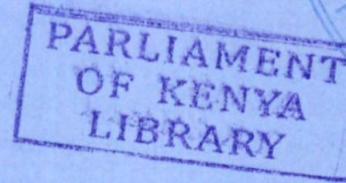


REPUBLIC OF KENYA



*Paper laid by
Leader of Majority Party
on Wednesday 19/10/2015
afternoon
sitting
A. O. O.*

OFFICE OF THE AUDITOR-GENERAL



REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
UGENYA CONSTITUENCY
FOR THE YEAR ENDED
30 JUNE 2015





CONSTITUENCY DEVELOPMENT FUND- UGENYA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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

(b) Key Management

The *Ugenya 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 | Mr. Yusuf Mbuno |
| 2. | A.I.E holder | Mr. Jackson Omari |
| 3. | Accountant | Mr. Moses Oruma |
| 4. | | |

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of the CDF Board provides overall fiduciary oversight on the activities of Ugenya 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) UGENYA CDF Headquarters

P.O. Box 132 – 40614, SEGA.
Opposite Segla Township Primary School.
SEGA, KENYA

(f) UGENYA CDF Contacts

Telephone: (254) 721467661
E-mail: cdfugenya@cdf.go.ke
Website: www.go.ke

(g) UGENYA CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. KCB
Ugunja Branch.
A/c No. 1108398081

(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 Ugenya CDF put up an exemplary performance in utilization of the Kshs. 143,767,301.60 received from the CDF Board between the 1st of July, 2014 and 30th June, 2015, being able to utilizing 71% of the available fund despite the fact that some of the funds were received just weeks to the end of the 2014 / 15 financial year.

During the year ended 30th June, 2015 we are able to complete and handover the Ugenya Teachers Training College and during the second quarter it was able to admit the first batch of students. We were also able to secure approval from the Kenya Medical Training College Board to start the construction of the Ugenya Medical Training College, as well as secure government commitment to fund the construction of the Ugenya Technical Training Institute which we aim to complete during the second quarter of the 2015 / 16 financial year.

These three institutions are key milestones in the development of the constituency which until now completely lacked any serious tertiary institutions, forcing our students to travel far and wide at great cost to access quality education. We also expect that these institutions will provide business and employment opportunities previously unavailable to the people of Ugenya.

Despite the forgoing, key challenges remain due to the high poverty levels in the constituency, causing the CDF to be inundated with a multitude of proposals for funding we can barely cover. We are however heartened that the constituency's allocation continues to grow year to year.

Ultimately our aim as the Ugenya CDF is to leverage to utilization of the CDF funds to ensure that the constituency is able to develop as quickly as possible while always ensuring that transparency and accountability prevail in all our activities.

Kind Regards,



CDF Chairman,
UGENYA CONSTITUENCY.

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 *Ugenya 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 *Ugenya 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 *Ugenya 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 *Ugenya 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 _____ 2015.



Mr. James Okola,
CDF Chairman



Mr, Jackson Omari,
CDF Account Manager.



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Ugenya Constituency Development Fund set out on pages 5 to 38, which comprise the statement of assets as at 30 June 2015, and the statement of receipts and payments statement of cash flows 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

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

The summary statement of appropriation indicates that the current year's final budget figures for total receipts and payments as Kshs.147,007,615 respectively however, records from the Constituencies Development Fund (CDF) board indicates that the final approved budget figure as Kshs.102,726,454 leading to un-reconciled variance of Kshs.44,281,161. Consequently, the accuracy of the summary statement of appropriation for the year ended 30 June 2015 could not be confirmed.

2.0 Bank Balance

Included in the bank balance of Kshs. 42,476,844 is un-presented cheques amounting to Kshs.726,638 which were already stale.

In the circumstance, the accuracy of cash and bank balance of Kshs. 42,476,844 could not be confirmed.

3.0 Procurement of Works

3.1 Construction of Dormitories and Classrooms at Ugenya Medical Training College

Included in the transfers to other Government Units figure of Kshs.66,170,706 is amount of Kshs.28,325,268.80 in respect of procurement of works of Kshs. 9,115,576 for construction of six(6) classrooms and Kshs.19,209,692.80 for construction of two dormitories and an ablution block at Ugenya Medical Training College. The work were proved without using open tender as required by section 54 (2) of Public Procurement and Disposal Act, 2005 on advertisement. A review of procurement documents revealed that the tenderers were sourced locally within Ugenya District. Consequently, the process was not in line with the requirement of section 54 (2) of Public Procurement and Disposal Act (2005).

3.2 Construction of Class rooms and Dormitories at Ugenya Training College

Included in the transfers to other Government Units figure of Ksh.66,170,706 is Kshs.21,577,879.20 for construction of two dormitories and Kshs.7,963,585.60 for construction of four (4) classrooms at Ugenya Teachers' Training College which was

proved without using open national tender as required by section 54 (2) of Public Procurement and Disposal Act, 2005 on advertisement. A review of procurement documents revealed that the tenderers were sourced locally within Ugenya District. Subsequently, the process was not in line with the requirement of section 54 (2) of Public Procurement and Disposal Act (2005).

In the circumstances, it could not be confirmed whether value for money was realized from the above two contracts.

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 –Ugenya 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

Budget Implementation Analysis

During the year under review, the Constituency budgeted to spend Kshs. 101,260,454 on various transfers and projects while the actual expenditure totaled to Ksh.84,524,523 as highlighted below:

| Projects | No of approved projects | Budgeted Amount | No of projects done | Actual disbursement | Undisbursed amount | Over disbursed amounts | % Level of Absorption |
|-----------------------|-------------------------|------------------|---------------------|---------------------|--------------------|------------------------|-----------------------|
| Administration | | 9434962 | | 8,158,290 | 1,276,672 | | 86 |
| Primary Schools | 14 | 7157931 | 14 | 7,007,931 | | 150,000 | 98 |
| Secondary Schools | 7 | 2600000 | 7 | 2,600,000 | | | 100 |
| Tertiary Institutions | 3 | 46503302 | 3 | 46,503,302 | | | 100 |
| Health Institutions | 2 | 1630000 | 2 | 1,630,000 | | | 100 |
| Bursary | | 16000000 | | 15,500,000 | | 500,000 | 97 |
| Water | 4 | 1000000 | | | | 1,000,000 | -100 |
| Security | 4 | 6000000 | | | | 6,000,000 | -100 |
| Roads | 8 | 5000000 | 5 | 3,125,000 | | 1,875,000 | 63 |
| Environment | 4 | 1000000 | | | | 1,000,000 | -100 |
| Emergency | | 5934259 | | | | 5,934,259 | -100 |
| Sports | 4 | 1000000 | | | | 1,000,000 | -100 |
| Total | 50 | 103260454 | 31 | 84,524,523 | | 17,459,259 | 82 |

The following were noted:

- i. The actual expenditure was Kshs. 84,524,523 against a budget of Kshs.101,260,454 achieving 82% absorption

- ii. The Constituency under spent on one (1) line item with a total expenditure of Kshs.1,276,672 and overspent on eight (8) line items with a total of Kshs.17,459,259.
- iii. The Included in the total payments of Kshs.104,307,677 in the statements of receipts and payments is expenditure of Kshs .3,240,313 which relates to 2013-2014 which were rolled over to the financial year 2014-2015.
- iv. A review of the cash book revealed unusual total actual expenditure on three (3) items totalling one hundred percent (100%) of the budgeted provision which appear not realistic.
- v. As at 30th June 2015, the reconciled bank balance was Kshs. 42,476,844, which is an indication that some projects were not undertaken. The public therefore, did not receive the services as envisaged in the approved budget.

Delay in implementation of projects will deny the public from accessing services they deserve.

My opinion is not qualified in respect of this matter.



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

Nairobi

09 September 2016

CONSTITUENCY DEVELOPMENT FUND- UGENYA 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 | 143,767,301.60 | 114,482,034.00 |
| Proceeds from Sale of Assets | 2 | 0 | 0 |
| Other Receipts | 3 | 0 | 0 |
| TOTAL RECEIPTS | | 143,767,301.60 | 114,482,034.00 |
| PAYMENTS | | | |
| Compensation of Employees | 4 | 2,565,949.90 | 1,570,383.00 |
| Use of goods and services | 5 | 1,980,517.00 | 3,238,937.00 |
| Committee Expenses | 6 | 4,826,079.50 | 3,026,869.00 |
| Transfers to Other Government Units | 7 | 66,170,706.00 | 71,001,424.00 |
| Other grants and transfers | 8 | 21,620,574.30 | 32,487,402.00 |
| Social Security Benefits | 9 | 44,360.00 | 18,600.00 |
| Acquisition of Assets | 10 | 7,099,500.00 | 16,618,615.00 |
| Other Payments | 11 | 0 | 0 |
| TOTAL PAYMENTS | | 104,307,677.70 | 127,962,231.00 |
| SURPLUS/DEFICIT | | 39,459,623.90 | (13,480,196.0) |

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



Chairman - CDFC



Fund Account Manager

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

V. STATEMENT OF ASSETS

| | Note | 2014-2015 Kshs | 2013-2014 Kshs |
|-------------------------------------|------|----------------------|---------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per cash book) | 12A | 42,476,844.00 | 3,240,313.75 |
| Cash Balances (cash at hand) | 12B | 0 | 0 |
| Outstanding Imprests | 12C | 0 | 0 |
| TOTAL FINANCIAL ASSETS | | 42,476,844.00 | 3,240,313.75 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 13 | 3,240,313.75 | 16,935,604.00 |
| Surplus/Deficit for the year | | 39,459,623.90 | (13,480,196.00) |
| Prior year adjustments | 14 | <u>(223,093.65)</u> | <u>(215,094.00)</u> |
| NET FINANCIAL POSITION | | 42,476,844.00 | 3,240,313.75 |

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



Chairman - CDFC



Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- UGENYA 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 | 1 143,767,301.60 | 114,482,034.00 |
| Other Receipts | 3 0 | 0 |
| TOTAL RECEIPTS | 143,767,301.60 | 114,482,034.00 |
| | | |
| Payments for operating expenses | | |
| Compensation of Employees | 4 2,565,949.90 | 1,570,383.00 |
| Use of goods and services | 5 1,980,517.00 | 3,238,937.00 |
| Committee Expenses | 6 4,826,070.00 | 3,026,869.00 |
| Transfers to Other Government Units | 7 66,170,706.00 | 71,001,424.00 |
| Other grants and transfers | 8 21,620,574.30 | 32,487,402.00 |
| Social Security Benefits | 9 44,360.00 | 18,600.00 |
| Other Payments | 11 0 | 0 |
| TOTAL PAYMENTS | 97,208,177.70 | 111,343,616.00 |
| | | |
| Adjusted for: | | |
| Adjustments during the year | (223,093.65) | (215,094.00) |
| | | |
| Net cash flow from operating activities | 46,336,030.25 | 2,923,324.00 |
| | | |
| CASHFLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from Sale of Assets | 2 0 | 0 |
| Acquisition of Assets | 10 7,099,500.00 | 16,618,615.00 |
| Net cash flows from Investing Activities | (7,099,500.00) | (16,618,615.00) |
| | | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | 39,236,530.25 | (13,695,290.00) |
| Cash and cash equivalent at BEGINNING of the year | 15 3,240,313.75 | 16,935,604.00 |
| Cash and cash equivalent at END of the year | 16 42,476,844.00 | 3,240,313.75 |

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



Chairman CDFC



Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – UGENYA CONSTITUENCY

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=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 102,726,454.00 | 44,281,161.35 | 147,007,615.35 | 143,767,301.60 | 3,240,313.75 | 98% |
| Proceeds from Sale of Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Receipts | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RECEIPTS | 102,726,454.00 | 44,281,161.35 | 147,007,615.35 | 143,767,301.60 | 3,240,313.75 | 98% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,618,400.00 | 0 | 2,618,400.00 | 2,565,949.90 | 52,450.10 | 98% |
| Use of goods and services | 3,680,000.00 | 210,914.29 | 3,890,914.20 | 1,980,517.00 | 1,910,397.29 | 51% |
| Committee Expenses | 2,868,000.00 | 2,462,280.15 | 5,330,280.15 | 4,826,070.50 | 504,209.65 | 91% |
| Transfers to Other Government Units | 57,891,233.00 | 25,284,591.47 | 83,175,824.47 | 66,170,706.00 | 17,005,118.47 | 80% |
| Other grants and transfers | 35,644,821.00 | 9,323,375.44 | 44,968,196.44 | 21,620,574.30 | 23,347,622.14 | 48% |
| Social Security Benefits | 24,000.00 | 0 | 24,000.00 | 44,360.00 | (20,360.00) | 185% |
| Acquisition of Assets | 0 | 7,000,000.00 | 7,000,000.00 | 7,099,500.00 | (99,500.00) | 101% |
| Other Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 102,726,454.00 | 44,281,161.35 | 147,007,615.35 | 104,307,677.70 | 49,180,565.15 | 71% |

(a) Commentary on significant underutilization (below 50% of utilization) and any overutilization.

- i. Other grants and transfers were utilized at 48% because we received two AIE's worth Kshs. 25 million just before the end of the financial year which carried votes like roads, sports, water, sports, environment which could not be spent within a few days.
- ii. Social Security benefits was utilized at 185% because of the huge rise in employer contributions of NSSF during the year that could not have been anticipated during budgeting.

CONSTITUENCIES DEVELOPMENT FUND – NAKURU TOWN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2015

- iii. *Acquisition of assets was overutilized by 1% due to purchase of a motorcycle used by the Clerk of Works during the year to replace one that was loaned to us by the District Development Officer during the transition but was abruptly withdrawn.*

The UGENYA CDF financial statements were approved on _____ 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 – UGENYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2014 - 2015 | 2013 - 2014 |
|---------------|----------------|-----------------------|-----------------------|
| | | Kshs | Kshs |
| CDF Board | | | |
| AIE NO 750146 | 21/07/ 2014 | 41,040,847.60 | 59,144,566.00 |
| AIE NO | | 25,681,613.50 | 28,693,898.00 |
| AIE NO | | 14,408,968.10 | 26,643,569.00 |
| AIE NO | | 25,681,613.90 | |
| AIE NO | | 25,681,613.50 | |
| AIE NO | | 11,272,645.00 | |
| TOTAL | | 143,767,301.60 | 114,482,034.00 |

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 | 0 | 0 |
| Receipts from sale of office and general equipment | 0 | 0 |
| Receipts from the Sale Plant Machinery and Equipment | 0 | 0 |
| Total | 0 | 0 |

3. OTHER RECEIPTS

| | 2014 - 2015 | 2013 - 2014 |
|---|-------------|-------------|
| | Kshs | Kshs |
| Interest Received | 0 | 0 |
| Rents | 0 | 0 |
| Receipts from Sale of tender documents | 0 | 0 |
| Other Receipts Not Classified Elsewhere | 0 | 0 |
| Total | 0 | 0 |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

| | 2014 - 2015 | 2013 - 2014 |
|---|---------------------|---------------------|
| | Kshs | Kshs |
| Basic wages of contractual employees | 1,615,749.90 | 1,328,983.00 |
| Personal allowances paid as part of salary | | |
| House allowance | 396,000.00 | |
| Transport allowance | 198,000.00 | |
| Leave allowance | 0 | |
| Gratuity | 0 | |
| Other personnel payments | 320,200.00 | |
| Total | 2,565,949.90 | 1,328,983.00 |

5. USE OF GOODS AND SERVICES

| | 2014 - 2015 | 2013 - 2014 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 5,380.00 | 6,960.00 |
| Rent | 10,000.00 | 0 |
| Communication, supplies and services | 510,000.00 | 6,270.00 |
| Domestic travel and subsistence | 98,000.00 | 53,400.00 |
| Printing, advertising and information supplies & services | 21,082.00 | 101,076.00 |
| Rentals of produced assets | 0 | 0 |
| Training expenses | 321,000.00 | 960,500.00 |
| Hospitality supplies and services | 0 | 0 |
| Insurance costs | 0 | 345,126.00 |
| Specialized materials and services | 90,000.00 | 60,000.00 |
| Office and general supplies and services | 37,444.50 | 72,880.00 |
| Fuel, Oil & Lubricants | 729,687.50 | 929,000.00 |
| Other operating expenses | 124,773.00 | 160,000.00 |
| Routine maintenance – vehicles and other transport equipment | 0 | 525,725.00 |
| Routine maintenance – other assets | 33,150.00 | 9,000.00 |
| Total | 1,980,517.00 | 3,238,937.00 |

6. COMMITTEE EXPENSES

| | 2014 - 2015 | 2013 - 2014 |
|--------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Committee allowances | 3,568,900.00 | 1,449,869.00 |
| Other committee expenses | 1,257,170.50 | 1,577,000.00 |
| Total | 4,826,070.50 | 3,026,869.00 |

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

7. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2014 - 2015 | 2013 - 2014 |
|------------------------------------|----------------------|----------------------|
| | Kshs | Kshs |
| Transfers to primary schools | 1,320,000.00 | 30,577,000.00 |
| Transfers to secondary schools | 550,000.00 | 20,264,214.00 |
| Transfers to tertiary institutions | 58,213,842.00 | 11,234,105.00 |
| Transfers to health institutions | 6,086,864.00 | 8,946,105.00 |
| TOTAL | 66,170,706.00 | 71,001,424.00 |

8. OTHER GRANTS AND PAYMENTS

| | 2014 - 2015 | 2013 - 2014 |
|---------------------------------|----------------------|----------------------|
| | Kshs | Kshs |
| Bursary – secondary schools | 8,584,622.00 | 10,624,100.00 |
| Bursary – tertiary institutions | 4,194,906.00 | 1,571,000.00 |
| Bursary – special schools | 42,000.00 | 26,000.00 |
| Mock & CAT | 2,400,000.00 | 0 |
| Water projects | 1,000,000.00 | 6,200,000.00 |
| Agriculture projects | 0 | 0 |
| Electricity projects | 0 | 0 |
| Security projects | 0 | 2,271,998.00 |
| Roads projects | 0 | 4,220,047.00 |
| Sports projects | 1,435,616.30 | 2,499,560.00 |
| Environment projects | 0 | 0 |
| Emergency projects | 3,963,430.00 | 5,074,697.00 |
| Total | 21,620,574.30 | 32,487,402.00 |

9. SOCIAL SECURITY BENEFITS

| | 2014 - 2015 | 2013 - 2014 |
|-------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Employer contribution to NSSF | 44,360.00 | 18,600.00 |
| Total | 44,360.00 | 18,600.00 |

10. ACQUISITION OF ASSETS

Non Financial Assets

| | 2014 - 2015 | 2013 - 2014 |
|--|---------------------|----------------------|
| | Kshs | Kshs |
| Purchase of Buildings | 0 | 0 |
| Construction of Buildings | 7,000,000.00 | 16,100,000.00 |
| Refurbishment of Buildings | 0 | 0 |
| Purchase of Vehicles and Other Transport Equipment | 0 | 0 |
| Overhaul of Bicycles & Motorcycles | 99,500.00 | 0 |
| Purchase of Household Furniture and Institutional Equipment | 0 | 17,655.00 |
| Purchase of Office Furniture and General Equipment | 0 | 0 |
| Purchase of ICT Equipment, Software and Other ICT Assets | 0 | 500,960.00 |
| Purchase of Specialised Plant, Equipment and Machinery | 0 | 0 |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | 0 | 0 |
| Acquisition of Land | 0 | 0 |
| Acquisition of Intangible Assets | 0 | 0 |
| Total | 7,099,500.00 | 16,618,615.00 |

11. OTHER PAYMENTS

| | 2014 - 2015 | 2013 - 2014 |
|--|-------------|-------------|
| | Kshs | Kshs |
| | 0 | 0 |
| | 0 | 0 |

12A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | 2014 - 2015 | 2013 - 2014 |
|---|----------------------|---------------------|
| | Kshs | Kshs |
| <i>KCB Ugunja, Account No. 1108398081</i> | 42,476,844.00 | 3,240,313.75 |
| Total | 42,476,844.00 | 3,240,313.75 |

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

12B: CASH IN HAND

| | 2014 - 2015 Kshs | 2013 - 2014 Kshs |
|--------------|---------------------|---------------------|
| Location 1 | 0 | 0 |
| Total | 0 | 0 |

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>Name of Officer or Institution</i> | dd/mm/yy | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> |
| | | 0 | 0 | 0 |
| Total | | | | 0 |

13. BALANCES BROUGHT FORWARD

| | 2014 - 2015 Kshs | 2013 - 2014 Kshs |
|---------------|---------------------|----------------------|
| Bank accounts | 3,240,313.75 | 16,935,604.68 |
| Cash in hand | 0 | 0 |
| Imprest | 0 | 0 |
| Total | 3,240,313.75 | 16,935,604.68 |

14. PRIOR YEAR ADJUSTMENTS

| | 2013 - 2014 Kshs | 2012 - 2013 Kshs |
|---------------|---------------------|---------------------|
| Bank accounts | (223,093.65) | (215,094.00) |
| Cash in hand | 0 | 0 |
| Imprest | 0 | 0 |
| Total | (223,093.65) | (215,094.00) |

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2014 - 2015 | 2013 - 2014 |
|-----------------------------|-------------|-------------|
| | Kshs | Kshs |
| Construction of buildings | 0 | 0 |
| Construction of civil works | 0 | 0 |
| Supply of goods | 0 | 0 |
| Supply of services | 0 | 0 |
| | 0 | 0 |

15.2: PENDING STAFF PAYABLES (See Annex 2)

| | Kshs | Kshs |
|---------------------------|----------|----------|
| Senior management | 0 | 0 |
| Middle management | 0 | 0 |
| Unionisable employees | 0 | 0 |
| Others (<i>specify</i>) | 0 | 0 |
| | 0 | 0 |

15.3: OTHER PENDING PAYABLES (See Annex 3)

| | Kshs | Kshs |
|---|----------|----------|
| Amounts due to other Government entities (see attached list) | 0 | 0 |
| Amounts due to other grants and other transfers (see attached list) | 0 | 0 |
| Others (<i>specify</i>) | 0 | 0 |
| | 0 | 0 |

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

NATIONAL GOVERNMENT ENTITY – (UGENYA CDF)

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

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 | | | | | | |

NATIONAL GOVERNMENT ENTITY - (UGENYA CDF)

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

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 | | 0 | | 0 | 0 | 0 | |

NATIONAL GOVERNMENT ENTITY - (UGENYA CDF)

Reports and Financial Statements

For the year ended June 30, 2015 (Kshs)

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 | 0 | | | 0 | 0 | |

NATIONAL GOVERNMENT ENTITY - (UGENYA CDF)
 Reports and Financial Statements
 For the year ended June 30, 2015 (Kshs)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost (Kshs) 2014/15 | Historical Cost (Kshs) 2013/14 |
|--|--------------------------------------|--------------------------------------|
| Land | 900,000.00 | 900,000.00 |
| Buildings and structures | 15,200,000.00 | 7,000,000.00 |
| Transport equipment | 5,514,500.00 | 5,415,000.00 |
| Office equipment, furniture and fittings | 184,481.00 | 184,481 |
| ICT Equipment, Software and Other ICT Assets | 330,000.00 | 330,000.00 |
| Other Machinery and Equipment | 26,795.00 | 26,795.00 |
| Heritage and cultural assets | 0 | 0 |
| Intangible assets | 0 | 0 |
| Total | 22,155,776.00 | 13,856,276.00 |

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs')

ANNEX I – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost (Kshs) 2014/15 | Historical Cost (Kshs) 2013/14 |
|--|--------------------------------------|--------------------------------------|
| Land | 2,000,000.00 | Not valued |
| Buildings and structures | 4,000,000.00 | Not valued |
| Transport equipment | 4,000,000.00 | Not valued |
| Office equipment, furniture and fittings | 3,500,000.00 | Not valued |
| ICT Equipment, Software and Other ICT Assets | 1,000,000.00 | Not valued |
| Other Machinery and Equipment | 00 | Not valued |
| Heritage and cultural assets | 00 | |
| Intangible assets | 00 | |
| Total | 14,500,000.00 | |

