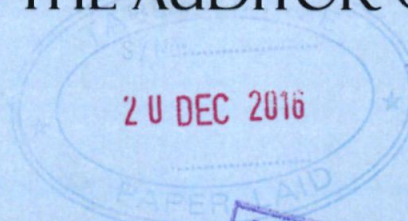


REPUBLIC OF KENYA



Paper Laid by the Leader
of the Majority Party on
the Table of the
House on Tuesday
20th December 2016
Afternoon



OFFICE OF THE AUDITOR-GENERAL in the

REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND -
IGEMBE NORTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**





CONSTITUENCY DEVELOPMENT FUND- I GEMBE NORTH CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2015

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

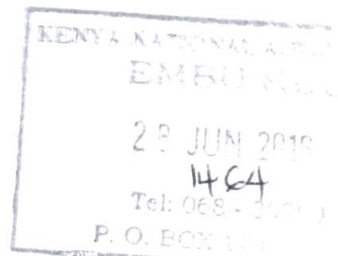


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CONSTITUENCY DEVELOPMENT FUND- IGEMBE NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*.

(b) Key Management

The *Igembe North 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:

N	Designation	Name
o		
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Pauline Mwangi
3.	Accountant	Nathan Thurania
4.		

(d) Fiduciary Oversight Arrangements

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

P.O. Box 71 - 60601
CDF Building
Laare Police Station Road
Laare, KENYA

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

(f) IGEMBE NORTH CDF Contacts

Telephone: (254) 725597
E-mail: igembenorth2015@gmail.com
Website: www.go.ke

(g) IGEMBE NORTH CDF Bankers

1. Equity Bank
Maua Branch
0400262495103

(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

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

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

Budget performance

The office has been able to release the funds to the Pmcs' as soon as the CDFB has released to us although there has been some delays of release of funds from the CDF Board resulting to the high variance of in the appropriation the funds. Most of the projects have been implemented especially whose funds were released in the first tranche.

Achievements for the CDF,

The Fund has been very beneficial to the community especially with the issuance of bursaries especially to needy students in day and boarding secondary schools, this has helped the students to pursue this basic education, we were able to issue bursaries totalling to approximately Kshs 19 million, water projects Kshs. 14 million, education Kshs. 30 Million. These funds are used to construct classes, dormitories, laboratories and even offices. Kshs. 2.9 million was used during the year to construct health facilities in the constituency.

Several social halls have been constructed and others renovated. The halls are used to hold public meetings especially on security issues in the constituency.

Emerging issues related to the CDF,

There has been uncertainty in the community on the existence of the CDF due to the court petition on devolving the CDF, though most people would like it to be controlled at the constituency level since they are not confident that if it gets devolved the current benefits will be skewed and most projects may be abandoned by the county governments.

Way forward

There should be timely disbursements of fund to the constituencies to allow timely implementations of the projects

Due to some of the PMC's not being conversant with the government policies and procedures there is need to empower them through continued training.

Sign.....

Mr. Fredrick K. Ntonja

Chairman Cdfc

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

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the *Igembe North 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 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 *Igembe North* 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 *Igembe North* 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 *Igembe North*) 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 29th September 2015.



FAM



CDFC CHAIRMAN



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Constituencies Development Fund - Igembe North Constituency set out on pages 6 to 20, which comprise the statement of assets and liabilities as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and 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 the International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor – General in accordance with the provisions of Section 7(2) of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 (7) of the constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Unconfirmed Expenditures

During the financial year under review, Igembe North CDF did not avail for audit verification supporting documents for expenditure amounting to Kshs.46,436,390.00 which was 36% of the total expenditure of Kshs. 128,321,970 incurred during the year under review. The payment vouchers and the supporting documents for the expenditure had apparently been surrendered to the Ethics and Anti-Corruption Commission for investigation.

In the circumstance, audit confirmation of the compliance, and value-for-money for expenditure totalling to Kshs.46,436,390 could not be ascertained.

2. Project Implementation Status

A project status report provided in support of the financial statements reflected balances totaling to Kshs. 98,550,856 being budgetary allocation to projects in the constituency during the year under review.

However, analysis of the report revealed that projects costing Kshs. 10,200,000 had not commenced as at 30 June 2015 although the respective total funding had already been disbursed to the project management committee (PMC). Further, as at 30 June 2015, several projects costing Kshs.25,600,000 were on-going while projects costing Kshs.62,750,856 were completed as shown below:

Sector	Project Status	Amount Allocated	Amount Disbursed	No. of Project
Education	Completed	19,569,896	19,569,896	43
	On-going	3,000,000	3,000,000	5
	Not started	10,200,000	10,200,000	2
Subtotal		32,769,896	32,769,896	50
Bursary	Completed	15,000,000	15,000,000	1
Subtotal		15,000,000	15,000,000	1
Water	Completed	100,000	100,000	1

	On-going	14,100,000	14,100,000	4
Subtotal		14,200,000	14,200,000	5
Health	Completed	600,000	600,000	1
	On-going	1,500,000	1,500,000	3
Subtotal		2,100,000	2,100,000	4
Security	Completed	3,300,000	3,300,000	5
	On-going	3,200,000	3,200,000	9
Subtotal		6,500,000	6,500,000	14
energy	completed	1,600,000	1,600,000	2
	On-going	3,200,000	3,200,000	4
Subtotal		4,800,000	4,800,000	6
Roads	completed	7,500,000	7,500,000	5
Subtotal		7,500,000	7,500,000	5
Others	Completed	15,080,960	15,080,960	5
	On-going	600,000	600,000	2
Subtotal		15,680,960	15,680,960	7
Grand Total		98,550,856	98,550,856	92

Among the projects that had not commenced in the construction of Kaelo Technical Training Institute – TVET. Bank statements made available for audit review showed that Kshs.10,000,000 was transferred on 29 October 2015 to the CDF bank account (Equity Bank Account 014026656793) for use in the project. However, as at the time of the audit in March 2016, the project had not commenced and no supporting documents were made available for audit to confirm that the funds were still safe and intact in the bank and had not been spent on other unrelated items.

In view of the failure to implement the projects the residents of Igembe North Constituency did not obtain services due from budgeted projects valued at Kshs.10.200,000 not implemented during the year.

3. Budgetary controls and Performance

For the Financial year under review, Igembe North Constituency had an approved budget of Kshs. 162,822,347.00 while actual expenditure was Kshs.128,321,970 (79%) as follows:

Expenditure Analysis	Budget	Actual	Variance	Absorption
Compensation of Employee	2,589,606	1,729,064	860,542	67%
Use of Goods and services	6,904,613	5,776,677	1,127,936	84%
Committee Expenses	10,235,500	6,821,875	3,413,625	67%
Transfer to Other Government Unit	49,469,996	34,375,000	15,094,996	69%
Other Grants and Transfers	73,922,261	73,425,523	496,738	99%
Social Security Benefits	164,080	157,440	6,640	96%

Acquisition of Assets	13,336,291	6,036,391	7,299,900	45%
Other Payments	6,200,000	-	6,200,000	0%
Total	162,822,347	128,321,970	34,500,377	79%

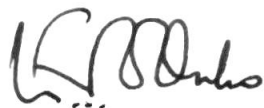
As a result, the residents of Igembe North Constituency did not receive promised and expected services equivalent to the unspent funds totaling Kshs. 34,500,377.

4. Irregular Reallocation of Bursary Funds

During the year under review, the Igembe North CDF management transferred from the bursary vote to the Higher Education Loans Board (HELB) funds amounting to Kshs.5,000,000 to create a revolving fund for the constituency following a service agreement entered into between the CDF and HELB. However, this was among the projects approved by the CDF Board as prescribed in Section 17 of the CDF Act. The Funds were transferred to HELB without the approval of the CDF Board as required by Section 10(2) of the CDF Act 2013. In the circumstances, the CDF management breached law.

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 - Igembe North Constituency as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Constituencies Development Fund Act, 2013.



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

Nairobi

14 November 2016

CONSTITUENCY DEVELOPMENT FUND- IGEMBE NORTH CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015****V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	157,697,463	85,628,165
Other Receipts	2	-	1,537,706
TOTAL RECEIPTS		157,697,463	87,165,871
PAYMENTS			
Compensation of Employees	3	1,729,064	1,394,451
Use of goods and services	4	5,776,677	2,174,570
Committee Expenses	5	6,821,875	4,571,360
Transfers to Other Government Units	6	36,475,000	40,950,000
Other grants and transfers	7	73,444,314	30,591,317
Social Security Benefits	8	157,440	27,440
Acquisition of Assets	9	6,036,391	14,752,893
Other Payments	10	-	5,116,850
TOTAL PAYMENTS		130,440,761	99,578,881
SURPLUS/DEFICIT		27,256,702	(12,413,010)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The IGEMBE NORTH CDF financial statements were approved on 29 September 2015 and signed by:


Chairman - CDFC

Fredrick K. Ntonja


Fund Account Manager

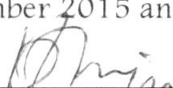
Pauline Mwangi

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

VI. STATEMENT OF ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	32,073,687	4,816,985
TOTAL FINANCIAL ASSETS		32,073,687	4,816,985
REPRESENTED BY			
Fund balance b/fwd	13	4,816,985	17,229,995
Surplus/Deficit for the year		27,256,702	(12,413,010)
NET FINANCIAL POSITION		32,073,687	4,816,985

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Igembe North CDF financial statements were approved on 29th September 2015 and signed by:



 Chairman - CDFC

Fredrick K. Ntonja



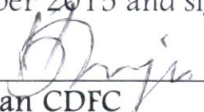
 Fund Account Manager

Pauline Mwangi

CONSTITUENCY DEVELOPMENT FUND- IGEMBE NORTH CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015****VII. STATEMENT OF CASHFLOW**

		2014 - 2015	2013 - 2014
Receipts for operating income			
Transfers from CDF Board	1	157,697,463	85,628,165
Other Receipts	2	-	1,537,706
Payments for operating expenses			
Compensation of Employees	3	1,729,064	1,394,451
Use of goods and services	4	5,776,677	2,174,570
Committee Expenses	5	6,821,875	4,571,360
Transfers to Other Government Units	6	36,475,000	40,950,000
Other grants and transfers	7	73,444,314	30,591,317
Social Security Benefits	8	157,440	27,440
Other Payments	10	-	5,116,850
Adjusted for:			
Adjustments during the year		0	0
Net cash flow from operating activities		33,293,097	2,339,883
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	0
Acquisition of Assets	9	6,036,391	14,752,893
Net cash flows from Investing Activities		(6,036,391)	(14,752,893)
NET INCREASE IN CASH AND CASH EQUIVALENT		27,256,702	(12,413,010)
Cash and cash equivalent at BEGINNING of the year	15	4,816,985	17,229,995
Cash and cash equivalent at END of the year	16	32,073,687	4,816,985

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Igembe North CDF financial statements were approved on 29th September, 2015 and signed by:


Chairman CDFC

Fredrick K. Ntonja

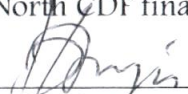

Fund Account Manager

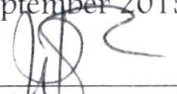
Pauline Mwangi

II. 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	117,089,795	45,424,652	162,514,447	157,697,463	4,816,984	97%
Proceeds from Sale of Assets	0	0	0	0		
Other Receipts				-		97%
		45,732,552	162,514,447	157,697,463	4,816,984	
PAYMENTS						
Compensation of Employees	2,220,000	369,606	2,589,606	1,729,064	860,542	67%
Use of goods and services	2,488,080	4,416,533	6,904,613	5,776,677	1,127,936	84%
Committee Expenses	5,700,000	4,535,500	10,235,500	6,821,875	3,413,625	67%
Transfers to Other Government Units	36,269,996	13,200,000	49,469,996	36,475,000	12,994,996	74%
Other grants and transfers	57,181,819	16,740,442	73,922,261	73,444,314	477,947	99%
Social Security Benefits	130,000	34,080	164,080	157,440	6,640	96%
Acquisition of Assets	7,299,900	6,036,391	13,028,391	6,036,391	6,992,000	46%
Other Payments	5,800,000	400,000	6,200,000	-	6,200,000	100%
TOTALS	117,089,795	45,732,552	162,822,347	130,440,761	32,073,686	

The Igembe North CDF financial statements were approved on 29th September 2015 and signed by:


 Chairman CDF
 Fredrick K. Ntonja


 Fund Account Manager
 Pauline Mwangi

IX. 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.

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *CDF's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *CDF's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO	2013/14/370		38,607,668
AIE NO	2012/13/154		45,020,497
AIE NO	2013/14/051		2,000,000
AIE NO	2013/14/75015 4	40,607,667	
AIE NO	2014/15/75033 7	7,300,000	
AIE NO	2014/15/75044 8	21,972,449	
AIE NO	2014/15/79655 6	14,563,469	
AIE NO	2014/15/79674 0	14,708,980	
AIE NO	2014/15/79679 5	29,272,449	
AIE NO	2014/15/79609 6	29,272,449	
TOTAL		157,697,463	85,628,165

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. OTHER RECEIPTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Other Receipts Not Classified Elsewhere	-	1,537,706
Total	-	1,537,706

(These are stale bursary cheques reversed but not yet written off)

3. COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,585,064	1,250,451
Personal allowances paid as part of salary		
House allowance	120,000	120,000
Leave allowance	24,000	24,000
Total	1,729,064	1,394,451

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	356,225	298,505
Printing, advertising and information supplies & services	930,639	182,406
Rentals of produced assets	-	307,904
Training expenses	-	200,000
Office and general supplies and services	2,435,011	91,100
Routine maintenance – vehicles and other transport equipment	429,802	367,670
Routine maintenance – other assets	1,625,000	726,985
Total	5,776,677	2,174,570

5. COMMITTEE EXPENSES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	3,197,075	2,000,000
Other committee expenses	3,624,800	2,571,360
Total	6,821,875	4,571,360

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Transfers to primary schools	22,450,000	17,700,000
Transfers to secondary schools	10,800,000	17,050,000
Transfers to tertiary institutions	325,000	1,000,000
Transfers to health institutions	2,900,000	5,200,000
TOTAL	36,475,000	40,950,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015 Kshs	2013- 2014 Kshs
Bursary – secondary schools	11,124,865	3,889,500
Bursary – tertiary institutions	3,608,827	3,467,800
Transfers to HELB	5,000,000	-
Water projects	14,200,000	5,900,000
Electricity projects	4,800,000	250,000
Security projects	10,450,000	5,800,000
Roads projects	7,500,000	670,000
Sports projects	3,152,000	639,017
Environment projects	-	1,500,000
Emergency projects	13,608,622	8,475,000
Total	73,444,314	30,591,317

8. SOCIAL SECURITY BENEFITS

	2014 - 2015 Kshs	2013 - 2014 Kshs
Employer contribution to NSSF	157,440	27,440
Total	157,440	27,440

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. ACQUISITION OF ASSETS		
<u>Non Financial Assets</u>	2014 - 2015	2013 - 2014
	Kshs	Kshs
Construction of Buildings	1,912,491	14,752,893
Purchase of Office Furniture and General Equipment	4,123,900	-
Total	6,036,391	14,752,893

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER PAYMENTS

2014 - 2015 Kshs	2013 - 2014 Kshs
-	5,116,850

11: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015 Kshs	2013 - 2014 Kshs
<i>Equity Bank, Maua Branch A/C no. 0400262495103</i>	32,073,687	
<i>Co-operative Bank, Maua Branch A/C no. 01120024819200</i>	NIL	4,816,985
Total	32,073,687	4,816,985

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. BALANCES BROUGHT FORWARD

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bank accounts	4,816,985	17,229,999
Total	4,816,985	17,229,999

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XI. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATION

Reference No on the External Audit Report	Issue / Observation from the Auditor	Management Comments	Focal point persons to resolve the issue (Name & Designation)	Status resolved /Not resolved	Time frame (put a date when you expect the issue to be resolved)
1.	Unsupported Expenditure Kshs. 5,116,850.00	This was expenditure not classified in the major votes like education, Water e.t.c These funds were used for projects like Roads, Strategic Plan, Printing e.t.c	Pauline Mwangi F.A.M	Issue Resolved	
2.	Cash / Cash equivalents Balance <ul style="list-style-type: none"> • Stale cheques Ksh. 954,982 • Bank charges Kshs. 38,504 	The stale cheques were as a result of moving bank since we had to wait until the cheques were either cashed or go stale. The cheques have since been refreshed. The Bank charges have also been cleared.	Pauline Mwangi F.A.M	Issue Resolved	

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ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Buildings and structures	16,665,384	16,665,384
Transport equipment	4,394,264	4,394,264
Office equipment, furniture and fittings	4,627,920	504,020
ICT Equipment, Software and Other ICT Assets	220,000	220,000
Total	25,907,568	21,783,668