

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



*Paper Laid by  
Leader of Majority  
Party  
Wednesday 20/9/2016  
Morning  
Sitting  
Acs*



**REPORT**



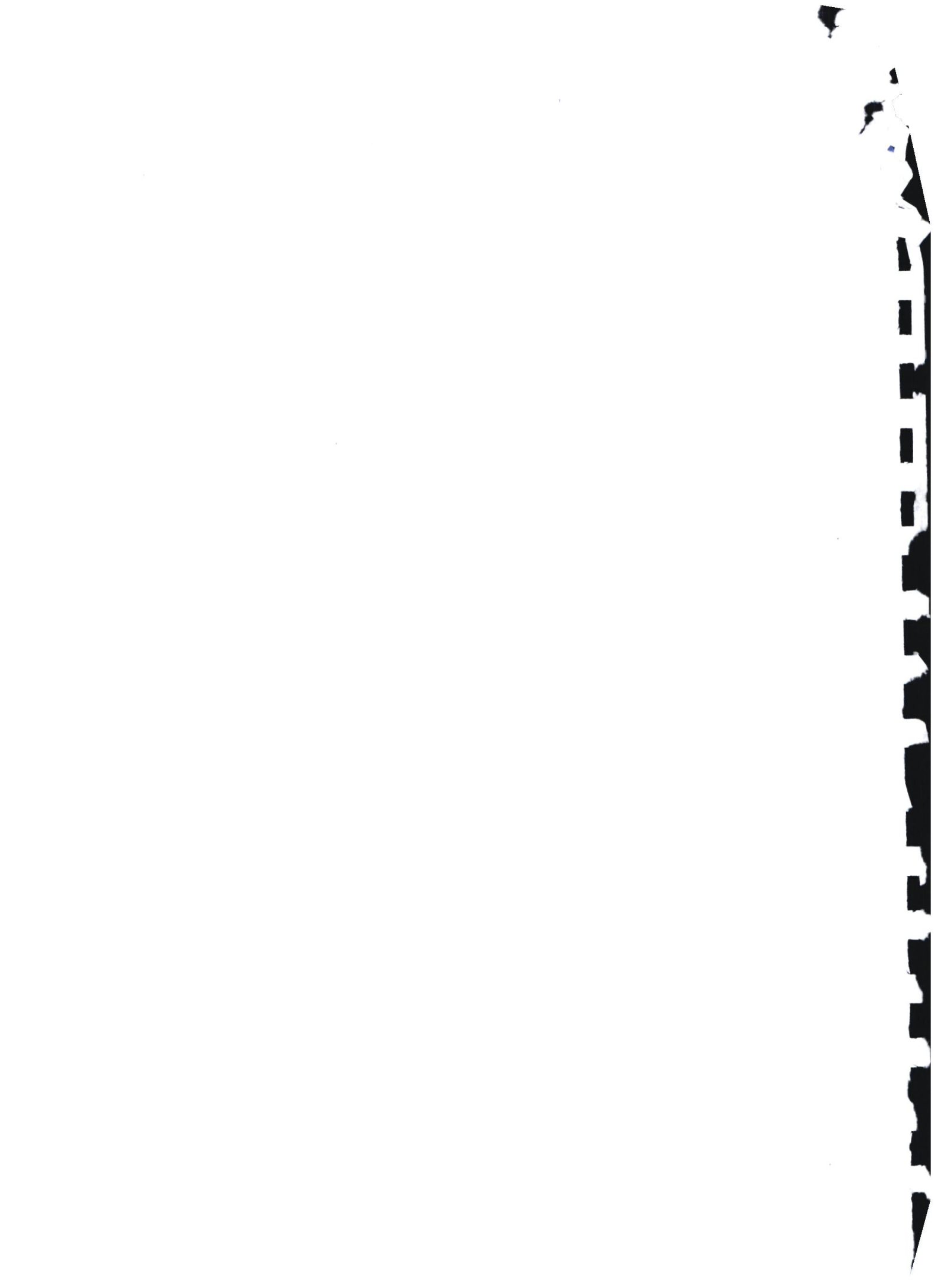
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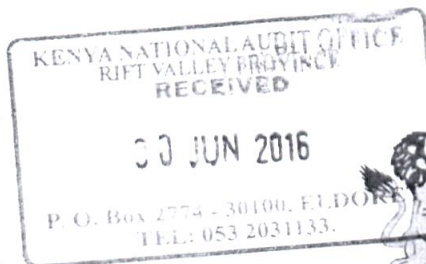
**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
CONSTITUENCIES DEVELOPMENT  
FUND - TINDERET CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2015**





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**CONSTITUENCY DEVELOPMENT FUND- TINDERET 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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**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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *TINDERET 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	BENJAMIN SUGUT
3.	ACCOUNTANT	DAVID MUNYAO

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 200-30301  
NANDI HILLS  
AT DDOS OFFICE MARABA.

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**(f) TINDERET CDF Contacts**

Telephone: (254) NONE  
E-mail: [cdfTINDERET@cdf.go.ke](mailto:cdfTINDERET@cdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) TINDERET CDF Bankers**

1. Kenya Commercial Bank  
A/C NO.1106819446  
P.O. BOX 184-30301  
NANDI HILLS

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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



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

In relation to financial statement and TINDERET CDF performance for the year 2014/2015,I wish to make the following comments.

The CDF committee is the main implementing organ of the CDF budget and its decisions are of enormous importance. Decision making is the single greatest weight upon our shoulders which impacts all of us either negatively it positively. An effective decision empowers others to grow and people will want to mimic the committee for bad decision. During the year 2014/2015 the committee received a total allocation of ksh.109,079,884.00 compared to Ksh. 131,973,279.00 in the year 2013/2014, the amount received in 2013/2014 comprised of an allocation of Ksh. 75,928,357 and late disbursement of Ksh. 56,044,922 that formed part of 2012/2013 allocation.

Good decisions foster opportunity and arriving at a good conclusion serves the whole constituency and the wananchi more justice than even the highest court of law. A systematic decision must take into account the tie resources,basic expectations proper judgement and the estimation of the probability of success.

Some of the challenges faced during the year includebut not limited to:

- i. Environmental challenges and demographic features
- ii. Inadequate funding
- iii. Identification of mutually exclusive projects
- iv. Community participation at PMC level
- v. Lack of skilled personnel to assist in project implementation.

We remain very firm and optimistic that year 2015/2016 will be of greater achievement having learnb from the previous year performance,

*Sign*

  
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**ALICE SITIENEI**  
**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 *TINDERET 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.

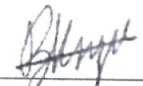
The Accounting Officer in charge of the *TINDERET CDF* accepts responsibility for the *CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). 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 *TINDERET 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 *TINDERET 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 September 1<sup>ST</sup> 2015.

  
ALICE SITIENEI  
Chairman - CDFC

  
BENJAMIN SUGUT  
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 –TINDERET 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- Tinderet Constituency set out on pages 5 to 18, which comprise the statement of assets 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 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 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

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*Constituencies Development Fund – Tinderet Constituency – Reports and Financial Statements for the year ended 30 June 2015*

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**

#### **1.0 Bank Balance**

The statement of assets reflect bank balance of Kshs.31,988,677.40 as at 30 June 2015. An audit examination of the bank reconciliation statement for the month of June 2015 showed un-presented cheques amounting to Kshs.8,556,771.80 out of which cheques amounting to Kshs.66,755.95 were stale and had not been reversed to the cashbook. Further, no information was availed for audit review showing the dates when the balance of the un-presented cheques totalling Kshs.8,490,015.85 were subsequently cleared by the bank. Consequently, the accuracy and validity of the bank balance of Kshs31,988,677.40 as at 30 June 2015 could not be confirmed.

#### **2.0 Pending Accounts Payables**

The statement of assets reflects bank balance of Kshs 31,988,677.40 as at 30 June 2015. However, the financial statements do not have accounts payable disclosure in form of a note indicating the projects that were not funded during the year as required by the reporting template for CDFs provided by the National Treasury. Consequently, the accuracy and completeness of these financial statements for the year ended 30 June 2015 could not be confirmed.

### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Constituencies Development Fund - Tinderet Constituency as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Constituencies Development Fund Act, 2013.

## Other Matter

### 1.0 Budgetary Control and Performance

#### 1.1 Budget Performance

Tinderet Constituency's approved budget for 2014/2015 amounted to Kshs123,968,614.40 comprising of 2014/2015 allocation of Kshs.109,079,884 and unspent balance brought forward from 2013/2014 of Kshs.14,888,730.40. During the same period, the Fund incurred expenditure of Kshs. 91,979,936.60 or 74% of the approved budget resulting to under-expenditure of Kshs. 31,988,677.80 or 26% of the final budget as detailed below;

Receipt/Expense Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Under Expenditure (Kshs)	% of Utilisation
Compensation of Employees	1,898,842.00	1,898,842.00	-	100
Use of goods and services	3,729,769.00	3,173,257.60	556,511.40	85
Committee Expenses	5,283,262.00	5,283,262.00	-	100
Transfers to Other Government Units	86,741,408.00	62,852,621.00	23,888,787.00	72
Other grants and transfers	26,315,333.00	18,771,954.00	7,543,379.00	71
<b>Total</b>	<b>123,968,614.00</b>	<b>91,979,936.60</b>	<b>31,988,677.40</b>	<b>74</b>

From the above summary, it is clear that the fund failed to utilize Kshs.31,988,677.40 or 26% of its budget allocation. Failure to utilize all the funds as budgeted is an indication that programs or activities are not being implemented as planned thus not achieving the intended objective of improving delivery of goods and services to the people of Tinderet Constituency. It may also be an indication that the budgetary process was not properly estimated and thus there may be need for the management to relook at the budgeting process to ensure that only priority areas are allocated funds.

#### 1.2 Project Implementation Status

During the financial year 2014/2015, Tinderet CDF had an approved budget of Kshs.80,251,170.00 to be spent on eighty seven (87) projects out of which an amount of Kshs 64,582,042.00 was disbursed to eighty two (82) projects except one project which received Kshs 700,000 out of its approved allocation of

Kshs1,418,934, while Kshs. 14,950,194 budgeted for five (5) projects had not been disbursed as shown below:

S/N o	Project Name	Activity	Allocation (Kshs)	Disbursement 2014/2015 (Kshs)	Cumulative Achievement %	Status
1	Matema Primary	Plastering and painting of two classroom, completion	500,000.00	500,000.00	100	complete
2	Kiptiongin Primary	Plastering and painting of two classroom, completion	500,000.00	500,000.00	100	complete
3	Kapkulumben Primary	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	100	complete
4	Emit Primary	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	100	complete
5	Kimwani Primary Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	100	complete
6	Mbogo Vale Pri Sch	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	100	complete
7	Got-Ne-Lel Pri Sch	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	100	complete
8	Chematch Pri Sch	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	100	complete
9	Kipkures Pri Sch	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	100	complete
10	St. Mathews Maraba Pri Sch	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	100	complete
11	Kamelilo Pri Sch.	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	100	complete
12	Underit Pri	To facilitate for the rehabilitation of primary school 2 classrooms	209,482.00	209,482.00	100	complete
13	Chemutia Pri	To facilitate for the rehabilitation of primary school 2 classrooms	209,482.00	209,482.00	100	complete
14	Kamelil Pri	To facilitate for the rehabilitation of primary school 2 classrooms	209,482.00	209,482.00	100	complete
15	Kapsimotwa Secondary	Roofing, plastering and painting of the library, completion	1,000,000.00	1,000,000.00	100	complete
16	Sarwat Secondary	Construction of two classroom	500,000.00	500,000.00	100	complete

17	Got Ne Lel Sec	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	100	complete
18	Kibukwo Sec Sch.	Foundation, walling, roofing, plastering and painting of 3 classrooms	1,500,000.00	1,500,000.00	100	complete
19	Mutumon Sec Sch.	Foundation, walling, roofing, plastering and painting of 1 classroom	500,000.00	500,000.00	100	complete
20	Setek Sec.	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	100	complete
21	Kibongwa-Kibiking-Kapsigilai-Kiroro Road	Site clearance , Boulder removal, Heavy grading and gravel patching	3,006,000.00	3,006,000.00	100	complete
22	Chebarus-Kiptegat-Kipsakiat	Site clearance , Boulder removal, Heavy grading and gravel patching	1,830,000.00	1,830,000.00	100	complete
23	Mombwo-Kapkitoney Road	, heavy grading and gravel patching.	3,695,000.00	3,695,000.00	100	complete
24	Savan Primary Shool	Roofing And Plastering of 2 Classrooms	200,000.00	200,000.00	100	complete
25	Setek Primary	Purchase Beds For the Sub County Hospital	400,000.00	400,000.00	100	complete
26	Meteitei Sub District	Roofing and Plastering Of 2 Classrooms	100,000.00	100,000.00	100	complete
27	Chemursoi Sec.	Roofing and Plastering Of 2 Classrooms	446,640.00	446,640.00	100	complete
28	Kaputie Primary	Construct and Roof Windblown Off Dispensary	200,000.00	200,000.00	100	complete
29	Kapkanin Dispensary	Roofing And Plastering of 2 Classrooms	200,000.00	200,000.00	100	complete
30	Kosabei Primary Schpool	Repair of Walls That Cracked	240,000.00	240,000.00	100	complete
31	Savani Primary School	Roofing And Plastering Of 2 Classrooms	200,000.00	200,000.00	100	complete
32	All Saints	Roofing and Plastering of 2 Classrooms	300,000.00	300,000.00	100	complete
33	Various Groups	Sport Activities	1,039,474.00	1,039,474.00	100	complete
34	Chemase Secondary School	Purchase of school Bus	2,087,000.00	2,087,000.00	100	Bus purchase d and in use

35	Kabutie Primary	Plastering and painting of two classroom, completion	200,000.00	200,000.00	95	On-going
36	Kapsoen Primary	Plastering and painting of two classroom, completion	500,000.00	500,000.00	95	On-going
37	Samutet Primary	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	90	On-going
38	Kabirer	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	95	New
39	Olomotit Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	95	Ongoing
40	Meteitei Boys Secondary	ongoing project Roofing, plastering and painting of the library, completion	5,000,000.00	5,000,000.00	95	ongoing
41	Kipyao Sec Sch.	Foundation, walling, roofing, plastering and painting of 1 classroom	500,000.00	500,000.00	95	Ongoing
42	Kamelilo Sec Sch.	Foundation, walling, roofing, plastering and painting of 1 classroom	500,000.00	500,000.00	95	Ongoing
43	Kimatkei/Kipk oil Water Project	Construction of Water tank and piping	3,000,000.00	3,000,000.00	95	Ongoing
44	Komolia Water Project	Construction of Water tank and piping	2,000,000.00	2,000,000.00	95	Ongoing
45	Kaptebengwo Primary	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	80	Ongoing
46	Korosiot Pri Sch	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	80	Ongoing
47	St. Victoria Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	80	On-going
48	Kimatkei Pri Sch	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	80	Ongoing
49	Chepkitle Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	80	Ongoing
50	Kapsigilai Pri Sch.	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	80	Ongoing
51	Kapmencheiy wa Pri. Sch.	Refurbishment of one classroom	200,000.00	200,000.00	80	Ongoing
52	Kimwani Sec Sch.	Foundation, walling, roofing, plastering and painting of 1 classroom	500,000.00	500,000.00	80	Ongoing
53	Barasendu Sec Sch.	Foundation, walling, roofing, plastering and painting of 1 classroom	500,000.00	500,000.00	80	Ongoing

54	Siret Sec Sch.	Foundation, walling, roofing, plastering and painting of 1 classroom	500,000.00	500,000.00	80	Ongoing
55	Kaputie Sec Sch.	Foundation, walling, roofing, plastering and painting of 1 classroom	500,000.00	500,000.00	80	Ongoing
56	Kibugat Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	75	Ongoing
57	Kitoroch Pri Sch.	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	70	Ongoing
58	Chepswerta Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	70	Ongoing
59	Simatwet Pri. Sch.	Foundation, walling, roofing, of one classroom	500,000.00	500,000.00	75	Ongoing
60	Chemalal Secondary School	Completion of four class rooms. Plastering, painting, fixing of doors and windows	500,000.00	500,000.00	70	ongoing
61	Tinderet Sec Sch.	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	70	Ongoing
62	Uson Primary	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	60	Ongoing
63	Chebangu Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	60	Ongoing
64	Cheptilil Pri Sch.	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	60	Ongoing
65	Taunet Primary	Plastering and painting of two classroom, completion	500,000.00	500,000.00	50	On-going
66	Kiroro Primary	Plastering and painting of two classroom, completion	500,000.00	500,000.00	50	Ongoing
67	Kipwareng Primary	Plastering and painting of two classroom, completion	500,000.00	500,000.00	50	On-going
68	Uswet Primary	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	50	Ongoing
69	Kalyet Primary	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	50	Ongoing
70	Chemursoi Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	50	Ongoing
71	Lamaiywo Pri Sch.	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,418,934.00	700,000.00	50	Ongoing

72	St. Martin Chepkemel Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	50	Ongoing
73	Kabunyaeria Primary Sch.	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	50	Ongoing
74	Kamalambo Pri. Sch	Foundation, walling, roofing, of one classroom	500,000.00	500,000.00	50	Ongoing
75	Kapruret Pri Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	40	Ongoing
76	Senetwo Primary Sch	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	40	Ongoing
77	Kapteldon Primary	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	30	Ongoing
78	Kipsiele Primary	Plastering and painting of two classroom, completion	500,000.00	500,000.00	-	Not started
79	Kamelilo Primary	Plastering and painting of two classroom, completion	700,000.00	700,000.00	-	Not started
80	Kikusong Pri.	To facilitate for the rehabilitation of primary school 2 classrooms	209,482.00	209,482.00	-	Not started
81	Kamuny Secondary	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	500,000.00	-	Not started
82	Mombwo Girl Sec	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	1,000,000.00	-	Not started
83	Constituency Office	To facilitate building of the constituency CDF Offices	8,000,000.00	-	50	On-going
84	Sign Posts	Purchase and install sign posts to funded projects	2,087,000.00	-	-	new
85	Constituency Sports Tournament	Purchase of trophies, balls, and games kits	2,181,597.00	-	-	On-going
86	Environment	Planting trees in schools	2,181,597.00	-	-	On-going
87	Kabirer Secondary	Foundation, walling, roofing, plastering and painting of one classroom	500,000.00	-	-	Not started
	<b>Total</b>		<b>80,251,170.00</b>	<b>64,582,042.00</b>		

Out of a total of eighty seven (87) projects planned for execution in the year under review, five (5) projects with a budget of Kshs.14,950,194 were not funded during the year despite the fund having idle cash at bank amounting to Kshs.31,988,677.40 as at 30 June 2015. This is an indication of poor budget planning and there is need

for the management to relook at its budgeting mechanism with a view to paying attention to priority areas and strategies to fast track budget implementation.

In addition, as at the time of the audit, thirty four (34) projects with total budget of Kshs.28,572,560 were complete, forty three (43) projects with a budget of Kshs.33,818,934 were at various levels of completion while ten (10) other projects worth Kshs.17,859,676 that had been paid a total of Kshs.2,909,482 had not commenced. Due to non-implementation of the ten (10) projects, the residents of Tinderet Constituency failed to receive the benefits accruing from planned programs and activities for the year ended 30 June 2015.

### 1.3 Project Verification

During the year under review, eight (8) projects costing Kshs. 22,695,000 were verified during the audit in May 2016 and seven (7) projects were found to be complete and in use while construction of constituency office was on-going as shown below:

	Project Name	Activity	Budget (Kshs)	Level Of Completion %	Observations
1	Constituency Office	building of constituency CDF office	8,000,000.00	80	Work was in progress
2	Kapkulumben Pry School	Foundation, walling and painting of 2 classrooms	1,000,000.00	100	Complete though no labelling
3	Got ne Lel Sec.School	Foundation,walling,roofing,plastering and painting of 2 classrooms	1,000,000.00	100	Complete though no labelling done
4	Meteitei boys sec	Roofing, plastering and painting of library	5,000,000.00	100	Completed and Branded
5	Komolia Water Project	Construction of water tank and piping	2,000,000.00	100	Complete but no labelling
6	Mombwo-Kapkitoney road	Site clearing, Boulder removal, culvert installation, heavy grading and gravel patching	3,695,000.00	100	Complete but no labelling
7	Kapsimotwo Sec School	Roofing, plastering and painting of library	1,000,000.00	100	Complete
8	Chematich Pri.School	Foundation, walling, roofing, plastering and painting of 2 classrooms	1,000,000.00	100	Complete.
		<b>Total</b>	<b>22,695,000.00</b>		

It was noted that only one project was branded while the rest had not been branded as required by the CDF Act, 2013. Lack of branding of projects is in breach of the CDF Act, 2013 and there is risk of overlap of projects especially where there is multi-funding.

My opinion is not qualified in respect of this matter.



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

**Nairobi**

**19 August 2016**


**CONSTITUENCY DEVELOPMENT FUND- TINDERET 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	109,079,884.00	131,973,279
<b>TOTAL RECEIPTS</b>		<b>109,079,884.00</b>	<b>131,973,279.00</b>
<b>PAYMENTS</b>			
Compensation of Employees	2	1,898,842.00	488,680.00
Use of goods and services	3	3,173,257.00	1,276,906.00
Committee Expenses	4	5,283,262.00	4,747,343.60
Transfers to Other Government Units	5	62,852,621.00	78,170,000.00
Other grants and transfers	6	18,771,954.00	19,083,964.00
Social Security Benefits	7	-	8,800.00
Acquisition of Assets	8	-	6,932,683.00
Other Payments	9	-	6,932,683.00
<b>TOTAL PAYMENTS</b>		<b>91,979,936.60</b>	<b>117,641,059.60</b>
<b>SURPLUS/DEFICIT</b>		<b>17,099,947.40</b>	<b>14,332,219.40</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TINDERET CDF financial statements were approved on September 1<sup>ST</sup> 2015 and signed by:

  
 \_\_\_\_\_  
**ALICE SITIENEI**  
 Chairman - CDFC

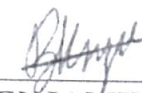
  
 \_\_\_\_\_  
**BENJAMIN SUGUT**  
 Fund Account Manager

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)	10	31,988,677.40	14,332,219.40
Outstanding Imprests	10C	-	556,511.00
<b>TOTAL FINANCIAL ASSETS</b>		<u>31,988,677.40</u>	<u>14,888,730.40</u>
 <b>REPRESENTED BY</b>			
Fund balance b/fwd	11	14,888,730.40	0.00
Surplus/Deficit for the year		<u>17,099,947.00</u>	<u>14,888,730.40</u>
<b>NET FINANCIAL POSITION</b>		<u>31,988,677.40</u>	<u>14,888,730.40</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TINDERET CDF financial statements were approved on September 1<sup>st</sup> 2015 and signed by:

  
 \_\_\_\_\_  
**ALICE SITIENEI**  
 Chairman - CDFC

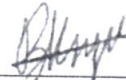
  
 \_\_\_\_\_  
**BENJAMIN SUGUT**  
 Fund Account Manager

**VI. STATEMENT OF CASHFLOW**

	Note	2014 – 2015 Kshs	2013 – 2014 Kshs
Receipts for operating income			
Transfers from CDF Board	1	109,079,884.00	131,973,279.00
Compensation of Employees	2	1,898,842.00	488,680.00
Use of goods and services	3	3,173,257.60	1,276,906.00
Committee Expenses	4	5,283,262.00	4,747,343.60
Transfers to Other Government Units	5	62,852,621.00	78,170,000.00
Other grants and transfers	6	18,771,954.00	19,083,964.00
Social Security Benefits	7	-	8,800.00
Other Payments	9		6,932,683.00
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities</b>		<b>91,979,936.00</b>	<b>110,708,376.60</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	8	-	6,932,683.00
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>6,932,683.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>17,099,947.00</b>	<b>14,332,219.40</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>11</b>	<b>14,888,730.40</b>	<b>556,551.00</b>
<b>Cash and cash equivalent at END of the year</b>	<b>10</b>	<b>31,988,677.40</b>	<b>14,888,730.40</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The TINDERET CDF financial statements were approved on September 1<sup>st</sup> 2015 and signed by:

  
 \_\_\_\_\_  
**ALICE SITIENEI**  
 Chairman - CDFC

  
 \_\_\_\_\_  
**BENJAMIN SUGUT**  
 Fund Account Manager


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

**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	d	e	f	g
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	f=d/c %
RECEIPTS		B	c=a+b	d	e=c-d	f=d/c %
Transfers from CDF Board	109,079,884.00	14,888,730.40	123,968,614.40	109,079,884.00	14,888,730.40	88
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
<b>Total</b>	<b>109,079,884.00</b>	<b>14,888,730.40</b>	<b>123,968,614.40</b>	<b>109,079,884.00</b>	<b>14,888,730.40</b>	<b>88</b>
PAYMENTS						
Compensation of Employees	1,898,842.00	-	1,898,842.00	1,898,842.00	-	100
Use of goods and services	3,173,258.00	556,511.00	3,729,769.00	3,173,257.60	556,511.40	85
Committee Expenses	5,283,262.00	-	5,283,262.00	5,283,262.00	-	100
Transfers to Other Government Units	72,409,189.00	14,332,219.00	86,741,408.00	62,852,621.00	23,888,787.00	72
Other grants and transfers	26,315,333.00	-	26,315,333.00	18,771,954.00	7,543,379.00	71
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	-	-	-	-	
<b>Total</b>	<b>109,079,884.00</b>	<b>14,888,730.40</b>	<b>123,968,614.40</b>	<b>91,979,936.00</b>	<b>31,988,678.40</b>	<b>74</b>

The TINDERET CDF financial statements were approved on September 1<sup>st</sup> 2015 and signed by:

  
**ALICE SITIENEI**  
Chairman - CDFC

  
**BENJAMIN SUGUT**  
Fund Account Manager

## **VIII. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the *CDF*.

### **2. Recognition of revenue and expenses**

The *CDF* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *CDF*. In addition, the *CDF* recognises all expenses when the event occurs and the related cash has actually been paid out by the *CDF*.

### **3. In-kind contributions**

In-kind contributions are donations that are made to the *CDF* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *CDF* includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

### **4. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in

**NATIONAL GOVERNMENT ENTITY - TINDERET CDF**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

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*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

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.

NATIONAL GOVERNMENT ENTITY - TINDERET CDF  
 Reports and Financial Statements  
 For the year ended June 30, 2015

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES/CDF BOARD

Description	2014 - 2015	2014 - 2015	2013 - 2014
		Kshs	Kshs
Normal Allocation	AIE NO.A750389	7,300,000.00	54,044,922.00
	AIE NO.A759644	19,969,971.00	30,371,342.80
	AIE NO.A796652	14,361,982.60	22,778,507.10
	AIE NO.A796908	12,907,988.00	2,000,000.00
	AIE NO.A797104	27,269,971.00	22,778,507.10
	AIE NO...	27,269,971.40	
			-
Conditional grants	AIE NO...	-	-
	AIE NO...	-	
Receipt from other Constituency		-	
<b>TOTAL</b>		<b>109,079,884.00</b>	<b>131,973,279.00</b>

**NATIONAL GOVERNMENT ENTITY - TINDERET CDF**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**2. COMPENSATION OF EMPLOYEES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,898,842.00	468,680.00
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		20,000.00
<b>Total</b>	<b>1,898,842.0</b>	<b>488,680.00</b>

**NATIONAL GOVERNMENT ENTITY - TINDERET CDF**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. USE OF GOODS AND SERVICES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	3,173,257.00	343,496.00
Communication, supplies and services	-	214,800.00
Domestic travel and subsistence	-	25,500.00
Printing, advertising and information supplies & services	-	159,500.00
Office and general supplies and services	-	168,651.00
Routine maintenance – vehicles and other transport equipment	-	167,859.00
Fuel, oil and lubricants	-	197,100.00
<b>Total</b>	<b>3,173,257.00</b>	<b>1,276,906.00</b>

**4. COMMITTEE EXPENSES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee allowances	5,283,262.00	4,260,343.60
Other committee expenses	-	487,000.00
<b>Total</b>	<b>5,283,262.00</b>	<b>4,747,343.60</b>

**NATIONAL GOVERNMENT ENTITY - TINDERET CDF**  
**Reports and Financial Statements**  
**For the year ended June 30, 2015**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	34,569,862.00	48,780,000.00
Transfers to secondary schools (see attached list)	23,800,000.00	29,150,000.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	4,482,789.00	240,000.00
<b>TOTAL</b>	<b>62,852,621.00</b>	<b>78,170,000.00</b>

**6. OTHER GRANTS AND OTHER PAYMENTS**

	2014 - 2015 Kshs	2013 - 2014 Kshs
Bursary – secondary schools (see attached list)	5,040,000.00	5,857,242.00
Bursary – tertiary institutions (see attached list)	5,180,540.00	4,593,000.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	2,000,000	671,775.00
Water projects (see attached list)	3,000,000.00	3,160,000.00
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	51,000.00
Security projects (see attached list)	-	-
Roads projects (see attached list)	-	4,500,947.00
Sports projects (see attached list)	1,465,000.00	250,000.00
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	2,086,414.00	-
<b>Total</b>	<b>18,771,954.00</b>	<b>19,083,964.00</b>

**7. SOCIAL SECURITY BENEFITS**

	2014 - 2015 Kshs	2013 - 2014 Kshs
Employer contribution to NSSF	-	8,800.00
<b>Total</b>	<b>-</b>	<b>8,800.00</b>

NATIONAL GOVERNMENT ENTITY - TINDERET CDF

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	6,158,843.00
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	-	133,000.00
Purchase of Specialised Plant, Equipment and Machinery	-	100,000.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	309,700.00
Acquisition of Land	-	115,700.00
Acquisition of Intangible Assets	-	115,440.00
	-	-
<b>Total</b>	-	6,932,683.00

9. OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
	-	-
Other payments	-	6,932,683.00
<b>Total</b>	-	6,932,683.00

**NATIONAL GOVERNMENT ENTITY - TINDERET CDF**

**Reports and Financial Statements**

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10: 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>KCB NANDI HILLS A/C NO. 110681446</i>	31,988,677.40	14,332,219.40
<b>Total</b>	<b>31,988,677.40</b>	<b>14,332,219.40</b>

**NATIONAL GOVERNMENT ENTITY - TINDERET CDF**

**Reports and Financial Statements**

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10C Outstanding Temporary Imprest**

Name of Officer	2014 - 2015	2013 - 2014
	Kshs	Kshs
Fund Account Manager		566,511.00
	0	-
<b>Total</b>	<b>0</b>	<b>566,511.00</b>

**11. BALANCES BROUGHT FORWARD**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	-	0.00
Cash in hand	14,332,219.40	-
Imprest	556,511.00	-
<b>Total</b>	<b>14,888,730.40</b>	<b>0.00</b>

**12. PRIOR YEAR ADJUSTMENTS**

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land		0
Buildings and structures		0
Transport equipment	9,919,093.00	9,919,093.00
Office equipment, furniture and fittings	215,260.00	215,260.00
ICT Equipment, Software and Other ICT Assets	341,000.00	341,000.00
Other Machinery and Equipment	8,145.00	8,145.00
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>10,483,498.00</b>	<b>10,483,498.00</b>