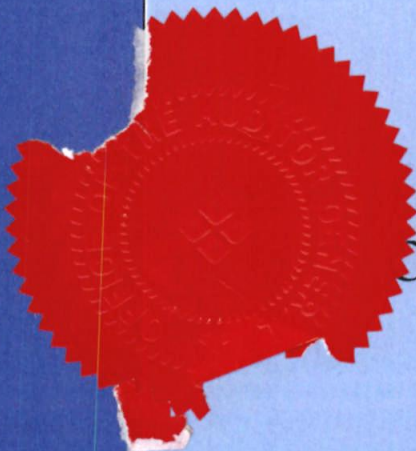
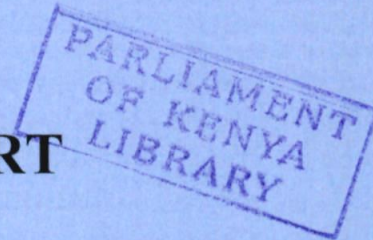


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT



OF

THE AUDITOR-GENERAL

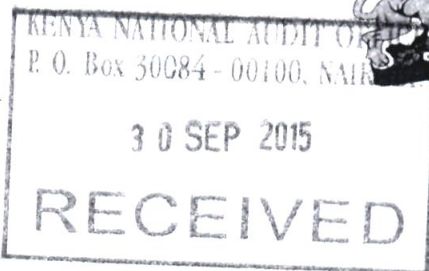
ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
GATUNDU SOUTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**

100-1000





**CONSTITUENCY DEVELOPMENT FUND- GATUNDU SOUTH
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)



CONSTITUENCY DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE CABINET SECRETARY	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES.....	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
V. STATEMENT OF ASSETS.....	6
VI. STATEMENT OF CASHFLOW	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	24
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26



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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *Gatundu South 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	Oltetia Lemein
3.	Accountant	Nickson Mogute

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Gatundu South 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) GATUNDU SOUTH CDF Headquarters

P.O. Box 213-01030
CDF Building
Gatundu

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

(f) GATUNDU SOUTH CDF Contacts

Telephone: (254) 0727943 846
E-mail: cdfgatundusouth@cdf.go.ke
Website: www.cdf.go.ke

(g) GATUNDU SOUTH CDF Bankers

1. Equity Bank
Gatundu
P.O. Box 528-01030
Gatundu, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



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

The CDFC Gatundu south are delighted to be part of the Cdfc family under the Act 2013 which has hugely transformed lives

Budget performance as detailed in the approved project proposals for the year was good as majority of project are complete and the intended goals have been achieved. 90% of the projects have been completed in the financial year under education, security, health and sports. Almost all project implemented have completed within budgets.

- key achievements for the CDF,

Has transformed the life of the people through improving infrastructure in education, health, water, roads etc and enabled education for the poor through bursary fund

- Emerging issues related to the CDF,

Implementation of projects under the framework of two levels of government functions.

A higher threshold of accountability under a politically poisoned environment

- **Implementation challenges and recommendations.**

Legal challenges facing the fund especially role of the MP and separation of power

Land availability as most land is scarce falls under county government

The Act should be aligned to the constituency properly.

Reduce number of projects implemented and vertically use space available.

Sign

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.

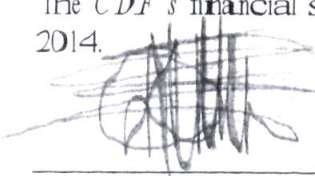
The Accounting Officer in charge of the *Gatundu South CDF* is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year ended on June 30, 2015. This responsibility 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 *Gatundu South 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 in charge of the *Gatundu South 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 *Gatundu South 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 _____
2014.



Fund Account Manager



Chairman



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund-Gatundu South Constituency set out on pages 5 to 19, which comprise the statement of financial assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of 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 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 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

Constituencies Development fund – Gatundu South Constituency – Report and Financial Statements for the year ended 30 June 2015

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Cash and Bank Balances

The statement of assets as at 30 June 2015 reflects bank balance of Kshs.20,167,861. However, the cash book balance as at the same date had a balance of Kshs.20,198,263, resulting in unreconciled difference of Kshs.30,402. Further, a review of bank reconciliation statement revealed that included in the list of unrepresented cheques of Kshs.2,033,468.80, is an amount of Kshs.323,974 in respect of cheques that were already stale as at 30 June 2015, and therefore cannot be presented to the bank for payment. However, no reason was provided for not reversing them in the cashbook.

In the circumstances, the accuracy of cash and bank balance of Kshs.20,167,861 as at 30 June, 2015 could not be confirmed.

2. Irregular Procurement of Contractor for Erection and Completion of a Perimeter Wall at Kimunyu Stadium

During the year under review, Gatundu South Constituency, through restricted tendering awarded contract for the erection and completion of a perimeter wall at Kimunyu Stadium to the lowest evaluated tender at a sum of Kshs.11,996,328. However, records indicates that five (5) contractors were invited to bid instead of at least ten persons/bidders selected from the annual pre-qualified list of registered tenderers as stipulated in section 53 (3) of the Public Procurement and Disposal Regulations, 2006. Further, the contract sum of Kshs.11,996,328 exceeded the prescribed minimum of Kshs.4,000,000 for class C entities in the first schedule of the regulations, and therefore national open tender should have been used. No justification was provided for the disregarding the law.

In the circumstances, it has not been possible to confirm whether value for money was realized from this expenditure.

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 - Gatundu South Constituency as at 30 June 2015, and of its financial performance and of its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Constituencies Development Fund Act, 2013.

Other Matter

1. Overall Budget Performance

The overall budget analysis is as follows:

Description	Rolled over 2013/2014 budget	Budgeted for 2014 / 2015	Total Budgeted 2014/2015	Actual expenditure	Over/(Under) expenditure	Actual as % of Budget
Employee Salaries		1,572,000	1,572,000	1,511,769	-60,231	96
Goods and Services		1,900,000	1,900,000	1,672,302	-227,698	88
Purchase of computers		200,000	200,000	102,000	-98,000	51
Purchase of furniture/equipment		303,360	303,360	157,360	-146,000	52
Construction/Refurbishment of Buildings				595,447	595,447	100
NSSF		9,600	9,600	21,600	12,000	225
Committee Allowances		1,800,000	1,800,000	3,966,000	2,166,000	220
Monitoring & Evaluation		2,892,495	2,892,495	2,538,500	-353,995	88
Constituency Audit		500,000	500,000	-	-500,000	0
Emergency		5,400,259	5,400,259	6,495,264	1,095,005	120
Sports		1,868,414	1,868,414	1,868,414	-	100
Kimunyu Stadium		10,000,000	10,000,000	10,000,000	-	100
Environment		1,928,330	1,928,330	1,928,330	-	100
Bursary		24,104,117	24,104,117	21,483,804	-2,620,313	89
Primary Schools	9,200,000	20,187,931	29,387,931	27,687,931	-1,700,000	94
Secondary Schools	3,038,532	4,100,000	7,138,532	5,638,532	-1,500,000	79
Tertiary Education	-	150,000	150,000	150,000	-	100
Security	2,500,000	3,000,000	5,500,000	3,000,000	-2,500,000	55
Youth Centres	-	8,000,000	8,000,000	-	-8,000,000	0
BodaBoda Shades		4,000,000	4,000,000	4,000,000	-	100
Health	6,482,759	1,000,000	7,482,759	7,482,759	-	100
Total	21,221,291	92,916,506	114,137,797	100,300,012	-13,837,785	88

The above analysis indicate that the approved budget for Gatundu South CDF, for 2014/2015 financial year was Kshs.114,137,797, including rolled over balance of Kshs.21,221,291 for projects approved in 2013/2014. The CDF incurred actual expenditure of Kshs.100,300,012 resulting in an overall under expenditure of Kshs.13,837,785.32 or 12% of the approved budget. However, the CDF incurred the highest over expenditure on committee expenses and exceeded the approved budget of Kshs.1,800,000 by Kshs.2,116,000 or 120% above the budget. No evidence was provided indicating that there was prior approval by the CDF Board as required by the CDF Act, 2013. No reason was provided for this anomaly.

2. CDF Projects Implementation

During the year under review, Gatundu South CDF had allocated a total of Kshs.73,587,552 to implement sixty nine (69) projects which included an amount of Kshs.21,221,291 for 18 rolled over projects implemented in 2014/2015. The CDF utilized a total of Kshs.60,387,552 on the projects as follows:

Project Name	No. of Budgeted Projects			Budget Amount	Actual Expenditure	No. of Projects Implemented	No. of Projects not Implemented	% level of Implementation
	2013/14	2014/15	Total	Kshs.	Kshs.			
Environment		8	8	1,928,330	1,928,330	8		100
Education - Primary	9	24	33	29,387,931	27,687,931	32	2	94
Education - Secondary	5	3	8	7,138,532	6,138,532	8		86
Education- Tertiary		1	1	150,000	150,000	1		100
Health	2	1	3	7,482,759	7,482,759	3		100
Security	2	1	3	5,500,000	3,000,000	2	1	55
Youth Centres		4	4	8,000,000	-		4	0
BodaBoda Shades		8	8	4,000,000	4,000,000	8		100
Stadium		1	1	10,000,000	10,000,000	1		100
Total (Kshs.)	18	51	69	73,587,552	60,387,552	61	7	82

The above analysis shows that out of the sixty nine (69) approved sixty one (61) projects were complete, one (1) project was on going while seven (7) projects had not been implemented as at 30 June 2015. No reason was provided for failure to implement all the planned projects.

3. Construction of Classroom-Wamitaa Primary School

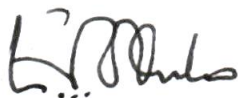
Records indicate that during the year under review, the CDFC awarded contract for renovation of six classrooms at Wamitaa Primary School at a sum of Kshs.1,009,750. The scope of works included painting of the roof, plastering and painting walls, upgrading the veranda and repairing cracks on the floors. A physical verification carried out in March 2016 however, revealed that the contractor did shoddy works on the floors as big cracks had emerged and the entire floor was peeling off. Further, the veranda was to about 50% complete while the completed sections had cracks due to poor workmanship. No action appear to have been taken by the CDFC to compel the contractor to correct the defects noted. In the circumstances, the public may not have realized value for money incurred on this project.

4. Unutilized Administration Police Post at Gachoka.

Available records indicates that construction of Gachoka AP post allocated a total of Kshs.1,500,000 in 2013/2014 was completed in 2014/2015. However, the facility was not in use due to what the project management attributed to as failure by the Ministry of Interior and Coordination of National Government to post officers to the station to serve

the community. It would appear that the amount of Kshs.1,500,000 spent on this project would go to waste unless the post is put into use.

My opinion is not qualified in respect of these matters.



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

Nairobi

21 September 2016

CONSTITUENCY DEVELOPMENT FUND- GATUNDU SOUTH 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
RECEIPTS			
Transfers from Other Government Entities	1	92,916,506	104,601,734
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	536,755	863,230
TOTAL RECEIPTS		93,453,261	105,464,964
PAYMENTS			
Compensation of Employees	4	1,511,769	1,054,476
Use of goods and services	5	1,672,302	932,246
Committee Expenses	6	6,504,500	4,461,100
Transfers to Other Government Units	7	40,959,222	41,575,697
Other grants and transfers	8	48,775,812	19,603,843
Social Security Benefits	9	21,600	7,200
Acquisition of Assets	10	854,807	11,000,066
Other Payments	11	-	-
TOTAL PAYMENTS		100,300,012	78,634,628
SURPLUS/DEFICIT		(6,846,751)	26,830,336

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Gatundu South CDF financial statements were approved on _____ 2015 and signed by:



Chairman - CDFC

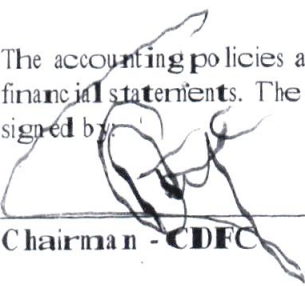


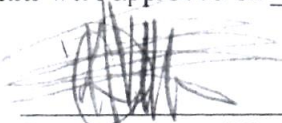
Fund Account Manager

V. STATEMENT OF ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	12A	20,167,861	27,044,612
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	-	-
TOTAL FINANCIAL ASSETS		20,167,861	27,044,612
REPRESENTED BY			
Fund balance b/fwd	13	27,014,612	214,276
Surplus/Deficit for the year		(6,846,751)	26,830,336
Prior year adjustments	14	(30,000)	-
NET FINANCIAL POSITION		20,167,861	27,044,612

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Gatundu South CDF financial statements were approved on _____ 2015 and signed by:


Chairman - CDFC


Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- GATUNDU SOUTH CONSTITUENCY

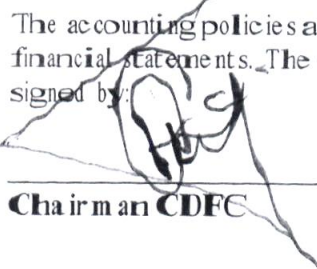
Reports and Financial Statements

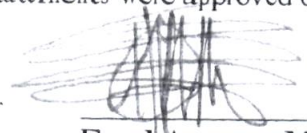
For the year ended June 30, 2015

VI. STATEMENT OF CASHFLOW

		2014 - 2015	2013 - 2014
Receipts for operating income			
Transfers from CDF Board	1	92,916,506	104,601,734
Other Receipts	3	536,755	863,230
Payments for operating expenses			
Compensation of Employees	4	1,511,769	1,054,476
Use of goods and services	5	1,672,302	932,246
Committee Expenses	6	6,504,500	4,461,100
Transfers to Other Government Units	7	40,959,222	41,575,697
Other grants and transfers	8	48,775,812	19,603,843
Social Security Benefits	9	21,600	7,200
Other Payments	11	-	-
Adjusted for:			
Adjustments during the year		(30,000)	-
Net cash flow from operating activities		(5,991,944)	37,830,402
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	(854,807)	(11,000,066)
Net cash flows from Investing Activities		(854,807)	(11,000,066)
NET INCREASE IN CASH AND CASH EQUIVALENT		6,876,751)	26,830,336
Cash and cash equivalent at BEGINNING of the year	15	27,044,612	214,276
Cash and cash equivalent at END of the year	16	20,167,861	27,044,612

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Gatundu South CDF financial statements were approved on _____ 2015 and signed by:

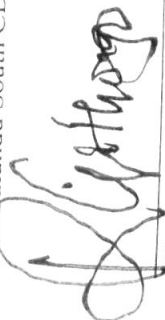

Chairman CDFC


Fund Account Manager

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	96,416,506	27,044,612	123,461,118	119,961,118	3,500,000	97.2%
Proceeds from Sale of Tenders (AIA)		167,000	167,000		167,000	100%
Other Receipts		369,755	369,755		369,755	100%
	96,416,506.00	27,581,367.00	123,997,873.00	119,961,118	4,036,755.00	
PAYMENTS						
Compensation of Employees	1,572,000.00	389,793	1,961,793	1,511,769	450,024	77.1%
Use of goods and services	3,092,495.00	105,755	3,200,250	1,672,302	1,527,948	52.3%
Committee Expenses	4,000,000.00	2,729,648	6,729,648	6,504,500	225,148	103%
Transfers to Other Government Units	38,937,931.00	18,021,291	56,959,222	40,959,222	16,000,000	71.9%
Other grants and transfers	48,301,120.00	5,757,603	54,058,723	48,775,812	5,282,911	90.2%
Social Security Benefits	9,600.00	12,000	9600	21,600	-)	100%
Acquisition of Assets	503,360.00	563,277	1,066,637	854,807	211,830	80.1%
Other Payments			(30,000)		(30,000)	
TOTALS	96,416,506	27,581,367.00	123,997,873	100,300,012	23,667,861	

The Gatundu South CDF financial statements were approved on 18/07/2015 and signed by:


Chairman CDF



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 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 – GATUNDU SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
			37,031,898
	A759565	48,208,253	2,000,000
CDF Board	A797028	44,708,253	25,027,934
		-	20,270,951
		-	20,270,951
		-	-
		-	-
		-	-
		-	-
TOTAL		92,916,506	104,601,734

1.1.1.1.1.1.2 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 – GATUNDU SOUTH CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.3 OTHER RECEIPTS**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	167,000	202,000
Other Receipts Not Classified Elsewhere	369,755	661,230
Total	536,755	863,230

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	1,321,933	1,054,476
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	134,836	-
Other personnel payments	55,000	-
Total	1,511,769	1,054,476



CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.5 USE OF GOODS AND SERVICES**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Utilities, supplies and services	31,466	114,285
Communication, supplies and services	-	180,000
Domestic travel and subsistence	74,530	-
Printing, advertising and information supplies & services	139,350	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Fuel & other lubricants	647,550	309,900
Specialized materials and services	-	-
Office and general supplies and services	229,750	-
Other operating expenses	276,040	-
Routine maintenance – vehicles and other transport equipment	273,616	328,061
Routine maintenance – other assets	-	-
Total	1,672,302	932,246

1.1.1.1.1.1.6 COMMITTEE EXPENSES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	3,966,000	4,461,100
Other committee expenses	2,538,500	-
Total	6,504,500	4,461,100



CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.7 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	27,687,931	33,043,753
Transfers to secondary schools (see attached list)	5,638,532	7,031,944
Transfers to tertiary institutions (see attached list)	150,000	500,000
Transfers to health institutions (see attached list)	7,482,759	1,000,000
TOTAL	40,959,222	41,575,697

1.1.1.1.1.1.8 OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary – secondary schools (see attached list)	12,059,890	6,838,685
Bursary – tertiary institutions (see attached list)	6,765,400	1,221,000
Bursary – special schools (see attached list)	667,598	1,010,000
Mock & CAT (see attached list)	1,990,916	-
Water projects (see attached list)	-	-
Others (boda boda shed)	4,000,000	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	3,000,000	6,751,140
Roads projects (see attached list)	-	-
Sports projects (see attached list)	11,868,414	3,783,018
Environment projects (see attached list)	1,928,330	-
Emergency projects (see attached list)	6,495,264	-
Total	48,775,812	19,603,843

1.1.1.1.1.1.9 SOCIAL SECURITY BENEFITS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	21,600	7,200
Total	21,600	7200



CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***1.1.1.1.1.1.10 ACQUISITION OF ASSETS****Non Financial Assets**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	563,277	10,038,669
Refurbishment of Buildings	32,170	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	961,397
Purchase of Office Furniture and General Equipment	157,360	-
Purchase of ICT Equipment, Software and Other ICT Assets	102,000	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	854,807	11,000,066



CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.1.1.1.1.1 OTHER PAYMENTS

Specify	2014 - 2015	2013 - 2014
	Kshs	Kshs

- -

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>EQUITY BANK GATUNDU</i>	20,167,861	27,044,612
	-	-
	-	-
	-	-
Total	20,167,861	27,044,612



CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

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

Total

[Provide cash count certificates for each]

12C: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			

Total

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



CONSTITUENCIES DEVELOPMENT FUND – GATUNDU SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	27,014,612	214,276
Cash in hand		-
Imprest		-
Total	27,014,612	214,276

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bank accounts	(30,000)	-
Cash in hand		-
Imprest		-
Total	(30,000)	-



Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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



ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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



Reports and Financial Statements

For the year ended June 30, 2014 (Kshs'000)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						



ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Land		
Buildings and structures		
Transport equipment	10,259,410	10,259,410
Office equipment, furniture and fittings	3,094,999	3,094,999
ICT Equipment, Software and other ICT Assets	1,341,260	1,341,260
Other Machinery and Equipment	381,640	149,640
Heritage and cultural assets	7070	7068
Intangible assets		
Total	15,084,377	14,852,377

GATUNDU SOUTH CDF

TRIAL BALANCE AS AT 30TH JUNE 2015

		DR	CR
Cash and Cash equivalents			
	Bank Balances c/d	20,167,861	
	Cash Balances c/d	-	
	Outstanding Imprest c/d	-	
Payments			
	Compensation of Employees	1,511,769	
	Use of goods and services	1,672,302	
	Committee Expenses	6,504,500	
	Transfers to Other Government Units	40,959,222	
	Other grants and transfers	48,775,812	
	Social Security Benefits	21,600	
	Acquisition of Assets	854,807	
	Cashbook Undercast	30,000	
Receipts			
	Transfers from the Board		92,916,506
	Proceeds from sale of assets		
	Others receipts		536,755
Fund Balance b/f			27,014,612
TOTAL		120,497,873	120,497,873