

[10TH SEPTEMBER 2014]

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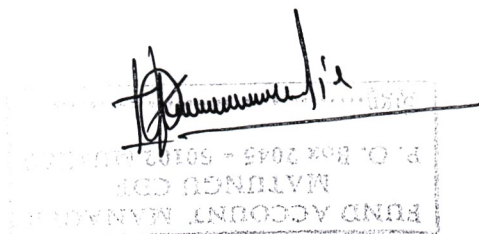
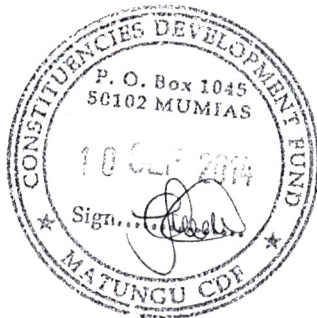
CONSTITUENCIES DEVELOPMENT FUND – MATUNGU

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**



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



CONSTITUENCIES DEVELOPMENT FUND – MATUNGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

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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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 CDF Act 2013 aligns the Fund with the Constitution of Kenya 2010 and the Public Finance Management Act 2012 that lay emphasis on citizen participation in public finance management and decision making, transparency and accountability together with equity in public resource utilization. The overall management of the Fund is the responsibility of the Constituencies Development Fund Board.

(b) Key Management

The *Constituency's* day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Julius OKetch
3.	District Accountant	Zacharia Nyapara

(d) Fiduciary Oversight Arrangements

List the CDFC as gazetted

- | | | |
|----|---------------------|-----------|
| 1. | JOHN ODIPO | CHAIRMAN |
| 2. | CHRISTABEL MASAKHWE | SECRETARY |
| 3. | MARY MATSWA | MEMBER |
| 4. | WILLIAM OBONYO | MEMBER |
| 5. | VICTOR OCHIENG | MEMBER |
| 6. | BENEDICT CHISANO | MEMBER |
| 7. | JACKSON MUNUPI | MEMBER |
| 8. | JOYCE MMBONE | MEMBER |
| 9. | HON. DAVID WERE – | PARTRON |

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(e) Entity Headquarters

P.O. Box 1045
MUMIAS-
CDFC Building
District HQ's
Matungu, KENYA

(f) Entity Contacts

Telephone: (254) 725,132,194
E-mail: cdfmatungu@cdf.go.ke
Website: www.go.ke

(g) Entity Bankers

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

1. Cooperative bank
MUMIAS
A/c no: 01120069115100
P.O BOX 905
MUMIAS

(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

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II. STATEMENT OF CONSTITUENCY 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 entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Fund Account Manager in charge of the Matungu *CDF* is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2014. 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the Matungu *CDF* accepts responsibility for the Constituency'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) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the Matungu *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2014, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the Matungu *CDF* further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

The Fund Account Manager in charge of the Matungu *CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency'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 Fund Account Manager confirms that the Constituency'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.

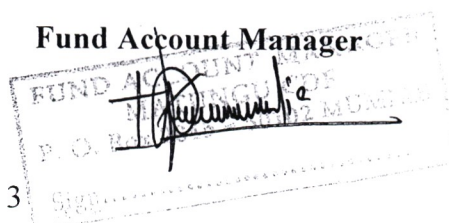
Approval of the financial statements

The Matungu *CDF* financial statements were approved and signed on 10/09 2014.

JOHN ODIPO OSIMBA
Chairman CDFC



Fund Account Manager



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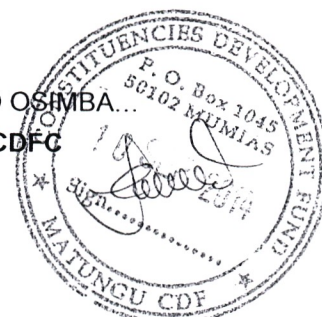
III. STATEMENT OF RECEIPTS AND PAYMENTS

#REF!	Note	2013-2014	2012-2013
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	131,305,502.00	131,305,502.00
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	2000	xxx
TOTAL RECEIPTS		131,307,502.00	XXX
PAYMENTS			
Compensation of Employees	4	1670280	xxx
Use of goods and services	5	1528259	xxx
Committee meeting allowances	6	4392500	xxx
Transfers to Other Government Units	7	37026463	xxx
Other grants and transfers	8	38040220	xxx
Social Security Benefits	9	0	xxx
Acquisition of Assets	10	729000	xxx
Other Payments	11		xxx
TOTAL PAYMENTS		83406722	xxx
SURPLUS/DEFICIT		47,900,780.00	xxx

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 18/09 2014 and signed by:

JULIUS OKETCH
FUND ACCOUNT MANAGER

JOHN ODIPO OSHIBA
CHAIRMAN CDFC



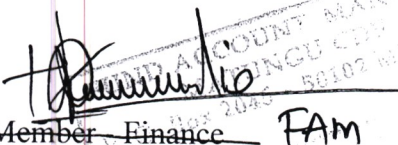
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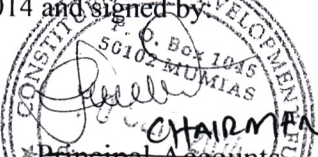
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IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2013-2014 Kshs	2012- 2013 Kshs	
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances (as per the cash book)	12	48179280.1	xxx	3,000,000
Cash Balances (sale of tenders,hire of grader)	13	0	xxx	
Outstanding Imprests	14	727500	xxx	
Cash Equivalents (eg sale of tender doc held in bankers cheque)	15	0	xxx	
				-
TOTAL FINANCIAL ASSETS		<u>48906780.1</u>	xxx	<u>3,000,000</u>
REPRESENTED BY				
Fund balance b/fwd 1st July...	16	1006000.1	xxx	5,000,000
Surplus/Deficit for the year (from stm of receipt & expenditure		47900780	xxx	(2,000,000)
Prior year adjustments	17		xxx	-
NET LIABILITIES		<u>48906780.1</u>	xxx	<u>3,000,000</u>

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 10/09 2014 and signed by


CEC Member Finance **FAM**


CHAIRMAN
Principal Accounts
Controller



Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

V: SUMMARY STATEMENT OF APPROPRIATION

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
Compensation of Employees	1114800	555480	1670280	1114800	-555480	66.74330052
Use of goods and services	1902454	374195	2276649	1902454	-374195	83.56378168
Committee Members Expenses	4000000	392500	4392500	4000000	-392500	91.0643141
Transfers to Other Government Units	37026463	0	37026463	37026463	0	100
Other grants and transfers	38040220	0	38040220	38040220	0	100
Social Security Benefits	0	0	0	0	0	0
Acquisition of Assets	729000	0	729000	729000	0	100
Finance Costs, including Loan Interest	0	0	0	0	0	0
Repayment of principal on Domestic and Foreign borrowing	0	0	0	0	0	0
Other Payments						0
TOTALS	82812937	1322175	84135112	82812937	-1322175	

The entity's financial statements were approved on 10/09/2014 and signed by:



FUND ACCOUNT MATUNGU
P. O. Box 266 FUND ACCOUNT MANA
50102

**Proposals and Financial Statements
For the year ended June 30, 2014 (Kshs'000)**

VI. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Constituency and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Constituency.

b) Recognition of revenue and expenses

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

c) In-kind contributions

In-kind contributions are donations that are made to the Constituency 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 Constituency 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.

d) 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also

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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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Receivables and payables

Receivables are funds due to the Constituency at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Constituency at the end of the year. When the receivables or payables are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

f) 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 Constituency'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 Constituency's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

g) Comparative figures

This is the first year the Constituency is preparing financial statements and hence we do not have comparative figures.

h) 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, 2014.

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VII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

	Description	2013 - 2014	2012 - 2013
		Kshs	Kshs
Normal Allocation	AIE NO 711802	50,170,718.00	0
	AIE NO 709922	2,000,000.00	0
	AIE NO 735520	30,453,913.60	
	AIE NO 750060	48,680,870.40	0
Conditional grants	AIE NO...	0	0
	AIE NO...	0	
	TOTAL	131,305,502.00	0

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

2013 - 2014

Kshs

Receipts from the Sale of Buildings	
Receipts from the Sale of Vehicles and Transport Equipment	0
Receipts from the Sale Plant Machinery and Equipment	0
Receipts from Sale of Certified Seeds and Breeding Stock	0
Receipts from the Sale of Strategic Reserves Stocks	0
Receipts from the Sale of Inventories, Stocks and Commodities	0
Disposal and Sales of Non-Produced Assets	0
Receipts from the Sale of Strategic Reserves Stocks	0
	0
Total	00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

VII. OTHER REVENUES

	2013 - 2014
	Kshs
Interest Received	0
Profits and Dividends	0
Rents	0
Other Property Income	0
Sales of Market Establishments	0
Receipts from Administrative Fees and Charges	0
Receipts from Administrative Fees and Charges - Collected as AIA	0
Receipts from Incidental Sales by Non-Market Establishments	0
Receipts from Sales by Non-Market Establishments	0
Receipts from Sale of Incidental Goods	0
Fines Penalties and Forfeitures	0
Receipts from Voluntary transfers other than grants	0
Other Receipts Not Classified Elsewhere	0
	0
Total	0

3. COMPENSATION OF EMPLOYEES

	2013 - 2014
	Kshs
Basic salaries of permanent employees	
Basic wages of casual labour	0
	1670280.00
Basic wages of temporary employees	0
Personal allowances paid as part of salary	0
Personal allowances paid as reimbursements	0
Personal allowances provided in kind	0
Pension and other social security contributions	0
Compulsory national social security schemes	0
Compulsory national health insurance schemes	0
Social benefit schemes outside government	0
Other personnel payments	0
	0
Total	1670280.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Utilities, supplies and services	55227.00	
Office rent	0	
Communication, supplies and services	4760.00	
Domestic travel and subsistence	613650.00	
Printing, advertising and information supplies & services	376763.00	
Rentals of produced assets	0	
Training expenses	0	
Hospitality supplies and services	7445.00	
Insurance costs	0	
Specialised materials and services	0	
Office and general supplies and services	378414.00	
Fuel ,oil & lubricants	92,000.00	
Other operating expenses	0	
Routine maintenance – vehicles and other transport equipment	0	
Routine maintenance – other assets	0	
Total	1,528,259.00	xxx

5.COMMITTEE EXPENSES

Description	2013 - 2014	2012 - 2013
	Kshs	Kshs
Other committee expenses	150000	
Committee allowance	4242500	

TOTAL **4392500**

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2013 - 2014	2012 - 2013
	Kshs	Kshs
Transfers to primary schools	11,500,000.00	
Transfers to secondary schools	21,326,463.00	xx
Transfers to Tertiary institutions	700,000.00	
Transfers to Health institutions	3,500,000.00	xx
		xx
TOTAL	37,026,463.00	xx

7. OTHER GRANTS AND OTHER PAYMENTS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bursary -Secondary	8,055,500.00	xx
Bursary -Tertiary	10,040,500.00	
Bursary-Special schools		
Mocks & CAT	1,620,000.00	
water		xx
food security		xx
Electricity		
Security		
Roads	14,398,629.00	
Sports	-	
Environment	562,210.00	
Emergency Projects	3,363,381.00	
Total	38,040,220.00	xx

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8. SOCIAL SECURITY BENEFITS

	2013 - 2014
	Kshs
Government pension and retirement benefits	0
Social security benefits in cash and in kind	0
Employer Social Benefits in cash and in kind	0
Total	00

9. ACQUISITION OF ASSETS

Non Financial Assets

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Purchase of Buildings		XX
Construction of Buildings		XX
Refurbishment of Buildings		XX
Purchase of Vehicles		XX
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles		XX
Purchase of office furniture and fittings	729000	XX
Purchase of computers ,printers and other IT equipments		XX
Purchase of photocopier		XX
Purchase of other office equipments		XX
Purchase of soft ware		XX
Acquisition of Land		XX
Total	729000	XX

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER PAYMENTS

2013 - 2014
Kshs

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Budget Reserves	0
Civil Contingency Reserves	0
Capital Transfers to Non-Financial Public Enterprises	0
Capital Transfer to Public Financial Institutions and Enterprises	0
Capital Transfer to Private Non-Financial Enterprises	0
Other expenses	0
Domestic Accounts	0
	00

11. Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	2013 - 2014	2012 - 2013
	Kshs	Kshs
<i>Cooperative Bank, Mumias Branch A/C no 01120069115100</i>	48179280.1	xxx
		xxx
		xxx
Total	48179280.1	xxx

12. CASH IN HAND

	2013 - 2014
	Kshs
Location 1	0
Location 2	0
Location 3	0
Other Locations (<i>specify</i>)	0
	0
Total	00

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[Provide cash count certificates for each]

13. OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>julius Oketch</i>	727500	0	727500
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Total	727500	0	727500

14. Cash equivalents (short-term deposits)

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2013 - 2014
			Kshs
<i>NONE</i>	0		0
Total			00

15. BALANCES BROUGHT FORWARD

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts	1006000.	-
Cash in hand	1	-
Cash equivalents (short-term deposits)	0	-
Imprest	0	-
Receivables	0	-
Payables	0	-

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Total	0	-
	1006000.1	

16. PRIOR YEAR ADJUSTMENTS

	2013 - 2014
	Kshs
Bank accounts	0
Cash in hand	0
Cash equivalents (short-term deposits)	0
Imprest	0
Receivables	0
Payables	0
Total	<u><u>0</u></u>
	000

17. OTHER IMPORTANT DISCLOSURES

18.1 FIXED ASSETS REGISTER

18.2 RECEIVABLES FROM CDF BOARD AND OTHER RECEIVABLES

<i>RECEIVABLES FROM THE BOARD</i>	
<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
<i>NIL</i>	<i>2013/2014</i>
<i>OTHER RECEIVABLES (SPECIFY)</i>	
<i>NONE</i>	<i>NIL</i>