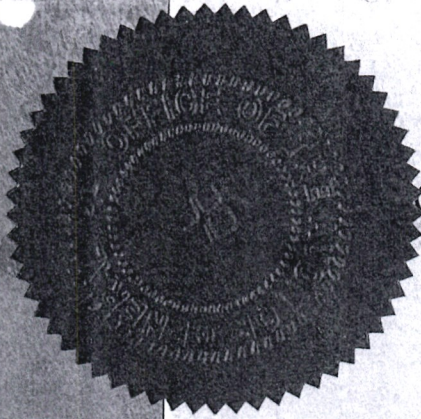


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
CONSTITUENCIES DEVELOPMENT FUND  
MBEERE NORTH CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2015**





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**CONSTITUENCY DEVELOPMENT FUND- MBEERE NORTH  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Chief Executive Officer	<b>Yusuf Mbuno</b>
2.	Fund Account Manager	<b>Richard M. Maingi</b>
3.	District Accountant	<b>Agnes M. Gitari</b>

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Mbeere North 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) MBEERE NORTH CDF Headquarters**

P.O. Box 226-60104,  
Mbeere North Sub-county District,  
Siakago, KENYA



**(f) MBEERE NORTH CDF Contacts**

Telephone: (254) 0715 02 71 86  
E-mail: cdfmbeerenorth@cdf.go.ke  
Website: www.mbeerenorthcdf.go.ke

**(g) MBEERE NORTH CDF Bankers**

Bank: Cooperative Bank of Kenya  
Branch: Siakago Branch  
Account No: 01120051117000  
P.O BOX 193-60104,  
Siakago, 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

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

With the coming in place of the County Governments as a devolved unit, part of the CDFC projects like health, water, roads and bridges are no longer being funded by CDF. This meant that other sectors of the economy like education and security got quite considerable funding during 2014/2015.

During the current financial year 2014/2015, disbursements to the CDFC were Kshs. 52,361,746 representing 50% of the total expectation of Kshs. 104,723,492. This meant that the CDFC could only manage to implement half of the projects it projected to do during this financial year.

Nevertheless, the CDFC managed to overallly implement about 90% of projects including those that related to the previous year. Much emphasis has been placed on education related projects which took bulk of the budget including bursaries and mock exams. This is largely attributable to operations by the county Governments that took over water, health, roads and bridges.

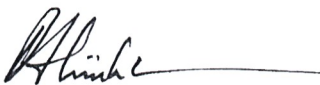
The CDFC also acquired a vehicle largely to monitor the implementation of CDFC projects.

**Challenges;**

1. The Kshs. 10 Million threshold requirement by the CDF Board as expected funds balances before requisition of further funding was a major challenge to the CDFC as it curtailed funding from the Board. This was due to commitments done on the construction of CDF office block of Kshs. 15 Million that was followed by clarifications sought by PPOA on the procurement procedure further delaying the implementation of the project. Further funding to implement other programmes as budgeted could not be sought from the CDF Board because of the threshold requirement. This automatically meant a slow phase of project implementation.
2. Implementation of CDF projects in the current year have been affected by the uncertainty surrounding the existence, legitimacy and legality of CDF in general. The public views CDF as a short term devolved unit with a life span of up to early next year and no longer holds it with the esteem it previously had.

**Remedies**

1. Increase the threshold for funds requisition from the current 10 Million to 20 Million.
2. The CDF Board needs to clear the air to finality on the existence, legitimacy and legality of CDF as a devolved unit.



**Richard N. Thiriku,**  
**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 the Mbeere North 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 Mbeere North 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 Mbeere North 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 Mbeere North 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 Mbeere North 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 Mbeere North CDF's financial statements were approved and signed by the Accounting Officer on 14<sup>th</sup> September, 2015.

  
Richard M. Maingi  
Fund Account Manager

  
Richard N. Thiriku  
CDFC Chairman



# REPUBLIC OF KENYA

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



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND – MBEERE NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund – Mbeere North Constituency set out on pages 6 to 27, which comprise the statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation : recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

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

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

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with article 229 of the constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those Standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

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



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 Funds' 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**

### **1.0 Cash and Cash Equivalents**

The financial statements reflect a cash and cash equivalents balance of Kshs.4,478,486 as at 30 June 2015 which includes unrepresented cheques of Kshs.2,152,083 shown in the bank reconciliation statement of June 2015. Included in the unrepresented cheques balance are stale cheques amounting to Kshs.946,549. No reason has been provided why the stale cheques were not reversed in the cash book. Further, the cash on hand balance shown in Note 12(b) does not include an imprest amounting to Kshs.227,319 brought forward from the previous year.

In view of the anomalies, the accuracy of the cash and cash equivalents balance amounting to Kshs.4,478,486 could not be ascertained.

### **2.0 Irregular Procurement of Land**

During the year under review, the Fund procured two parcels of land No 14 &17 at Kivue Market and at Riandu (No.Nthawa/Riandu 4971) at a total cost of Kshs.1,050,000. The land parcels were bought for construction of a market and a police station respectively. However, official searches and valuations for the lands at the Lands registry were not done. Further, the sale agreement for Kivue parcel of land did not include the acreage while the plot at Riandu had no sale agreement and consent for transfer and further ownership documents had not been obtained. In addition, the two parcels of land had not been put to use as at the conclusion of audit on 15 May 2016.

Under the circumstances, the existence, ownership and size of the two parcels of land worth Kshs.1,050,000 could not be confirmed.

### **3.0 Unsupported Bursary Funds**

The CDF office disbursed a total of Kshs.3,109,000 as bursaries to various institutions as at 30 June 2015. However, only bursaries totalling to Kshs.494,000 were acknowledged by recipients through letters of acknowledgement or issue of official receipts thus leaving the balance of Kshs.2,615,000 unacknowledged.

Consequently, it has not been possible to ascertain whether bursaries amounting Kshs.2,615,000 were received by the intended beneficiaries as at 30 June 2015.



#### 4.0 Irregular Contribution to Uwezo Fund

The management of Uwezo fund passed a resolution Vide Minute No. Min.013/Mbeere.N/Uwezo 2013 / 2014, in its meeting of 16 June 2014 requesting Mbeere North Constituency Development Fund Committee to grant them Kshs.250,000 to pay for administrative expenses as the Fund had not received funding. The request was granted by Mbeere North Constituency Development Committee vide MIN. 065/CDF/N/2013/2014 of their meeting held on 19 June 2014. Further, cheque No. 005901 dated 1 July 2014 for Kshs.250,000 was drawn in favor of Rose Wanja Nyaga. However, the grant paid to Uwezo Fund had not been budgeted for in the 2013/2014 or 2014 /2015 financial year hence the payment was outside the budget and was therefore irregular. Further, no explanation was given as to why the grant was paid to an individual instead of being deposited in the Uwezo Fund account.

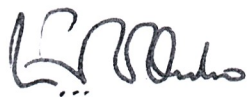
In view of foregoing, the propriety of the expenditure of Kshs.250,000 could not be confirmed.

#### 5.0 Budget Control and Performance

The Constituency Development Fund budgeted to receive Kshs.104,723,492 from CDF Board comprising of Kshs.9,439,091 (9.0%) and Kshs.95,284,401 (91.0%) for recurrent and development expenditures respectively. However, only Kshs.52,361,746 (50%) was received in the year under review thus leaving Kshs.52,361,746 outstanding. As a result residents of Mbeere North did not receive planned and expected services equivalent to the undisbursed funds totalling to Kshs.52,361,746.

#### Qualified Opinion

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



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

**Nairobi**

**11 November 2016**



## IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015	2013-2014
		Kshs	Kshs
<b>RECEIPTS</b>			
Balance B/d		15,657,467	
Transfers from CDF board-AIEs' Received	1	88,888,197	81,976,504
Proceeds from Sale of Assets	2	-	
Other Receipts	3	152,000	29,000
<b>TOTAL RECEIPTS</b>		<b>104,697,664</b>	<b>82,005,504</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,028,074	1,089,244
Use of goods and services	5	2,951,789	1,697,140
Committee Expenses	6	3,146,000	2,612,000
Transfers to Other Government Units	7	50,580,100	28,926,000
Other grants and transfers	8	27,932,116	22,877,028
Social Security Benefits	9	25,680	3,800
Acquisition of Assets	10	13,443,739	8,732,493
Other Payments	11	1,111,680	655,000
<b>TOTAL PAYMENTS</b>		<b>100,219,178</b>	<b>66,592,705</b>
Balance C/d		4,478,486	15,412,799

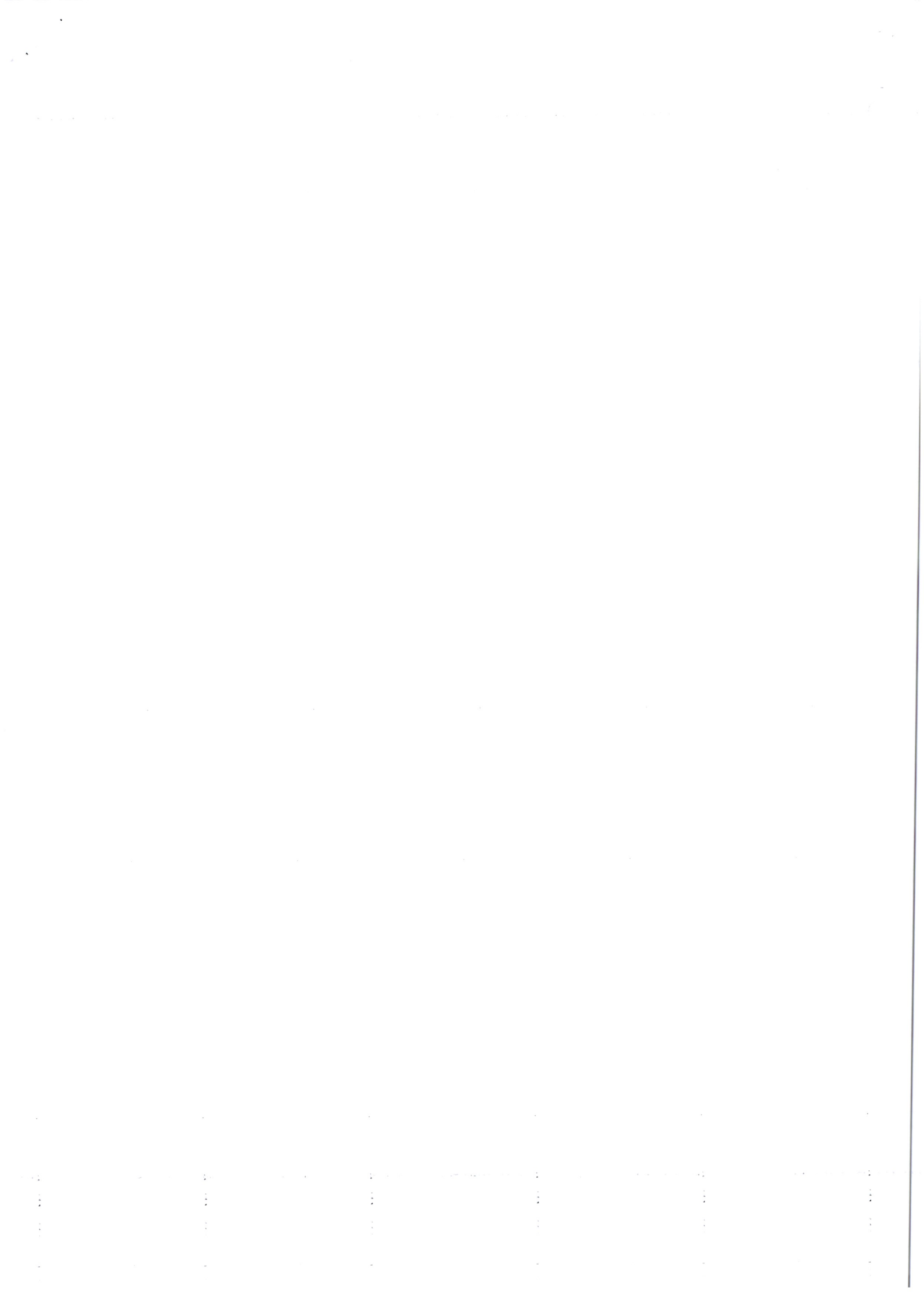
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mbeere North CDF financial statements were approved on **14<sup>th</sup> September, 2015** and signed by:



Richard N. Thiriku  
Chairman - CDFC



Richard M. Maingi  
Fund Account Manager



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

**V: STATEMENT OF ASSETS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per cash book)	12A	4,478,486	15,430,148
Cash Balances (cash at hand)		-	-
Outstanding Imprests		-	227,319
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,478,486</b>	<b>15,657,467</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	13	-	244,668
<b>Balance for the year</b>		<b>4,478,486</b>	<b>15,412,799</b>
<b>NET FINANCIAL POSSITION</b>		<b>4,478,486</b>	<b>15,657,467</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mbeere North CDF financial statements were approved on **14<sup>th</sup> September, 2015** and signed by:



Richard N. Thiriku  
**Chairman - CDFC**



Richard M. Maingi  
**Fund Account Manager**



**VI. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>	<b>Note</b>	<b>2014 – 2015 Kshs</b>	<b>2013 – 2014 Kshs</b>
Transfers from CDF Board	1	88,888,197	81,976,504
Other Receipts	3	152,000	29,000
<b>Total Receipts for the year</b>		<b>89,040,197</b>	<b>82,005,504</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	(1,028,074)	(1,089,244)
Use of goods and services	5	(2,951,789)	(1,697,139)
Committee Expenses	6	(3,146,000)	(2,612,000)
Transfers to Other Government Units	7	(50,580,100)	(28,926,000)
Other grants and transfers	8	(27,932,116)	(22,877,028)
Social Security Benefits	9	(25,680)	(3,800)
Other Payments	11	(1,111,680)	(655,000)
<b>Total Payments for operating expenses</b>		<b>(86,775,439)</b>	<b>(57,860,212)</b>
<b>Net cash flow from operating activities</b>		<b>2,264,758</b>	<b>24,145,292</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	10	(13,443,739)	(8,732,493)
<b>Net cash flows from Investing Activities</b>		<b>(13,443,739)</b>	<b>(8,732,493)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(11,178,981)</b>	<b>15,412,799</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>15,657,467</b>	<b>244,668</b>
<b>Cash and cash equivalent at END of the year</b>		<b>4,478,486</b>	<b>15,657,467</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mbeere North CDF financial statements were approved on **14<sup>th</sup> September, 2015** and signed by:



Richard N. Thiriku  
**Chairman CDFC**



Richard M. Maingi  
**Fund Account Manager**

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

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Balance B/D	-	-	-	15,657,467	-	
Transfers from CDF Board	104,723,492	36,526,451	141,249,943	88,888,197	52,361,746	63
Other Receipts A/A	-	152,000	152,000	152,000	-	100
<b>Totals</b>	<b>104,723,492</b>	<b>36,678,451</b>	<b>141,401,943</b>	<b>104,697,664</b>	<b>52,361,746</b>	
<b>PAYMENTS</b>						
Compensation of Employees	2,408,500	-	2,408,500	1,028,074	1,380,426	43
Use of goods and services	2,179,697	700,000	2,879,697	2,951,789	(72,092)	103
Committee Expenses	2,805,394	300,000	3,105,394	3,146,000	(40,606)	101
Transfers to Other Government Units	59,700,000	24,482,759	84,182,759	50,580,100	33,602,659	60
Other grants and transfers	31,773,139	4,003,169	35,776,308	27,932,116	7,844,192	78
Social Security Benefits	45,500	-	45,500	25,680	19,820	56
Acquisition of Assets	2,311,262	6,158,843	8,470,105	13,443,739	(4,973,634)	159
Other Payments	3,500,000	881,680	4,381,680	1,111,680	3,270,000	25
<b>Totals</b>	<b>104,723,492</b>	<b>36,526,451</b>	<b>141,249,943</b>	<b>100,219,178</b>	<b>41,030,765</b>	

The Mbeere North CDF financial statements were approved on 14<sup>th</sup> September, 2015 and signed by:



Richard N. Thiriku  
**Chairman CDF**



Richard M. Maingi  
**Fund Account Manager**



## VIII. SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the CDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

### 2. Recognition of revenue and expenses

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

### 3. In-kind contributions

In-kind contributions are donations that are made to the CDF in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.



**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.

**9. Progress on Follow Up of Auditor Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	<b>Unaccounted for Project Funds/Grants</b>	All the PMCs accounted for the funds disbursed.	FAM	Resolved	

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

2	<b>Irregular Implementation of Project</b>	The Ministry of Public Works officer inspected the works afterwards and certified the same.	FAM	Resolved	
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**CONSTITUENCIES DEVELOPMENT FUND – MBEERE NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2014 - 2015 Kshs</b>	<b>2013 – 2014 Kshs</b>
CDF Board Normal Allocation	AIE No. A750314 / A711920	36,526,451	45,450,053
	AIE No. A796907 / A735810	5,200,000	36,526,451
	AIE No. A797079	12,161,746	
	AIE No. A796673	35,000,000	
<b>TOTAL</b>		<b>88,888,197</b>	<b>81,976,504</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	<b>2014 - 2015 Kshs</b>	<b>2013 – 2014 Kshs</b>
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. OTHER RECEIPTS**

	2014 - 2015 Kshs	2013 - 2014 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	5,000	29,000
Other Receipts Not Classified Elsewhere	147,000	-
<b>Total</b>	<b>152,000</b>	<b>29,000</b>

**4. COMPENSATION OF EMPLOYEES**

	2014 - 2015 Kshs	2013 - 2014 Kshs
Basic wages of contractual employees	736,074	548,964
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	120,000	48,000
Transport allowance	164,000	-
Leave allowance	8,000	-
Gratuity	-	492,280
Other personnel payments	-	-
<b>Total</b>	<b>1,028,074</b>	<b>1,089,244</b>



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. USE OF GOODS AND SERVICES**

	2014 - 2015 Kshs	2013 – 2014 Kshs
Utilities, supplies and services	-	-
Office Rent	84,000	133,000
Communication, supplies and services	25,400	26,500
Domestic travel and subsistence	132,100	355,000
Printing, advertising and information supplies & services	90,604	85,275
Rentals of produced assets	-	-
Training expenses	1,015,000	672,000
Hospitality supplies and services	68,684	74,500
Insurance costs	403,849	-
Specialized materials and services	-	8,000
Office and general supplies and services	23,638	92,865
Fuel, oil & Lubricants	205,000	-
Other operating expenses	859,999	250,000
Routine maintenance – vehicles and other transport equipment	32,111	-
Routine maintenance – other assets	11,405	-
<b>Total</b>	<b>2,951,789</b>	<b>1,697,140</b>

**6. COMMITTEE EXPENSES**

	2014 - 2015 Kshs	2013 - 2014 Kshs
Committee allowances	2,335,000	2,374,500
Other committee expenses	811,000	237,500
<b>Total</b>	<b>3,146,000</b>	<b>2,612,000</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**7. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2014 - 2015 Kshs</b>	<b>2013 - 2014 Kshs</b>
Transfers to National Government entities		
Transfers to primary schools (see attached list)	5,400,000	8,700,000
Transfers to secondary schools (see attached list)	40,697,341	16,050,000
Transfers to tertiary institutions (see attached list)	-	700,000
Transfers to health institutions (see attached list)	4,482,759	3,476,000
<b>TOTAL</b>	<b>50,580,100</b>	<b>28,926,000</b>

**8. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2014 - 2015 Kshs</b>	<b>2013- 2014 Kshs</b>
Bursary – secondary schools (see attached list)	2,162,000	2,186,000
Bursary – tertiary institutions (see attached list)	919,000	2,794,000
Bursary – special schools (see attached list)	28,000	20,000
Mock & CAT (see attached list)	1,200,000	-
Water projects (see attached list)	2,770,000	2,000,000
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	5,900,000	2,520,966
Roads projects (see attached list)	10,397,964	6,981,488
Sports projects (see attached list)	1,655,152	1,810,824
Environment projects (see attached list)	1,300,000	-
Emergency projects (see attached list)	1,600,000	4,563,750
<b>Total</b>	<b>27,932,116</b>	<b>22,877,028</b>

**9. SOCIAL SECURITY BENEFITS**

	<b>2014 - 2015 Kshs</b>	<b>2013 - 2014 Kshs</b>
Employer contribution to NSSF	25,680	3,800
<b>Total</b>	<b>25,680</b>	<b>3,800</b>



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**10. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2014 - 2015 Kshs</b>	<b>2013 - 2014 Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	6,743,086	8,732,494
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	6,700,653	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>13,443,739</b>	<b>8,732,494</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**11. OTHER PAYMENTS**

	<b>2014 - 2015</b> <b>Kshs</b>	<b>2013 – 2014</b> <b>Kshs</b>
Construction of Markets	711,680	-
Contracted Professional Services	400,000	655,000
<b>Total</b>	<b>1,111,680</b>	<b>655,000</b>

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

<b>Name of Bank, Account No. &amp; currency</b>	<b>2014 - 2015</b> <b>Kshs</b>	<b>2013 - 2014</b> <b>Kshs</b>
Cooperative Bank, Siakago Branch A/C no. 01120051117000	4,478,486	15,430,148
<b>Total</b>	<b>4,478,486</b>	<b>15,430,148</b>



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**12B: CASH IN HAND**

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

**12C: OUTSTANDING IMPRESTS**

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
<b>Total</b>				-

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**13. BALANCES BROUGHT FORWARD**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	15,430,148	244,668
Cash in hand	-	-
Imprest	227,319	-
<b>Total</b>	<b>15,657,467</b>	<b>244,668</b>

**14. PRIOR YEAR ADJUSTMENTS**

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



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**15. OTHER IMPORTANT DISCLOSURES**

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

	<b>2014 - 2015 Kshs</b>	<b>2013 - 2014 Kshs</b>
Construction of buildings	4,569,655	716,564
Construction of civil works	-	285,840
Supply of goods	-	-
Supply of services	-	-
	<b>4,569,655</b>	<b>1,002,404</b>

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

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	34,097,569	-
Amounts due to other grants and other transfers (see attached list)	11,285,234	-
Others (see attached list)	6,978,943	-
<b>Total</b>	<b>52,361,746</b>	<b>36,526,451</b>

**15.3: DISBURSEMENTS FROM THE BOARD**

<b>Normal Allocation</b>	<b>Kshs</b>	<b>F/Y</b>
AIE No. A750314	36,526,451	2013/2014
AIE No. A796907	5,200,000	2014/2015
AIE No. A797079	12,161,746	2014/2015
AIE No. A796673	35,000,000	2014/2015
<b>Total</b>	<b>88,888,197</b>	

**15.4: RECEIVABLES FROM THE BOARD**

<b>Normal Allocation</b>	<b>Kshs</b>	<b>F/Y</b>
	<b>52,361,746</b>	2014/2015

CONSTITUENCIES DEVELOPMENT FUND – MBEERE NORTH CONSTITUENCY

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ANNEX 1: ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1. Construction of CDFC office block	15,786,650	January, 2014	11,216,995	4,569,655	7,054,156	Currently awaiting handing over to CDFC
2.						
3.						
Sub-Total						
<b>Construction of civil works</b>						
4.						
5.						
6.						
Sub-Total						
<b>Supply of goods</b>						
7.						
8.						
9.						
Sub-Total						
<b>Supply of services</b>						
10.						
11.						
12.						
Sub-Total						
Grand Total						



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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
Ngari wa Ileri Primary School		400,000.00	N/A	-	400,000.00		“
Ngoce Primary School		400,000.00	N/A	-	400,000.00		“
Nthigirani Primary School		400,000.00	N/A	-	400,000.00		“
Ovarite Primary School		400,000.00	N/A	-	400,000.00		“
Rwagori Primary School		400,000.00	N/A	-	400,000.00		“
Siakago Primary School		500,000.00	N/A	-	500,000.00		“
St. Mary Mugwanjogu Primary School		400,000.00	N/A	-	400,000.00		“
St. Rita Ngunyumu Primary School		300,000.00	N/A	-	300,000.00		“
Primary Schools Desk		8,750,000.00		884,894.00	7,865,016.00		“
<b>Education Secondary</b>							
Cianthia Secondary School		700,000.00	N/A	-	700,000.00		“
Cieria Secondary School		400,000.00	N/A	-	400,000.00		“
Gwakaithi Secondary School		430,000.00	N/A	-	430,000.00		“
Kamwaa Secondary School		600,000.00	N/A	-	600,000.00		“
Karigiri Secondary School		400,000.00	N/A	-	400,000.00		“
Karuari Secondary School		500,000.00	N/A	-	500,000.00		“
Kathangutari Secondary School		500,000.00	N/A	-	500,000.00		“
Kavengero Secondary school		1,300,000.00	N/A	-	1,300,000.00		“
Kiambere Complex Secondary School		700,000.00	N/A	-	700,000.00		“
Kigwambiti Secondary School		800,000.00	N/A	-	800,000.00		“
Kogari Secondary School		400,000.00	N/A	-	400,000.00		“
Mbaraga Secondary School		400,000.00	N/A	-	400,000.00		“
Mbarwari Secondary School		400,000.00	N/A	-	400,000.00		“
Muchonoke Secondary School		1,000,000.00	N/A	-	1,000,000.00		“
Ngiiri Secondary School		400,000.00	N/A	-	400,000.00		“
Ngoce Secondary School		400,000.00	N/A	-	400,000.00		“
Nthigirani Secondary School		400,000.00	N/A	-	400,000.00		“
St. Rita Ngunyumu Secondary School		300,000.00	N/A	-	300,000.00		“
<b>Tertiary Institutions</b>							
Kirie tack tutors office		600,000.00	N/A	-	600,000.00		“



**CONSTITUENCIES DEVELOPMENT FUND – MBEERE NORTH CONSTITUENCY**

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**ANNEX 2: ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
<b>Education Primary</b>							
Ciaikungugu Primary School		300,000.00	N/A	-	300,000.00		
Gangara Primary School		500,000.00	N/A	-	500,000.00		
Gatothia Primary School		300,000.00	N/A	-	300,000.00		
Irii Primary School		400,000.00	N/A	-	400,000.00		
Kadomba Primary School		300,000.00	N/A	-	300,000.00		
Kamugu Primary School		400,000.00	N/A	-	400,000.00		
Kanganga Primary School		400,000.00	N/A	-	400,000.00		
Katheru Primary School		350,000.00	N/A	-	350,000.00		
Kathitu Primary School		400,000.00	N/A	-	400,000.00		
Kaungu Primary School		500,000.00	N/A	-	500,000.00		
Kiamugongo Primary School		500,000.00	N/A	-	500,000.00		
Kianganja Primary School		350,000.00	N/A	-	350,000.00		
Kianjogu Primary School		200,000.00	N/A	-	200,000.00		
Kianthenge Primary School		400,000.00	N/A	-	400,000.00		
Kirigo Primary School		400,000.00	N/A	-	400,000.00		
Kui Primary School		400,000.00	N/A	-	400,000.00		
Makunguru Primary School		400,000.00	N/A	-	400,000.00		
Mathai Primary School		500,000.00	N/A	-	500,000.00		
Mbingori Primary School		400,000.00	N/A	-	400,000.00		
Mianjatiri Primary School		400,000.00	N/A	-	400,000.00		
Muiru Primary School		132,553.00	N/A	-	132,553.00		
Mungau Primary School		400,000.00	N/A	-	400,000.00		
Ndutori Primary School		400,000.00	N/A	-	400,000.00		



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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
Riandu School for Physically Challenged		1,000,000.00	N/A	-	1,000,000.00		"
Siakago Adults Education classroom		400,000.00	N/A	-	400,000.00		"
Siakago Technical Institute		2,000,000.00	N/A	-	2,000,000.00		"
<b>Health</b>							
Ishiara Sub District Hospital		270,000.00	N/A	-	270,000.00		"
<b>Sub-Total</b>		<b>34,982,553.00</b>			<b>34,097,569.00</b>		
<b>Amounts due to other grants and other transfers</b>							
<b>Bursary</b>							
Bursary Secondary Schools		5,000,000.00	N/A	2,174,000.00	2,826,000.00		"
Bursary Tertiary Schools		2,000,000.00	N/A	919,000	1,081,000.00		"
Mocks		700,000.00	N/A	500,000.00	200,000.00		"
<b>Water</b>							
Kathigagaceru Water Project		800,000.00	N/A	-	800,000.00		"
<b>Security</b>							
Kathera /Kiangombe location Chiefs Office		400,000.00	N/A	-	400,000.00		"
Kirie Sub chiefs Office		400,000.00	N/A	-	400,000.00		"
Kune Sub Chiefs office		600,000.00	N/A	-	600,000.00		"
Riandu Chiefs Office		600,000.00	N/A	-	600,000.00		"
<b>Environment</b>							
Environment		1,736,440.00		1,300,000.00	436,440.00		"
<b>Emergency</b>							
Emergency		5,400,259.00		2,074,602.00	3,325,657.00		"
<b>Sports</b>							
Sports		1,736,440.00		1,120,303.00	616,137.00		"
<b>Sub-Total</b>		<b>19,373,139.00</b>			<b>11,285,234.00</b>		

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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
<b>Others (specify)</b>							
<b>Administration</b>							
Employees Salaries		2,336,000.00		1,345,000.00	991,000.00		“
Goods and Services		1,700,000.00		1,551,746.00	148,254.00		“
<b>Monitoring &amp; Evaluation</b>							
Goods and Services		479,697.00		325,872.00	153,825.00		“
CDFC/PMC Capacity Building		1,500,000.00	N/A	125,398.00	1,374,602.00		“
<b>Asset Acquisition</b>							
CDF office equipment		2,311,262.00	N/A	-	2,311,262.00		“
<b>Others</b>							
Ishara Social Hall		1,500,000.00	N/A	-	1,500,000.00		“
<b>Audit Fee</b>							
Audit Fee		500,000.00	N/A	-	500,000.00		“
<b>Sub-Total</b>		<b>10,326,959.00</b>			<b>6,978,943.00</b>		
<b>Grand Total</b>		<b>52,361,746.00</b>			<b>52,361,746.00</b>		



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**ANNEX 3: SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land	-	-
Buildings and structures	15,475,580	8,732,494
Transport equipment	6,700,653	-
Office equipment, furniture and fittings	189,998	189,998
ICT Equipment, Software and Other ICT Assets	172,590	172,590
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
<b>Total</b>	<b>22,538,821</b>	<b>9,095,082</b>

