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OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
WAJIR WEST CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**

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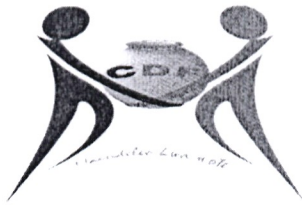
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CONSTITUENCIES DEVELOPMENT FUND – WAJIR WEST

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)

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CONSTITUENCIES DEVELOPMENT FUND - WAJIR WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015 (Kshs'000)

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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 Wajir West 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.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Bare I. Amin
3.	District Accountant	Paul Odera Oyoo

(d) Fiduciary Oversight Arrangements

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

CONSTITUENCIES DEVELOPMENT FUND –WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

(e) Entity Headquarters

The physical and postal address of WAJIR WEST Constituency Development Fund (CDF) is:
P.O. BOX 23-70202 Griftu
CDF Offices WAJIR WEST
Along Wajir -Griftu Rd
Griftu town, Wajir County, Kenya.

(f) Entity Contacts:

Telephone: (254) 0722-489057/0722-939594
E-mail: bamin@cdf.go.ke
Website: www.go.ke

(g) Entity Bankers

First Community Bank, Wajir branch
Account No. 80001203
P.O. Box 426 -70200 Wajir, Wajir County, Kenya.

(h) Independent Auditors

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

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112

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

Forward note by the Chairman CDFC

BUDGET PERFORMANCE

The budget performance was good with an average of 70% expenditure which means most of the funds have been absorbed as planned making most if not all projects complete.

ACHIEVEMENTS

The following are the achievements for the financial year 2014/15;

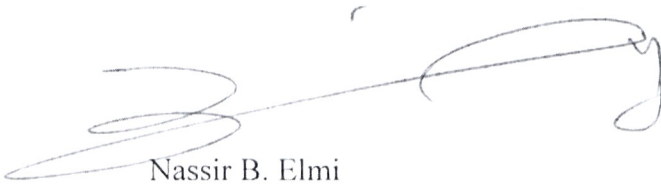
- ❖ 2 bore holes have been drilled
- ❖ 3 km of road network has been paved while another 40km has grading has been done while 50km bush clearing has been done to open up more locations
- ❖ 35 classrooms have constructed creating another 1,750 space for school going children
- ❖ 12 classrooms have been repaired and put in good state.
- ❖ 4 staff houses of 2 bed roomed each have been completed creating space for more teachers to stay within the various schools and have decent housing
- ❖ Kshs 10,000,000 million has been distributed to bright but needy students in both Secondary and tertiary institutions
- ❖ 24 toilets have been constructed and completed in 12 public primary schools substantially improving sanitation in those schools.
- ❖ 300 trips of water trucking with a capacity of 18,000 litres each trip has been undertaken to assist pastoral communities in drought period.
- ❖ 2 public primary schools have been fenced
- ❖ 6 security projects have been completed and are in use.

EMERGING ISSUES

1. The court case which has declared the existence of CDF as illegal if not changes are not made to the Act governing its operation.
2. The existence of County Governments which consider CDF as a competitor instead of complementary

CONSTITUENCIES DEVELOPMENT FUND –WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

3. employment by CDFCs of many and low skilled staff which hampers operation
- List the implementation challenges and recommended way forward.
 - Wajir West CDF like other CDCs faces many challenges key among them are:
 - high illiteracy among the inhabitants of the constituency which reduces the proposal of quality projects which have high impact on the lives of the population
 - Wajir west covers an area of about 14000km² and 41 locations which are scattered all over the constituency making it difficult to monitor ongoing projects on daily basis hence reducing quality of work and difficult in addressing emerging issues
 - Frequent cycle of drought as a result of climate change making emergency response more frequent and costly.
 - poor infrastructure especially in road, financial services and communication makes monitoring of
 - Insecurity brought by clan conflict between Wajir west and other neighbouring constituencies



Nassir B. Elmi

CHAIRMAN CDFC

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 Wajir west *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 Wajir west *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 *WAJIR WEST 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 *Wajir West 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 25th Sept 2015.

Fund Account Manager

IND ACCOUNT MANAGER
CDF WAJIR WEST
Box 23 - 70202
GRIFTU

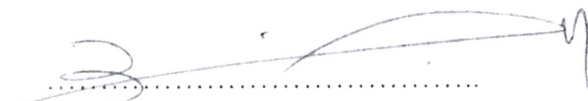
CDFC Chairman

CONSTITUENCIES DEVELOPMENT FUND –WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

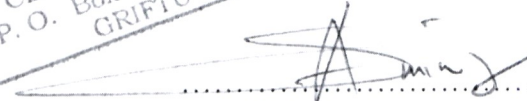
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Notes	2014-2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from CDF Board- AIEs' Received	1	112,400,993.00	132,279,857.00
TOTAL RECEIPTS		112,400,993.00	132,279,857.00
PAYMENTS			
Compensation of Employees	2	1,580,600.00	819,800.00
Use of goods and services	3	2,503,440.00	3,396,519.00
Committee Expenses	4	2,448,800.00	1,256,000.00
Transfers to Other Government Units	5	48,066,679.00	82,055,460.00
Other grants and transfers	6	47,899,514.00	30,602,706.00
Social Security Benefits	7	19,800.00	14,400.00
Acquisition of Assets	8	-	5,865,110.90
TOTAL PAYMENTS		102,518,833.00	124,009,995.90
SURPLUS/DEFICIT		9,882,160.00	8,269,861.10

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **25th September 2015** and signed by:


 Nassir Billow Elmi
Chairman, CDFC

FUND ACCOUNT MANAGER
 CDF WAJIR WEST
 P. O. Box 23 - 70202
 GRIFTU


 Bare Idris Amin
Fund Account Manager

REPUBLIC OF KENYA

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Fax: +254-20-311482
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 – WAJIR WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Wajir West as set out on pages 6 to 18, which comprise the statement of financial assets and liabilities as at 30 June 2015, and the statement of receipts and payments, statement of cash flow, 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 (4) of the Constitution 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 for the financial statement.

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 (2) 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 of Kenya. 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 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 assessments, the auditor

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

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. Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.21,358,996 as at 30 June 2015. A review of the bank reconciliation as at 30 June 2015 revealed un-presented cheques amounting to Kshs.734,428 which include stale cheques amounting to Kshs.152,796 relating to the year 2014. No explanation was given as to why the cash book had not been updated.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.21,358,996 as at 30 June 2015 could not be ascertained.

2. Non Compliance with the Prescribed Format

The International Public Sector Accounting Standards and the National Treasury requires that the financial statements should include progress made on auditor's recommendations. However, although the Fund had an adverse audit opinion in 2013/2014, no report on the progress of follow-up on the issues raised in the audit report was included in the financial statements for the year under review.

In the circumstances, the financial statements for the year under review do not comply with IPSAS (Cash Basis) prescribed financial statement presentation format.

3. Fixed Assets

The assets register at pages 16 and 17 of the financial statements reflects furniture and fittings and property, plant and equipment amounting to Kshs.1,045,000 and Kshs.21,397,208 respectively both totaling to Kshs. 22, 442, 280. However, the summary of fixed assets at annex 4 of the financial statements reflects assets totaling Kshs.13,363,111 resulting into an unexplained and unreconciled variance of Kshs.9,079,169 as at 30 June 2015. In view of the foregoing, the accuracy and completeness of the fixed assets register could not be ascertained.

4.0 Budget and Budgetary Control

4.1 Budget Performance Analysis

During the year under review, the National CDF Board approved a Budget of Kshs. 117,400,993 for Wajir West Constituency Development Fund. Further, the CDF office had a balance of Kshs.11,476,836 relating to financial year 2013/2014.

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

ITEM	BUDGETED ALLOCATION (Kshs)	% ALLOCATION	% REQUIREMENT BY THE CDF ACT
Bursary	10,000,000.00	7.8%	25%
M&E	1,948,000.00	1.5%	3%
Administration	4,914,803.00	3.8%	6%
Emergency	5,400,259.00	4.2%	5%
Projects	106,614,829	82.7%	-
Total	128,877,829		

4.2 Development Projects

Development projects were implemented as planned except for education, health, bursaries and water where performance was 88%, 55%, 41% and 68% of the plan. Further, the Fund overspent in security, emergency and sports projects by 122%, 135%, and 150% respectively. No reasons have been given for the anomalies.

ITEM	Actual Expenditure (Kshs)	Budget Allocation (Kshs)	Absorption Rate	No. of Projects Implemented	No. of Projects Budgeted	Remarks
DEVELOPMENT (PROJECTS)						
Education	44,547,785	50,514,570	88%	32	32	
Health	3,518,894	6,400,000	55%	3	3	
Water	4,500,000	6,500,000	69%	4	4	
Security	17,866,514	14,600,000	122%	6	5	Difference between budgeted amount and the actual expenditure was financed by the unspent balance from F/Y 2013/2014

Roads	12,200,000	12,200,000	100%	2	2	
Emergency	7,273,000	5,400,259	135%			Difference between budgeted amount and the actual expenditure was financed by the unspent balance from F/Y 2013/2014
Sports	1,500,000	1,000,000	150%	3	3	
Environment	500,000	-		1		Expenditure was financed by the unspent balance from the F/Y 2013/2014
Bursary	4,060,000	10,000,000	41%			
Totals	95,966,193	106,614,829				

4.3. Recurrent Expenditure

ITEM	ACTUAL EXPENDITURE (Kshs)	BUDGET ALLOCATION (Kshs)	% ABSORPTION	Remarks
ADMINISTRATION				
Employee Compensation	1,580,600	1,832,952	86%	14% underspent
Use of Goods & Services	2,503,440	2,997,899	84%	16% underspent
Committee Expenses	2,448,800	1,948,000	126%	26% overspent
Social Security	19,800	83,952	24%	76% underspent
Total	6,552,640	6,862,803		

The Fund underspent in employee compensation, use of goods and services and social security by 14%, 16% and 76% respectively. Further, the approved budget and the summary statement of appropriation shows that the CDF Board had committed to transfer Kshs.128,877,829 to the Fund. However, only Kshs.112,400,993 had been transferred as at 30 June 2015 resulting to unrealized funds totaling to Kshs.16,476,836.

In the Circumstances, the Kshs.16,476,836 was not expended as appropriated and therefore the residents of Wajir West Constituency did not get promised and expected services.

4.4 Under Funding

Further, although the trial balance at page 9 of the financial statements reflects receipts of Kshs.123,877,829 comprising of Kshs.112,400,993 for the year under review and Kshs.11,476,836 brought forward from the previous year, only Kshs.102,518,833 was spent during the year resulting to an unspent amount of Kshs.21,358,995.

In the circumstances, the residents of Wajir West Constituency did not get promised and expected services equivalent to the under-expenditure of Kshs.21,358,995.

5. Irregular Award of Capital Projects

National CDF Board approved a total allocation of Kshs.128,877,829 for Wajir West Constituency for the financial year 2014/2015. Out of this, an amount of Kshs.106,614,829 were allocated for various projects in education, security, agriculture, water and roads. However, examination of payment vouchers, Bills of Quantities and request for quotations for projects worth Kshs.16,326,000 revealed the following irregularities:-

- i. The tender notices used to advertise the projects did not set the criteria to be used for evaluation of tenders. It was therefore not known how the tenders were evaluated
- ii. Bill of quantities, Confidential Business Questionnaires and other tender documents for nine (9) projects were not properly filled. The BQs were not signed or stamped by the bidders, Confidential Business Questionnaires were not filled to show details of the contractors.
- iii. The tender committee did not sign one or more pages of BQ as required by sec (60) (7) of the Public Procurement and Disposal Act, 2005.
- iv. In one case, the Project Management Committee for Qara Primary school awarded contract amounting to Kshs.1,398,825 to a bidder whose Tax compliance certificate had expired on 20 September 2014, four months before the contract was awarded.

In view of the foregoing, the propriety of the expenditure of Kshs.16,326,000 could not be confirmed.

6.0 Unsupported Expenditure

6.1 Emergency Expenditure

The Funds 2014/2015 approved budget reflected Kshs5,400,259 in respect of emergency projects. However, examination of payment vouchers and other records relating to

emergency expenditure revealed that an amount of Kshs. 4,773,000 was not properly supported as detailed below:-

- i. The water tracking services were procured in the month of October, 2014. However, the CDFC made the approval of the Emergency Fund for water tracking exercise on 30 September 2014. The procurement of water tracking services were therefore done before the CDFC made the approval of the use of the emergency fund.
- ii. Payment of Kshs.2, 400,000 was made to two firms which were contracted to do water tracking services. The payments were however not supported with schedules showing distribution of water to the respective centres. Including acknowledgement from the service beneficiaries. Further, temporary work tickets were not maintained for the hired vehicles. It was therefore not possible to ascertain details of the journeys covered by the vehicles including the number of kilometers and the distance covered.
- iii. The Fund procured fuel costing Kshs.880,000. However, the respective fuel register, delivery notes and work tickets in support of the Kshs. 880,000 fuel were not made available for audit review.
- iv. An amount of Kshs.400,000 and Kshs.500,000 was spent on environment impact assessment and hydrological survey respectively. The services were however, directly procured without quotations contrary to the threshold matrix as contained in the Public Procurement and Disposal Regulations 2006.
- v. Payment of sitting allowances amounting to Kshs.225,000 and subsistence allowances amounting to Kshs.368,000 were made to CDFC members while attending meetings and monitoring projects. The same were however, not supported with minutes and temporary work tickets for the vehicles used.

Under the circumstances, the propriety and authenticity of the expenditure of Kshs.4,773,000 could not be confirmed.

6.2 Administration and Monitoring and Evaluation

The CDF National Board approved Kshs.6, 552,640.00 for administration, monitoring and evaluation for the financial year 2014/2015 for Wajir West Constituency. However, out of this, Kshs.2, 331,000 was found to have anomalies as described below:-

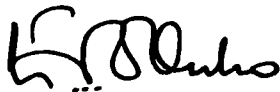
- i. The CDF paid an amount of Kshs.870,000 on hired vehicles while on monitoring and evaluation exercise of the projects implemented during the period under review. However, the hired vehicles had no temporary work tickets as required by the code of regulations (Revised) 2006.

- ii. Further, the car hire services were directly procured without quotations contrary to the threshold matrix as contained in the Public Procurement and Disposal Regulation 2006.

In view of the foregoing, the propriety and value for money for the expenditure totaling Kshs.2,331,000 could not be ascertained.

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 - Wajir West Constituency as at 30 June 2015 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis,) the Public Finance Management Act, 2012 and do not comply with the Constituencies Development Fund Act, 2013.



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

Nairobi

11 January 2017

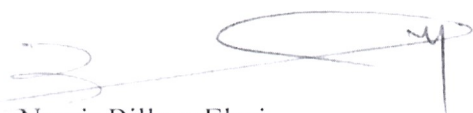
CONSTITUENCIES DEVELOPMENT FUND -WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

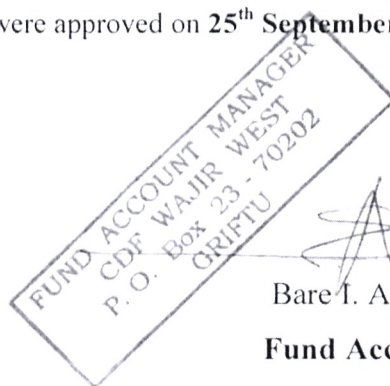
V. STATEMENT OF FINANCIAL POSITION

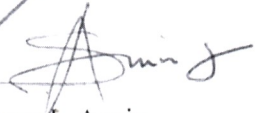
	Notes	2014-2015	2013-2014
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9	20,408,996.00	10,820,836.00
Outstanding imprests	10	950,000.00	656,000.00
TOTAL FINANCIAL ASSETS		21,358,996.00	11,476,836.00
REPRESENTED BY			
Fund Balance b/fwd 1st July 2014	11	11,476,836.00	-
Surplus/Deficit for the year		9,882,160.00	11,476,836.00
NET FINANCIAL POSITION		21,358,996.00	11,476,836.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The WAJIR WEST CDF financial statements were approved on 25th September 2015 and signed by:


 Nassir Billow Elmi
 Chairman - CDFC



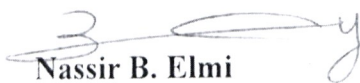

 Bare I. Amin
 Fund Account Manager

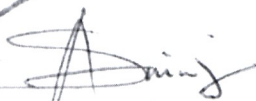
CONSTITUENCIES DEVELOPMENT FUND – WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2014 - 2015	2013 - 2014
Transfers from CDF Board	1	112,400,993.00	132,279,857.00
		112,400,993.00	132,279,857.00
Payments for operating expenses			
Compensation of Employees	2	1,580,600.00	819,800.00
Use of goods and services	3	2,503,440.00	3,396,519.00
Committee Expenses	4	2,448,800.00	1,256,000.00
Transfers to Other Government Units	5	48,066,679.00	82,055,460.00
Other grants and transfers	6	47,899,514.00	30,602,706.00
Social Security Benefits	7	119,800.0	14,400.00
Adjusted for:			
Adjustments for the year			
Net cash flow from operating activities		102,518,833.00	118,144,885.00
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	0	5,865,110.90
Net cash flows from Investing Activities		0	5,865,110.90
NET INCREASE IN CASH AND CASH EQUIVALENT		9,882,160.00	8,269,845.10
Cash and cash equivalent at BEGINNING of the year	11	11,476,836.00	3,206,990.90
Cash and cash equivalent at END of the year	12	21,358,996.00	11,476,836.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Wajir West CDF financial statements were approved on 25th September 2015 and signed by:


Nassir B. Elmi
 Chairman - CDFC


Bare I. Amin
 Fund Account Manager

FUND ACCOUNT MANAGER
CDF WAJIR WEST
P. O. Box 23 - 70202
GRIFTU

CONSTITUENCIES DEVELOPMENT FUND –WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

VII. TRIAL BALANCE

TRIAL BALANCE AS AT 30 TH JUNE 2015		DR	CR
Cash and Cash equivalents			
	Bank Balances	20,408,996.00	
	Outstanding Imprest	950,000.00	
Payments			
	Compensation of Employees	1,580,600.00	
	Use of goods and services	2,503,440.00	
	Committee Expenses	2,448,800.00	
	Transfers to Other Government Units	48,066,679.00	
	Other grants and transfers	47,899,514.00	
	Social Security Benefits	19,800.00	
Receipts			
	Transfers from the Board		112,400,993.00
Fund Balance b/f			11,476,836.00
TOTAL		123,877,829.00	123,877,829.00

FINANCIAL STATEMENTS OF THE WAJIR WEST CONSTITUENCY

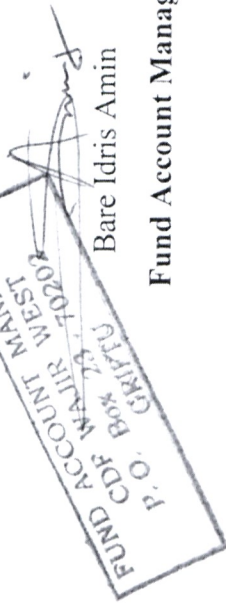
Financial Statements for the period ended June 30, 2015 (Kshs'000)

MARY STATEMENT OF APPROPRIATION

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 Difference to Final Budget f=e/c %
TOTAL						
from CDF Board	117,400,993.00	11,476,836.00	128,877,829.00	112,400,993.00	16,476,836.00	87
NET						
Salaries and allowances	1,399,200.00	991,936.00	2,391,136.00	1,580,600.00	810,536.00	66
Goods and services	3,865,603	550,990.90	4,416,593.90	2,503,440.00	1,913,153.90	57
Capital Expenses	1,548,000.00	172,000.00	1,720,000.00	2,448,800.00	(728,800.00)	142
Transfers to Other Government	55,837,931	3,539,349.00	59,377,280.00	48,066,679.00	11,310,601.00	81
Grants and transfers	54,700,259	5,561,760.00	60,262,019.00	47,899,514.00	12,362,505.00	79
Security Benefits	50,000	4,800.00	54,800.00	19,800.00	35,000.00	36
Others		656,000				
TOTAL	117,400,993.00	11,476,836.00	128,877,829.00	102,518,833.00	26,358,996.00	80

WAJIR WEST CDF financial statements were approved on **25th September 2015** and signed by:


Bare Idris Amin
Fund Account Manager


FUND ACCOUNT MANAGER
P. O. BOX 29 - 10202
WAJIR WEST CDF

Fund Account Manager

IX. 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

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CONSTITUENCIES DEVELOPMENT FUND –WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

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.

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.

CONSTITUENCIES DEVELOPMENT FUND –WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

X. NOTES TO THE FINANCIAL STATEMENTS

GFS CODES	1 TRANSFERS FROM CDF BOARD			
		Description	2014 - 2015	2013 - 2014
			Kshs	Kshs
1330407	Normal Allocation	AIE NO. A 75397	7,300,00.00	81,420,743.00
		AIE NO. 75955	51,400,496.50	50,859,114.00
		AIE NO. A 797162	53,700,496.50	-
1330408	Conditional grants			
1330409	Receipts from other Constituency			
		TOTAL	112,400,993.00	132,279,857.00
2110000	2 COMPENSATION OF EMPLOYEES			
			2014 - 2015	2013 - 2014
			Kshs	Kshs
	2110201	Basic wages of contractual employees	1,580,600.00	819,800.00
		Total	1,580,600.00	819,800.00
2200000	3 USE OF GOODS AND SERVICES			
			2014 - 2015	2013 - 2014
			Kshs	Kshs
	2210100	Utilities, supplies and services	6,250.00	220,519.00
	2210200	Communication, supplies and services	-	195,000.00
	2210300	Domestic travel and subsistence	1,321,600.00	625,000.00
	2210500	Printing, advertising and information supplies & services	999,000.00	-
	2210700	Training expenses	100,000.00	-
	2211100	Office and general supplies and services	76,590.00	20,000.00
	2211300	Other operating expenses		1,682,000
	2220200	Routine maintenance – other assets	-	35,000.00
		Total	2,503,440	2,582,519.00
2210800	4 COMMITTEE EXPENSES			
		Description	2014 - 2015	2013 - 2014
			Kshs	Kshs

CONSTITUENCIES DEVELOPMENT FUND -WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

	2210802	Other Committee expenses	998,800.00	-
	2210809	Committee Allowances	1,450,000.00	1,256,000.00
		TOTAL	2,448,800.00	1,256,000.00
2630200	5 TRANSFER TO OTHER GOVERNMENT ENTITIES			
		Description	2014 - 2015	2013 - 2014
			Kshs	Kshs
	2630204	Transfers to primary schools	37,832,500.00	46,791,928.00
	2630205	Transfers to secondary schools	6,715,285.00	29,209,950.00
	2630207	Transfers to Health institutions	3,518,894.00	6,035,582.00
		TOTAL	48,066,679.00	82,055,582.00
2640000	6 OTHER GRANTS AND OTHER PAYMENTS			
			2014 - 2015	2013 - 2014
			Kshs	Kshs
	2640101	Bursary –Secondary	945,000.00	740,000
	2640102	Bursary –Tertiary	3,115,000.00	9,724,000
	2640504	Water	4,500,000.00	11,540,000.00
	2640506	Electricity	-	29,000.00
	2640507	Security/ others	17,866,514.00	6,133,000.00
	2640508	Roads	12,200,000.00	-
	2640509	Sports	1,500,000.00	-
	2640510	Environment	500,000.00	-
	2640200	Emergency Projects (Specify)	7,273,000.00	2,436,706.00
		Total	47,899,514.00	30,602,706.00
2120000	7 SOCIAL SECURITY BENEFITS			
			2014 - 2015	2013 - 2014
			Kshs	Kshs
	2120101	Employer contribution to NSSF	19,800.00	14,400.00
		Total	19,800.00	14,400.00
3100000	8 ACQUISITION OF ASSETS			
	Non Financial Assets		2014 - 2015	2013 - 2014
			Kshs	Kshs
	3111002	Purchase of computers , printers and other IT equipments	-	863,110.90
	3111009	Purchase of other office equipments	-	5,000,000.00
		Total		5,863,110.90

CONSTITUENCIES DEVELOPMENT FUND -WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

9 Bank Balances (cash book bank balance)					
	Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014		
		Kshs	Kshs		
	First Community Bank, Wajir Branch 80001203, KHS.	20,408,996.00	10,820,836.00		
	Total	20,408,996.00	10,820,836.00		
10 OUTSTANDING IMPRESTS					
	Name of Officer	Date imprest taken	Amount Taken	Amount Surrendered	Balance (30/6/2015)
			Kshs	Kshs	Kshs
	Nassir B Elmi	21/06/2015	420,000.00	-	420,000.00
	Idris M Abdullahi	21/06/2015	50,000.00	-	50,000.00
	Bare I Amin	21/06/2015	130,000.00	-	130,000.00
	DEO Wajir West	21/06/2015	350,000.00	-	350,000.00
	Total		950,000.00		950,000.00
11 BALANCES BROUGHT FORWARD					
		2014-2015	2013-2014		
		Kshs	Kshs		
	Bank Accounts	10,820,836.00	3,206,990.90		
	Imprests	656,000.00	-		
	Total	11,476,836.00	3,206,990.90		
13. OTHER DISCLOSURES					
13.1 FUNDS DUE TO PROJECTS (Accounts Payable)					
		2014-2015	2013-2014		
		Kshs.	Kshs.		
	Construction of Buildings	17,475,547.00	8,601,109.00		
	Supply of Goods	2,433,449.00	550,990.90		
	Supply of Services	950,000.00	656,000.00		
	Total	20,858,996.00	10,972,100.00		

CONSTITUENCIES DEVELOPMENT FUND – WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

ASSET REGISTER

Furniture & Fittings

Type of furniture	Asset No	Asset Serial No	Acquisition date	Cost	Current condition	Paid for or not
Office chairs (plastic)	CDF/036/01-7	Nil	2007	10,000	Working but old	Paid
Office cabinet	CDF/036/01-6	Nil	2006, 2008, 2014	200,000	Working but one old	Paid
Conference tables	CDF/036/01-12	Nil	2008	200,000	Good condition	Paid
Conference chairs	CDF/036/01-50	Nil	2008, 2014	250,000 & 340,000	Good condition Some broken	Paid
Medium density office chair	CDF/036/01-3	Nil	2014	45,000	Good condition	Paid
End	End	End	End	End	End	End

PROPERTY, PLANT & EQUIPMENT

Type of P, P & Equipment	Asset No	Serial No	Acquisition date	Cost	Current condition	Paid or not
5 room office block	CDF/036/1	Unregistered	2008	4,600,000	Good but need minor repairs	Paid
2 pit latrines & bathroom	CDF/036/1	Unregistered	2008	As above	Good but need minor repairs	Paid
Meeting hall with toilets & fencing	CDF 036/2	Unregistered	2009	5,338,000	Good condition	Paid
Water tank with stand	CDF/036/1-2	Unregistered	2010	500,000	Good condition	Paid
Staff house	CDF/036/4	Unregistered	2009 & 2010	4,673,280	Good condition	Paid
Beddings for staff house	4 beds, 4 mattresses & 5 seater sofa set	Nil	2011	700,000	Good condition	Paid

CONSTITUENCIES DEVELOPMENT FUND –WAJIR WEST CONSTITUENCY
Reports and Financial Statements for the year ended June 30, 2015

End of property list	End of property list	End of property list	End of property list	End of property list	End of property list	End of property list
Elemax SH 7600 EXS petrol genset	CDF/035/01	SH 7600 EXS	24/9/10	260,000	Working	Paid
Nashuatec 1505 copier	CDF/036/01	1505/36402907	24/9/10	186,000	Working	Paid
HD Kangaroo Stapler	CDF/036/01	Nil	24/9/10	10,000	Working	Paid
HD Kangaroo Bunch	CDF/036/01	Nil	24/9/10	10,000	Working	Paid
HP laserjet printer 1018	CDF/036/01	CNC1C23303	2008	40,000	Working	Paid
HP laserjet printer P2055d	CDF/036/02	CNCJH39310	2010	Donated by CDF board	Working	Donated
HP Desktop computer	CDF/036/02	CNC0052kvz	2010	Donated by CDF board	Working	Donation
UPS powercom	CDF/036/01	40079870905	2010	Donated by CDF board	Working	Donation
HP Laptop	CDF/036/01	5cb41619xv	2014	90,000	Working	Paid
Toshiba laptop	CDF/036/02	ZD173006s	2014	90,000	Working	Paid
HP Desktop computer	CDF/036/003	6cm4080g2f	2014	90,000	Working	Paid
HP Desktop computer	CDF/036/04	New not opened	2014	90,000	Working	Paid
HP projector	CDF/036/01	Not opened	2014	120,000	Working	Paid

TITUENCIES DEVELOPMENT FUND - WAJIR WEST CONSTITUENCY
Assets and Financial Statements
for the year ended June 30, 2015 (Kshs'000)

FIXED ASSETS REGISTER

X 4- SUMMARY OF FIXED ASSETS

Class	Historical Cost (Kshs)- 2014/15	Historical Cost (Kshs)- 2013/14
Motor vehicles (unregistered)	500,000	500,000
Buildings and structures	7,000,000	7,000,000
Transport equipment	0	0
Office equipment, furniture and fittings	5,000,000	5,000,000
Computer equipment, software and other ICT	863,110.90	863,110.90
	13,363,111.00	13,363,111.00