

REPUBLIC OF KENYA



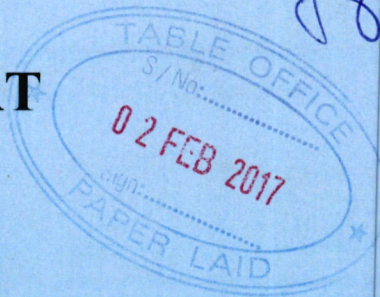
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REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND -
TARBAJ CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015



CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

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

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

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

13 JAN 2017

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

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CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *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 *Tarbaj Constituency's* day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Yussuf Daud
3.	Accountant	James Matu Kiritu

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Tarbaj 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.

List the CDFC as gazetted

1. NOOR MOHAMED HASSAN - CDFC CHAIRMAN
2. YUSSUF DAUD AHMED- FUND MANAGER /CDFC SECRETARY
3. HALIMA MOHAMED - CDFC MEMBER
4. SHAROON IMAN DAHIR - CDFC MEMBER

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5. ABSHIRA SAÏD DAAR - CDFC MEMBER
6. NIMO HIRAB - CDFC MEMBER
7. MUHAMUD MOHAMED -CDFC MEMBER
8. ALI JELLE - CDFC MEMBER
9. MOHAMED SUBOW - CDFC MEMBER
10. DANIEL KIPRONO ROTICH - DC TARBAJ
11. HON MOHAMED IBRAHIM -MP TARBAJ

(e) TARBAJ CDF Headquarters

P.O. Box 417-70200
TARBAJ TOWN
WAJIR-MANDERA ROAD
WAJIR, KENYA

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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(f) TARBAJ CDF Contacts

Telephone: (254) 72164615
E-mail: cdftarbj@cdf.go.ke
Website: www.cdf.go.ke

(g) TARBAJ CDF Bankers

1. National Bank of Kenya
Wajir-Moyale road
P.O. Box
Wajir ,Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015****II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)**

Eight percent of the funds allocated for the financial year 2014/15 has been utilized. As shown in the summary table below:

RECIPTS	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	BUDGET UTILIZATION DIFFERENCE	% OF UTILIZATION
Transfers from CDF Board	124,944,680	48,098,385	173,043,065	168,144,674	4,898,390.50	97
PAYMENTS						
Compensation of Employees	1,020,000.00	425,000.00	1,445,000.00	689,720.00	755,280.00	48
Use of goods and services	5,348,534.00	2,370,714.18	7,719,248.18	4,326,495.00	3,392,753.18	56
Committee Expenses	3,268,000.00	1,104,000.00	4,372,000.00	3,152,000.00	1,220,000.00	72
Transfers to Other Government Units	54,194,251.40	27,933,271.00	82,127,522.40	67,413,712.20	14,713,810.20	82
Other grants and transfers	49,854,854.60	11,241,095.01	61,095,949.61	47,371,539.78	13,724,409.83	78
Social Security Benefits	59,040.00	24,600.00	83,640.00	71,280.00	12,360.00	85
Acquisition of Assets	1,300,000.00	400,000.00	1,700,000.00	1,699,997.00	3.00	100
Other Payments	9,900,000.00	4,600,000.00	14,500,000.00	14,500,000.00		100
TOTALS	124,944,680.00	48,098,680.19	173,043,360.19	139,224,743.98	33,818,616.21	80

KEY ACHIEVMENTS OF THE CDF

In the Education sector the constituency was able to double its allocation in bursary to the needy students from ksh 7,373,008 to 14,000,000.

Increased in the enrolment of pupils by putting up new classrooms in new seven settlements and constructing classrooms, staff quarters and toilets in Forty two existing settlements.

CONSTITUENCY DEVELOPMENT FUND- ~~TARBAJ~~ CONSTITUENCY

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For the year ended June 30, 2015

Purchase of Motor vehicle (Toyota Land cruiser) for Tarbaj Subcounty , Teachers service Commission for Mobility and ease of supervision of the staffs.

In the security sector, the fund was able to put up permanent physical structure for Four police and Ap post namely, Gunana, Duntow, Burmuyow and Mansa ,as well as Police Divisional headquarters at Tarbaj subcounty headquarters, notwithstanding The completion of Deputy County Commissioners. residence

EMERGING ISSUES RELATED TO CDF

- Natural calamities ie floods,droughts and this makes the emergency fund available to little to sustain the occurrence.
- Boundary conflicts

IMPLEMENTATION CHALLENGES AND RECOMMENDED WAY FORWARD

- PMC literacy in implementation of projects
- Insecurity
- Drought- some sites have perennial water problem
- Delays in Funding of project

Sign



30/6/15

CHAIRMAN CDFC

CONSTITUENCY DEVELOPMENT FUND- ~~TARBAJ~~ 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 *TARBAJ 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 *TARBAJ 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 *TARBAJ 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.

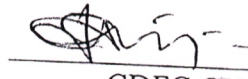
The Accounting Officer in charge of the *TARBAJ CDF* confirms that the *CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *CDF's* funds received during the year under audit were used for the eligible purposes 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.

CONSTITUENCY DEVELOPMENT FUND- ~~TARBAJ~~ CONSTITUENCY
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Approval of the financial statements

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


FUND MANAGER

 - 30/06/2015
CDFC CHAIRMAN

REPUBLIC OF KENYA

Telephone: +254-20-342330
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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Tarbaj Constituency set out on pages 8 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 a 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 Constitutions of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanation which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 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 of the Constitution. The audit was conducted in accordance with International standards of Supreme Audit Institutions (ISSAs) on Auditing. 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 misstatements.

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 the financial statements, whether due to fraud or error. In making those risk

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

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 audit opinion.

Basis for Adverse Opinion

1.0 Disclosure and Presentation of the Financial Statements

During the year under review, the CDF presented financial statements without the note on action taken on 2013/2014 audit report with Disclaimer of Opinion. However, the CDF management had not indicated any action taken as required by the IPSAS reporting template of the National Treasury.

As a result, the Fund's financial statements have not complied with IPSAS cash basis presentation format.

2.0 Irregular Award of Capital Projects

National CDF Board approved a total allocation of Kshs.124,944,680 for Tarbaj Constituency for the financial year 2014/2015. An amount of Kshs.93,106,039 was allocated for various sector projects in education, security, health, sports, water and roads. However, examination of payment vouchers, Bills of Quantities (BQs) and request for quotations for projects worth Kshs.11,275,000 had various irregularities:-

- i. The bills of quantities were filled after the contracts were awarded by the Projects Management Committees (PMCs).
- ii. The bill of quantities for some projects were not properly filled. In some cases one or more pages of BQs were not signed by tender committee as required by Section 60 (7) of Public Procurement and Disposal Act, 2005. Further, bills of quantities for some projects were not made available for audit verification.
- iii. The tender notices used by the various PMCs to advertise the projects did not indicate the criteria and conditions of contracts as required by the Public Procurement and Disposal Act, 2005. It was therefore not clear how the PMCs evaluated the bidders.

In the circumstances, it has not been possible to confirm that the projects were awarded fairly and the constituents got value for money from the expenditure.

3.0 Unaccounted for Goods

During the financial year 2014/2015, the Fund spent Kshs.4,326,495 on use of goods and services. However, goods such as beds, desks and lab equipment worth Kshs.3,930,512 were not received vide counter receipt vouchers, neither recorded in the stores register and were not issued vide counter requisition and issue vouchers as required by the Public Procurement Regulations, 2006.

Consequently, value for money has not been received from the expenditure on unaccounted for stores worth Kshs.3,930,512.

4.0 Doubtful and Unsupported Expenditure on Emergency and Administration Expenses

During the financial year 2014/2015, Tarbaj CDF incurred an amount of Kshs.1,035,000 vide vouchers No.270 of 29/1/2015 and 336 of 11 February 2015; No.198 of 23 October, 2014; on emergency and monitoring and evaluation exercises. However, the following anomalies have not been explained;

- i. An amount of Kshs.500,000 was incurred on repair of a vehicle, GK A716F belonging to the Administration Police (AP) Commandant Tarbaj. The services were procured through request for quotations.

However, the quotations were raised before the vehicle was inspected by works departments. It was not known how the defects were identified. The payment approval was made before quotations were raised. The vehicle was also not re-inspected to confirm its condition of the vehicle after the services.

- ii. Some of the payment schedules were not signed by the payees while others were lacking the identity card numbers of the payees and dates when the payments were made. It was therefore not possible to confirm the beneficiaries of the payments.
- iii. The payments were not supported by minutes of the CDFC approving the payments and also attendance register for the same members who were paid sitting allowances as an evidence that the meeting took place.

In the circumstances, the expenditure of Kshs.1,035,000 could not be justified as a correct charge to public funds.

5. Acquisition of Assets

During the year under review, the Fund acquired assets worth Kshs.1,699,997. Further, Note 8 to the financial statements show comparative balance of Kshs.181,000. However, the closing balance is reflected as Kshs.1,699,997 as per Annex 4. The resulting difference of Kshs.181,000 has not been explained. Further, Note 9 on other

payments indicates construction of CDF office and purchase of water tank worth Kshs.14,500,000 which have not been disclosed in the summary of fixed assets.

Consequently, the accuracy and completeness of the acquired assets 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 - Tarbaj Constituency as at 30 June 2015, and of its financial performance and of 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

1.0 Budgetary Control and Performance

1.1 Budget Performance Analysis

During the year under review, the National CDF Board approved Budget for Tarbaj Constituency Development Fund of Kshs.124,944,680. Further, the CDF office had an amount of Kshs.48,098,385 as unspent balance from financial year 2013/2014.

The percentage actual allocations compared to the requirement from CDF Act were as follows:-

Item	Budgeted Allocation (Kshs.)	% Allocation	% Requirement By The Cdf Act
Bursary	16,242,808	13%	25%
M&E	4,468,000	4%	3%
Administration	5,727,574	5%	6%
Emergency	5,400,259	4%	5%
Projects	93,106,039	75%	-
Total	124,944,680		

The National CDF Board Projects allocation budget for Tarbaj Constituency Development Fund for the financial year under review showed that allocations for various items were in compliance with the requirements of Sections 7 11 of the Constituencies Fund Act, 2013.

1.2 Development (Projects)

Item	Actual Expenditure (Kshs.)	Budget Allocation (Kshs.)	Absorption Rate %	No. of Projects Implemented	No. of Projects Budgeted	Remarks
Development (Projects)						
Education	64,109,712	53,694,251	119%	53	53	Difference between budgeted amount and actual is unspent balance from F/Y 2013/2014
Water	1,713,000	1,714,000	100%	2	2	
Roads	10,500,000	10,500,000	100%	3	3	
Health	3,304,000	500,000	661%	3	3	Difference between budgeted amount and actual is unspent balance from F/Y 2013/2014
Security	11,829,407	10,500,000	113%	4	4	Difference between budgeted amount and actual is unspent balance from F/Y 2013/2014
Environment	1,638,332.78	2,498,894	66%	3	4	Three projects completed, one was on going
Sports	998,800	2,498,894	40%		2	
Emergency	6,750,000	5,400,259	125%	-	-	Difference between budgeted amount and actual is unspent balance from F/Y 2013/2014
Bursary	13,942,000	16,242,808	86%	-	-	
Others	16,199,917	11,200,000	145%	3	3	Difference between budgeted amount and actual is unspent balance from F/Y 2013/2014
Totals	130,985,169	114,749,106	114%			

The Tarbaj CDF did not implement projects worth Kshs.16,236,063. As a result, the CDF did not meet its service delivery target to the constituents.

1.3 Recurrent Expenditure

Item	Actual Expenditure	Budget Allocation	% Absorption	Remarks
ADMINISTRATION				
Employee Compensation	689,800	1,020,000	68%	
Use of Goods & Services	4,326,495	4,148,534	104%	

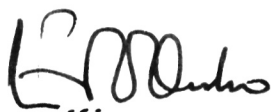
Committee Expenses	3,152,000	4,468,000	71%	
Social Security	71,280	59,040	121%	
Audit Fees	-	500,000	-	
Total	8,239,495	10,195,574		

Tarbaj CDF spent Kshs.8,239,495 (81% out of the budgeted amount of Kshs.10,195,574. However, the Fund overspent on use of goods and services and on social security.

Further, CDF Tarbaj Spent Kshs.139,224,744 (80%) out of the budgeted amount of Kshs.173,043,360 . No explanation has been given for not utilizing the entire amount allocated to benefit the constituents.

In view of the foregoing, the Tarbaj CDF did not meet its budgetary target and service delivery goals to the constituents.

My opinion is not qualified in respect of this matter.



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

Nairobi

08 December 2016

CONSTITUENCY DEVELOPMENT FUND- ~~TARBAJ~~ CONSTITUENCY

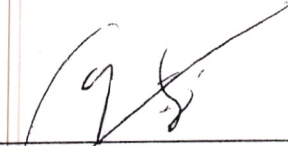
Reports and Financial Statements

For the year ended June.30, 2015

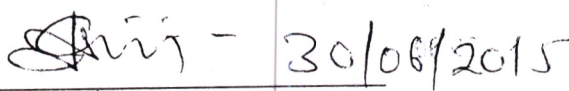
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	168,144,674.50	43,199,699.00
TOTAL RECEIPTS		168,144,674.50	43,199,699.00
PAYMENTS			
Compensation of Employees	2	689,720.00	48,000.00
Use of goods and services	3	4,326,495.00	1,555,183.50
Committee Expenses	4	3,152,000.00	1,264,000.00
Transfers to Other Government Units	5	67,413,712.20	7,880,000.00
Other grants and transfers	6	47,371,539.78	22,373,125.00
Social Security Benefits	7	71,280.00	-
Acquisition of Assets	8	1,699,997.00	181,000.00
Other Payments	9	14,500,000.00	5,000,000.00
TOTAL PAYMENTS		139,224,743.98	38,301,308.50
SURPLUS/DEFICIT		28,919,930.52	4,898,390.50

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



Chairman - CDFC

 - 30/06/2015

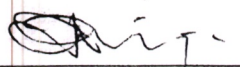
Fund Account Manager

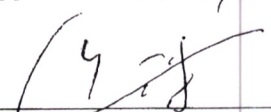
CONSTITUENCY DEVELOPMENT FUND- ~~TARBAJ~~ CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

V. STATEMENT OF ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	10	33,818,321.00	4,898,390.50
TOTAL FINANCIAL ASSETS		33,818,321.00	4,898,390.50
REPRESENTED BY			
Fund balance b/fwd	11	4,898,390.50	0
Surplus/Deficit for the year		28,919,930.52	4,898,390.50
NET FINANCIAL POSITION		33,818,321.02	4,898,390.50

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The ~~TARBAJ~~ CDF financial statements were approved on 30/06/2015 and signed by:

 30/06/2015
Chairman - CDFC


Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- ~~TARBAJ~~ CONSTITUENCY

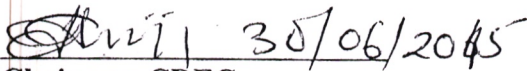
Reports and Financial Statements

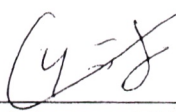
For the year ended June 30, 2015

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2014 - 2015	2013 - 2014
Transfers from CDF Board	1	168,144,675	43,199,699
		168,144,675	43,199,699
Payments for operating expenses			
Compensation of Employees	2	689,720.00	48,000.00
Use of goods and services	3	4,326,495.00	1,555,183.50
Committee Expenses	4	3,152,000.00	1,264,000.00
Transfers to Other Government Units	5	67,413,712	7,880,000
Other grants and transfers	6	47,371,539.78	22,373,125
Social Security Benefits	7	71,280	0
Other Payments	9	14,500,000	5,000,000
Adjusted for:			
Adjustments during the year		0	0
Net cash flow from operating activities		30,619,927.52	5,079,390.50
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(1,699,997.00)	(181,000.00)
Net cash flows from Investing Activities		(1,699,997.00)	(181,000.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		28,919,930.52	4,898,390.50
Cash and cash equivalent at BEGINNING of the year	11	4,898,390.50	0
Cash and cash equivalent at END of the year	10	33,818,321.02	4,898,390.50

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The ~~TARBAJ~~ CDF financial statements were approved on 30/06/2015 and signed by:


Chairman CDFC


Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- TARBAJ 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 a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	124,944,680.00	48,098,385.00	173,043,065.00	168,144,674.50	4,898,390.50	97
PAYMENTS						
Compensation of Employees	1,020,000.00	425,000.00	1,445,000.00	689,720.00	755,280.00	48
Use of goods and services	5,348,534.00	2,370,714.18	7,719,248.18	4,326,495.00	3,392,753.18	56
Committee Expenses	3,268,000.00	1,104,000.00	4,372,000.00	3,152,000.00	1,220,000.00	72
Transfers to Other Government Units	54,194,251.40	27,933,271.00	82,127,522.40	67,413,712.20	14,713,810.20	82
Other grants and transfers	49,854,854.60	11,241,095.01	61,095,949.61	47,371,539.78	13,724,409.83	78
Social Security Benefits	59,040.00	24,600.00	83,640.00	71,280.00	12,360.00	85
Acquisition of Assets	1,300,000.00	400,000.00	1,700,000.00	1,699,997.00	3.00	100
Other Payments	9,900,000.00	4,600,000.00	14,500,000.00	14,500,000.00		100
TOTALS	124,944,680.00	48,098,680.19	173,043,360.19	139,224,743.98	33,818,616.21	80

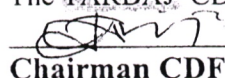
(a) The total in the adjustment column is a combination of ksh 4,898,390.50 which is the opening balance of cash as at 30th June 2014 and ksh 43,199,699 which is AIE No. 750180 which is funds meant for the financial year 2013/2014 but which was received in the early part of the financial year 2014/2015.

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

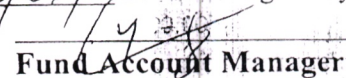
Compensation of employees utilized at 48%

i. The constituency was new and the employees were engaged at the mid of the financial year.

The TARBAJ CDF financial statements were approved on 30/06/2015 and signed by:


Chairman CDF

30/06/2015


Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- ~~TARBAJ~~ CONSTITUENCY

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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

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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.

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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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.

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
			43,199,699.00
AIE NO	735834		
AIE NO	750180	43,199,994.50	
AIE NO	759607	31,236,170.00	
AIE NO	796667	15,741,702.00	
AIE NO	796876	15,764,468.00	
AIE NO	7590607	31,236,170.00	
AIE NO	795158	30,966,170.00	
TOTAL	759607	168,144,674.50	43,199,699.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	689,720	
Basic wages of casual labour		48,000
Personal allowances paid as part of salary		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Gratuity	0	0
Other personnel payments	0	0
Total	689,720	48,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

	2014 - 2015 Kshs	2013 - 2014 Kshs
Utilities, supplies and services	936,340.00	80,000.00
Office Rent	240,000.00	
Communication, supplies and services	137,400.00	120,000.00
Domestic travel and subsistence	2,025,000.00	705,000.00
Printing, advertising and information supplies & services	62,000.00	
Training expenses	-	600,000.00
Hospitality supplies and services	225,000.00	45,000.00
Office and general supplies and services	670,000.00	
Other operating expenses	30,755.00	5,183.50
Total	4,326,495.00	1,555,183.50

3. COMMITTEE EXPENSES

	2014 - 2015 Kshs	2013 - 2014 Kshs
Committee allowances	2,052,000.00	375,000.00
Other committee expenses	1,100,000.00	889,000.00
Total	3,152,000.00	1,264,000.00

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools	59,699,712.20	3,800,000.00
Transfers to secondary schools	4,410,000.00	4,080,000.00
Transfers to health institutions	3,304,000.00	0
TOTAL	67,413,712.20	7,880,000.00

6. OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary – secondary schools	3,000,000.00	1,200,000.00
Bursary – tertiary institutions	10,606,500.00	6,134,000.00
Mock & CAT	335,500.00	-
Water projects	1,713,000.00	6,000,000.00
Security projects	11,829,407.00	7,030,000.00
Roads projects	10,500,000.00	-
Sports projects	998,800.00	-
Environment projects	1,638,332.78	-
Emergency projects	6,750,000.00	2,009,125.00
Total	47,371,539.78	22,373,125.00

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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7. SOCIAL SECURITY BENEFITS

	2014 - 2015 Kshs	2013 - 2014 Kshs
Employer contribution to NSSF	71,280.00	-
Total	71,280.00	-

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Office Furniture and General Equipment	1,699,997.00	181,000.00
Total	1,699,997.00	181,000.00

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2014 - 2015 Kshs	2013 - 2014 Kshs
Purchase of Motor Vehicle for Tsc		5,000,000.00
Construction of cdf office, strategic plan, water tank for cdf office and greenhouse	14,500,000.00	-
TOTAL	14,500,000.00	5,000,000.00

10 : Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015 Kshs	2013 - 2014 Kshs
<i>National bank of Kenya, wajir branch, Account number:</i>	33,818,321.00	4,898,390.50
Total	33,818,321.00	4,898,390.50

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. BALANCES BROUGHT FORWARD

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	4,898,390.50	0
Total	4,898,390.50	0

[Provide short appropriate explanations as necessary]

11. BALANCES BROUGHT FORWARD

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	4,898,390.50	0
Total	4,898,390.50	0

CONSTITUENCY DEVELOPMENT FUND- TARBAJ CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Office equipment, furniture and fittings	1,699,997/=	181,000/=
Total	1,699,997/=	181,000/=



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