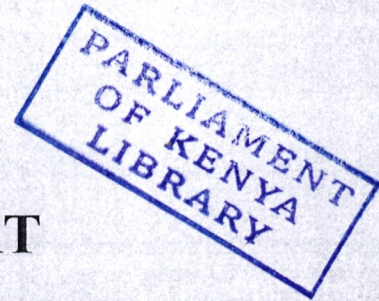


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
RUNYENJES CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**



CONSTITUENCIES DEVELOPMENT FUND – RUNYENJES

REPORTS AND FINANCIAL STATEMENTS

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

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

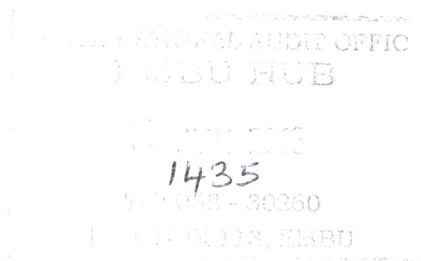


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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The 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	Paul N. Thiga
3.	District Accountant	Jane W. Muhari

(d) Fiduciary Oversight Arrangements

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

Provide box and physical address of the constituency CDF office

P.O. Box 518 Runyenjes

CDF Building

Along Embu-Meru Road Next to Runyenjes sub county H/Qs

RUNYENJES, KENYA

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

(f) RUNYENJES CDF Contacts

Telephone: (254) 732 886 705
E-mail: cdfrunyenjes@gmail.com

Website: www.cdfrunyenjes.co.ke

(g) RUNYENJES CDF Bankers

Constituency CDF Main Banker
Co-operative Bank
Embu Branch
A/c No. 01120051117200

(h) Independent Auditors

Auditor General
Office of Auditor General (AOG)
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

CONSTITUENCIES DEVELOPMENT FUND – RUNYENJES CONSTITUENCY
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For the year ended June 30, 2015

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

**Budget Performance against Actual Amounts for Current Year Based On Economic
 Classification and Programmes**

In the financial year 2014/15, Runyenjes CDF was allocated Kshs. 99,196,789 with Kshs 8,907,721 going to recurrent expenses and the balance to development projects as follows;

Sector	Amount (Kshs)
Pry schools	26,838,819
Secondary schools	10,750,000
Tertiary institutions	10,600,000
Health	3,000,000
Security	1,950,000
Roads	1,200,000

A total of Kshs. **89,965,008** has been spent on various projects as follows in the financial year 2014/15 as follows;

Item	Amount Spent (Kshs)
Compensation of Employees	1,477,860
Use of goods and services	2,585,093
Committee Expenses	2,550,138
Transfers to Other Government Units	39,583,647
Other grants and transfers	41,253,830
Other Payments	1,514,440
TOTALS	88,965,008

Key achievements for the Runyenjes CDF

The CDFC has realised the following key achievements in the course of CDF projects implementation in the year 2014/15;

- The CDFC has paid fees to many students in the form of bursaries leading to higher retention of students in learning institutions thus enhancing performance.
- Laying of feeder lines in Ndamunge and Kagaari south water projects thus providing water to areas that never had access to piped water.
- Roads rehabilitation thus improving transport and communication in those areas.
- Construction and renovation in education institutions leading to improved learning environments and thus performance.

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

-Construction and renovation of A.P. lines and chiefs 'offices thus leading to enhanced security and officers' morale.

Emerging issues related to the Runyenjes CDF

-Conflict between county governments and CDF in cofunded projects.

Implementation challenges and recommended way forward.

-Insufficient funding to constituency as compared to the requirements.

-Local politics surrounding projects implementation.

-Price fluctuations of materials.

-Poor record keeping by PMC's

Sign

CHAIRMAN CDFC

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom, positioned below the printed name of the Chairman CDFC.

CONSTITUENCIES DEVELOPMENT FUND – RUNYENJES CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

III. 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.

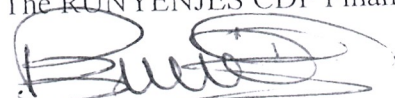
The Fund Account Manager in charge of the RUNYENJES *CDF* is responsible for the preparation and presentation of the Constituency's Financial Statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2015. This responsibility 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 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 RUNYENJES *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 RUNYENJES *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2015, and of the Constituency's Financial Position as at that date. The Fund Account Manager in charge of the RUNYENJES *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.

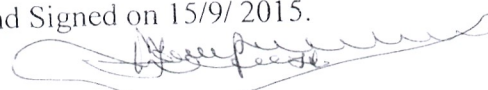
The Fund Account Manager in charge of the RUNYENJES *CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted 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 RUNYENJES *CDF* Financial Statements were Approved and Signed on 15/9/ 2015.



Phineas G. Kamwega
Chairman - CDFC



Paul N. Thiga
Fund Account Manager

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

IV. REPORT OF THE AUDITOR GENERAL



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Constituencies Development Fund – Runyenjes Constituency set out on pages 8 to 21, which comprise statement of financial assets and liabilities as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, 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 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) 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

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

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1.0 Cash and Cash Equivalents

The financial statements reflect a cash and cash equivalents balance of Kshs.6,951,327 as at 30 June 2015 which includes unrepresented cheques totaling to Kshs.657,374 shown in the bank reconciliation statement of June 2015. Included in the unrepresented cheques were stale cheques amounting to Kshs.143,500 which had not been reversed in the cash book as at 30 June 2015.

In view of foregoing, the accuracy of the cash and cash equivalents balance of Kshs.6,951,327 as at 30 June 2015 could not be ascertained.

2.0 Non-acknowledgement of Bursary Funds

As per records maintained at the CDF office, a total of Kshs.14,562,259 had been disbursed as bursaries to various institutions as at 30 June 2015. However, only bursaries totaling to Kshs.5,249,350 were acknowledged by the intended beneficiaries.

Consequently, it has not been possible to ascertain whether the balance of the bursaries amounting Kshs.9,312,909 were used for the intended purposes.

3.0 Unprocessed Land Title Deeds

During the period under review, Runyenjes Constituency Development Office granted a total of Kshs.2,550,000 to three (3) primary schools for purchase of parcels of land as follows:

Cheque No.	Date	School	Acreage	Amount (Kshs.)
0309	24/12/2014	Nguyori Primary School	1.0	1,100,000
750	11/03/2015	Kithare Primary School	1.0	1,100,000
0307	24/12/2015	St. Phillips Primary School	0.25	350,000
Total				2,550,000

However, the purpose of the land, official search, purchase agreements, consent for sub-division/transfer; valuation reports; title deeds and project management committee minutes were not made available for audit verification and as a result, it has not been possible to ascertain whether the lands were purchased as intended and whether the Fund got value for money from the purchases, if at all they occurred.

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 the Constituencies Development Fund – Runyenjes 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 Public Finance Management Act, 2012 and Constituencies Development Act, 2013.

Other Matter

i. Budgetary Control and Performance

The CDF had budgeted to receive Kshs.99,196,789 which was adjusted to Kshs.145,510,729 by the CDF Board and divided to Kshs.8,907,721 for recurrent and Kshs.90,289,068 for development expenditures respectively. However, actual receipts totaled to Kshs.49,598,394 or 50% of the budget. The shortfall of Kshs.49,598,395 in budgeted receipts constrained the Fund from providing services expected by the constituents.

ii. Payment for Unimplemented Projects

The approved budget for development projects was apportioned among various sectors within the constituency namely primary schools, secondary schools, health institutions, water projects, security, roads & bridges and emergencies. The fund allocated the sectors Kshs.72,289,068 which represented 72% of the total budget.

Review of the project implementation status report as at 30 June 2015 revealed that only eight (8) projects on which Kshs.4,055,000 or 5.6% of total disbursements was spent were completed thirty two (32) projects had not started and fifty (50) were ongoing as shown below:

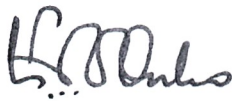
Sector	Project Status	Amount	Amount	No. of Projects
		Allocated (Kshs.)	Disbursed (Kshs.)	
Education	Completed	2,850,000	2,850,000	06
	Ongoing	20,250,888	20,000,888	40

	Not started	25,087,921	-	29
	Sub Total	48,188,809	22,850,888	75
Health	Completed	-	-	-
	Ongoing	-	-	-
	Not started	3,000,000	-	01
	Sub Total	3,000,000	3,000,000	01
Security	Completed	-	-	-
	Ongoing	1,950,000	1,950,000	08
	Not started	-	-	-
	Sub Total	1,950,000	1,950,000	08
Water	Completed	-	-	-
	Ongoing	9,050,000	6,050,000	02
	Not started	-	-	-
	Sub Total	9,050,000	6,050,000	02
Roads & Bridges	Completed	1,200,000	1,200,000	02
	Ongoing	-	-	-
	Not Started	-	-	-
	Sub Total	1,200,000	1,200,000	02
Agriculture	Completed	-	-	-
	Ongoing	-	-	-
	Not started	3,500,000	3,500,000	01
	Sub Total	3,500,000	3,500,000	01
Emergency	completed	-	-	-

	Ongoing	-	-	-
	Not started	5,400,259	2,000,000	01
	Sub Total	5,400,259	2,000,000	01
	Grand Total	72,289,068	34,050,888	90

In the circumstance, it has not been possible to ascertain that the Fund will complete all the projects planned for implementation during 2014/2015 for the benefit of the constituents.

My opinion is not qualified in respect of these matters.



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

Nairobi

09 November 2016

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

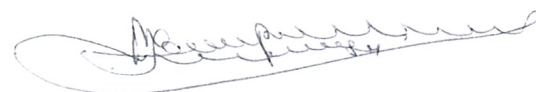
V. STATEMENT OF RECEIPTS AND PAYMENTS

DETAILS	Note	2014-20145 Kshs	2013-2014 Kshs
RECEIPTS			
Balance B/F	10	46,313,941	3,871,913
Transfers from CDF board-AIEs' Received	1	49,595,394	106,904,012
Other Receipts	2	4,000	-
TOTAL RECEIPTS		95,916,335	110,775,925
PAYMENTS			
Compensation to Employees	3	1,477,860	1,424,570
Use of Goods and Services	4	2,585,093	3,313,563
Committee Expenses	5	2,550,138	1,098,952
Transfers to Other Government Units	6	39,583,647	37,948,575
Other Grants and Transfers	7	41,253,830	20,676,324
Other Payments	8	1,514,440	-
TOTAL PAYMENTS		88,965,008	64,461,984
Balance C/F		6,951,327	46,313,941

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The RUNYENJES CDF Financial Statements were Approved on 15/9/2015 and Signed by:



Phineas G. Kamwega
Chairman - CDFC



Paul N. Thiga
Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – RUNYENJES CONSTITUENCY

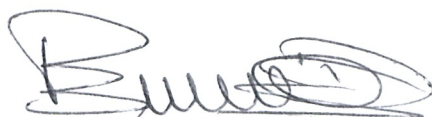
Reports and Financial Statements

For the year ended June 30, 2015

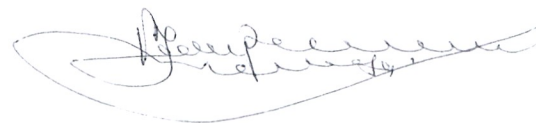
VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2014-2015	2013-2014
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9 _A	6,008,945	45,644,832
Cash Balance (In Hand)	9 _B	393,382	669,109
Outstanding Imprests	9 _C	549,000	-
TOTAL FINANCIAL ASSETS		6,951,327	46,313,941
REPRESENTED BY			
Balance for the year (from Statement of Receipt & Expenditure)	10	6,951,327	46,313,941
NET LIABILITIES		6,951,327	46,313,941

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The RUNYENJES CDF Financial Statements were Approved on 15/9/2015 and Signed by:



Phineas G. Kamwega
Chairman - CDFC



Paul N. Thiga
Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – RUNYENJES CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

VII. CASH FLOW STATEMENT

	Note	2014-2015	2013-2014
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating Activities (a)			
Transfers from the CDF Board	1	49,598,394	106,904,012
Other Receipts	2	4,000	
Total Receipts		49,602,394	106,904,012
Payments for operating expenses (b)			
Compensation of Employees	3	1,477,860	1,424,570
Use of goods and services	4	2,585,039	3,313,563
Committee Expenses	5	2,550,138	1,098,952
Transfers to Other Government Units	6	39,583,647	37,948,575
Other grants and transfers	7	41,253,830	20,676,324
Other Payments	8	1,514,440	-
Total Payments		88,965,008	64,461,984
Net cash Flow from operating activities (c = a - b)		(39,362,614)	42,442,028
CASHFLOW FROM INVESTING ACTIVITIES			
Net cash flows from Investing Activities (d)		-	-
CASHFLOW FROM FINANCING ACTIVITIES			
Net cash flow from financing activities (e')		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT (f= c+d+e)		(39,392,614)	42,442,028
Cash and cash equivalent at BEGINNING of the year (g)	10	46,313,941	3,871,913
Cash and cash equivalent at END of the year (h=f+g)	9	6,951,327	46,313,941

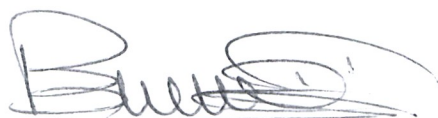
CONSTITUENCIES DEVELOPMENT FUND – RUNYENJES CONSTITUENCY
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For the year ended June 30, 2015

VIII: SUMMARY STATEMENT OF APPROPRIATION

Revenue/Expense Item	Original Budget	Adjustments (includes reallocation and balances b/f from previous year)	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
	a	b	c=a+b	D	e=c-d	f=d/c %
RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	%
Balance b/f	46,313,940	-	46,313,940	46,313,941	-	100
AIEs from CDF Board	99,196,789		99,196,789	49,598,394	49,598,395	50
Other Receipts	-	-		4,000	(4,000)	
Total Receipts	145,510,729	-	145,510,729	95,916,335	49,594,395	
PAYMENTS	Kshs	Kshs	Kshs	Kshs	Kshs	%
Compensation of Employees	1,400,000	600,000	2,000,000	1,477,860	522,140	74
Use of Goods and Services	4,075,914	1,150,000	5,225,914	2,585,093	2,640,821	49
Committee Members Expenses	3,431,807	1,625,545	5,057,352	2,550,138	2,507,214	50
Transfers to Other Government Units	51,688,819	16,982,579	68,671,398	39,583,647	29,087,751	58
Other Grants and Transfers	37,100,249	25,955,816	63,056,065	41,253,830	21,802,235	65
Other Payments	1,500,000	-	1,500,000	1,514,440	(14,440)	101
Total Payments	99,196,789	46,313,940	145,510,729	88,965,008	56,545,721	

N.B: Kshs49,598,395 of the Money for Fy 2014/2015 was not received in the course of the Fy2014/2015 and is expected to be received in the Fy2015/2016.

The RUNYENJES CDF Financial Statements were Approved on 15/9/2015 and Signed by:



Phineas G. Kamwega
Chairman - CDFC



Paul N. Thiga
Fund Account Manager

IX. 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. 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 include short term cash imprests and advances to authorised

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

public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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, 2015.

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

	Description	2014 - 2015	2013 - 2014
		Kshs	Kshs
Normal Allocation	A750377 / A735505	7,300,000	25,761,990
	A759526 / A709905	17,499,197	2,000,000
	A796547 / A711884	14,879,518	36,999,037
	A796861 / A750132	9,919,679	41,642,985
	Reallocation	-	500,000
	TOTAL	49,598,394	106,904,012

2 OTHER RECEIPTS

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other Receipts (Not Classified)	4,000	-
Total	4,000	-

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3 COMPENSATION OF EMPLOYEES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	868,590	705,460
Transport Allowance	362,130	-
Other personnel payments	247,140	44,150
Gratuity	-	674,960
Total	1,477,860	1,424,570

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	1,022,960	656,834
Training expenses	621,515	1,037,600
Insurance costs	113,017	164,938
Fuel ,oil & lubricants	560,000	430,000
Other operating expenses	-	428,000
Routine maintenance – other assets	267,601	596,191
Total	2,585,093	3,313,563

5. COMMITTEE EXPENSES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other Committee expenses	842,500	1,098,952
Committee Allowance	1,707,638	-
TOTAL	2,550,138	1,098,952

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to primary schools	29,150,888	17,533,825
Transfers to secondary schools	5,950,000	17,314,750
Transfers to Tertiary institutions	-	550,000
Transfers to Health institutions	4,482,759	2,550,000
TOTAL	39,583,647	37,948,575

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7. OTHER GRANTS AND OTHER PAYMENTS

Description	2014 - 20145	2013 - 2014
	Kshs	Kshs
Bursary -Secondary	8,973,629	7,107,985
Bursary -Tertiary	5,588,630	-
Electricity Projects	2,000,000	-
Water	19,491,571	10,450,227
Security	3,000,000	2,670,000
Roads	2,200,000	-
Emergency Projects (specify)	-	448,112
Total	41,253,830	20,676,324

8. OTHER PAYMENTS

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
CDF Office	1,500,000	-
Bank Charges	14,440	-
Total	1,514,440	-

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9A. BANK BALANCES (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
Cooperative Bank, Embu branch A/C No.01120051117200	28,577	45,644,832
KCB, Embu Branch A/C No. 11588881193	5,980,368	
Total	6,008,945	45,644,832

9B. CASH IN HAND

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other receipts (specify)-Cash with D.A. for Office Use	393,382	669,109
Total	393,382	669,109

9C. OUTSTANDING IMPRESTS

Name of Officer	Date Taken	2014 - 2015	Amount Surrendered	Balance (30/06/2015)
		Kshs		Kshs
Paul N. Thiga - FAM	June 2015	549,000		549,000
Total		549,000		549,000

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10. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Cash Balance - Bank Account	45,644,832	3,871,913
Cash in Hand	669,109	
Total	46,313,941	3,871,913

11. OTHER IMPORTANT DISCLOSURES

11.1 RECEIVABLES FROM CDF BOARD AND OTHER RECEIVABLES

<i>RECEIVABLES FROM THE BOARD</i>	
<i>FINANCIAL YEAR</i>	<i>AMOUNT</i>
	Kshs

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12.0 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Irregular use of emergency funds.	The project indeed was of emergency nature. Funds allocated for finishing the classes were used for reroofing. Replacement funds issued from emergency kitty. Work now complete and classes are in use	F.A.M.	Resolved	
2	Non acknowledgement of bursary funds from education institutions.	Employed a records officer to assist in following up on the acknowledgements. The bursary acknowledgements drastically improved in the following year. Forwarding letter for bursary cheques improved and clearly demands the beneficiaries to bring back acknowledgements from the learning institutions. A cheques register with the details of all the persons collecting the cheques also maintained.	Dennis Mugendi	Not resolved	31/12/16

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3	Irregular payment of duty allowances to CDFC members.	Payment of duty allowances abandoned. Members currently paid transport and lunch allowances	F.A.M.	Resolved	
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ANNEX 1: SUMMARY OF FIXED ASSETS REGISTER

<i>Type Asset</i>	<i>Cost</i>	
	<i>2014 - 2015</i>	<i>2013 - 2014</i>
<i>FURNITURE & FITTINGS</i>	485,072	485,072
<i>PROPERTY, PLANT & EQUIPMENT</i>		
<i>CDF-OFFICE BUILDING</i>	6,066,306	6,066,306
<i>OTHER P,P&E</i>	712,838	712,838
<i>CDF VEHICLE</i>	2,825,910	2,825,910
<i>GROSS TOTAL KSHS</i>	10,090,126	10,090,126