPSAS (Cash Basis) as prescribed by the National Treasury and in accordance with the Public Finance Management Act, 2012.

### **2. Cash and Cash Equivalents**

The cash and cash equivalents balance of Kshs.29,981,108 differs from the bank reconciliation statement balance of Kshs.2,260,285.00 by Kshs.27,720,823. Further, the balance brought forward include a sum of Kshs.150,000 being outstanding imprests which not accounted for as at 30 June 2015.

Consequently, the accuracy of the cash and cash equivalents balance of Kshs.29,981,108 as at 30 June 2015 could not be confirmed.

### **3. Use of Goods and Service**

During the year under review, the Fund spent Kshs.4,774,280 on Use of Goods and Services. However, note 5 to the financial statements reflect a balance of Kshs.4,773,388 under the them thus resulting in an unreconciled variance of Kshs.3,999. Further, goods procured worth Kshs.1,068,254.00 were not accounted for through stores records as required under government.

As a result, the propriety of the expenditure of Kshs.4,774,280 could not be ascertained as 30 June 2015.

### **4. Other Grants and Transfers**

The financial statements indicates that during the year under review, the Fund transferred a total of Kshs.47,739,195 under Other Grants and Transfers. Which balance however differs from the sum of Kshs.40,542,196 shown in Note 8 and further from the balance of Kshs.47,369,195 shown in supporting schedules. The resulting variances of Kshs.1,196,999 and Kshs.370,000 respectively have not been reconciled or explained.

Consequently, the accuracy of the Other Grants and Transfers balance of Kshs.47,739,195 could not be confirmed.

### **5. Unsupported Committee Expenses**

The Fund incurred committee expenses totalling to Kshs.4,062,900. However, the expenditure was not supported with relevant records. In the circumstance, the accuracy and propriety of the expenditure could not be confirmed.

### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Constituencies Development Fund - Matayos 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 and comply with Constituencies Development Fund Act, 2013.

### **Other Matter**

#### **1. Budgetary Control and Performance**

During the year under review, the Funds budget for receipts from the National Management Board totaled to Kshs.123,883,290.00 out of which Kshs.121,721,819.50 (98%) was received. However, expenditure for the year totalled to Kshs.99,224,518.00 only thus leading to under-expenditure of Kshs.25,065,51.00 as detailed below:-



Receipt/Expense Item	Final Budget (Kshs)	Actual Expenditure (Kshs)	Budget variation (Kshs)	% of Utilization
<b>RECEIPTS</b>				
Transfers from CDF Board	123,883,290.00	121,721,819.50	2,161,471.00	98.25%
<b>PAYMENTS</b>				
Compensation of Employees	2,184,000.00	1,205,642.00	1,384,638.10	55.2%
Use of goods and services	4,828,715.00	4,774,280.10	54,435.00	99.9%
Committee Expenses	4,163,567.00	4,062,900.00	100,667.00	97.6%
Transfers to Other Government Units	39,600,000.00	25,836,069.00	13,763,931.00	65.2%
Other grants and transfers	57,101,577.00	47,739,195.00	9,362,382.00	83.6%
Social Security Benefits	80,000.00	36,000.00	44,000.00	90%
Acquisition of Assets	12,825,430.00	12,562,390.00	263,040.00	97.9%
Other Payments	3,100,000.00	3,008,042.00	91,958.00	97%
<b>TOTALS</b>	<b>123,883,289.00</b>	<b>99,224,518.10</b>	<b>25,065,051.10</b>	<b>80.1%</b>

In the circumstance, the Fund failed to meet its budget targets and deliver outputs and services expected by the constituents.

## 2. Project Implementation and Management

The Fund planned to implement a total of 169 projects allocated Kshs.184,540,853 during the two years to 30 June 2015. However, only sixty one (61) projects worth Kshs.118,203,407 were completed as detailed in the table below: one hundred and eight (108) projects allocated Kshs.66,337,446 were completed, including 40 projects allocated Kshs.27,949,670 in the previous financial year 2013/2014:

Sector/Status	Stalled	Ongoing		Complete	
	No	No.	Value (Kshs.)	No	Value (Kshs.)
Administration		5	13,800,000.00	11	29,943,672.65
Agriculture					

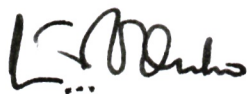
Education		96	45,199,819.90	25	54,174,241.75
Environment				9	4,871,862.50
Health		3	2,639,459.80	1	2,288,721.00
Market				2	10,800,000.00
Road				4	10,853,047.00
Security		4	4,698,166.00	6	1,600,000.00
Sports				3	3,671,862.50
<b>Total</b>		<b>108</b>	<b>66,337,445.70</b>	<b>61</b>	<b>118,203,407</b>

#### Incomplete Projects for 2013/2014

Sector	2013/2014	
	No	Amount (Kshs)
Administration	3	6,800,000
Schools	31	14,799,819.90
Health	4	2,839,459.80
Security	4	3,510,390
<b>Total</b>	<b>40</b>	<b>27,949,669.70</b>

In addition, no funds were allocated to the 2013/2014 security as well as health sector projects reported as ongoing in 2014/2015. The apparent delay in the completion of projects impacted negatively on effective and timely provision of services to the residents of Matayos Constituency.

My opinion is not qualified in respect of these matters.



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

**Nairobi**

**22 November 2016**

**CONSTITUENCY DEVELOPMENT FUND- MATAYOS 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	129,205,626.50	38,559,352.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>129,205,626.50</b>	<b>38,559,352.00</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	1,205,642.00	133,192.00
Use of goods and services	5	4,774,280.10	878,365.00
Committee Expenses	6	4,062,900.00	2,466,947.00
Transfers to Other Government Units	7	25,836,069.30	9,250,000.00
Other grants and transfers	8	47,739,195.80	13,140,505.00
Social Security Benefits	9	36,000.00	-
Acquisition of Assets	10	12,562,390.00	5,457,536.00
Other Payments	11	3,008,042.00	-
<b>TOTAL PAYMENTS</b>		<b>99,224,518.90</b>	<b>31,326,545.00</b>
<b>SURPLUS/DEFICIT</b>		<b>29,981,107.60</b>	<b>7,232,897.00</b>

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



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



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

FUND ACC. MANAGER  
MATAYOS NO CDFC  




**CONSTITUENCY DEVELOPMENT FUND- MATAYOS 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	29,981,107.60	7,483,807.00
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>29,981,107.60</b>	<b>7,483,807.00</b>

**REPRESENTED BY**

Fund balance b/fwd	13	7,483,807.00	-
Surplus/Deficit for the year		22,497,300.60	7,232,807.00
Prior year adjustments	14	=	251,000.00
<b>NET FINANCIAL POSSITION</b>		<b>29,981,107.60</b>	<b>7,483,807.00</b>

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



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



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

FUND ACCOUNT MANAGER  
 MATAYOS CDFC  





**CONSTITUENCY DEVELOPMENT FUND- MATAYOS 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	121,721,819.50	38,559,352.00
Other Receipts	3	-	-
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,205,642.00	133,192.00
Use of goods and services	5	4,774,280.10	878,365.00
Committee Expenses	6	4,062,900.00	2,466,947.00
Transfers to Other Government Units	7	25,836,069.00	9,250,000.00
Other grants and transfers	8	47,739,195.80	13,140,505.00
Social Security Benefits	9	36,000.00	-
Other Payments	11	3,008,042.00	25,869,009.00
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>35,059,690.60</b>	<b>12,690,343.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	12,562,390.00	5,457,536.00
<b>Net cash flows from Investing Activities</b>		<b>12,562,390.00</b>	<b>5,457,536.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>29,981,107.60</b>	<b>7,483,807.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalent at END of the year</b>	<b>16</b>	<b>29,981,107.60</b>	<b>7,483,807.00</b>

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



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**Chairman CDFC**



---

**Fund Account Manager**

FUND ACC. MANAGER  
 MATAYOS NS CDFC  
  
 \_\_\_\_\_





**CONSTITUENCIES DEVELOPMENT FUND – MATAYOS 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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	110,883,290.00					
Proceeds from Sale of Assets						
Other Receipts						
<b>PAYMENTS</b>						
Compensation of Employees	2,184,000.00		2,184,000.00	1,205,642.00	1,384,638.10	55.2%
Use of goods and services	2,128,715.00	2,700,000.00	4,828,715.00	4,774,280.10	54,435.00	99.9%
Committee Expenses	4,163,567.00		4,163,567.00	4,062,900.00	100,667.00	97.6%
Transfers to Other Government Units	35,600,000.00	4,000,000.00	39,600,000.00	25,836,069.00	13,763,931.00	65.2%
Other grants and transfers	57,101,577.00		57,101,577.00	47,739,195.00	9,362,382.00	83.6%
Social Security Benefits	80,000.00		80,000.00	36,000.00	44,000.00	90%
Acquisition of Assets	8,325,430.00	4,500,000.00	12,825,430.00	12,562,390.00	263,040.00	97.9%
Other Payments	1,300,000.00	1,800,000.00	3,100,000.00	3,008,042.00	91,958.00	97%
<b>TOTALS</b>	<b>110,883,290.00</b>	<b>13,000,000.00</b>	<b>123,883,289.00</b>	<b>99,224,518.10</b>	<b>25,065,051.10</b>	<b>80.1%</b>

The MATAYOS CDF financial statements were approved on \_\_\_\_\_ 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:

**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 –MATAYOS CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

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*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.

FUND ACC. MANAGER  
MATAYOS NO. 0073  
*[Signature]*



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

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1.0 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
<b>Bal c/d 2013/2014</b>			
		7,483,807.00	
CDF Board			
AIE NO	750495	27,720,822.50	2,000,000.00
AIE NO	796611	14,632,493.50	36,559,352.00
AIE NO	796825	13,088,329.00	-
AIE NO		38,559,352.00	
AIE NO		27,720,822.50	
(other constituency e.g, parent constituency)		-	-
<b>TOTAL</b>		<b>129,205,626.50</b>	<b>38,559,352.00</b>

**2.0 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	xxx	xxx
Receipts from sale of office and general equipment	xxx	xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

FUND ACC. MANAGER  
 MATAYOS NG CDFC  
 SIGN.....



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3.0 OTHER RECEIPTS**

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

**4.0 COMPENSATION OF EMPLOYEES**

	2014 - 2015 Kshs	2013 - 2014 Kshs
Basic wages of contractual employees	1,082,642.00	133,192.00
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	123,000.00	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
<b>Total</b>	<b>1,205,642.00</b>	<b>133,192.00</b>

FUND ACC. MANAGER  
MATAYOS NG CDFO  
Sign.....*OR*.....





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


*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5.0 USE OF GOODS AND SERVICES**

	2014 - 2015	2013 – 2014
	Kshs	Kshs
Utilities, supplies and services	722,680.30	61,400.00
Communication, supplies and services	262,930.00	90,000.00
Domestic travel and subsistence	220,482.80	80,770.00
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	2,519,198.00	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	548,589.00	190,845.00
Other operating expenses	-	350,000.00
Routine maintenance – vehicles and other transport equipment	500,000.00	-
Routine maintenance – other assets	-	55,350.00
<b>Total</b>	<b>4,774,280.10</b>	<b>878,365,00</b>
<b>TOTAL</b>	<b>Xx</b>	<b>xx</b>

**6.0 COMMITTEE EXPENSES**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	1,072,900.	149,670.00
Other committee expenses	2,990,000	2,317,277,0
<b>Total</b>	<b>4,062,900.00</b>	<b>2,466,947.00</b>

FUND ACC. MANAGER  
MATAYOS NG CDFC  
Sign.....



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**7.0 TRANSFER TO OTHER GOVERNMENT ENTITIES**


Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools	11,589,639.80	1,557,000.00
Transfers to secondary schools	9,600,000.00	6,993,000.00
Transfers to tertiary institutions	700,000.00	700,000.00
Transfers to health institutions	3,946,429.50	-
<b>TOTAL</b>	<b>25,836,069.30</b>	<b>9,250,000.00</b>

**8.0 OTHER GRANTS AND OTHER PAYMENTS**

	2014 – 2015	2013- 2014
	Kshs	Kshs
Bursary – secondary schools	28,355,807.00	8,528,000.00
Bursary – tertiary institutions	9,263,000.00	2,453,000.00
Bursary – special schools	-	-
Mock & CAT	450,000.00	400,000.00
Water projects	1,390,594.00	-
Agriculture projects	-	-
Electricity projects	-	-
Security projects	133,000.00	300,000.00
Roads projects	2,188,994.80	-
Sports projects	619,000.00	500,000.00
Environment projects	4,141,800.00	-
Emergency projects	-	959,505.00
<b>Total</b>	<b>47,739,195.80</b>	<b>13,140,505.00</b>

**9.0 SOCIAL SECURITY BENEFITS**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	36,000.00	-
<b>Total</b>	<b>36,000.00</b>	<b>-</b>

FUND ACC. MANAGER  
MATAYOS NG CDFC  
Sign.....




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

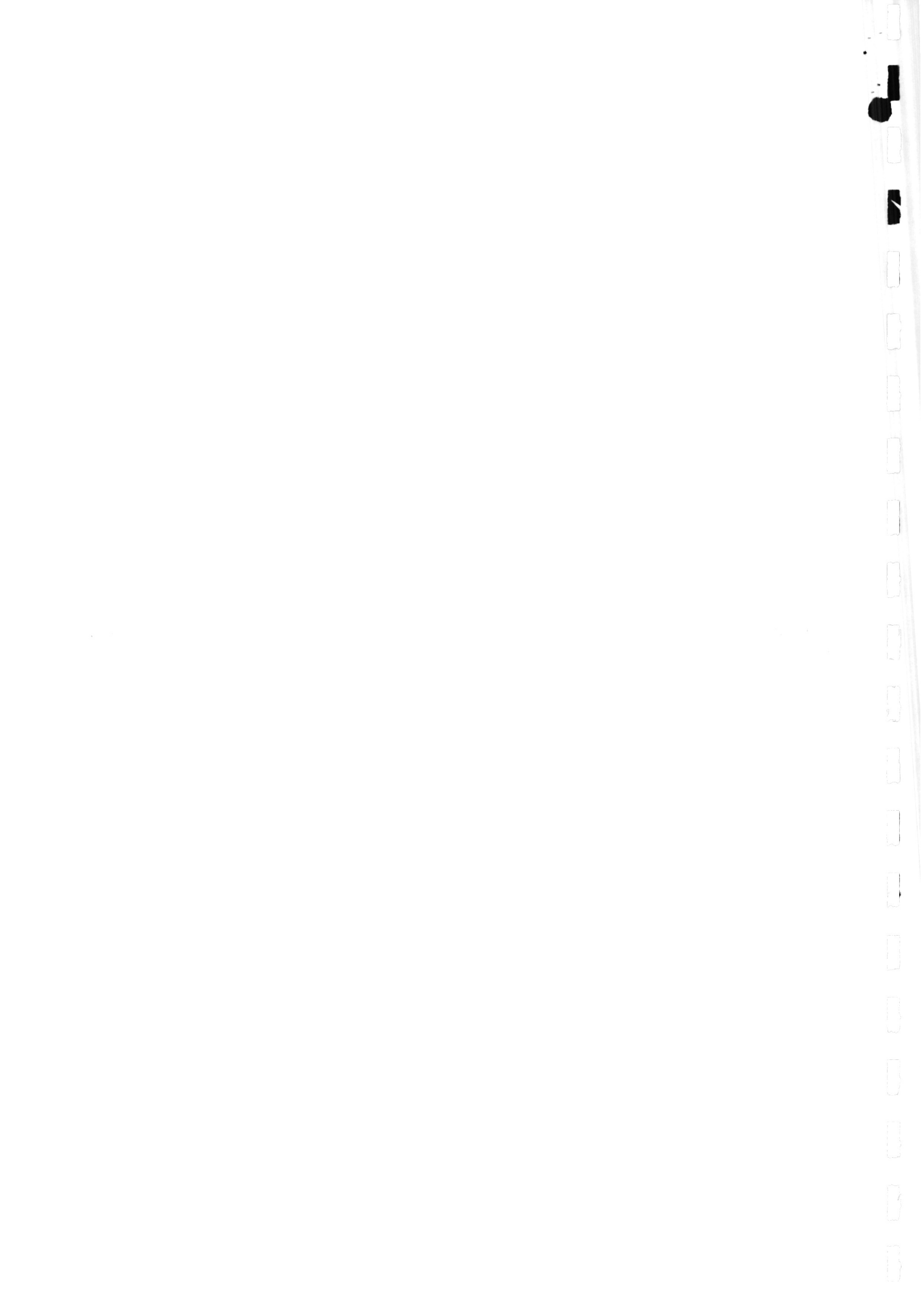
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10.0 ACQUISITION OF ASSETS**

**Non Financial Assets**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings( Cdf Office)	10,818,275.00	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	4,257,536.00
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	890,115.00	-
Purchase of ICT Equipment, Software and Other ICT Assets	854,000.00	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	1,200,000.00
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>12,562,390.00</b>	<b>5,457,536.00</b>

FUND ACC. MANAGER  
 MATAYOS NG CDFC  
 / Sign..... 



**CONSTITUENCIES DEVELOPMENT FUND –MATAYOS CONSTITUENCY**

**Reports and Financial Statements**

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


*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11. OTHER PAYMENTS**

Specify	2014 – 2015	2013 – 2014
Strategic Plan	Kshs	Kshs
	3,008,042.00	
	<b>3,008,042.00</b>	<b>xxx</b>

**12A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>Cooperative Bank Busia Branch 01141236528400</i>	29,981,107.60	7,333,807.00
<i>Name of Bank, Account No.</i>	Xxx	Xxx
<i>Name of Bank, Account No.</i>	Xxx	Xxx
<b>Total</b>	<b>29,981,107.60</b>	<b>7,333,807.00</b>

FUND ACC. MANAGER  
 MATAYOS NG CDPC  
 Sign: 





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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12B: CASH IN HAND**

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

*[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>Name of Officer or Institution</i>	dd/mm/yy	xxx	Xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	Xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	Xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	Xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	Xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	Xxx	xxx
<b>Total</b>				<b>xxx</b>

*[Include an annex of the list is longer than 1 page.]*

FUND ACC. MANAGER  
 MATAYOS NG CDFO  
 Sign.....



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**13. BALANCES BROUGHT FORWARD**

	2014 - 2015 Kshs	2013 - 2014 Kshs	
Bank accounts	29,981,107.60		-
Cash in hand	-		-
Imprest	-		-
<b>Total</b>	29,981,107.60		-

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	2013 - 2014 Kshs	2012 - 2013 Kshs	
Bank accounts		Xxx	-
Cash in hand		Xxx	-
Imprest		Xxx	-
<b>Total</b>			-

FUND ACC. MANAGER  
 MATAYOS NG CDFO  
 [Signature]



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

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2014 – 2015</b>	<b>2013 – 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

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

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

	<b>Kshs</b>	<b>Kshs</b>
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
	<b>xxx</b>	<b>xxx</b>

FUND ACC. MANAGER  
 MATAYOS NC CTDC  




*NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)*  
**Reports and Financial Statements**  
**For the year ended June 30, 2014 (Kshs'000)**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

FUND ACC. MANAGER  
 TUDAYOS M...  
 SIGNATURE





**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2014 (Kshs'000)**

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

FURTHER / C.C. MANAGER  
 BUNYOS NG CD/FC  
 (Sign).....



**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2014 (Kshs'000)**

**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

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

TUSD / ACC. MANAGER  
 TUGAYOS NG CD/FC  
 -CD/FC-



**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**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2014/15</b>	<b>Historical Cost (Kshs) 2013/14</b>
Land		1,200,000.00
Buildings and structures	10,818,275.00	-
Transport equipment		4,257,536.00
Office equipment, furniture and fittings	890,115.00	-
ICT Equipment, Software and Other ICT Assets	854,000.00	-
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
<b>Total</b>	<b>12,562,390.00</b>	<b>5,457,536.00</b>

FUND ASST. MANAGER  
 TENDERING NG COFO  