

REPUBLIC OF KENYA

PAPER LAID



*By the leader
of majority party
Hon Allen Dullo
on trust*

OFFICE OF THE AUDITOR-GENERAL

REPORT

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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND -
WUNDANYI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2015







OFFICE OF THE AUDITOR GENERAL
KENYA NATIONAL AUDIT OFFICE

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CONSTITUENCY DEVELOPMENT FUND- WUNDANYI 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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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*. The objective of the fund is to ensure that a specific portion of the national money of budget is devolved to Constituency level for the purposes of infrastructure development.

(b) Key Management

The *Wundanyi 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 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Caroline Kiama
3.	Accountant	Joseph Mwangi
4.		

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1122
Wundanyi CDF Building
Wundanyi, KENYA

KEY CONSTITUENCY INFORMATION AND MANAGEMENT (Continued)

(f) WUNDANYI CDF Contacts

Telephone: (254) 720923860
E-mail: cdfwundanyi@cdf.go.ke
Website: www.cdf.go.ke

(g) WUNDANYI CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Kenya Commercial Bank
P.O.Box 1067
Wundanyi 80304
Wundanyi, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

Wundanyi Constituency is an electoral constituency in Kenya. It is one of four constituencies in Taita-Taveta County. The constituency has four wards i.e. Wundanyi /Mbale ward, Mghange/Mwanda ward, Werugha ward and Kishushe/Wumingu ward.

Key Achievements

- a. Completion of most projects in the area
- b. Good implementation of the projects by the CDFCs and PMCs
- c. Proper record keeping on the CDF projects
- d. Team work as CDFCs and the community at large

Emerging Issues

- a. Illiteracy level in some of the PMCs making the implementation of the project to take a little longer
- b. Politicizing in the projects
- c. Funds from the board take a long time to be released making some projects to stall for time
- d. Frequent trainings for the CDFCs and PMC's on day to day changes in the management of the funds

Implementation challenges and way forward

- a. Funds should be released in good time to help in early completion of projects.

Budget against actual amounts for current year based on economic classification and programmes

- a. More funds should be increased for Monitoring and evaluation of projects and also administration kitty to help in thorough monitoring and evaluation and administration of projects effectively.



SHALETH MWAKULOMBA
CHAIRPERSON CDFC
WUNDANYI CONSTITUENCY

CONSTITUENCY DEVELOPMENT FUND- WUNDANYI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

II. 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 Wundanyi 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 Wundanyi 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 *Wundanyi 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 *Wundanyi 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 27th May 2016.



Chairman - CDFC



Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Wundanyi Constituency set out on pages 5 to 21, 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 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 report in compliance with Article 229(7) of the Constitution of Kenya. 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 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 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

Bank Balance

The statement of assets as at 30 June 2015 reflects bank balance of Kshs.29,338,669. However, the Fund's bank reconciliation statement as at 30 June 2015 availed for audit review does not have name of bank account, bank account number, name of bank and branch. Further, the reconciliation reflected un-presented cheques of Kshs.3,221,050 whose dates of subsequent clearance by the banks were not indicated and payments in bank statement not in cash book of Kshs.342,292.75, out of which Kshs.338,292.75 is in respect of bank charges and which have been excluded from these financial statements. In addition, the reconciliation reflects receipts in bank statement not in cash book of Kshs.92,700, out of which Kshs.48,700 have been outstanding for over two years. The management has not explained why these items have not been cleared, reversed or properly accounted for in the financial statements.

Consequently, the accuracy and completeness of bank balance of Kshs.29,338,669 as at 30 June 2015 could not be confirmed.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Constituencies Development Fund - Wundanyi Constituency Development Fund 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.

Other Matter

1. Budgetary Controls and Performance

1.1 Budget Performance

During the year under review, the Fund had a budget of Kshs.147,909,925 and spent Kshs.93,860,200 or 63%, resulting to under expenditure of Kshs.54,049,725 or 37% as shown below:-

Expenditure.	Final Budget (Kshs)	Actual Expenditure (Kshs.)	Under Absorption (Kshs.)	Under Absorption (%)
Compensation of employees	1,830,000	1,166,150	663,850	36
Use of Goods & services	5,200,000	4,600,278	599,722	12
Committee Expenses	5,798,008	5,756,999	41,009	1
Transfers to Other Government Units	62,891,173	30,891,846	31,999,327	51
Other Grants and Transfers	65,540,744	45,336,477	20,204,267	31
Social Security Benefits	50,000	9,800	40,200	80
Acquisition of Assets	4,000,000	4,000,000	0	0
Other Payments	2,600,000	2,098,650	501,350	19
Total	147,909,925	93,860,200	54,049,725	37

Failure to adhere to approved budgetary provisions may curtail implementation of critical activities and delivery of goods and services to residents of Wundanyi Constituency.

1.2 Projects Implementation

The projects status report availed for audit review indicated that a total of Kshs.107,468,880 was disbursed to 58 projects, out of which Kshs.60,210,140 or 56% had been spent as at 30 June 2015, resulting in unspent disbursements of Kshs.47,258,740 or 44% as shown below:-

No.	Name of project	Details of the project	Amount of allocation as per Approved proposal (Kshs)	Disbursements in 2014/15 (Kshs)	Cumulative Disbursements since the start) as at 30 June 2015(Kshs)	Expenditure in 2014/15 (Kshs)	Cumulative Expenditure as at 30 June 2015 (Kshs)	Unspent Disbursements (Kshs.)	% Complete
1	Njovunyi Kiwinda Road	Construction of slab	500,000	500,000	500,000	491,510	491,510	8,490	100%
2	Solome Water project	Construction of a tank and pipe laying	500,000	500,000	2,500,000	-	1,999,230	500,770	60%
3	Marumang e Hall	Renovations of hall	500,000	500,000	500,000	499,516	499,516	484	100%

No.	Name of project	Details of the project	Amount of allocation as per Approved proposal (Kshs)	Disbursements in 2014/15 (Kshs)	Cumulative Disbursements since the start) as at 30 June 2015(Kshs)	Expenditure in 2014/15 (Kshs)	Cumulative Expenditure as at 30 June 2015 (Kshs)	Unspent Disbursements (Kshs.)	% Complete
4	Sungululu ICT	Construction of a perimeter ,fencing wall and furniture	529,316	529,316	529,316	529,316	529,316	0	100%
5	Iyale Msidunyi Water Project	Construction of a tank and pipe laying	400,000	400,000	400,000	3,000	3,000	397,000	0%
6	New Werugha Multipurpose Hall	Roofing and furnishing-painting	1,000,000	1,000,000	5,500,000	694,750	5,181,604	318,396	100%
7	Mwangoto Water project	Pipe laying	200,000	200,000	1,200,000	251,910	1,199,354	646	70%
8	Sangenyi primary School	Construction of one classroom	500,000	500,000	500,000	20,840	20,840	479,160	10%
9	Irienyi Dam	Silting of the dam	200,000	200,000	500,000	202,500	499,145	855	100%
10	Kidakiwi Water Project	Construction of a tank and pipe laying	300,000	300,000	1,400,000	281,022	1,380,724	19,276	100%
11	Mbela High School	Construction of a laboratory	500,000	500,000	500,000	3,000	3,000	497,000	0%
12	Ngangao Secondary School	Dining hall construction	800,000	800,000	800,000	-	-	800,000	0%
13	Mghalu High School	Dining hall construction	500,000	500,000	500,000	-	-	500,000	0%
14	Mwanda Primary school	Construction of one classroom	500,000	500,000	500,000	500,000	500,000	0	70%
15	Vuria primary school	Renovation of classes	500,000	500,000	500,000	-	-	500,000	0%
16	Mgange Dawida Health Centre	Completion of staff houses	300,000	300,000	1,983,694	171,178	1,841,473	142,221	99%
17	Mgange Dawida Community Hall	Furniture(plastic chairs) and toilet construction	500,000	500,000	500,000	498,800	498,800	1,200	100%
18	Mdundonyi Secondary School	Construction of an administration block	800,000	800,000	800,000	-	-	800,000	25%
19	Shimbo Secondary School	Construction of one classroom	800,000	800,000	800,000	-	-	800,000	0%
20	Mghambonyi Secondary School	Construction of one classroom	800,000	800,000	800,000	643,704	643,704	156,296	100%
21	Lashu Dev Road	Culverts and slab construction	300,000	300,000	300,000	300,000	300,000	0	100%

No.	Name of project	Details of the project	Amount of allocation as per Approved proposal (Kshs)	Disbursements in 2014/15 (Kshs)	Cumulative Disbursements since the start) as at 30 June 2015(Kshs)	Expenditure in 2014/15 (Kshs)	Cumulative Expenditure as at 30 June 2015 (Kshs)	Unspent Disbursements (Kshs.)	% Complete
22	Mole Bridge	Reshaping, culverts and slabing	300,000	300,000	2,000,000	208,700	1,905,786	94,214	98%
23	Mlondo Mraru mchunyi road	Bush clearing, reshaping and slabing	500,000	500,000	500,000	477,840	477,840	22,160	100%
24	Kishushe Dispensary	Construction of a staff house	2,741,379	2,741,379	2,741,379	841,499	841,499	1,899,880	30%
25	Lushangonyi Comm Hall	Furniture(plastic chairs) and toilet construction	462,000	462,000	2,462,000	79,618	1,885,885	576,115	85%
26	Werugha Dispensary	Completion of a twin house	200,000	200,000	1,900,000	-	1,667,118	232,882	80%
27	Mwanda Community Centre	Furniture(plastic chairs/tables) and ground shaping	450,000	450,000	8,050,000	-	7,589,604	460,396	81%
28	Mtukunyi Community hall	Construction of two rooms and furniture(plastic chairs)	550,000	550,000	550,000	-	-	550,000	0%
29	Mbale Community Hall	Roofing and finishes	5,000,000	5,000,000	5,000,000	2,548,991	2,548,991	2,451,009	50%
30	Kishushe Community Hall	Final finishes and finishes of drainage	450,000	450,000	8,750,000	445,510	8,745,188	4,812	100%
31	Misorongoya mbenge bridge	Bridge construction and	400,000	400,000	2,222,000	311,095	2,132,225	89,775	100%
32	Kiloghwa youth Polytechnic	wiring of polytechnic and power connection	500,000	500,000	500,000	344,414	344,414	155,586	80%
33	Irido water project	Building a perimeter wall and fencing	400,000	400,000	400,000	2,120	2,120	397,880	0%
34	Wundanyi Sub-district	Purchase of a generator	889,772	889,772	1,589,772	1,479,459	1,490,764	99,008	100%
35	St.Agatha Ngoloki	Construction of a dormitory and kitchen	3,400,000	3,400,000	6,805,500	2,704,996	6,034,026	771,474	70%
36	Nyache Health Centre	Construction of a staff house	2,241,379	2,241,379	2,241,379	239,825	239,825	2,001,554	10%
37	Iyale Primary School	construction of 2 No classrooms	3,400,000	3,400,000	3,800,000	2,821,280	3,780,093	19,907	100%
38	Mlilo primary School	Construction of 2 new classrooms	1,500,000	1,500,000	1,500,000	-	-	1,500,000	10%
39	Maghimbiyi Primary School	Major renovations of 6 classes, leaking	3,000,000	3,000,000	3,000,000	-	-	3,000,000	0%

No.	Name of project	Details of the project	Amount of allocation as per Approved proposal (Kshs)	Disbursements in 2014/15 (Kshs)	Cumulative Disbursements since the start) as at 30 June 2015(Kshs)	Expenditure in 2014/15 (Kshs)	Cumulative Expenditure as at 30 June 2015 (Kshs)	Unspent Disbursements (Kshs.)	% Complete
40	Shagha Primary school	Rehabilitation of schools, flooring, roofing, plastering	837,931	837,931	837,931	-	-	837,931	0%
41	Ndumbinyi Primary school	Construction of 2 new classrooms	1,500,000	-	-	-	-	0	0%
42	Funju Secondary School	Construction of a laboratory upto a substructure	800,000	800,000	800,000	800,000	800,000	0	2%
43	Hon.Thomas Mwadeghu	Construction of 2 new classrooms	2,500,000	4,890,000	5,890,000	1,020,428	1,020,428	4,869,572	6%
44	Mwakishimba Secondary School	Constructions of 2 new classrooms	2,500,000	2,500,000	3,500,000	133,736	1,028,455	2,471,545	24%
45	Mbale Health centre	Construction of a male ward	1,300,000	1,300,000	1,300,000	-	-	1,300,000	0%
46	Mwanda health centre	Construction of consultation room and board room	2,000,000	2,000,000	2,000,000	-	-	2,000,000	0%
47	Vighombonyi Dispensary	Construction of a new health centre	2,000,000	2,000,000	2,000,000	-	-	2,000,000	0%
48	Mwasenja Water project	Purchase of pipes and pipe laying	1,500,000	1,500,000	1,500,000	-	-	1,500,000	0%
49	Wundanyi Prisons	Construction of a prison canteen	1,115,909	1,115,909	1,115,909	-	-	1,115,909	0%
50	Mzazala Saghasa Road		1,500,000	1,500,000	1,500,000	-	-	1,500,000	0%
51	Mogho Piringa Mdongodongo Road	Bush clearing, culverts and reshaping of the road	500,000	500,000	500,000	-	-	500,000	0%
52	Wanganga Mdundonyi road	Bush clearing and reshaping	500,000	500,000	500,000	-	-	500,000	0%
53	Mlambenyi Mwangea Road	Road expansion and culverts installation	500,000	500,000	500,000	-	-	500,000	0%
54	Constituency Office Project	external landscaping and renovations, final finishes	4,000,000	4,000,000	4,000,000	2,084,663	2,084,663	1,915,337	50%
55	Mwakuro hall	Construction of the new hall	3,500,000	3,500,000	3,500,000	-	-	3,500,000	0%

No.	Name of project	Details of the project	Amount of allocation as per Approved proposal (Kshs)	Disbursements in 2014/15 (Kshs)	Cumulative Disbursements since the start) as at 30 June 2015(Kshs)	Expenditure in 2014/15 (Kshs)	Cumulative Expenditure as at 30 June 2015 (Kshs)	Unspent Disbursements (Kshs.)	% Complete
56	Nyache Community hall	Plastering of the walls	1,500,000	1,500,000	1,500,000	-	-	1,500,000	0%
57	Mgange Complex center	Construction of a new hall	3,500,000	-	-	-	-	0	0%
58	Sungululu Modern Hall	Construction of a new model hall	1,000,000	1,000,000	1,000,000	-	-	1,000,000	0%
TOTAL			69,867,686	67,257,686	107,468,880	21,635,220	60,210,140	47,258,740	

Analysis of the project status report above reveals that two (2) projects with a budgetary allocation of Kshs.5,000,000 did not receive any funds at all during the year under review while twenty-two (22) projects had not taken off despite cumulative disbursements of Kshs.25,203,840 as at 30 June 2015. Further, three (3) of the projects costing Kshs.11,767,500 were well past their expected completion dates as shown below:-

No.	Name of project	Details of the project	Start Date	Expected Completion Date	Period of delay as at the time of verification in May 2016(In months)	Cumulative disbursements (since the start) as at 30 June 2015 (Kshs)	Cumulative Expenditure as at 30 June 2015 (Kshs)	% Complete
1	Solome Water project	Construction of a tank and pipe laying	16/10/2014	31/03/2015	13	2,500,000	1,999,230	60%
2	Lushangonyi Comm Hall	Construction of toilet	7/10/2014	24/06/15	11	2,462,000	1,885,885	85%
3	St.Agatha Ngoloki	Construction of a dormitory and kitchen	29/01/2014	22/04/2015	13	6,805,500	6,034,026	70%
TOTAL						11,767,500	9,919,141	

The under expenditure and failure to implement projects within the planned time may negatively impact on service delivery to the residents of Wundanyi Constituency.

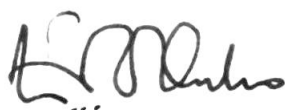
1.3 Projects Verification

During the year under review, six (6) projects with disbursements of Kshs.14,300,000 were inspected in May 2016 and anomalies noted as detailed below:-

S/No.	Project Name	Amount (Kshs.)	Observations
1.	Ndumbinyi Primary School- Construction of three classrooms	1,500,000	Project abandoned after excavation work. Construction work re-tendered with expected completion date of 30.02.2016. At the time of the audit inspection, the contractor had not taken possession of the site.
2.	Maghimbinyi Primary School – Renovation of Six Classrooms	3,000,000	Floors had cracks although the classrooms are in use.
3.	Mbale Health Centre – Construction of a male ward	1,300,000	Construction work not started.
4.	Mgange Complex Centre – Construction of a hall	3,500,000	During the site visit, it was noted that the contractor had not taken possession of the site. The contractor was to take possession of the site by 29.04.2016.
5.	Werugha Multipurpose Complex – Construction of a hall	1,000,000	Construction work at roofing level with floors and fittings still remaining. The contractor had not taken possession of the site by the time of audit verification.
6.	CDF Headquarters(Including boundary wall)	4,000,000	Finishing works still ongoing although the project was expected to be completed by 28.12.2015.
	Total	14,300,000	

The above anomalies may be as a result of poor workmanship and lack of requisite capacity to deliver on the contract, which may delay completion of the projects and contribute to non-delivery of goods and services to the intended beneficiaries of the Constituency.

My opinion is not qualified in respect of these matters.



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

Nairobi

1 July 2016

CONSTITUENCY DEVELOPMENT FUND- WUNDANYI CONSTITUENCY**Reports and Financial Statements**

For the year ended June 30, 2015

**III. STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30TH JUNE 2015**

	Note	2014-2015 Kshs	2013-2014(Restated) Kshs
RECEIPTS			
Transfers from Other Government Entities	1	119,755,876	70,205,568
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	3,038,000	-
TOTAL RECEIPTS		122,793,876	70,205,568
PAYMENTS			
Compensation of Employees	4	1,166,150	998,800
Use of goods and services	5	4,600,278	* 4,356,668
Committee Expenses	6	5,756,999	*5,609,242
Transfers to Other Government Units	7	30,891,846	*20,863,020
Other grants and transfers	8	45,336,477	30,936,834
Social Security Benefits	9	9,800	-
Acquisition of Assets	10	4,000,000	6,500,000
Other Payments	11	2,098,650	-
		93,860,200	69,264,565
SURPLUS/(DEFICIT)		28,933,676	*941,003

*The figures were restated as explained in the respective notes

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WUNDANYI CDF financial statements were approved on 27th May 2016 and signed by:

**Chairman - CDFC****Fund Account Manager**

CONSTITUENCY DEVELOPMENT FUND- WUNDANYI CONSTITUENCY

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For the year ended June 30, 2015

**IV. STATEMENT OF ASSETS
AS AT 30TH JUNE 2015**

	Note	2014-2015 Kshs	2013-2014 (Restated) Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	29,338,669	941,003
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	536,010	-
TOTAL FINANCIAL ASSETS		29,874,679	941,003

REPRESENTED BY

Fund balance b/fwd	13	941,003	-
Surplus/(Deficit) for the year		28,933,676	*941,003
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		29,874,679	*941,003

*Figures restated due to an understatement of operating expenses by Kshs. 3,520,179

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WUNDANYI CDF financial statements were approved on 27th May 2016 and signed by:



Chairman - CDFC



Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- WUNDANYI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

**V. STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2015**

		2014 – 2015 (Kshs)	2013-2014(Restated) (Kshs)
Receipts for operating income			
Transfers from Other Government Entities	1	119,755,876	70,205,568
Other Receipts	3	3,038,000	-
		122,793,876	70,205,568
Payments for operating expenses			
Compensation of Employees	4	(1,166,150)	(998,800)
Use of goods and services	5	(4,600,278)	*(4,356,668)
Committee Expenses	6	(5,756,999)	*(5,609,242)
Transfers to Other Government Units	7	(30,891,847)	*(20,863,020)
Other grants and transfers	8	(45,336,476)	(30,936,835)
Social Security Benefits	9	(9,800)	-
Other Payments	11	(2,098,650)	-
		(89,860,200)	(62,764,565)
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		32,933,676	7,441,003
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	(4,000,000)	(6,500,000)
Net cash flows from Investing Activities		(4,000,000)	(6,500,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		28,933,676	*941,003
Cash and cash equivalent at BEGINNING of the year	15	941,003	-
Cash and cash equivalent at END of the year	16	29,338,669	941,003

*The figures were restated as explained in the respective notes.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WUNDANYI CDF financial statements were approved on 27th May 2016 and signed by:

Chairman CDFC

Fund Account Manager

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

VI. 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	96,700,160.00	47,230,756	143,930,916	119,755,875.80	24,175,040	83
Balance B/f		941,003		-	-	
Other Receipts		3,038,000	3,038,000	3,038,000	-	
Total	96,700,160	51,209,759	147,909,919	122,793,876	25,116,043	83
PAYMENTS						
Compensation of Employees	1,830,000		1,830,000	1,166,150	663,850	64
Use of goods and services	4,300,000	900,000	5,200,000	4,600,278	599,722	88
Committee Expenses	2,523,015	3,274,994	5,798,008	5,756,999	41,009	99
Transfers to Other Government Units	35,763,840	27,127,333	62,891,173	31,891,847	30,999,327	51
Other grants and transfers	47,733,305	17,807,438	65,540,744	45,336,477	20,204,267	69
Social Security Benefits	50,000		50,000	9,800	40,200.00	20
Acquisition of Assets	4,000,000		4,000,000	4,000,000	-	100
Other Payments	500,000	2,100,000	2,600,000	2,098,650	501,350.00	81
TOTALS	96,700,160	51,209,765	147,909,925	93,860,200	54,049,725	63

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI CONSTITUENCY
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- (a) None of our revenues were from Appropriate In Aid
- (b) Utilization

i. 20% - We anticipated to employ more staff of which we yet to recruit

The WUNDANYI CDF financial statements were approved on 27th May 2016 and signed by:



Chairman CDF



Fund Account Manager

VII. 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 – WUNDANYI CONSTITUENCY
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For the year ended June 30, 2015

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT UNITS

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO	759581	2,786,518	
AIE NO	750216	3,790,000	
AIE NO	706898	9,670,016	43,102,743
AIE NO	796666	14,505,024	2,000,000
AIE NO	759559	24,175,040	25,102,825
AIE NO	750141	39,764,466	
AIE NO	750240	889,772	
AIE NO.	796066	24,175,040	
TOTAL		119,755,876	70,205,568

2. PROCEEDS FROM SALE OF 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	-	-

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	3,038,000	-
Total	3,038,000	-

4. COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,023,150	998,800
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	143,000	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
Total	1,166,150	998,800

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

	2014 - 2015	2013-2014(Restated)
	Kshs	Kshs
Utilities, supplies and services	-	849,585
Communication, supplies and services	231,000	*704,500
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	57,237	-
Rentals of produced assets	-	303,628
Training expenses	-	210,000
Hospitality supplies and services	207,547	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,641,230	669,178
Other operating expenses	1,780,281	*725,974
Routine maintenance – vehicles and other transport equipment	411,883	893,803
Routine maintenance – other assets	21,100	-
Fuel ,oil & lubricants	250,000	-
Total	4,600,278	*4,356,668

*Being corrected understatement of communication, supplies and services by Kshs. 550,000.00

*Being corrected understatement of other operating expenses by Kshs. 553,074.26

6. COMMITTEE EXPENSES

	2014 - 2015	2013 -2014(Restated)
	Kshs	Kshs
Committee allowances	4,730,699	*2,089,742
Other committee expenses	1,026,300	*3,519,500
Total	5,756,999	*5,609,242

*Being corrected understatement of Committee allowances by Kshs. 411,605.00

*Being corrected understatement of other committee expenses by Kshs. 600,000.00

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. TRANSFER TO OTHER GOVERNMENT UNITS

Description	2014 - 2015	2013-2014(Restated)
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools	6,400,000	14,457,520
Transfers to secondary schools	15,590,000	*5,405,500
Transfers to tertiary institutions	1,229,317	-
Transfers to health institutions	7,672,530	1,000,000
TOTAL	30,891,847	*20,863,020

*Restated due to understatement of transfer to secondary schools by Kshs. 1,405,500

8. OTHER GRANTS AND TRANSFERS

	2014 - 2015	2013-2014
	Kshs	Kshs
Bursary – secondary schools	10,116,000	27,008,998
Bursary – tertiary institutions	14,133,311	-
Bursary – special schools	-	-
Mock & CAT	-	-
Water projects	4,000,000	1,300,000
Agriculture projects	-	-
Electricity projects	-	-
Security projects	-	-
Roads projects	1,900,000	1,995,094
Sports projects	1,265,486	-
Environment projects	1,009,680	632,743
Emergency projects	-	-
Social Hall Project	12,912,000	-
Total	45,336,477	30,936,835

9. SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	9,800	-
Total	9,800	-

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI 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**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	4,000,000	6,500,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	4,000,000	6,500,000

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

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Strategic plan	2,098,650	-
Total	2,098,650	-

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
KCB WUNDANYI BRANCH 1103860992	29,338,669	941,003
	-	-
	-	-
Total	29,338,669	941,003

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI CONSTITUENCY

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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>)	-	-
Total	-	-

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>Cdf wundanyi</i>	30/06/15	536,010	-	536,010
		536,010	-	536,010
Total				<u>536,010</u>

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	941,003	-
Cash in hand	-	-
Imprest	-	-
Total	941,003	-

14. PRIOR YEAR ADJUSTMENTS

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

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI CONSTITUENCY
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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	-	-
	-	-

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)	15,837,931	-
Amounts due to other grants and other transfers (see attached list)	7,734,003	-
Others (<i>specify</i>)	500,000	-
	24,071,934	-

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI CONSTITUENCY

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For the year ended June 30, 2015

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Activity	Amount Kshs.	Comments
Amounts due to other Government entities			
Wumingu Technical College	Construction of technical college	10,000,000	Waiting for funds to be disbursed from the board
Mwakishimba Secondary School	Construction of classroom	3,000,000	Waiting for funds to be disbursed from the board
Mwanda Health center	Construction of health center	2,000,000	Waiting for funds to be disbursed from the board
Shaga primary school	Rehabilitation of schools, flooring, roofing, plastering of cracks.	837,931	Waiting for funds to be disbursed from the board
Sub-Total		15,837,931	
Amounts due to other grants and other transfers			
Mwakuro Hall	Construction of hall	3,500,000	Waiting for funds to be disbursed from the board
Mogho Piringa Mdongodongo Road	Bush clearing, culverts and reshaping of the road (6km)	500,000	Waiting for funds to be disbursed from the board
Wanganga Mdundonyi Road	Bush clearing and reshaping	500,000	Waiting for funds to be disbursed from the board
Mlambenyi Mwangea Road	Road expansion and culverts installation	500,000	Waiting for funds to be disbursed from the board
Vighombonyi tree planting	Tree plantation project	500,000	Waiting for funds to be disbursed from the board
Wundanyi Tree planting	Tree planting activity in Wundanyi area	300,000	Waiting for funds to be disbursed from the board
Sports project	Transport of teams, sports uniform, balls and trophies	1,934,003	Waiting for funds to be disbursed from the board
Sub-Total		7,734,003	
Others (specify)			
11. Audit fees	Audit fees for KENAO	500,000	Waiting for funds to be disbursed from the board
Sub-Total		500,000	
Grand Total		24,071,934	