

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

PARLIAMENT  
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ON

THE FINANCIAL STATEMENTS OF  
CONSTITUENCIES DEVELOPMENT FUND -  
MWINGI WEST CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2015



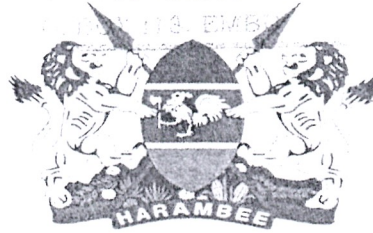
REPUBLIC OF KENYA  
INDEPENDENT AUDIT OFFICE  
Nairobi, Kenya

27 JUN 2016

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OFFICE OF THE COMPTROLLER AND CHIEF ACCOUNTANT



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## CONSTITUENCY DEVELOPMENT FUND- MWINGI WEST CONSTITUENCY

### REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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*. The objective of the fund is to ensure that specific portion of the net national annual budget is devoted to the constituency, for the purposes of infrastructural development, wealth creation and fight against poverty in the constituency level.

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E. Holder	Japheth Musee
3.	District Accountant	Daudi Namba

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Mwingi West Constituency. The reports and recommendation of ARMC when adopted by

the CDF Board are forwarded to the Constituency Development Fund Committee (CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) Mwingi West CDF Headquarters**

Musila Building, Opposite DEO's Offices  
Migwani Town  
Mwingi-Migwani-Kitui Road  
P.O. Box 395-90400  
Mwingi, KENYA

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**(f) Mwingi West CDF Contacts**

Telephone: (254) 0710691060  
E-mail: mwingiwest@cdf.go.ke  
Website: www.go.ke

**(g) Mwingi West CDF Bankers**

Equity Bank Ltd  
Mwingi Branch  
Account Number:  
0590260984982  
P.O. Box 280-90400  
Mwingi, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

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

CHAIRMANS REMARKS

a) Budget performance

Mwingi West has fully complied with the FY 2014/2015 budgetary allocation. We have utilized 100% the allocated funds based on the community prioritized projects (i.e. programmed activities) covering all the sectors.

- 1) Adherence to our work plans.
- 2) Strictly following procurement procedures and regulations.
- 3) Utilization of statutory votes.
- 4) Timely disbursement of project funds to PMCs.

b) Key achievements

(1) Reduction of poverty and inequality.

We have done this through:-

- a) Provision of employment opportunities by awarding CDF tenders to the local community especially women, youth and marginalised groups.
- b) Empowering youth with skills e.g we have trained 220 Boda Boda riders in the Constituency last FY 2014/2015.

(2) Provision of Health facilities.

We have done this by construction of more evenly distributed health facilities as well as improving existing ones.

(3) Improved Education infrastructure.

-Developing primary and secondary schools infrastructure by construction of classrooms, dining halls, administrative block, libraries, laboratories as well as renovation of existing infrastructure e.g classrooms.

-Equipping of schools by providing furniture and lab equipment.

-Giving CDF bursaries to needy students and thus reducing drop –out rate.

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(4) Improved supply of water

Increasing access and connection of safe water through:-

- (i) Construction of earth dams/surface dams.
- (ii) Provision of water tanks to schools and dispensaries etc.

(5) Reduced environmental degradation.

-Adopting environmental friendly practices such as planting trees, construction of garbage pits in public places resulting to:-

- Increased forest cover.
- Improved garbage collection.

**c) Emerging issues**

1) Devolved government

-Difficulty in aligning project proposals with the county development plans and policies, sometimes resulting to duplication of the activities.

2) The CDF Act 2013 declared by the High Court unconstitutional and in valid on 20.02.2015 on the following grounds:-

- The process of the enactment of the CDF Act.
- The separation of powers.
- Sharing of National Revenue.
- Powers and functions of National Government and County Government.

-Thus, creating anxiety and fear as pertains to the final outcome of the case.

**d) Implementation challenges**

-Low funding: CDF funds (at 2.5% on National Government Revenue collected) are in adequate considering all prioritized community needs.

-Difficulty in getting a Government valuer to assess land to be purchased for a community project, resulting to a delay in project implementation.



CONSTITUENCY DEVELOPMENT FUND- MWINGI WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2015

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e) Way forward

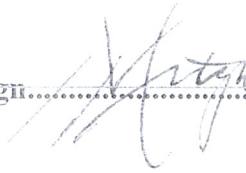
- Increase the CDF funding to at least 5%.
- Government to increase hiring of land valuers to enhance easy project implementation.

In conclusion, the CDF has achieved a lot in promoting the well being of the people of Mwingi West Constituency. therefore, feel most honoured and grateful to forward these financial statements FY 2014/2015

to the CDF board, for onward submission to the Auditor General office.

Joseph N. Mutunga  
CDFC -CHAIRMAN

Sign.....



Date.....

13/9/2015

### 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 *Mwingi West CDF* is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *Mwingi West CDF* accepts responsibility for the *CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *CDF's* financial statements give a true and fair view of the state of *CDF's* transactions during the financial year ended June 30, 2015, and of the *CDF's* financial position as at that date. The Accounting Officer charge of the *Mwingi West CDF* further confirms the completeness of the accounting records maintained for the *CDF*, which have been relied upon in the preparation of the *CDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *Mwingi West CDF* confirms that the *CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *CDF's* funds received during the year under audit were used for the eligible purposes for which they were

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


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intended and were properly accounted for. Further the Accounting Officer confirms that the CDF's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The Mwingi West CDF's financial statements were approved and signed by the Accounting Officer on 13<sup>th</sup> September 2015.

  
\_\_\_\_\_  
Joseph N. Mutunga  
Chairman-CDFC

  
\_\_\_\_\_  
Japheth K. Musee  
Fund Account Manager

# REPUBLIC OF KENYA

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Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND - MWINGI WEST 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 - Mwingi West Constituency set out on pages 9 to 30, which comprise the statement of financial assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation: recurrent and development 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(2) of the Public Audit Act, 2003.

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

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the constitution. 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,

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

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. Cash and Cash Equivalents**

The financial statements reflect a cash and cash equivalents balance of Kshs.45,997,948 as at 30 June 2015. However, included in the balance are unrepresented cheques totaling Kshs.5,591,076.38 which in turn include stale cheques totaling Kshs.130,000 not reversed in the cash book as at 30 June 2015.

In the circumstance, the cash and cash equivalents balance of Kshs.45,997,948.00 as at 30 June 2015 could not be confirmed.

#### **2. Non-acknowledgement of Bursary Funds**

Records maintained at the CDF office indicated that bursaries totalling to Kshs.17,942,500 were disbursed to various institutions as at 30 June 2015. However, only bursaries amounting to Kshs.3,529,500 were acknowledged by receipts through letters or official receipts leaving a balance of Kshs.14,413,000 or 80.3% of the disbursements un acknowledged by the reported beneficiary institutions.

Consequently, it has not been possible to ascertain whether the bursaries totalling to Kshs.14,413,000 were received by the intended beneficiaries.

#### **3. Budgetary Control and Performance**

The Constituency Development Fund had budgeted to receive from the CDF Board Kshs.105,313,635 comprising of Kshs.30,306,635 (28.8%) and Kshs.75,007,000 (71.2%) for recurrent and development expenditures respectively.

Although the Fund received all the budgeted receipts totalling Kshs.105,313,635 only a sum Kshs.59,315,687 was utilized resulting in an under expenditure of Kshs.45,997,948 or 44% of the approved budget. Therefore CDF – Mwingi West may have lacked capacity to implement all its budgeted projects.

In the circumstance, the residents of Mwingi West Constituency did not enjoy the services equivalent to the unutilized funds totalling to Kshs.45,997,635.

### **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 – Mwingi West constituency as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Constituencies Development Fund Act, 2013.



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

**Nairobi**

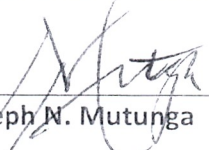
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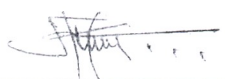
*CONSTITUENCY DEVELOPMENT FUND- MWINGI WEST CONSTITUENCY*  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015	2013-2014
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1	105,313,635	73,442,427
Proceeds from sale of Assets	2	-	-
Other Receipts	3	14,000	-
<b>TOTAL RECEIPTS</b>		<b>105,327,635</b>	<b>73,442,427</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	1,946,458	1,028,392
Use of goods and services	5	3,350,764	2,749,408
Committee Expenses	6	3,043,000	1,214,000
Transfers to Other Government Units	7	28,991,288	36,627,666
Other grants and transfers	8	28,267,774	19,400,139
Social Security Benefits	9	86,814	12,698
Acquisition of Assets	10	5,601,400	398,228
Other Payments	11	29,910	24,174
<b>TOTAL PAYMENTS</b>		<b>71,317,408</b>	<b>61,454,705</b>
<b>SURPLUS</b>		<b>34,010,227</b>	<b>11,987,721</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwingi west CDF financial statements were approved on 13<sup>th</sup> September 2015.

  
 \_\_\_\_\_  
**Joseph N. Mutunga**  
 Chairman-CDFC

  
 \_\_\_\_\_  
**Japheth K. Musee**  
 Fund Account Manager

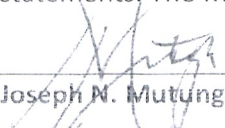
V. STATEMENT OF ASSETS


	Note	2014-2015	2013-2014
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per cash book)	12A	45,991,948	11,987,721
Cash Balances (cash at hand)	12B	6,000	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>45,997,948</b>	<b>11,987,721</b>

REPRESENTED BY

Fund balance b/fwd	13	11,987,721	-
Surplus for the year		34,010,227	11,987,721
Prior year adjustments	14	=	=
<b>NET FINANCIAL POSITION</b>		<b>45,997,948</b>	<b>11,987,721</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwingi West CDF financial statements were approved on 13<sup>th</sup> September 2015 and signed by

  
 Joseph N. Mutunga  
 Chairman-CDFC

  
 Japheth K. Musee  
 Fund Account Manager

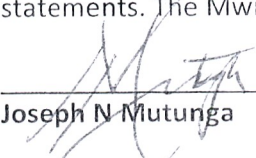


**CONSTITUENCY DEVELOPMENT FUND- MWINGI WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

**VI. STATEMENT OF CASH FLOW**

		<b>2014 - 2015</b>	<b>2013 - 2014</b>
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	105,313,365	73,442,427
Other Receipts	3	14,000	-
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,946,458	1,028,392
Use of goods and services	5	3,350,764	2,749,408
Committee Expenses	6	3,043,000	1,214,000
Transfers to Other Government Units	7	28,991,288	36,627,666
Other grants and transfers	8	28,267,774	19,400,139
Social Security Benefits	9	86,814	12,698
Other Payments	11	29,910	24,698
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>39,611,357</b>	<b>12,385,949</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	10	(5,601,400)	(398,228)
<b>Net cash flows from Investing Activities</b>		<b>34,010,227</b>	<b>11,987,721</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>34,010,227</b>	<b>11,987,721</b>
Cash and cash equivalent at BEGINNING of the year	13	11,987,721	-
Cash and cash equivalent at END of the year		<b>45,997,948</b>	<b>11,987,721</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwingi West CDF financial statements were approved on 13<sup>th</sup> September 2015 and signed by:

  
 \_\_\_\_\_  
 Joseph N Mutunga

Chairman- CDFC

  
 \_\_\_\_\_  
 Japheth K Musee

Fund Account Manager

**CONSTITUENCIES DEVELOPMENT FUND -- MWINGI WEST CONSTITUENCY**

Reports and Financial Statements  
For the year ended June 30, 2015

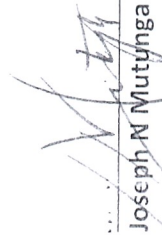
**II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	105,313,635	11,987,721	117,301,356	117,301,356	-	100
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	14,000	14,000	14,000	-	100
<b>TOTAL</b>	<b>105,313,635</b>	<b>12,001,721</b>	<b>117,315,356</b>	<b>117,315,356</b>	<b>-</b>	<b>100</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,091,906	975,000	3,186,430	1,946,458	1,239,972	61.1
Use of goods and services	4,155,555	2,025,000	5,665,681	3,350,764	2,314,917	59
Committee Expenses	3,143,952	1,914,000	5,057,952	3,043,000	2,014,952	60.2
Transfers to Other Government Units	46,994,197	1,086,000	52,550,485	28,991,288	23,559,197	55.2

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Other grants and transfers	43,241,211	1,611,523	44,918,084	28,267,774	16,650,310	62.9
Social Security Benefits	86,814	-	86,814	86,814	-	100
Acquisition of Assets	5,600,000	4,360,288	5,820,000	5,601,400	218,600	96.2
Other Payments	-	29,910	29,910	29,910	-	100
<b>TOTAL</b>	<b>105,313,635</b>	<b>12,001,721</b>	<b>117,315,356</b>	<b>71,317,408</b>	<b>45,997,948</b>	<b>60.8</b>

The Mwingi West CDF financial statements were approved on 13<sup>th</sup> September 2015 and signed by:

  
**Joseph N Mutunga**  
 Chairman- CDFC

  
**Japheth K Musee**  
 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.

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**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.

**9.0 FOLLOW UP ON ISSUES RAISED IN AUDIT REPORT**

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)
01	Unexplained Cash and Cash Equivalents difference of Kshs 21,000	Excess of Kshs 21,000 was  Cheque payable to Ursula Secondary school – Cheque No 000317 of 21.02.14 for bursary however that replaced but was treated as payment and was not reversed	Fund Manager	Resolved	Before 30 June 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
CDF Board		
AIE NO....A750360/ A735576	7,300,000	29,376,970.80
AIE NO....A759505/ A735890	19,028,408.75	44,065,456.20
AIE NO....A796620	14,797,045.25	
AIE NO....A796840	11,531,363.50	
AIE NO....A797202	26,328,408.75	
AIE NO....A796090	26,328,408.75	
<b>TOTAL</b>	<b>105,313,635</b>	<b>73,442,427</b>

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3. OTHER RECEIPTS

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Receipts from Sale of tender documents	14,000	-
<b>Total</b>	<b>14,000</b>	<b>-</b>

4. COMPENSATION OF EMPLOYEES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,463,884	671,590
Personal allowances paid as part of salary:		
House allowance	125,772	-
Gratuity	356,802	356,802
<b>Total</b>	<b>1,946,458</b>	<b>1,028,392</b>



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**5. USE OF GOODS AND SERVICES**

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services-water	126,240	49,680
Office Rent	778,800	280,000
Communication, supplies and services	44,000	24,000
Domestic travel and subsistence	67,500	49,995
Printing, advertising and information supplies & services	-	300,000
Rentals of produced assets(Postal Address Box)	-	6,960
Training expenses(CDFC,Staff/PMCs)	738,375	550,000
Hospitality supplies and services	124,408	20,000
Insurance costs	-	24,858
Office and general supplies and services	359,894	250,000
Fuel, oil & Lubricants	700,000	195,000
Other operating expenses - PAYE	312,907	228,851.25
Routine maintenance – vehicles and other transport equipment	69,000	740,064
Routine maintenance – other assets	29,640	30,000
<b>Total</b>	<b>3,350,764</b>	<b>2,749,408.25</b>

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**6. COMMITTEE EXPENSES**

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	1,650,000	642,000
Other committee expenses	1,393,000	572,000
<b>Total</b>	<b>3,043,000</b>	<b>1,214,000</b>

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7. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to primary schools	5,935,000	15,229,666
Transfers to secondary schools	11,550,000	16,888,000
Transfers to tertiary institutions	3,766,000	300,000
Transfers to health institutions	7,740,288	4,210,000
<b>TOTAL</b>	<b>28,991,288</b>	<b>36,627,666</b>

8. OTHER GRANTS AND OTHER PAYMENTS

Description	2014 - 2015	2013- 2014
	Kshs	Kshs
Bursary – secondary schools	11,000,500	8,127,979
Bursary – tertiary institutions	6,772,000	3,000,000
Bursary – special schools	170,000	1,000,000
Mock & CAT	-	102,760
Water projects	665,350	485,000
Electricity projects	-	300,000
Security projects	1,200,000	3,032,000
Strategic Plan	2,196,924	-
Sports projects	1,379,000	-
Environment projects	1,379,000	-
Emergency projects	3,505,000	3,352,400
<b>Total</b>	<b>28,267,774</b>	<b>19,400,139</b>

9. SOCIAL SECURITY BENEFITS

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	86,814	12,698
<b>Total</b>	<b>86,814</b>	<b>12,698</b>

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10. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2014 - 2015	2013 - 2014
	Kshs	Kshs
Construction of Buildings	4,600,000	-
Refurbishment of Buildings	-	-
Purchase of Office Furniture and General Equipment	737,400	130,000
Purchase of ICT Equipment, Software and Other ICT Assets	264,000	268,228
<b>Total</b>	<b>5,601,400</b>	<b>398,228</b>

11. OTHER PAYMENTS

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank Charges	29,910	24,174
	<b>29,910</b>	<b>24,174</b>

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & Currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
Equity Bank Ltd, Mwingi Branch, Account Number: 0590260984982	45,991,948	11,987,721
<b>Total</b>	<b>45,991,948</b>	<b>11,987,721</b>

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12B: CASH IN HAND

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Sale of Tender documents	6,000	-
<b>Total</b>	<b>6,000</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	11,987,721	-
<b>Total</b>	<b>11,987,721</b>	<b>-</b>

14. OTHER IMPORTANT DISCLOSURES

14.1: PENDING ACCOUNTS PAYABLE

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Construction of buildings	-	-
	-	-

14.2: OTHER PENDING PAYABLES (See Annex 1)

Description	Kshs	Kshs
Amounts due to other Government entities	23,559,197	7,453,759
Amounts due to other grants and other transfers	16,650,310	3,318,386
Others –compensation of employees, use of goods and services, acquisition of assets.	5,788,441	-
	<b>45,997,948</b>	<b>10,772,145</b>



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**ANNEX 1 - 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		
Amounts due to other Government entities							
1. Primary Schools	Structures Construction	17,024,197	-	5,935,000	11,089,197	1,135,000	
2. Secondary Schools	Structures Construction	21,554,000	-	11,550,000	10,004,000	900,000	
3. Tertiary	Structures Construction	3,766,000	-	3,766,000	-	266,000	
4. Health	Structures Construction	10,206,288	-	7,740,288	2,466,000	5,152,759	
<b>Sub-Total</b>					<b>23,559,197</b>	<b>7,453,759</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
Amounts due to other grants and other transfers							
5. Bursaries	Fees/Boda Boda Training	20,328,405	-	17,942,500	2,385,905	-	
6. Water	Surface/Earth Dam Construction	8,821,952	-	665,350	8,156,602	270,000	
7. Sports	Sports Equipments	2,106,272	-	-	2,106,272	1,379,193	
8. Environment	Environment equipments	2,106,272	-	-	2,106,272	1,379,193	
9. Emergency	Emergencies	5,400,259	-	3,505,000.0	1,895,259	-	
10. Security	Structures Construction	-	-	-	-	290,000	

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Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	Sub-Total				16,650,310	3,318,386	
<b>Others (specify)</b>							
11. Compensation of employees	Salary payment.	3,186,430	-	1,946,458	1,239,972	-	
12. Use of goods and services	Office running expenses/sub sistence	5,665,681	-	3,350,764	2,314,917	-	
13. committee expenses	Sitting allowances	5,057,952	-	3,043,000	2,014,952	-	
14. Acquisition of assets	Purchase of furniture	5,820,000	-	5,601,400	218,600	-	
	Sub-Total				5,788,441	-	
	Grand Total				45,997,948	10,772,145	

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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Buildings and structures	4,600,000	-
Transport equipment	3,629,683	3,629,683
Office equipment, furniture and fittings	1,136,676	399,276
ICT Equipment, Software and Other ICT Assets	730,500	466,500
Intangible assets	12,835	12,835
<b>Total</b>	<b>10,109,694</b>	<b>4,508,294</b>