

REPUBLIC OF KENYA



PAPER LAMP
By the leader of the majority party, Hon. Aden Duale on Tuesday 26/9/17

OFFICE OF THE AUDITOR-GENERAL



REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
SUBUKIA CONSTITUENCY
FOR THE YEAR ENDED
30 JUNE 2016



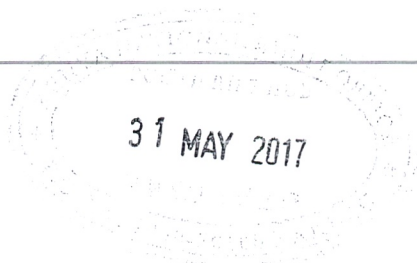


CONSTITUENCY DEVELOPMENT FUND- SUBUKIA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

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



CONSTITUENCY DEVELOPMENT FUND – SUBUKIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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Reports and Financial Statements

For the year ended June 30, 2015

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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

The objective of the fund is to ensure that at least 7.5% of annual revenue is devoted to the constituency for infrastructural development, wealth in creation and in the fight against poverty.

(b) Key Management

The *SUBUKIA 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 2016 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|-----|--------------------|----------------|
| 1. | Accounting Officer | Yusuf Mbuno |
| 2. | A.I.E holder | Gloria Keitany |
| 3. | Accountant | James kiritu |

(d) Fiduciary Oversight Arrangements

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

P.O. Box 86
Subukia Centre
NakuruNyahururu Road
SUBUKIA

Reports and Financial Statements

For the year ended June 30, 2016

(f) SUBUKIACDF Contacts

Telephone: (254)728776506

E-mail: Gkeitany@cdf.go.ke

Website: www.go.ke

(g) SUBUKIACDF Bankers

1. Equity Bank of Kenya
Nakuru-Gate House Branch
P.o Box 12568
Nakuru
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

Reports and Financial Statements

For the year ended June 30, 2016

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

SUBUKIA constituency development fund committee comprises of very young and energetic men and women who are dedicated to developing their constituency through CDF. The constituency is expansive and have very poor road networks with no tarmac .the committee endures rough rides which worsen during rainy season.

On secondary education, several day secondary schools which has enabled several pupils to transit from primary schools to secondary have been funded. The bursaries from CDF although not enough has benefited needy students in Subukia Constituency.

Some of the challenges that we face as a committee are;

- Insufficient funding against the needs of Subukia Constituency
- Delay disbursement of funds from the CDFB

THANKYOU

-
- Low allowances especially to the officials yet they spend much of their time in the CDF offices serving wananchi.

The following are the committee members;

- | | |
|---------------------|-----------|
| 1. Nicholas Koech | Chairman |
| 2. Janet Ndunge | Secretary |
| 3. Margaret Wangari | Member |
| 4. Hannah W. Kimani | Member |
| 6. Francis Mwangi | Member |
| 7. Rhodah Yator | Member |
| 8. Redemta Mutitika | Member |
| 9. Susan Ndisya | Member |
| 10. Gloria Keitany | Member |

N. Koech

.....
Nicholas koech
CHAIRMAN CDFC

Reports and Financial Statements

For the year ended June 30, 2016

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 *SUBUKIACDF* 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, 2016. 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 *SUBUKIA 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, 2016, and of the *CDF's* financial position as at that date. The Accounting Officer charge of the *SUBUKIA 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 *SUBUKIACDF* 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 31/5/2017 2017.



Nicholas Koech
CHAIRMAN CDF



Gloria Keitany
FUND ACCOUNT MANAGER

4
FUND ACCOUNT MANAGER
SUBUKIA CONSTITUENCY
P.O. Box 86, SUBUKIA
DfB

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund –Subukia Constituency set out on pages 6 to 21, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flow, summary statement of appropriation for the year 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, Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of this 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 47 of the Public Audit Act, 2015.

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 48 of the Public Audit Act, 2015 and submit the report in compliance with Article 229 (7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. 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 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

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
– Subukia Constituency for the year ended 30 June 2016*

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. Unsupported Bursaries

The statement of receipts and payments as disclosed under note 8 indicates total bursaries of Kshs.10,290,500 disbursed to Secondary schools, Tertiary Institutions and Special schools. However, no schedules in support of the expenditure were produced for audit examination to show the number of applicants who qualified and those who did not qualify. In addition, no receipts or acknowledgement letters from the schools were produced for audit verifications and it was therefore not possible to confirm whether the bursaries reached the intended beneficiaries.

2. Doubtful Expenditure

Examination of expenditure records in respect of roads projects revealed that an expenditure of Kshs.6,993,861 was incurred in construction of various roads within the constituency. However, it was observed that procurement process for acquiring the construction works was initiated after the completion of the works as evidenced by certificates of completion issued before tender award. It was further observed that tenders were opened just to comply with the procurement formalities as opposed to evaluating the suitable contractor.

In the circumstances, it was not possible to ascertain whether the road projects were implemented or not and therefore the expenditure of Kshs.6,993,861 remains doubtful.

3. Implementation of Non-Budgeted Projects

Examination of expenditure records in respect of various projects disclosed that an expenditure of Kshs.30,844,842 was incurred in funding of projects which were not among the projects approved in the project GFS Codelist for Subukia CDF (Approved Budget) during the 2015/2016.

The funding of non-budgeted projects is contrary to section 6(2) of NG CDF Act, 2015, which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year without the approval of the Board.

No explanation was given for this omission. The fund management was therefore in breach of the law.

4. Unsupported Expenditure

An expenditure of Kshs.8,275,000 was incurred during the period for construction of security projects as shown below:-

| Project | Amount (Kshs) |
|-------------------------|------------------|
| Kipngochoch police post | 1,000,000 |
| Edgewoods Chiefs office | 450,000 |
| Kieni polytechnic | 1,000,000 |
| Ruiru chiefs office | 400,000 |
| Kabazi AP camp | 1,000,000 |
| Kabazi Chiefs office | 450,000 |
| Kiregero police post | 200,000 |
| Tetu chiefs office | 500,000 |
| Pole Ploe AP post | 500,000.00 |
| Magomano AP police post | 250,000.00 |
| Mihango Police | 1,000,000 |
| Suswa police post | 1,000,000 |
| Kabazi Dos office | 250,000 |
| Total | 8,275,000 |

However, land ownership documents for the land where the projects had been constructed were not produced for audit verification. Although it has been explained the process of acquiring the title deeds was in progress, no evidence was produced for audit verifications to confirm the same.

In the circumstances, it was not possible to confirm the ownership of land where the projects have been implemented.

5. Irregular Expenditure

A Contractor of was paid Kshs.1,419,100 through payment Voucher No.188 dated 19 February 2016, being payment in respect of spot improvement, grading and murraming of Kamukunji-Marigo road for a distance of 1 KM. However, no procurement documents including the contract agreement between the Contractor and the Constituency Development Fund Committee (CDFC) were produced for audit verification and it was therefore not possible to confirm how the works were sourced.

Physical verification of the project on 22 February 2017 revealed the following:

- i. The gravel had been spread for only a distance of 600m
- ii. Culverts and drainage works had not been done

The certificate of practical completion was issued on 6 April 2017 long after full payment had been made. It was not explained why the contractor was paid the full contract sum of Kshs.1,419,100 on 19 February, 2016 a year before the completion of the project.

6. Irregular Procurement of Works

Arash Old Road Water Project was allocated Kshs.300,000 through payment voucher No.178 being payment in respect of piping works. Examination of expenditure records disclosed that the tender was awarded after the suppliers had signed acceptance letters. According to the tender minutes of a meeting held on 19 January 2016. However, examination of the tender documents disclosed that one contractor signed the tender acceptance form on 12 January 2016 whereas the other signed the acceptance form on 10 January 2016 seven and ten days respectively, before the tender was awarded.

No explanation has been provided for the flawed procurement process.

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 National Government Constituencies Development Fund- Subukia Constituency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015.

Other Matter

7.0 Budget Appraisal Performance

7.1 Revenue Analysis

| Budgeted Amount Kshs. | Actual Receipts Kshs. | Variance/ Difference Kshs. |
|--------------------------|--------------------------|-------------------------------|
| 104,854,472 | 78,221,495 | 26,632,977 |

It was noted that:

- (i) The Subukia CDF was under funded by Kshs.26,632,977 which represents a 25% under funding.
- (ii) The financing gap for the year was met by the cash brought forward from the previous years.

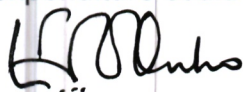
7.2 Expenditure Analysis

| Item | Budgeted Amount (Kshs) | Actual Expenditure (Kshs) | Over/Under Expenditure Kshs | Absorption Rate % |
|---------------------------|---------------------------|------------------------------|--------------------------------|-------------------|
| Compensation of employees | 1,525,920.00 | 689,127.00 | 836,793.00 | 45 |

| | | | | |
|---|-----------------------|-----------------------|-------------------------|------|
| Use of Goods and services | 2,000,000.00 | 1,376,330.00 | 623,670.00 | 69 |
| Committee expenses | 4,632,447.00 | 3,656,012.00 | 976,435.00 | 79 |
| Transfer to other government units | | | | |
| Transfer to primary school | 20,850,000.00 | 28,957,931.00 | (8,107,931.00) | 139 |
| Transfer to secondary school | 20,450,000.00 | 22,050,000.00 | (1,600,000.00) | 108 |
| Transfer to Health facilities | 2,100,000.00 | 2,100,000.00 | - | 0 |
| Other grants and transfers | | | | |
| Bursary - secondary schools | 9,000,000.00 | 8,965,000.00 | 35,000.00 | 99 |
| Bursary -tertiary schools | 13,628,458.00 | 333,500.00 | 13,294,958.00 | 2.4 |
| Bursary -special schools | 2,000,000.00 | 992,000.00 | 1,008,000.00 | 49 |
| Water/sewer projects | 7,250,000.00 | 11,464,842.00 | (4,214,842.00) | 158 |
| Security projects | 6,150,000.00 | 8,075,486.14 | (1,925,486.14) | 131 |
| Roads/bridge projects | 8,000,000.00 | 16,226,418.00 | (8,226,418.00) | 202 |
| Sports projects | 1,500,000.00 | 1,043,104.00 | 456,896.00 | 69 |
| Environment projects | 1 | 960,000.00 | (960,000.00) | 9600 |
| Emergency projects | 5,767,647.00 | 400,000.00 | 5,367,647.00 | 7 |
| Total | 104,854,472.00 | 107,289,750.14 | (2,435,278.14) | |

The following was noted:-

- (i) Over expenditure on water, security environment and bursary projects was noted and no approval of the board appear to have been granted as required by the National Government Constituencies Development Fund Act, 2015. The over expenditure could be attributed to irregular reallocation of funds by the CDFC.

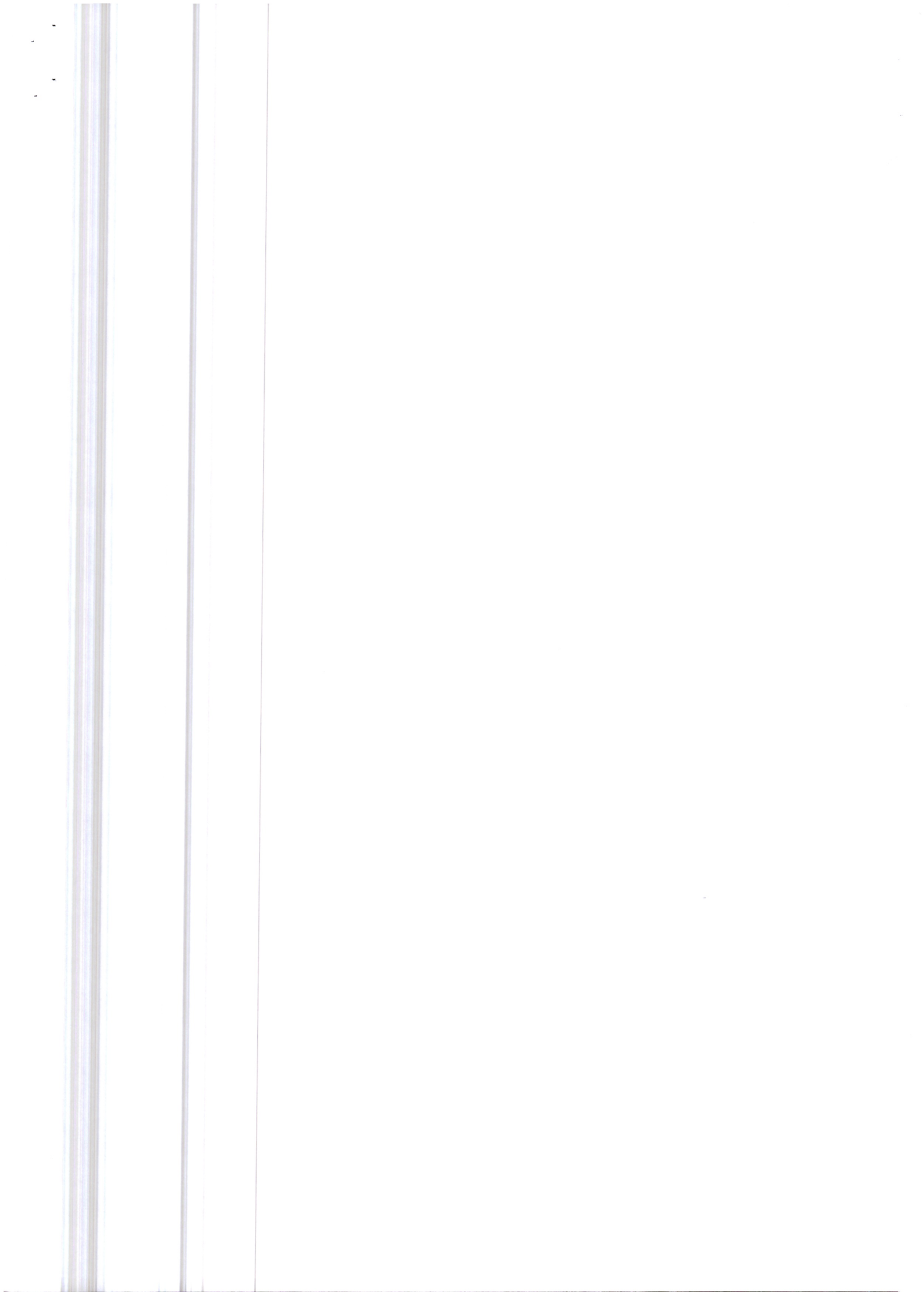


FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

07 August 2017

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Subukia Constituency for the year ended 30 June 2016




Reports and Financial Statements

For the year ended June 30, 2016


STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2015-2016 | 2014-2015 |
|---|------|------------------------|----------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from CDF board-AIEs' Received | 1 | 78,221,495.00 | 75,664,485.00 |
| Proceeds from Sale of Assets | 2 | 0 | 0 |
| Other Receipts | 3 | 0 | 0 |
| TOTAL RECEIPTS | | 78,221,495.00 | 75,664,485.00 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 689,127.00 | 620,766.00 |
| Use of goods and services | 5 | 1,376,330.00 | 2,107,399.00 |
| Committee Expenses | 6 | 3,656,012.00 | 2,851,280.00 |
| Transfers to Other Government Units | 7 | 53,107,931.00 | 35,735,832.00 |
| Other grants and transfers | 8 | 48,460,350.14 | 23,684,773.64 |
| Acquisition of Assets | 9 | - | - |
| Other Payments | 10 | - | - |
| TOTAL PAYMENTS | | 107,289,750.14 | 65,000,050.64 |
| SURPLUS/DEFICIT | | (29,068,255.14) | 10,664,434.60 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SUBUKIACDF financial statements were approved on 31/5/2017 2016 and signed by:



Nicholas Koech
 Chairman - CDFC



Gloria Keitany
 Fund Account Manager

IV. STATEMENT OF ASSETS

Reports and Financial Statements

For the year ended June 30, 2016

| | Note | 2015-2016 | 2014-2015 |
|---------------------------------------|------|-----------------|---------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 12A | 1,136,749.56 | 30,205,003.70 |
| Cash Balances (cash at hand) | 12B | - | - |
| Outstanding Imprests | 12C | | - |
| TOTAL FINANCIAL ASSETS | | 1,136,749.56 | 30,205,003.70 |
| | | | |
| | | | |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July... | 13 | 30,205,003.70 | 19,540,569.10 |
| Surplus/Deficit for the year | | (29,068,255.14) | 10,664,434.60 |
| Prior year adjustments | 14 | - | - |
| NET FINANCIAL POSITION | | 1,136,748.56 | 30,205,003.70 |
| | | | - |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SUBUKIACDF financial statements were approved on 31/5/2017 2017 and signed by:



Nicholas Koech
Chairman - CDFC



Gloria Keitany
Fund Account Manager

Reports and Financial Statements

For the year ended June 30, 2016

V. STATEMENT OF CASHFLOW

| Receipts for operating income | | 2015 - 2016 | 2014 - 2015 |
|--|----|-----------------|---------------|
| Transfers from CDF Board | 1 | 78,221,495.00 | 75,664,485.00 |
| Other Receipts | 3 | - | - |
| | | 78,221,495.00 | 75,664,485.00 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 689,127.00 | 620,766.00 |
| Use of goods and services | 5 | 1,376,330.00 | 2,107,399.00 |
| Committee Expenses | 6 | 3,656,012.00 | 2,851,280.00 |
| Transfers to Other Government Units | 7 | 53,107,931.00 | 35,735,832.00 |
| Other grants and transfers | 8 | 48,460,350.14 | 23,684,773.64 |
| Other Payments | 11 | 0 | - |
| | | 107,289,750.14 | 65,000,050.64 |
| Adjusted for: | | | |
| Adjustments during the year | | 0 | - |
| Net cash flow from operating activities | | (29,068,255.14) | 10,664,434.60 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | | 0 | |
| Acquisition of Assets | 10 | - | |
| Net cash flows from Investing Activities | | - | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (29,068,255.14) | 10,664,434.60 |
| Cash and cash equivalent at BEGINNING of the year | 15 | 30,205,003.70 | 19,540,569.00 |
| Cash and cash equivalent at END of the year | 16 | 1,136,748.56 | 30,205,003.70 |



FUND ACCOUNT MANAGER
 SUBUKIA CONSTITUENCY
 KIA

Date: _____

FUND ACCOUNT MANAGER
 SUBUKIA CONSTITUENCY
 P.O. Box 86, SUBUKIA

Sign: _____

Reports and Financial Statements

For the year ended June 30, 2016

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SUBUKIACDF financial statements were approved on 31/5/2017 2016 and signed by:



Nicholas Koech
Chairman CDFC



Gloria Keitany
Fund Account Manager

FUND ACCOUNT MANAGER
SUBUKIA CONSTITUENCY
P.O. Box 88, SUBUKIA
Date: _____ Sign: _____

Reports and Financial Statements

For the year ended June 30, 2016

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------------|-----------------|---------------|----------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 104,854,472.00 | 30,205,003.60 | 135,059,475.60 | 108,426,498.00 | 26,632,977.60 | 80 |
| Proceeds from Sale of Assets | 0 | 0 | - | 0 | - | 0 |
| Other Receipts | 0 | 0 | - | 0 | - | 0 |
| TOTAL | 104,854,472.00 | 30,205,003.60 | 135,059,475.60 | 108,426,498.00 | 26,632,977.60 | 80 |
| PAYMENTS | | | | | | |
| Compensation of Employees | 1,525,920.00 | | 1,525,920.00 | 689,127.00 | 836,793.00 | 45 |
| Use of goods and services | 2,000,000.00 | 339,162.60 | 6,371,609.60 | 1,376,330.00 | 4,995,279.60 | 22 |
| Committee Expenses | 4,032,447.00 | | 4,032,447.00 | 3,656,012.00 | 376,435.00 | 91 |
| Transfers to Other Government Units | 43,000,000.00 | 22,920,000.00 | 65,920,000.00 | 53,107,931.00 | 12,812,069.00 | 81 |
| Other grants and transfers | 54,296,105.00 | 6,945,841.00 | 61,241,946.00 | 48,460,350.14 | 12,781,595.86 | 79 |
| Acquisition of Assets | | | - | - | - | 0 |
| Other Payments | | | | | | 0 |
| TOTAL | 104,854,472.00 | 30,205,003.60 | 135,059,475.60 | 107,289,750.14 | 27,769,725.46 | 79 |


 FUND ACCOUNT MANAGER
 SUBUKIA CONSTITUENCY
 P.O. Box 86, SUBUKIA
 Date: _____ Sign: _____


Reports and Financial Statements

For the year ended June 30, 2016

The SUBUKIACDF financial statements were approved on 21/5/2017 2016 and signed by:



Nicholas Koech
Chairman CDF



Gloria Keitany
Fund Account Manager

FUND ACCOUNT MANAGER
SUBUKIA CONSTITUENCY
P.O. BOX 60, SUBUKIA
SIGN

Reports and Financial Statements

For the year ended June 30, 2016

VII. 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 all 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,

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2016.

Reports and Financial Statements

For the year ended June 30, 2016

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | Reference | 2015-2016 | 2014-2015 |
|--------------|---------|------------|----------------------|----------------------|
| | | | Kshs | Kshs |
| AIE NO | A724157 | 16/11/2015 | 10,000,000.00 | 7,300,000.00 |
| AIE NO | A796373 | 20/11/2015 | 10,000,000.00 | 20,333,207.00 |
| AIE NO | A820646 | 7/12/2015 | 10,000,000.00 | 10,000,000.00 |
| AIE NO | | | 23,000,000.00 | 12,809,783.00 |
| AIE NO | A790811 | 28/7/2015 | 25,221,495.00 | 25,221,485.00 |
| AIE NO | | | | |
| AIE NO | | | | |
| TOTAL | | | 78,221,495.00 | 75,664,475.00 |



FUND ACCOUNT MANAGER
 SUBUKIA CONSTITUENCY
 P.O. Box 86, SUBUKIA
 Sign: [Barcode]

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

| Description | 2015 - 2016 | 2014- 2015 |
|---|--------------------------|--------------------------|
| | Kshs | Kshs |
| Basic wages of contractual employees | 689,127.00 | 620,766.00 |
| Basic wages of casual labour | | - |
| Personal allowances paid as part of salary | | |
| House allowance | | 0 |
| Transport allowance | | 0 |
| Leave allowance | | 0 |
| Other personnel payments | | 0 |
| gratuity | | 0 |
| Employer contribution to NSSF | | |
| Total | <u>689,127.00</u> | <u>620,766.00</u> |



FUND ACCOUNT MANAGER
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 P.O. Box 86, SUBUKIA
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Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| Description | 2015 - 2016 | 2014 - 2015 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 271,095.00 | 160,000.00 |
| Office rent | | |
| Communication, supplies and services | 80,637.00 | 148,065.00 |
| Domestic travel and subsistence | 25,000.00 | 204,200.00 |
| Printing, advertising and information supplies & services | 306,730.00 | 0 |
| Rentals of produced assets | - | 0 |
| Training expenses | - | 478,200.00 |
| Hospitality supplies and services | | - |
| Insurance costs | | 0 |
| Specialised materials and services | | 0 |
| Office and general supplies and services | | - |
| Fuel ,oil & lubricants | - | 250,000.00 |
| Other operating expenses | - | - |
| Routine maintenance – vehicles and other transport equipment | 692,868.00 | 866,934.00 |
| Routine maintenance – other assets | - | - |
| Total | 1,376,330.00 | 4,958,679.00 |



FUND ACCOUNT MANAGER
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 P.O. Box 86, SUBUKIA
 Date: _____ Sign: _____

Reports and Financial Statements

For the year ended June 30, 2016

6.0 COMITEE EXPENSES

| | 2015 - 2016 | 2014 - 2015 |
|--|---------------------|---------------------|
| | Kshs. | Kshs. |
| Committee Allowances(Sitting Allowances) | 1,759,012.00 | 2,851,280.00 |
| Other Committee Expenses(Monitoring and Evaluation) | 1,896,400.00 | 0 |
| TOTAL | 3,656,012.00 | 2,851,280.00 |

7.0 TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2015 - 2016 | 2014 - 2015 |
|------------------------------------|----------------------|----------------------|
| | Kshs | Kshs |
| Transfers to primary schools | 28,957,931.00 | 10,750,000.00 |
| Transfers to secondary schools | 22,050,000.00 | 17,600,000.00 |
| Transfers to Tertiary institutions | - | - |
| Transfers to Health institutions | 2,100,000.00 | 7,385,832.00 |
| TOTAL | 53,107,931.00 | 35,735,832.00 |

8.0 OTHER GRANTS AND OTHER PAYMENTS

| Description | 2015 - 2016 | 2014 - 2015 |
|-----------------------------|---------------|--------------|
| | Kshs | Kshs |
| Bursary -Secondary | 8,965,000.00 | 4,000,000.00 |
| Bursary -Tertiary | 333,500.00 | 9,162,069.00 |
| Bursary-Special | 992,000.00 | 1,000,000.00 |
| Mocks & CAT | - | - |
| water | 11,464,842.00 | 1,200,000.00 |
| Agriculture (food security) | - | - |
| Electricity projects | - | - |
| Security | 8,075,486.14 | 1,250,000.00 |
| Roads | 16,226,418.14 | 2,030,618.50 |



FUND ACCOUNT MANAGER
 SUBUKIA CONSTITUENCY
 P.O. Box 86, SUBUKIA
 Date: _____ Sign: _____

CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

| | | | |
|------------------------------|--|----------------------|----------------------|
| Sports | | 1,043,104.00 | 500,000.00 |
| Environment | | 960,000.00 | 500,000.00 |
| Emergency Projects (specify) | | 400,000.00 | 4,042,086.14 |
| | | | |
| | | | |
| Total | | 48,460,350.14 | 23,684,773.64 |



FUND ACCOUNT MANAGER
SUBUKIA CONSTITUENCY
P.O. Box 86, SUBUKIA
Date: _____ Sign: _____

CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | 2015-2016 | 2014-2015 |
|--------------------------------------|---------------------|----------------------|
| | Kshs | Kshs |
| Equity Bank AC 14602262029565 | 1,136,749.56 | 30,205,003.70 |
| Total | 1,136,749.56 | 30,205,003.70 |



FUND ACCOUNT MANAGER
SUBUKIA CONSTITUENCY
P.O. Box 86, SUBUKIA
Date: _____ Sign: _____

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

| | 2015-2016 | 2014-2015 |
|------------------------------------|------------|------------|
| | Kshs | Kshs |
| Location 1 | xxx | xxx |
| Location 2 | xxx | xxx |
| Location 3 | xxx | xxx |
| Other Locations (<i>specify</i>) | xxx | xxx |
| | | |
| Total | xxx | xxx |

[Provide cash count certificates for each]

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

| | 2015-2016 | 2014-2015 |
|----------------------|----------------------|----------------------|
| | Kshs | Kshs |
| Bank accounts | 1,136,749.56 | 30,205,003.70 |
| Cash in hand/Imprest | 0 | - |
| Imprest | 0 | - |
| Total | 1,136,749.56. | 30,205,003.70 |

[Provide short appropriate explanations as necessary]



FIELD ACCOUNT MANAGER
 SUBUKIA CONSTITUENCY
 P.O. BOX 06, SUBUKIA
 Date: _____ Sign: _____

Reports and Financial Statements

For the year ended June 30, 2016

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2015-2016 | 2014-2015 |
|-----------------------------|------------------|------------------|
| | 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 |
|---|-------------|-------------|
| 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 |

CONSTITUENCIES DEVELOPMENT FUND -- SUBUKIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | Comments |
|------------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|----------|
| | a | b | c | d=a-c | | |
| Construction of buildings | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| Sub-Total | | | | | | |
| Construction of civil works | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| Sub-Total | | | | | | |
| Supply of goods | | | | | | |
| 7. | | | | | | |
| 8. | | | | | | |
| 9. | | | | | | |
| Sub-Total | | | | | | |
| Supply of services | | | | | | |
| 10. | | | | | | |
| 11. | | | | | | |

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2016(Kshs'000)

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | Comments |
|-------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|----------|
| 12. | | | | | | |
| Sub-Total | | | | | | |
| Grand Total | | | | | | |

CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | Comments |
|------------------------------|------------------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | a | b | c | d=a-c | | |
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| | Sub-Total | | | | | | |
| Middle Management | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| | Sub-Total | | | | | | |
| Unionisable Employees | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| | Sub-Total | | | | | | |
| Others (specify) | | | | | | | |
| 10. | | | | | | | |

CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | Comments |
|------------------------------|------------------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | a | b | c | d=a-c | | |
| Senior Management | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| | Sub-Total | | | | | | |
| Middle Management | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| | Sub-Total | | | | | | |
| Unionisable Employees | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| | Sub-Total | | | | | | |
| Others (specify) | | | | | | | |
| 10. | | | | | | | |

NATIONAL GOVERNMENT ENTITY - *(indicate actual name of the entity)*

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

| Name of Staff | Job Group | Original Amount | Date Payable Contract ed | Amou nt Paid To-Date | Outstandi ng Balance 2016 | Outstandi ng Balance 2014 | Comments |
|---------------|--------------------|-----------------|--------------------------|----------------------|---------------------------|---------------------------|----------|
| 11. | | | | | | | |
| 12. | | | | | | | |
| | Sub-Total | | | | | | |
| | Grand Total | | | | | | |

CONSTITUENCIES DEVELOPMENT FUND -- SUBUKIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

| Name | Brief Transaction Description | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | Comments |
|--|-------------------------------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | a | b | c | d=a-c | | |
| Amounts due to other Government entities | | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| | Sub-Total | | | | | | |
| Amounts due to other grants and other transfers | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| | Sub-Total | | | | | | |
| | Sub-Total | | | | | | |
| Others (specify) | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| | Sub-Total | | | | | | |
| | Grand Total | | | | | | |

CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost (Kshs) 2015/16 | Historical Cost (Kshs) 2014/15 |
|--|--------------------------------------|--------------------------------------|
| Land | | |
| Buildings and structures | | |
| Transport equipment | | |
| Office equipment, furniture and fittings | | |
| ICT Equipment, Software and Other ICT Assets | | |
| Other Machinery and Equipment | | |
| Heritage and cultural assets | | |
| Intangible assets | | |
| Total | | |

