

REPUBLIC OF KENYA



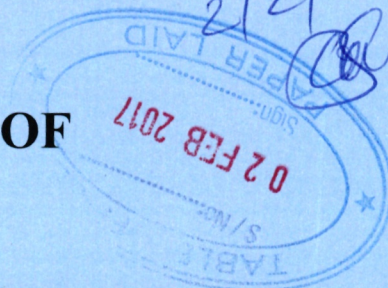
OFFICE OF THE AUDITOR-GENERAL

*Paper Laid by
the Leader of
Majority on
2/2/2017
Chulu*

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REPORT

OF



THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
MUMIAS EAST CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015



CONSTITUENCY DEVELOPMENT FUND

MUMIAS EAST CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

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

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

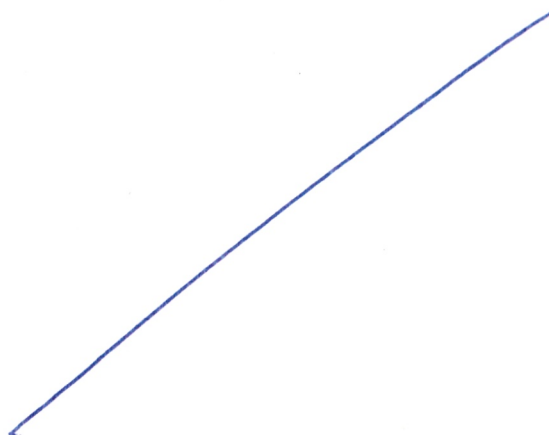


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CONSTITUENCY DEVELOPMENT FUND – MUMIAS EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 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	Peter Maraya Adagi
3.	District Accountant	John Juma Maranje

(d) Fiduciary Oversight Arrangements

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

P.O. Box 142 - 50106
Shianda - Malaha Road
Shianda,
Mumias - KENYA

(f) Entity Contacts

Telephone: (254) 724518456
E-mail: cdfmumiaseast@cdf.go.ke
Website: www.cdf.go.ke

(g) Entity Bankers

Kenya Commercial Bank
Mumias Branch
1147339775
Mumias - 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)

I am pleased to present to you the annual report and financial statement for the year ended 30th June 2015. This being second year since Mumias East was carved off the largest Mumias Constituency we are pleased to report ongoing growth momentum because we have witnessed real progress towards improvement of own schools, road network, security and other infrastructural development. The impressive results not only reflect good leadership at committee management level but also confirm the stakeholder's involvement and team work embraced in Mumias East constituency development matters and decisions.

Financial Statements

The financial statements set out below were prepared on cash basis of accounting regulated by the international public sector accounting standard.

Mumias East is faced with a number of challenges first being in a rural set up the constituency has no public land on which project can be developed land has to be acquired for each project to be undertaken, this consumes a substantial amount of the budget. It is difficult to obtain land at strategic points where it is desired to locate projects especially if the owners are not willing to give up the land.

Secondly the destruction caused to the roads by the contractors and millers on the cause of come transport is a major setback graded and well graveled can be damaged in the same day by the tractors travelling came. This calls for increased funds to do routine maintenance.

Thirdly Mumias East is prone to natural calamities namely floods, heavy storms and landslides. More often the delicate soils break up in the road in some section of the constituency's making some roads impassable.

The available emergencies funds cannot suffice to construct gabions and bridge or fill the landslide as experienced this year along Shianda - Lubinu road. Some intervention measures are required to bridge up the gap.

Lastly, the delay in disbursement of funds to the constitution leads to delay in implementation to the project. As a result, contractors end up claiming for variations due to the time delay and general economic inflation.

The success of our work would not be possible without the continued backing of the stakeholder on behalf of the committee I wish to extend our gratitude for their continued support and confidence in our work. To the CDF board I would like to say that we owe the success of our developed agenda to your unwavering support and assure you that we will always endeavour to make Mumias East constituency the best constituency in the country.

Thank You



Chairman, Mumias East CDF

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 Mumias East 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 2014/15 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 Mumias East 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 Mumias East 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 Mumias East CDF confirms that the CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the CDF's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Mumias East CDF financial statements were approved and signed on 10th September 2014.



Patrick Juma Washika
Chairman - CDFC



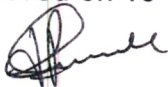
Peter Maraya Adagi
Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND – MUMIAS EAST CONSTITUENCY
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For the year ended June 30, 2015

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015	2013-2014
		Kshs	Kshs
RECEIPTS			
Transfers from CDF Board - AIEs' Received	1	52,538,780.80	73,286,606.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		52,538,780.80	73,286,606.00
PAYMENTS			
Compensation of employees	4	1,297,118.00	486,214.00
Use of goods and services	5	2,647,685.00	1,659,843.00
Committee Expenses	6	3,501,347.00	494,000.00
Transfers to Other Government Units	7	26,368,759.00	28,083,120.00
Other grants and transfers	8	35,330,655.80	19,533,577.00
Social Security Benefits	9	10,600.00	4,800.00
Acquisition of Assets	10	2,215,073.00	1,072,295.50
Other Payments	11	-	-
TOTAL PAYMENTS		71,371,237.80	51,333,849.50
SURPLUS/DEFICIT		(18,832,457.00)	21,952,756.50

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MUMIAS EAST CDF financial statements were approved on 10TH September 2015 and signed by:



PATRICK WASHIKA
 Chairman - CDFC



PETER MARAYA ADAGI
 Fund Account Manager

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Mumias East Constituency set out on pages 6 to 26, 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.

Auditors-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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

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

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 Presentation and Completeness of the Financial Statements

According to the International Public Sector Accounting Standards (Cash Basis) financial statements presentation format prescribed by the National Treasury requires the management to include the action taken on the previous year auditor's recommendations. In the year 2013/2014, Mumias East CDF had a qualified opinion. However, no report on the progress on follow up of audit issues raised was included in the financial statement for the year under review.

In the circumstance, the presentation of the financial statements for the year ended 30 June 2015 were not in conformity with IPSAS (Cash Basis).

2.0 Budgetary Control and Performance

During the year under review, the Fund received an amount of Kshs.52,538,781 as compared to the approved budget of Kshs.105,077,562 implying an underfunding of Kshs.52,538,781.

ITEM	FINAL BUDGET	ACTUAL RECEIPTS/ EXPENDITURE	DIFFERENCE	PERCENTAGE OF UTILIZATION OF FUNDS
Transfers from CDF Board	105,077,562	52,538,781	52,538,781.20	50%
Total	105,077,562	52,538,781	52,538,781	
Payments				
Compensation of employees	2,000,000	1,297,118	702,882	65%
Use of goods and services	2,770,957	2,647,685	123,272	96%
Committee expenses	4,140,000	3,501,347	638,653	85%
Transfers to other government units	64,417,690	26,368,759	38,048,931	41%
Other grants and transfers	51,775,225	35,330,656	16,444,569	68%
Social security Benefits	30,000	10,600.00	19,400	35%
Acquisition of assets	0	2,215,072.20	(2,215,073)	0%
Other payments	30,000	20,560	9,440	69%
Total	125,163,873	71,391,798	53,772,075	57%

Consequently, the fund failed to meet its budget targets and service delivery obligations on project implementation to the constituents.

3.0 Project Implementation and Management

The Funds total project allocation for two years ending 30 June, 2015 amounted to Kshs.175,074,445 out of which projects with allocations amounting to Kshs.55,919,899 remained ongoing and incomplete, two hundred and twenty two (222) projects costing Kshs.95,931,000 were completed while fifty five (55) projects with allocation of Kshs.23,223,546 were not yet started as of March 2016.

Among the ongoing projects were staff houses in four (4) health institutions with an allocation of Kshs.4,452,759 which stalled due to inadequate funding as analyzed below;

	Not Started		Ongoing		Complete		Total (Kshs)
	No.	Allocation (Kshs)	No	Allocation (Kshs)	No.	Allocation (Kshs)	
Administration	0		12	11,235,526	8	12,348,558	23,584,083.35
Agriculture	0		0	-	1	82,200	82,200.00
Education	10	17,000,000	20	31,206,915	147	75,871,679	124,078,593.54
Environment	33	2,623,546	12	2,006,077	4	280,000	4,909,623.05
Health	1	1,800,000	4	4,482,759	12	3,502,000	9,784,759.00
Market	10	800,000		-		-	800,000.00
Road	0	-	0	-	2	360,750	360,750.00
Security	1	1,000,000	9	6,940,000	7	3,454,536	11,394,536.00
Sports	0	-	41	48,623	41	31,277	79,900.26
Total	55	23,223,546	98	55,919,899	222	95,931,000	175,074,445.20

In view of the foregoing, the Fund has not executed and managed project implementation to deliver value for money for the constituents.

4.0 Transfer to Other Government Units

During the year under review, the Fund transferred Kshs.26,368,759 to other Government units. Included in the amount is Kshs.4,700,000 disbursed to schools and school project grants. However, physical verification of projects in 4 schools (Eubere, Shitoto, Lubinu and St. Stephen Secondary Schools) revealed that constructions work carried out were not as per specifications.

5.0 Industrial Development Centre

The construction of an Industrial Development Center was procured at a cost of Kshs.2,640,078 which was completed but not yet handed over. However, the work done

was not as per the specification in the bills of quantity (BQ) as eight windows measuring 1200x1200 millimetres had been fixed instead of the billed 1200x1500millimetress. Gutters had not been installed at the back of the building though the same was billed. Further, there was no inspection and acceptance committee report on the building and although full amount of Kshs.2,640,078 had been paid and the building was in use, handing over had not been completed.

6.0 Unaccounted for Disbursements for Sports

The Fund disbursed to Project Management Committee Kshs.600,000 for sports. However, the expenditure returns were not provided for audit review. Consequently, the propriety of the expenditure could not be confirmed.

7.0 Fixed Assets Register

The summary of fixed assets register at Annex 4 shows an opening balance of Kshs.13,852,296 and closing balance of Kshs.15,396,792 as at 30 June 2015. However, the statement of receipts and payment includes acquisition of assets worth Kshs.2,215,073 during the year giving rise to a closing balance of Kshs.16,067,369. Therefore there is an unexplained understatement Kshs.670,577.

As a result, the accuracy and completeness of the fixed assets summary could not be confirmed.

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 - Mumias East 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 Constituencies Development Fund Act, 2013.



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

Nairobi

24 November 2016

CONSTITUENCY DEVELOPMENT FUND – MUMIAS EAST CONSTITUENCY
Reports and Financial Statements
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V. STATEMENT OF ASSETS

	Note	2014-2015	2013-2014
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	3,118,299.50	20,962,756.50
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	2,000.00	990,000.00
TOTAL FINANCIAL ASSETS		3,120,299.50	21,952,756.50
REPRESENTED BY			
Fund balance b/fwd. 1st July...	13	21,952,756.50	-
Surplus / Deficit for the year		(18,832,457.00)	21,952,756.50
Prior year adjustments	14	-	-
NET LIABILITIES		3,120,299.50	21,952,756.50

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MUMIAS EAST CDF financial statements were approved on 10th September 2015 and signed by:



PATRICK WASHIKA
 Chairman - CDFC



PETER MARAYA ADAGI
 Fund Account Manager

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

VI. STATEMENT OF CASHFLOW

	Note	2014-2015	2013-2014
		Kshs	Kshs
Receipts for operating income			
Transfers from CDF Board	1	52,538,780.80	73,286,606.00
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4	1,297,118.00	486,214.00
Use of goods and services	5	2,647,685.00	1,659,843.00
Committee Expenses	6	3,501,347.00	494,000.00
Transfers to Other Government Units	7	26,368,759.00	28,083,120.00
Other grants and transfers	8	35,330,655.80	19,533,577.00
Social Security Benefits	9	10,600.00	4,800.00
Other Payments	11	-	-
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		(16,617,384.00)	23,025,052.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	2,215,073.00	1,072,295.50
Net cash flows from Investing Activities		(2,215,073.00)	(1,072,295.50)
NET INCREASE IN CASH AND CASH EQUIVALENT		(18,832,457.00)	21,952,756.50
Cash and cash equivalent at BEGINNING of the year	15	21,952,756.50	-
Cash and cash equivalent at END of the year	16	3,120,299.50	21,952,756.50

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MUMIAS EAST CDF financial statements were approved on 10th September 2015 and signed by:



PATRICK WASHIKA
Chairman CDFC



PETER MARAYA ADAGI
Fund Account Manager

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 Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	105,077,562.00	20,086,310.50	125,163,872.50	72,625,091.30	52,538,781.20	58
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
PAYMENTS						
Compensation of Employees	2,030,000.00	-	2,030,000.00	1,297,118.00	732,882.00	64
Use of goods and services	2,352,067.27	-	2,352,067.27	2,647,685.00	(295,617.73)	113
Committee Expenses	4,140,000.00	-	4,140,000.00	3,501,347.00	638,653.00	85
Transfers to Other Government Units	59,917,931.00	4,499,759.00	64,417,690.00	26,368,759.00	38,048,931.00	41
Other grants and transfers	35,639,265.65	14,165,348.00	49,804,613.65	35,330,655.80	14,473,957.85	71
Social Security Benefits	30,000.00	-	30,000.00	10,600.00	19,400.00	35
Acquisition of Assets	968,298.08	1,421,203.50	2,389,501.58	2,215,073.00	174,428.58	0
Other Payments		-	-		-	-
TOTALS	105,077,562.00	20,086,310.50	125,163,872.50	71,371,237.80	53,792,634.70	57

Reports and Financial Statements

For the year ended June 30, 2015

- (a) Only half of the total budget (Ksh. 52,538,780.80) had been received by 30th June 2015 and Ksh. 52,538,781.20 was pending.
- i. On 41% Utilisation under Transfers to Other Government Units, nearly all of the pending budget amount was due to Primary and Secondary Schools.
 - ii. On 35% Utilisation under Social Security Benefits, the budgeted amount was overestimated. The budgeted amount is about double the actual expenditure.

The MUMIAS EAST CDF financial statements were approved on 10th September 2015 and signed by:



PATRICK WASHIKA

Chairman CDF



PETER MARAYA ADAGI

Fund Account Manager

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



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.

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
Normal Allocation	AIE NO...	26,269,390.50	2,000,000.00
	AIE NO...	14,761,634.30	27,314,642.40
	AIE NO...	11,507,756.00	43,971,963.60
Conditional grants	AIE NO...	-	-
	AIE NO...	-	-
Receipt from other Constituency		-	-
TOTAL		52,538,780.80	73,286,606.00

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
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	-	-
Total	-	-

3. OTHER RECEIPTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

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4. COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 -2014
	Kshs	Kshs
Basic wages of contractual employees	934,678.00	464,214.00
Basic wages of casual Labour	-	22,000.00
Personal allowances paid as part of salary		
House allowance	79,200.00	-
Transport allowance	112,000.00	-
Leave allowance	16,000.00	-
Other personnel payments	155,240.00	-
Gratuity	-	-
Total	1,297,118.00	486,214.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	42,474.00	-
Office rent	-	-
Communication, supplies and services	163,897.00	29,000.00
Domestic travel and subsistence	169,830.00	121,138.00
Printing, advertising and information supplies & services	299,640.00	88,395.00
Rentals of produced assets	-	-
Training expenses	66,000.00	843,000.00
Hospitality supplies and services	232,988.00	49,380.00
Insurance costs	217,158.00	216,887.00
Specialised materials and services	565,000.00	-
Office and general supplies and services	327,448.00	31,087.00
Fuel, oil & lubricants	500,000.00	215,500.00
Other operating expenses	-	-
Routine maintenance - vehicles and other transport equipment	63,250.00	63,456.00
Routine maintenance - other assets	-	2,000.00
Total	2,647,685.00	1,659,843.00

6. COMMITTEE EXPENSES

Description	2014 - 2015	2013 - 2014
	Ksh	Ksh
Other committee expenses	476,747.00	31,000.00
Committee allowance	3,024,600.00	463,000.00
Total	3,501,347.00	494,000.00

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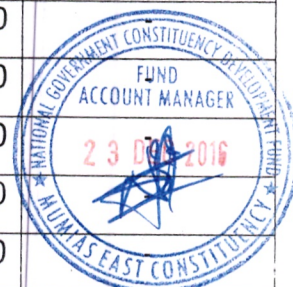
NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to primary schools	12,550,000.00	15,077,000.00
Transfers to secondary schools	9,336,000.00	9,206,120.00
Transfers to Tertiary institutions	-	1,240,000.00
Transfers to Health institutions	4,482,759.00	2,560,000.00
TOTAL	26,368,759.00	28,083,120.00

8. OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary - Secondary	11,410,250.00	5,668,000.00
Bursary - Tertiary	9,145,500.00	2,519,000.00
Bursary - Special Schools	100,000.00	94,000.00
Mocks & CAT	416,000.00	808,900.00
Water	-	1,000,000.00
Agriculture (Food Security)	-	-
Electricity projects	-	4,100,000.00
Security	3,450,000.00	1,997,600.00
Roads	-	-
Sports	800,000.00	1,376,077.00
Environment	1,376,077.00	-
Strategic Plan	1,950,000.00	-
Audit Fees	580,000.00	-
Emergency Projects (specify)	-	1,970,000.00
Ebubole Secondary School	80,000.00	-
St. Stephen's Eshiakhulo Secondary School	80,000.00	-
Mahola Secondary School	80,000.00	-
Epanja Secondary School	80,000.00	-
Mwitoti A.P Camp	175,000.00	-
Ekeru A.P Camp	400,000.00	-



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Indangalasia Primary School	250,000.00	-
CACC Mumias East	112,000.00	-
Musango Health Centre	100,000.00	-
Mumias East CDF Strategic PMC	900,000.00	-
Mumias East Constituency Office	1,000,000.00	-
Shianda Divisional Hospital	250,000.00	-
Shianda Market Public Toilet	130,000.00	-
Eshiakhulo Secondary School	200,000.00	-
Mumias East Constituency Office	1,640,078.80	-
St. Anne's Indangalasia Secondary School	100,000.00	-
Mumias East CDF Strategic PMC	250,000.00	-
Mumias East CDF Strategic PMC	275,750.00	-
Total	35,330,655.80	19,533,577.00

9. SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer Social Benefits in cash and in kind	10,600.00	4,800.00
Total	10,600.00	4,800.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	692,563.00	307,436.50
Refurbishment of Buildings	549,408.00	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	424,212.00	-
Overhaul of Vehicles	363,140.00	-
Purchase of Office furniture and fittings	130,000.00	630,375.00
Purchase of computers ,printers and other IT equipments	-	13,499.00
Purchase of photocopier	-	-
Purchase of other office equipments	55,750.00	120,985.00
Purchase of soft ware	-	-
Acquisition of Land	-	-
Total	2,215,073.00	1,072,295.50

11. OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other expenses	-	-
	-	-

12. A. BANK BALANCES (Cash Book Bank Balance)

Name of Bank, Account No. & Currency	Amount in Bank Account Currency	Exc rate	2014 - 2015	2013 - 2014
			Kshs	Kshs
Kenya Commercial Bank, Mumias Branch, A/C No. 1147339775, Kenya Shillings.	-	-	3,118,299.50	20,962,756.50
Total			3,118,299.50	20,962,756.50

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12.B. CASH IN HAND

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Location 1	-	-
Other Receipts (Specify)	-	-
Total	-	-

[Provide cash count certificates for each]

12. C. OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Peter Maraya Adagi	18/05/2015	200,000.00	198,000.00	2,000.00
Total				2,000.00

13. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	20,962,756.50	-
Cash in hand	-	-
Imprest	990,000.00	-
Total	21,952,756.50	-

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

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15. OTHER IMPORTANT DISCLOSURES

15.1 PENDING ACCOUNTS PAYABLE (See Annex 1)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

15.2 PENDING STAFF PAYABLES (See Annex 2)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-

15.3 OTHER PENDING PAYABLES (See Annex 3)

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (specify)	-	-
Total	-	-

CONSTITUENCIES DEVELOPMENT FUND – MUMIAS EAST 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		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

CONSTITUENCIES DEVELOPMENT FUND – MUMIAS EAST CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

CONSTITUENCIES DEVELOPMENT FUND – MUMIAS EAST CONSTITUENCY
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ANNEX 3 - 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 School Projects		21,800,000.00		12,012,069.00	9,787,931.00	-	
2. Secondary School Projects		18,590,000.00		9,036,000.00	9,554,000.00	-	
3. Tertiary Institutions		16,570,000.00		-	16,570,000.00	-	
5. Health Projects		2,120,000.00		-	2,120,000.00	-	
Sub-Total		59,080,000.00		21,048,069.00	38,031,931.00		
Amounts due to other grants and other transfers							
6. Sports Activities		1,993,546.06		800,000.00	1,193,546.06	-	
7. Environmental Projects		1,903,546.05		-	1,903,546.05	-	
8. Security Projects		5,800,000.00		2,450,000.00	3,350,000.00	-	
9. Water Projects		1,000,000.00		-	1,000,000.00	-	
10. Public Shelter Sheds		800,000.00		-	800,000.00	-	
Sub-Total		11,497,092.11		3,245,000.00	8,247,092.11	-	
Others (specify)							



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Reports and Financial Statements

For the year ended June 30, 2015 (Kshs'000)

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
9. Administration & Recurrent	Outstanding Administration & Recurrent budget	5,980,638.18		3,560,000.50	2,420,637.68	-	
10. Monitoring, Evaluation & Capacity Building	Outstanding Monitoring, Evaluation &	2,990,319.09		1,546,887.00	1,443,432.09	-	
11. Bursary, Mocks & CATs.	Outstanding Bursary to needy Students	18,241,914.54		15,846,226.22	2,395,688.32	-	
Sub-Total		27,212,871.81		20,953,113.72	6,259,758.09	-	
Grand Total		97,789,963.92		45,246,182.72	52,538,781.20	-	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land	700,000.00	700,000.00
Buildings and structures	10,241,971.00	9,307,436.50
Transport equipment	3,504,212.00	3,080,000.00
Office equipment, furniture and fittings	760,375.00	630,375.00
ICT Equipment, Software and Other ICT Assets	13,499.00	13,499.00
Other Machinery and Equipment	176,735.00	120,985.00
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	15,396,792.00	13,852,295.50

