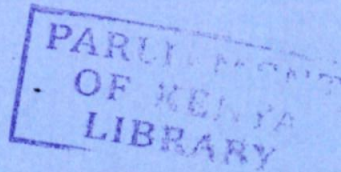


REPUBLIC OF KENYA



*Paper laid by  
Leader of Majority  
Party on Wednesday  
19/10/2016  
Afternoon  
Sitting*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2015**





**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
KWANZA CONSTITUENCY**

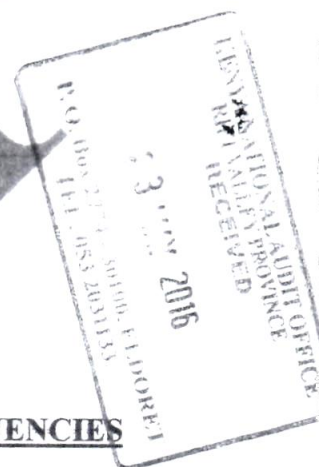
Off Kwanza – Kolongolo Road  
Next to D/County Commissioner's office  
**KWANZA**

CDF office  
Kwanza Centre  
P.O BOX 2015  
**KITALE.**

17<sup>TH</sup> MAY, 2016

**Ref. No. CDF/KWZ/AUDIT/2014/2015**

OFFICE OF THE AUDITOR GENERAL  
NORTH RIFT HUB  
P.O. BOX 2774-30100  
ELDORET



**RE: AMMENDMENT OF THE FINANCIAL STATEMENTS OF CONSTITUENCIES  
DEVELOPMENT FUND – KWANZA CONSTITUENCY F/Y 2014/2015**

Reference is made to the above subject.

Attached kindly find amended reports and financial statements for Kwanza Constituency Development Fund for the financial year ended June 30<sup>th</sup> 2015.

The reports and the financial statements are only signed by the Fund Account Manager. Currently CDF do not have CDFCs because of the restructuring of the NG-CDF. This follows that there is no CDFC chairman to sign the reports and financial statements after the amendments.

**MATHEW K. TANUI**  
FUND ACCOUNT MANAGER  
KWANZA CONSTITUENCY.



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**CONSTITUENCY DEVELOPMENT FUND**

**KWANZA CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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**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The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 Kwanza 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	Mathew K. Tanui
3.	Accountant	Paul Ojiambo

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 2015  
Kwanza Trading Centre  
Kitale, KENYA

**(f) KWANZA CDF Contacts**

Telephone: (254) 725732332  
E-mail: kwanzacdf@cdf.go.ke  
Website: www. Kwanza.cdf.go.ke

**(g) KWANZA CDF Bankers**

Co-operative Bank of Kenya  
Kitale Branch  
A/c Number 01141268429300  
P.O. Box 1058-0200  
Kitale

**(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 KWANZA CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)**

The Kwanza Constituency development fund in the financial year 2014/2015 was allocated Kshs 117,130,672 (one hundred and seventeen million hundred and thirty thousand six hundred and ninety two shillings). During the financial year 75% of the allocation was disbursed to the constituency. This translates to Kshs 87,848,019 which was disbursed to the constituency by the end of June 2015. This left a balance of Kshs 29,282,673 as funds due to the constituency from the CDF Board. Our budget therefore was funded 75% at the end of the financial year.

At the end of the financial year transfer to other government units took Kshs 53,953,500. That is:

- Transfer to primary school Kshs 15,820,741
- Transfer to secondary Schools Kshs 31,300,000
- Health institutions Kshs 6,832,759

This accounts for 61% of the disbursed amount.

Other grants and transfers took Kshs 36,004,338.65 accounting for 41% of the disbursed Amount Bursary and Roads projects under this category took the largest share that is Kshs 16,922,000 and 6,903,431.45 respectively.

The CDFC was able to timely transfer the disbursed funds to projects/project management Committee. The CDFC have also been able to carry out monitoring and evaluation of over 80% of the funded projects. Most of the projects implemented by PMC are in various stages of completion.

The Bursary allocation for the financial year was fully utilised during the financial year Project implementation is faced with a number of challenges which include but not limited to:

- Delay release of funds by CDF Board
- Inadequacy of funds allocated for the completion of projects, this is could be attributed to Inadequate allocation and/or increasing costs of materials and labour.
- lack of adequate capacity by some PMC to adequately implement a project

To address these challenges the CDFC will ensure adequate project funding, timely Disbursement of funds to PMC/projects, training of PMCs and continuous monitoring and evaluation of projects.

The CDF Board should also ensure timely disbursement of funds to the constituencies to ensure timely project implementation by the constituencies.

We look forward to the better performance in the next financial year 2015/2016

Fredrick Kwanusu  
**CHAIRMAN CDFC**



**III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government CDF shall prepare financial statements in respect of that CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the *Kwanza 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.

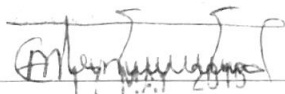
The Accounting Officer in charge of the *Kwanza CDF* accepts responsibility for the *CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). 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 *Kwanza 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 *Kwanza 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 *CDF's* financial statements were approved and signed by the Accounting Officer on 17/05 2016.

\_\_\_\_\_  
Fredrick Kwanusu  
Chairman CDFC

  
\_\_\_\_\_  
Mathew k. Tanui  
Fund Account Manager



## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund- Kwanza Constituency set out on pages 7 to 38, which comprise statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

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

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

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

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 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 statement.

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

## **Basis for Qualified Audit Opinion**

### **1.0 Bank Balances**

Note 12A of the Fund's financial statements indicated bank balance figure of Kshs.40,108,554.50. However, the bank reconciliation statement availed for audit review had reconciling items that had remained outstanding for over six months. The items included unpresented stale cheques totalling Kshs.936, 196.80.

In the circumstances, it was not possible to confirm that the bank balance of Kshs.40,108,554.50 was fairly stated as at 30 June 2015.

### **2.0 Bursaries**

Included in the statement of receipts and payments under other grants and transfers figure of Kshs.36,004,338.65 is bursary amount of Kshs.16,922,000.00 out of which Kshs.8,101,000.00 was disbursed to Secondary Schools while Kshs.8,821,000.00 to tertiary institutions. However it was not possible and management failed to explain the criteria used in awarding the bursaries as minutes on deliberations that led to the identification of the beneficiaries were not availed for audit review. Further, no acknowledgement receipts or letters from the recipients were made available for audit review.

Consequently, the propriety and validity of the bursary disbursement amount of Kshs.16,922,000 for the year ended 30 June 2015 could not be confirmed.

### **3.0 Emergency Projects**

Included in the statement of receipts and payments under other grants and transfers figure of Kshs.36,004,338.65 is emergency projects of Kshs.5,973,907.20 which include an amount of Kshs.150,000.00 paid to a law firm vide payment voucher no. 370 and cheque no.004983 for representing Kwanza CDF which had been sued for legal cost and damages citing malicious prosecution. However, it was not possible to ascertain how the law firm was sourced since the respective procurement records were not availed for audit verification contrary to Section 27 (1) of the Public Procurement and Disposal Act 2005 which stipulates that a public entity shall ensure that this Act, the regulations and any directions of the Authority are complied with respect to each of its procurements.

Consequently, the propriety of Ksh.150,000 paid to the law firm could not be confirmed for the year ended 30 June 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.

**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 – KWANZA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015****IX. NOTES TO THE FINANCIAL STATEMENTS****1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2014 - 2015</b>	<b>2013 - 2014</b>
		<b>Kshs</b>	<b>Kshs</b>
CDF Board			
AIE NO	07/2012/2013/543		61,167,655.00
AIE NO	07/2013/2014/342		2,000,000.00
AIE NO	07/2012/2013/629		16,682,088.00
AIE NO	07/2013/2014/390		38,621,165.00
AIE NO	07/2013/2014/786	40,621,165.00	
AIE NO	07/2014/2015/486	29,282,673.00	
AIE NO	07/2014/2015/790	29,282,673.00	
AIE NO	07/2014/2015/1042	29,282,673.00	
<b>TOTAL</b>		<b>128,469,184.00</b>	<b>118,470,908.00</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

**CONSTITUENCIES DEVELOPMENT FUND – KWANZA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***5. USE OF GOODS AND SERVICES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	30,141.00	101,935.00
Communication, supplies and services	6,960.00	-
Domestic travel and subsistence	384,000.00	80,000.00
Printing, advertising and information supplies & services	-	2,500.00
Rentals of produced assets	-	-
Training expenses	455,200.00	602,000.00
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	1,256,500.00	-
Office and general supplies and services	1,652,531.00	142,849.00
Fuel, oil & lubricants	862,374.00	158,500.00
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	378,033.00	202,030.00
Routine maintenance – other assets	-	-
<b>TOTAL</b>	<b>5,025,739.00</b>	<b>1,289,814.00</b>

**6. COMMITTEE EXPENSES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee allowances	3,348,000.00	3,623,000.00
Other committee expenses	-	279,469.00
<b>Total</b>	<b>3,348,000.00</b>	<b>3,902,469.00</b>

**CONSTITUENCIES DEVELOPMENT FUND – KWANZA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***7. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	15,820,741.00	30,900,000.00
Transfers to secondary schools (see attached list)	31,300,000.00	33,800,000.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	6,382,759.00	5,900,000.00
<b>TOTAL</b>	<b>53,503,500.00</b>	<b>70,600,000.00</b>

**8. OTHER GRANTS AND OTHER PAYMENTS**

	2014 – 2015	2013- 2014
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,101,000.00	5,285,000.00
Bursary – tertiary institutions (see attached list)	8,821,000.00	4,076,000.00
Bursary – special schools (see attached list)	-	35,000.00
Mock & CAT (see attached list)	-	222,495.00
Water projects (see attached list)	2,000,000.00	1,650,000.00
Agriculture projects (see attached list)	1,550,000.00	2,180,000.00
Electricity projects (see attached list)	-	200,000.00
Security projects (see attached list)	2,200,000.00	-
Roads projects (see attached list)	6,903,431.00	22,290,691.00
Sports projects (see attached list)	350,000.00	50,000.00
Environment projects (see attached list)	105,000.00	200,000.00
Emergency projects (see attached list)	5,973,907.00	4,094,394.50
<b>Total</b>	<b>36,004,339.00</b>	<b>40,283,581.00</b>

**9. SOCIAL SECURITY BENEFITS**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	20,040.00	-
<b>Total</b>	<b>20,040.00</b>	<b>-</b>

**CONSTITUENCIES DEVELOPMENT FUND – KWANZA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***10. ACQUISITION OF ASSETS****Non Financial Assets**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	5,700,000.00
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	667,750.00
Purchase of ICT Equipment, Software and Other ICT Assets	-	46,400.00
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>6,414,150.00</b>

**CONSTITUENCIES DEVELOPMENT FUND – KWANZA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***11. OTHER PAYMENTS**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank charges	20,840.00	-

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**20,840.00**

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

<b>Name of Bank, Account No. &amp; currency</b>	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Cooperative Bank, Kitale Branch, A/c Number 01141268429300</i>	40,108,555.00	12,401,098.00
<b>Total</b>	<b>40,108,555.00</b>	<b>12,401,098.00</b>

**CONSTITUENCIES DEVELOPMENT FUND – KWANZA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2015**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12B: CASH IN HAND**

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

*[Provide cash count certificates for each]*

**12C: OUTSTANDING IMPRESTS**

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

*[Include an annex of the list is longer than 1 page.]*

**CONSTITUENCIES DEVELOPMENT FUND – KWANZA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***13. BALANCES BROUGHT FORWARD**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	12,401,098.00	17,245,205.00
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>12,401,098.00</b>	<b>17,245,205.00</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

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

**15. OTHER IMPORTANT DISCLOSURES**

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

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

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

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
	-	-

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others ( <i>specify</i> )	-	-
<b>1</b>	-	-
<b>5</b>	-	-

**15.4: PENDING RECEIVABLES FROM THE CDF BOARD**  
(See Statement of Appropriation)

	Kshs	Kshs
	29,282,673.00	40,621,165.00
	<b>29,282,673.00</b>	<b>40,621,165.00</b>

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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		
<b>Amounts due to other Government entities</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Amounts due to other grants and other transfers</b>							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
<b>Others (specify)</b>							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land	-	-
Buildings and structures	3,750,000.00	3,750,000.00
Transport equipment	8,558,745.00	8,558,745.00
Office equipment, furniture and fittings	1,093,687.00	1,093,687.00
ICT Equipment, Software and Other ICT Assets	50,989.00	50,989.00
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	27,940.00	27,940.00
<b>Total</b>	<b>13,481,361.00</b>	<b>13,481,361.00</b>

#### 4.0 Purchase of Land for Mukuyuni Secondary School

Included in transfer to other government entities figure of Kshs.53,503,500.00 reflected in the statement of receipts and payments is transfer to secondary schools figure of Kshs.31,300,000 out of which an amount of Kshs.2,000,000 was paid to Mukuyuni Secondary School for the purchase of two acre piece of land. However information seen indicate that valuation of the land was not done by a Government but a private valuer contrary to CDF Board circular CDF/BOARD/CIRCULARS/ VOL.1/108 dated 24 August 2010 on guidelines on land ownership for CDF related projects. Further, ownership documents including the title deed were not availed for audit verification. Consequently, the propriety of the amount of Kshs.2,000,000 spent on the purchase of land could not be confirmed in the absence of the ownership documents for the year ended 30 June 2015.

#### 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 - Kwanza 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 Kenya Constituencies Development Fund Act, 2013.

#### Other Matter

##### 1.0 Budget Control and Performance

##### 1.1 Budgetary Performance

During the year under review, the constituency had an annual budget of Kshs.157,751,857 while the actual expenditure amounted to Kshs.100,761,727.85 or 64% resulting in under expenditure of Kshs.56,990,129 or 36% as summarized below:

Item	Budget 2014-2015	Actuals 2014-2015	Under Expenditure	% Under Expenditure
<b>Payments</b>				
Compensation of employees	3,350,000	2,839,270	510,730	15
Use of goods and services	6,530,122	5,025,739	1,504,382.80	23
Committee expenses	6,200,000	3,348,000	2,852,000	46
Transfer to other governments units	90,671,431	53,503,500	37,167,931	41
Other grants and transfers	50,330,304	36,004,338.65	14,325,965.35	28
Social security benefits	40,000	20,400	19,960	50
Acquisition of assets	600,000	0	600,000	100
Other payments	30,000	20,840	9,160	31
<b>Total</b>	<b>157,751,857.00</b>	<b>100,761,727.85</b>	<b>56,990,129</b>	<b>36</b>

Failure to utilize funds may lead to poor service delivery for the citizens of Kwanza Constituency or it may be an indication of in appropriate budget making hence there may be need to review the budget process with an aim of focusing on the priority areas.

## 1.2 Project Implementation

The statement of receipts and payments for the year ended 30 June 2015 indicated Kshs.128,469,184 transfers from CDF Board out of which Kshs.73,626,503 had been disbursed to various projects. A total of one hundred and twenty six (126) projects were proposed and approved at an estimated budget of Kshs.73,626,503 out of which sixteen (16) projects with an estimated budget of Kshs.16,488,506 were partially completed and one hundred and ten others were fully completed as shown below:

S. No.	Project Name	Sub-Project Activities	Financial Year (Approved)	Allocation (Kshs)	Disbursement (Kshs)	Status	Start date	End date	Level of completion
1	Soymining primary school	construction of 1 classroom	2013/2014	500,000	500,000	on-going	Nov-14		70%
2	Soymining secondary school	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Jan-15	100%
3	Webuye Pri School	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Feb-15	100%
4	Kapomboi primary school	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	May-15	100%
5	Ndalala Pri. School	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Jan-15	Jun-15	100%
6	St Cecilia Sec School Marinda	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Feb-15	100%
7	Kapsitwet Pri School	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Apr-15	100%
8	Liyavo Pri School	renovation of 4 classrooms(flooring, plastering & painting)	2013/2014	500,000	500,000	Complete	Nov-14	May-15	100%
9	Namandala Pri School	renovation of 3 classrooms(flooring, plastering & painting)	2013/2014	300,000	300,000	Complete	Jan/205	Jun-15	100%
10	Zea Pri. School	construction of pit latrine	2013/2014	150,000	150,000	Complete	Nov-14	Mar-15	100%
11	FK Mandarara Pri. School	purchase of 2 acre land	2013/2014	1,000,000	1,000,000	Complete	Nov-14	Jan-15	100%
12	Namanjalala Sec. School	construction of multipurpose hall	2013/2014	1,000,000	1,000,000	on-going	Nov-14		70%
13	Koros Pri.School	construction of bore hole	2013/2014	100,000	100,000	Complete	May-15	Jul-15	100%
14	Siambe Pri School	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Jul-15	100%
15	Gesarate Primary School	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Jan-15	100%
16	Pombo Pri School	Construction of Latrines	2013/2014	300,000	300,000	Complete	Jan-15	Mar-15	100%
17	AIC Lessos Secondary School	Completion of Laboratory	2013/2014	1,000,000	1,000,000	Complete	Nov-14	Jan-15	100%
18	Lessos primary school	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Apr-15	100%
19	St Monica Girls Secondary	Construction of Laboratory	2013/2014	800,000	800,000	on-going	Dec-15		60%
20	Milima A Primary	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	May-15	100%

21	Bishop Muge Primary	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Mar-15	100%
22	Mugumo Primary	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Aug-15	100%
23	St Ann Umoja Secondary	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Aug-15	Nov-15	100%
24	Mukuyuni Primary School	Renovation of 2 Classrooms	2013/2014	400,000	400,000	Complete	Nov-14	Jun-15	100%
25	Sarura Primary	Renovation of 2 Classrooms	2013/2014	300,000	300,000	Complete	Dec-14	Feb-15	100%
26	Korosiot High School	construction of Laboratory	2013/2014	1,000,000	1,000,000	on-going	Nov-14		60%
27	Gidea Secondary	construction of dormitory	2013/2014	1,000,000	1,000,000	Complete	Nov-14	May-15	100%
28	Meza Primary	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Jun-15	100%
29	Ngenyi Primary	Completion of 3 Classrooms	2013/2014	450,000	450,000	Complete	Jan-15	Mar-15	100%
30	Miteitei Primary	Construction of pit Latrine	2013/2014	150,000	150,000	Complete	Dec-15	Feb-15	100%
31	Kwanusu primary school	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Jul-15	100%
32	Laissa Primary School	construction of 2 classrooms	2013/2014	1,000,000	1,000,000	Complete	Nov-14	Jun-15	100%
33	Korosiot Primary School	Renovation of Classrooms	2013/2014	300,000	300,000	Complete	Dec-14	Aug-15	100%
34	Kapka Primary School	construction of 1 classroom	2013/2014	500,000	500,000	Complete	Nov-14	Jul-15	100%
35	Maridadi Secondary School	Flooring, Plastering and Painting of Laboratory	2013/2014	600,000	600,000	Complete	Nov-14	Jun-15	100%
36	Bidii Health Centre	purchase of equipments	2013/2014	500,000	500,000	Complete	Jan-15	Feb-15	100%
37	Kiptumet Dispensary	construction of dispensary	2013/2014	300,000	300,000	Complete	Nov-14	May-15	100%
38	Bwayi Dispensary	Laboratory Construction	2013/2014	300,000	300,000	Complete	Dec-14	May-15	100%
39	Maridadi Drainage	trench digging	2013/2014	300,000	300,000	Complete	Nov-14	Jan-15	100%
40	Kaibe Cattle Dip	Rehabilitation of cattle dip	2013/2014	150,000	150,000	Complete	Dec-14	Apr-15	100%
41	Mamugiko Water Project	pipng of gravitational water	2013/2014	2,000,000	2,000,000	Complete	Nov-14	Sep-15	100%
42	Maridadi Dispensary	Construction of Staff House	2013/2014	1,494,253	1,494,253	Complete	Dec-15	Feb-15	100%
43	Keiyo Dispensary	Construction of Staff House	2013/2014	1,494,253	1,494,253	on-going	Nov-14		75%
44	Namanjalala Dispensary	Construction of Staff House	2013/2014	1,494,253	1,494,253	on-going	Nov-14		75%
45	Pombo Pri. School	Construction of Fish Ponds and Fingerlings	2013/2014	100,000	100,000	Complete	Jan-14	Mar-15	100%
46	Gidea Pri School	Construction of Fish Ponds and Fingerlings	2013/2014	100,000	100,000	Complete	Dec-14	Feb-15	100%
47	Webuye Pri. School	Construction of Fish Ponds and Fingerlings	2013/2014	100,000	100,000	Complete	Nov-14	Jan-15	100%

48	Tembelela Primary school	Construction of Fish Ponds and Fingerlings	2013/2014	100,000	100,000	Complete	Dec-14	May-15	100%
49	Cyprus AP Camp	Flooring, Plastering and Painting of AP Houses	2013/2014	400,000	400,000	Complete	Nov-14	Jul-15	100%
50	St Mary's Security Camp	Flooring, Plastering and Painting of AP Houses	2013/2014	900,000	900,000	Complete	Jan-15	Sep-15	100%
51	Amuka AP camp	Flooring, Plastering and Painting of AP Houses	2013/2014	900,000	900,000	Complete	Nov-14	Sep-15	100%
52	FK 1 Mandarara Pri School	Construction of 2 Classrooms	2014/2015	1,000,000	1,000,000	Complete	Mar-15	Jul-15	100%
53	FK 1 Mandarara Pri School	Purchase of Desks	2014/2015	140,741	140,741	Complete	Mar-15	Jul-15	100%
54	water supply primary school	Construction of 1 Classroom	2014/2015	500,000	500,000	Complete	Mar-15	Jul-15	100%
55	Kaisagat Boarding primary school	purchase of beds	2014/2015	300,000	300,000	Complete	Mar-15	May-15	100%
56	Kapkoj RC Boarding Pri	purchase of beds	2014/2015	500,000	500,000	Complete	Mar-15	Jun-15	100%
57	St Monica's Girls Sec	Construction of Laboratory	2014/2015	1,000,000	1,000,000	On-going	Mar-15		80%
58	Kapkoj Central Girls Secondary	Purchase of 100 Lockers and 100 Chairs	2014/2015	300,000	300,000	Complete	Mar-15	Jul-15	100%
59	AIC Kobos Girls High School	Construction of 2 Classrooms	2014/2015	1,600,000	1,600,000	Complete	Mar-15	Aug-15	100%
60	Misanga SA secondary school	Construction of 2 Classrooms	2014/2015	1,600,000	1,600,000	Complete	Mar-15	Oct-15	100%
61	St Peter's - Makhonge Sec	Construction of 1 Classroom	2014/2015	500,000	500,000	Complete	Mar-15	Aug-15	100%
62	Ngeny Sec Schoool	Construction of 2 Classrooms	2014/2015	1,000,000	1,000,000	Complete	May-15	Oct-15	100%
63	St Michael's Liyavo Girls	Construction of a Dormitory	2014/2015	800,000	800,000	On-going	Mar-15		80%
64	Maziwa Secondary school	Construction of 1 Classroom	2014/2015	500,000	500,000	Complete	Apr-15	Oct-15	100%
65	Miteitei Secondary school	Construction of 1 Classroom	2014/2015	500,000	500,000	Complete	May-15	Sep-15	100%
66	Kitubo Dispensary	Construction of Dispensary	2014/2015	800,000	800,000	On-going	Mar-15		80%
67	Korosiot Sec School	Construction of Twin Lab (roofing & doors/windows)	2014/2015	600,000	600,000	On-going	Mar-15		80%
68	St Peter's Kapomboi	Purchase of Beds	2014/2015	369,572	369,572	Complete	Mar-15	Jul-15	100%
69	Koros Pri School	Construction of 1 Classroom	2014/2015	500,000	500,000	On-going	Mar-15		70%
70	Anasit Pri. School	Construction of 1 Classroom	2014/2015	500,000	500,000	On-going	Mar-15		70%
71	Maziwa Primary	Renovation of 3 Classrooms	2014/2015	450,000	450,000	Complete	Mar-15	Jul-15	100%
72	Bidii pri School	Flooring, Plastering and Painting of 1 Classroom	2014/2015	180,000	180,000	Complete	Mar-15	Nov-15	100%

73	St Emmanuel Pri	Flooring, Plastering and Painting of 2 Classroom	2014/2015	300,000	300,000	Complete	Mar-15	Jul-15	100%
74	Kitubo Primary School	Purchase of 170 Desks	2014/2015	200,000	200,000	Complete	Mar-15	Oct-15	100%
75	Sande primary school	Construction of 1 Classroom	2014/2015	500,000	500,000	Complete	Mar-15	Nov-15	100%
76	Ndalala Pri. School	Construction of Pit Latrine	2014/2015	300,000	300,000	Complete	Mar-15	Sep-15	100%
77	Bishop Muge Girls sec School	Purchase of School Bus	2014/2015	2,000,000	2,000,000	Complete	Mar-15	Mar-16	100%
78	Kwanza Girls Secondary	Purchase of School Bus	2014/2015	2,000,000	2,000,000	Complete	Mar-15	Mar-16	100%
79	St Francis Girls Kologolo	Purchase of School Bus	2014/2015	2,000,000	2,000,000	Complete	Mar-15	Mar-16	100%
80	Kwanza Friends Secondary	Construction of Storey Dormitory	2014/2015	2,000,000	2,000,000	On-going	Mar-15		75%
81	Biketi Sec. School	Construction of 2 Classrooms	2014/2015	1,000,000	1,000,000	Complete	Aug-15	Oct-15	
82	Mutua Sec School	Construction of Laboratory	2014/2015	1,400,000	1,400,000	On-going	Apr-15		60%
83	St Peter's Kapomboi Secondary	Flooring, Plastering and Painting of Dormitory	2014/2015	1,200,000	1,200,000	Complete	Mar-15	Sep-15	100%
84	Soymming Sec	Construction of Laboratory	2014/2015	1,500,000	1,500,000	On-going	May-15		80%
85	Maridadi Sec School	Installing of Water/Gas systems in the Laboratory	2014/2015	500,000	500,000	Complete	Mar-15	Jul-15	100%
86	Nasianda Sec School	Construction of Twin Lab	2014/2015	2,000,000	2,000,000	On-going	May-15		70%
87	Kongawa CBO	Excavation of Bidii Drainage	2014/2015	700,000	700,000	Complete	Mar-15	May-15	100%
88	St Francis Koloongolo Boys	Loan Repayment	2014/2015	230,000	230,000	Complete	Mar-15	Apr-15	100%
89	Kobos Sec School	Loan Repayment	2014/2015	200,000	200,000	Complete	Mar-15	Apr-15	100%
90	B N Munialo & CO	Legal fees for the CDFC lorry	2014/2015	150,000	150,000	Complete	Mar-15	Apr-15	100%
91	Misanga SA secondary school	Equiping the school with basic items	2014/2015	110,000	110,000	Complete	Mar-15	May-15	100%
92	St Francis Koloongolo Boys	Loan Repayment of school bus to avoid repossession	2014/2015	360,000	360,000	Complete	Mar-15	Apr-15	100%
93	Makunga Primary School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Jul-15	100%
94	Misanga Pri School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	May-15	100%
95	Soymming Primary School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	May-15	100%
96	Ndalala Pri. School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Jul-15	100%
97	Luuya Pri School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	May-15	100%
98	Biketi Dispensary	Purchase of Furniture and equipment	2014/2015	150,000	150,000	Complete	Mar-15	Jun-15	100%

99	Korosiot Primary School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	May-15	100%
100	Maziwa Primary School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Aug-15	100%
101	Kitale Ndogo Primary school	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Jun-15	100%
102	Laissa Primary School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Sep-15	100%
103	Ainnasit Primary School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Jul-15	100%
104	Kwanza Health Centre	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Aug-15	100%
105	Lurare Pri School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Sep-15	100%
106	Makhonge Sec School	Construction of Pit Latrine	2014/2015	150,000	150,000	Complete	Mar-15	Jul-15	100%
107	Maridadi Drains	Trench Excavation	2014/2015	250,000	250,000	Complete	Mar-15	Jun-15	100%
108	Kobos Sec School	Repair of Dormitory roof (blown by wind)	2014/2015	400,000	400,000	Complete	Mar-15	May-15	100%
109	Bishop Muge Primary School	Construction of 1 Classroom	2014/2015	500,000	500,000	Complete	Mar-15	May-15	100%
110	Maziwa Primary School	Renovation of Classrooms	2014/2015	300,000	300,000	Complete	May-15	Aug-15	100%
111	Lessos Primary school	Construction of Pit Latrine	2014/2015	200,000	200,000	Complete	Mar-15	May-15	100%
112	Kimunon Drainage	Excavation of Trenches	2014/2015	200,000	200,000	Complete	Mar-15	May-15	100%
113	Luuya Primary School	Construction of Pit Latrine	2014/2015	200,000	200,000	Complete	Mar-15	May-15	100%
114	St Peter's Sec Kapomboi	Construction of Pit Latrine	2014/2015	200,000	200,000	Complete	Mar-15	May-15	100%
115	Kwanusu Primary school	Construction of Pit Latrine	2014/2015	200,000	200,000	Complete	Mar-15	Jul-15	100%
116	Tumaini Cbo Drainage	Excavation of Trenches	2014/2015	150,000	150,000	Complete	Mar-15	Jun-15	100%
117	Sinani Nabulala CBO	Excavation of Trenches	2014/2015	150,000	150,000	Complete	Mar-15	Aug-15	100%
118	Lusaka CBO	Excavation of Trenches	2014/2015	100,000	100,000	Complete	Mar-15	Jul-15	100%
119	Cheptandan Amani CBO	Road Grading	2014/2015	500,000	500,000	Complete	Nov-14	Dec-14	100%
120	Matumbei-Titimet-Chepwiro road	Road improvement Works	2014/2015	2,453,883	2,453,883	Complete	May-14	Feb-15	100%
121	Kimada Bridge	Road improvement Works	2014/2015	574,168	574,168	Complete	Sep-14	Oct-14	100%
122	Macharia-Kobos Bridge	Road improvement Works	2014/2015	759,336	759,336	Complete	Sep-14	Dec-14	100%
123	Access road-Mtoni Okulu	Road improvement Works	2014/2015	861,360	861,360	Complete	Sep-14	Oct-14	100%
124	Gidea Bridge	Road improvement Works	2014/2015	666,515	666,515	Complete	Sep-14	Feb-15	100%
125	Makunga-Bidii Road	Road improvement Works	2014/2015	896,170	896,170	Complete	Sep-14	Feb-15	100%

126	Kanyarkwat-Namanjalala Road	Gravel Purchase	2014/2015	192,000	192,000	Complete	Sep-14	Mar-14	100%
	<b>Total</b>			<b>73,626,503</b>	<b>73,626,503</b>				

The management need to act on those projects partially completed as this impact negatively on the service delivery to the people of Kwanza Constituency.

### 1.3 Projects Verification

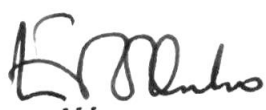
Out of 28 projects costing Kshs.24,005,0730 physically verified, the following observations were made regarding 19 projects costing Kshs.15,388,506 during the audit for the year ended 30 June 2015.

	Project Name	Sub-Project Activities	Financial Year (Approved)	Allocation (Kshs)	Disbursement (Kshs)	Observation
1	Soymining primary school	construction of 1 classroom	2013/2014	500,000	500,000	plastering, fitting of doors and window, floor scree ding incomplete
3	Mukuyuni Sec School	purchase of 2 acre land	2013/2014	1,000,000	1,000,000	Land purchased but no title deed
4	Namanjalala Sec. School	construction of multipurpose hall	2013/2014	1,000,000	1,000,000	roof structure , floor screeding, plastering, painting incomplete
5	St Monica Girls Secondary	Construction of a Dormitory	2013/2014	800,000	800,000	Only one side of slab is complete, the other side has a floor concrete foundation done
8	Keiyo Dispensary	Construction of Staff House	2013/2014	1,494,253	1,494,253	floor screeding, plastering, painting, fitting of doors and windows, fascier board, ceiling board, wiring incomplete
9	Namanjalala Dispensary	Construction of Staff House	2013/2014	1,494,253	1,494,253	floor screeding ,plastering, painting, fitting of doors and windows,fascier board,ceiling board, wiring incomplete
11	St. Monica's Girls Sec.	Construction of Laboratory	2014/2015	1,000,000	1,000,000	water system,gas system, incomplete
12	St. Michael's Liyavo Girls	Construction of a Dormitory.	2014/2015	800,000	800,000	fitting of windows and doors, floor screeding, painting incomplete

13	Kitubo Dispensary	Construction of Dispensary	2014/2015	800,000	800,000	fitting of windows, Floor screeding, plastering, painting incomplete
14	Korosiot Sec. School	Construction of Twin Lab. (roofing & doors/windows)	2014/2015	600,000	600,000	gas sytem , water system, plastering, painting incomplete
15	Koros Pri. School	Construction of Laboratory	2014/2015	500,000	500,000	fitting of doors&windows, floor screeding, plastering, painting incomplete
16	Ainasit Pri. School	Construction of 1 Classroom	2014/2015	500,000	500,000	fitting of doors&windows, floor screeding, plastering, painting incomplete
17	Kwanza Friends Secondary	Construction of Storey Dormitory	2014/2015	2,000,000	2,000,000	plastering, fitting of doors & windows, ceiling, wiring and plumbing, painting incomplete
18	Mutua Sec. School	Construction of Laboratory	2014/2015	1,400,000	1,400,000	one side of the lab incomplete
19	Soymmining Sec.	Construction of Laboratory	2014/2015	1,500,000	1,500,000	gas sytem, water system, wiring, ceiling board incomplete
<b>TOTAL</b>				<b>15,388,506</b>		

The people of Kwanza Constituency may not have obtained value for money on Kshs.15,388,506 spent on the nineteen projects during the year ended 30 June 2015.

My opinion is not qualified in respect of this matter.



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

**Nairobi**

**22 July 2016**

**CONSTITUENCY DEVELOPMENT FUND- KWANZA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2015**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1	128,469,184.00	118,470,908.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>128,469,184.00</b>	<b>118,470,908.00</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	2,839,270.00	825,000.00
Use of goods and services	5	5,025,739.00	1,289,814.00
Committee Expenses	6	3,348,000.00	3,902,469.00
Transfers to Other Government Units	7	53,503,500.00	70,600,000.00
Other grants and transfers	8	36,004,339.00	40,283,581.00
Social Security Benefits	9	20,040.00	-
Acquisition of Assets	10	-	6,414,150.00
Other Payments	11	20,840.00	-
<b>TOTAL PAYMENTS</b>		<b>100,761,728.00</b>	<b>123,315,014.00</b>
<b>SURPLUS/DEFICIT</b>		<b>27,707,456.00</b>	<b>(4,844,106.00)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KWANZA CDF financial statements were approved on 17/05/2016 and signed by:

\_\_\_\_\_  
**Chairman - CDFC**

  
\_\_\_\_\_  
**Fund Account Manager**

**CONSTITUENCY DEVELOPMENT FUND- KWANZA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2015**

**V. STATEMENT OF ASSETS**

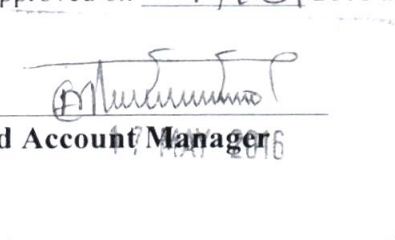
	Note	2014-2015 Kshs	2013-2014 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per cash book)	12A	40,108,555.00	12,401,098.00
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>40,108,555.00</b>	<b>12,401,098.00</b>

**REPRESENTED BY**

<b>Fund balance b/fwd</b>	13	12,401,098.00	17,245,204.00
<b>Surplus/Deficit for the year</b>		27,707,456.00	(4,844,106.00)
<b>Prior year adjustments</b>	14	-	-
<b>NET FINANCIAL POSITION</b>		<b>40,108,555.00</b>	<b>12,401,098.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KWANZA CDF financial statements were approved on 17/05/2016 and signed by:

\_\_\_\_\_  
**Chairman - CDFC**

  
\_\_\_\_\_  
**Fund Account Manager**

**CONSTITUENCY DEVELOPMENT FUND- KWANZA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2015**

**VI. STATEMENT OF CASHFLOW**

		<b>2014 - 2015</b>	<b>2013 - 2014</b>
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	128,469,184.00	118,470,908.00
Other Receipts	3	-	-
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,839,270.00	825,000.00
Use of goods and services	5	5,025,739.00	1,289,814.00
Committee Expenses	6	3,348,000.00	3,902,469.00
Transfers to Other Government Units	7	53,503,500.00	70,600,000.00
Other grants and transfers	8	36,004,339.00	40,283,581.00
Social Security Benefits	9	20,040.00	-
Other Payments	11	20,840.00	-
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>27,707,456.00</b>	<b>1,570,044.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	-	(6,414,150.00)
<b>Net cash flows from Investing Activities</b>		-	<b>(6,414,150.00)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>27,707,456.00</b>	<b>(4,844,106.00)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>12,401,098.00</b>	<b>17,245,205.00</b>
<b>Cash and cash equivalent at END of the year</b>	<b>12A</b>	<b>40,108,555.00</b>	<b>12,401,098.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KWANZA CDF financial statements were approved on 17/05/2016 and signed by:

\_\_\_\_\_  
**Chairman CDFC**

  
\_\_\_\_\_  
**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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	117,130,692.00	53,022,263.00	170,152,955.00	128,469,184.00	41,683,771.00	76
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
<b>TOTALS</b>	<b>117,130,692.00</b>	<b>53,022,263.00</b>	<b>170,152,955.00</b>	<b>128,469,184.00</b>	<b>41,683,771.00</b>	<b>76</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,150,000.00	1,200,000.00	3,350,000.00	2,839,270.00	510,730.00	85
Use of goods and services	3,521,761.00	3,008,361.00	6,530,122.00	5,025,739.00	1,504,383.00	77
Committee Expenses	4,700,000.00	1,500,000.00	6,200,000.00	3,348,000.00	2,852,000.00	54
Transfers to Other Government Units	65,738,672.00	24,932,759.00	90,671,431.00	53,503,500.00	37,167,931.00	59
Other grants and transfers	40,350,259.00	9,980,045.00	50,330,304.00	36,004,339.00	14,325,965.00	72
Social Security Benefits	40,000.00	-	40,000.00	20,040.00	19,960.00	50
Acquisition of Assets	600,000.00	-	600,000.00	-	600,000.00	0
Other Payments(Bank charges)	30,000.00	-	30,000.00	20,840.00	9,160.00	69
<b>TOTALS</b>	<b>117,130,692.00</b>	<b>40,621,165.00</b>	<b>157,751,857.00</b>	<b>100,761,728.00</b>	<b>56,990,129.00</b>	<b>64</b>

(a) During the year the only receipts were from the CDF Board vide AIEs. There was no AIA item

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. The item of acquisition of assets that had utilisation of 0% relates to an allocation of Kshs 600,000 for purchase of ICT equipments and a photocopier. The purchase of equipment had not been done as funds had not been received at the end of the f/y year. The allocation is part of undisbursed amount by CDF Board at the close of the f/y year.
- ii. The other budget items performed well as per the budget