

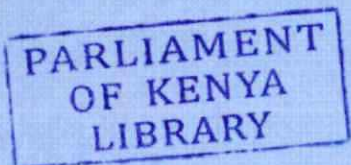
REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

*Paper laid*  
*By Hon. A. Dwiki (Com)*  
*on Wed. 11.11.2015 (PM)*  
*M/M*

REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
CONSTITUENCIES DEVELOPMENT FUND  
KAPSERET CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2014

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND - KAPSERET CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2014

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Kapseret Constituency as set out on pages 4 to 18, which comprise the statement of financial assets and liabilities as at 30 June 2014, and the statement of receipts and payments, 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.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. 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 entity'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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion

## **Basis for Disclaimer of Opinion**

### **1.0 Other Grants and Transfers**

The statement of receipts and payments under note 8 to the financial statements reflects other grants and transfers figure of Kshs.18,837,002.00 which include Kshs.3,080,002.00 being environment expenditure and which no documentary evidence was availed for audit review.

Consequently, the accuracy and propriety of other grants and transfers in regard to Kshs.3,080,002.00 on environmental expenditure could not be confirmed.

### **2.0 Cash and Cash Equivalent**

The statement of financial assets and liabilities as at 30 June 2014 reflects a cash and cash equivalent figure of Kshs.23,245,187.00 which include outstanding imprest and cash in bank balances of Kshs.419,500.00 and Kshs.22,825,687.00 respectively. However, the bank reconciliation statement and Board of Survey report were not availed for audit review in support of the cash balance of Kshs.23,245,187.00 as at 30 June 2014. Further, the statement of financial assets and liabilities reflects fund balance of Kshs.23,245,187.00 representing surplus for the year while, the statement of receipts and payments shows a surplus of Kshs.22,828,365.00. The resultant difference of Kshs.416,822.00 between the two sets of record has not been explained or reconciled.

### **3.0 Format of Financial Statements**

It is stated in the financial statements that the figures in the financial statements have been rounded off to the nearest thousands. However, the figures reflected in the financial statements have not been rounded off. Consequently, the statement has not been prepared in accordance with the International Public Sector Accounting Standards and as prescribed by the Public Sector Accounting Standards Board.

### **4.0 Notes to the Financial Statements**

**4.1** The notes to the financial statements set out on pages 11 to 18 do not disclose the projects to which the surplus of Kshs.22,828,365.00 is payable. Further, failure to utilize Kshs.22,828,365.00 of the budgeted funds means that the people of Kapseret did not benefit on the intended projects.

**4.2** Details of the fixed assets register have also been omitted in the notes to the financial statements.

Consequently, the validity and accuracy of the financial statements for the year ended 30 June 2014 could not be confirmed.

## **5.0 Use of Goods and Services**

The statement of receipts and payments under note 5 to the financial statements reflects expenditure on use of goods and services of Kshs.1,394,117.00 which include an expenditure of Kshs.361,426.00 incurred on fuel, oil and lubricants. The expenditure on fuel, oil and lubricants included an expenditure on fuel of Kshs.200,000.00 for which no records on how the fuel supplied was received and utilized were availed for audit verification. In addition, there was no record of prequalified suppliers and it is not known how the supplier was identified.

Consequently, the propriety of the expenditure of Kshs.200,000.00 could not be confirmed.

## **6.0 Bursaries**

The statement of receipts and payments reflects under note 8 to the financial statements other grants and transfers figure of Kshs.18,837,002.00 which include bursaries of Kshs.10,991,602.00 awarded by church leaders upon request by the member of parliament contrary to CDF Circulars Vol.1/III of 13 September 2010 which requires that bursaries be awarded by constituency bursary vetting committee which vets the bursary beneficiaries in line with CDF board guidelines. Further, the management has not explained how the beneficiaries were identified and how the bursaries awarded were determined.

Consequently, the propriety of the expenditure of Kshs.10,991,602.00 on bursaries could not be ascertained for the year ended 30 June 2014.

## **7.0 Construction of Kiambaa-Chebarus Road**

### **7.1 Amount not reflected in the financial statement or missing**

Kiambaa-Chebarus Road expenditure of Kshs.1,196,066.72 was charged to emergency account yet note 8 to the statements of receipt and payments reflect a nil emergency balance for the year ended 30 June 2014.

### **7.2 Procurement process**

Information availed for audit review indicate that although a local firm was notified of the award of the tender for the construction of Kiambaa-Chebarus road at a cost of Kshs.1,196,066.72 on 19 November 2012, no procurement records were availed to confirm how the firm was identified and awarded the contract. The contract document and work plan for the project were also not availed for audit verification despite 100% of the contract sum of Kshs.1,196,066.72 having been paid on 23 December 2013 vide cheque No.5686. The payment was however not supported by a completion certificate and no retention money and withholding tax was withheld as required.

Consequently, the propriety of expenditure of Kshs 1,196,066 72 could not be confirmed

## **8.0 Disbursement to the Former Eldoret South Constituency**

The former Eldoret South Constituency was split into Kapseret and Kesses constituencies According to CDF Financial Management Guidelines reference CDF Board Circulars/Vol 1 1/167 of 17 July 2013, the bank accounts of the parent Constituency was to be used for disbursement of funds for the financial year 2012/2013 and the preceding financial years and be closed after all such funds were disbursed to project management committees (PMCs) and upon preparation of bank reconciliation statements.

According to CDF Board records, an amount of Kshs 100,406,305.70 was disbursed to Eldoret South CDF during the year under review However, Eldoret South CDF(Kapseret and Kesses CDFs) have not provided records to show how the fund amounting to Kshs 100,406,305 70 was subsequently utilized

### **8.1 Rehabilitation of Simat Dam-Kapseret Constituency**

The Constituency Development Fund Committee allocated Kshs 1,000,000 for the rehabilitation of Simat Dam The money was subsequently disbursed on 17 August 2013 vide cheque number 04512 However, bank statements and expenditure returns for the project have not been provided for audit review to confirm how the money disbursed was utilized Further, as at the time of audit in March 2015, the work had not commenced

Consequently, the propriety of the expenditure of Kshs 1,000,000 could not be confirmed

### **8.2 Construction of Tuiyo-Nganiat Bridge-Kapseret Constituency**

A review of records indicated that a local firm was notified of the award of the tender for the construction of Tuiyo-Nganiat bridge at a cost of Kshs 5,753,799 45 on 6 November 2013 The firm was the lowest bidder of the five bids received and evaluated Payments totaling to Kshs 5,665,400 were made between 26 November 2013 and 24 March 2014 to the firm without the report of the inspection and acceptance committee confirming the levels of completion Further, the payments were made without recovering retention money and withholding tax and no reason was provided for failure to withhold the retention money and withholding tax

### **8.3 School Bus Loans-Kapseret Constituency**

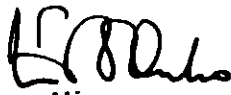
The Constituency Development Fund Committee allocated an amount of Kshs 1,500,000 each to two secondary schools, Leimolok and Tuiyo and Kshs 1,000,000 each to two other schools, AIC Lemook and Simat all totaling Kshs 5,000,000 towards repayment of bank loans for school buses Further the money was not directly paid to the loan accounts but was received in the respective school bank accounts and repaid in installments The partial funding of the loans was contrary

contrary to Section 22(2) of the Constituency Development Fund Act, 2013 which stipulates that any funding shall be for a complete project or defined phases of a project. Also, Simat Secondary School spent Kshs.396,000 on other activities other than repayment of the loan without authority from the Constituencies Development Fund Board

Consequently, the propriety of the advances totalling Kshs.5,000,000 towards loan repayment of buses could not be confirmed.

#### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.



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

**Nairobi**

**24 July 2015**

**CONSTITUENCIES DEVELOPMENT FUND – KAPSERET CONSTITUENCY**  
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**18.3 PAYABLES**

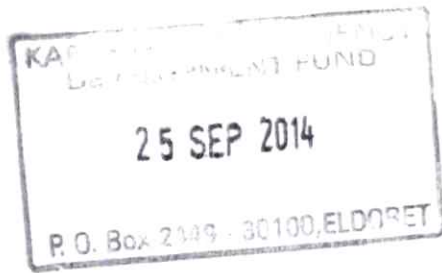
<b>Kshs</b>	<b>Kshs</b>
xxx	xxx
xxx	xxx
xxx	xxx
xxx	xxx
<b>xxx</b>	<b>xxx</b>

*18.4 FUNDS DUE TO PROJECTS*

*18.5 DISBURSEMENTS FROM THE BOARD*

<i>AIE NO.</i>	<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>

[30<sup>TH</sup> SEPTEMBER 2014]



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**CONSTITUENCIES DEVELOPMENT-KAPSERET**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2014**

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

**CONSTITUENCIES DEVELOPMENT FUND – KAPSERET CONSTITUENCY**  
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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 CDF Act 2013 aligns the Fund with the Constitution of Kenya 2010 and the Public Finance Management Act 2012 that lay emphasis on citizen participation in public finance management and decision making, transparency and accountability together with equity in public resource utilization. The overall management of the Fund is the responsibility of the Constituencies Development Fund Board.

### **(b) Key Management**

The *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 2014 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Chief Executive Officer	<b>Yusuf Mbuno</b>
2.	Fund Account Manager	<b>WESLEY MAINA</b>
3.	District Accountant	<b>PHILIP KILAKA</b>

### **(d) Fiduciary Oversight Arrangements**

*List the CDFC as gazzetted*

1. Philip Kogo- Chairman
2. Elphas Songok- Member
3. Rhoda Too- Member
4. Sally Kitur- Member
5. Lilian Jepkemboi- Member
6. David Maru- Member
7. Jasper Kurgat- Member
8. Simion Njonge- Member
9. Chuck Masua- Sub County Commissioner
10. Wesley Maina- Fund Account Manager
11. Hon. Oscar Sudi- M.P- Ex officio

**(e) Entity Headquarters**

**Provide box and physical address of the constituency CDF office**

P.O. Box 2449-30100  
ELDORET  
KAPSERET CDF  
WARENG DISTRICT  
ELDORET KENYA

**(f) Entity Contacts**

**Provide telephone number and email of the constituency CDF office**

Telephone: (254) 0721885464/0736117333  
E-mail: cdfkapsere@.go.ke  
Website: www.go.ke

**(g) Entity Bankers**

Constituency CDF main banker (provide the bank, branch, account number and address)

1. COOPERATIVE BANK  
ELDORET  
ACCOUNT 01141443517600  
P.O. BOX 2449  
ELDORE

**(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. STATEMENT OF CONSTITUENCY 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 entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.


The Fund Account Manager in charge of the kasperet *CDF* is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30, 2014. 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 constituency; (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 constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the kasperet *CDF* accepts responsibility for the Kasperet Constituency'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) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the kasperet *CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30, 2014, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the kasperet *CDF* further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

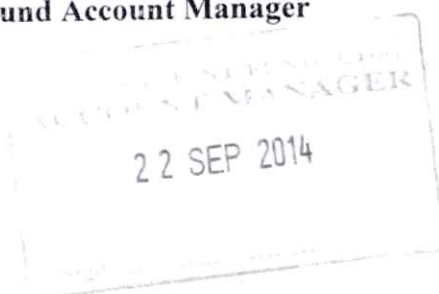
The Fund Account Manager in charge of the kasperet *CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Fund Account Manager confirms that the Constituency's financial statements have been prepared in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

### **Approval of the financial statements**

The kasperet *CDF* financial statements were approved and signed on 22.9.14 2014.

  
**PHILIP KOGO**  
Chairman - CDFC

  
**WESLEY MAINA**  
Fund Account Manager



**CONSTITUENCIES DEVELOPMENT FUND – KAPSERET CONSTITUENCY**  
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**III. STATEMENT OF RECEIPTS AND PAYMENTS**

#REF!	Note	2013-2014 Kshs	2012-2013 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	67792669	
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>67792669</b>	
<b>PAYMENTS</b>			
Compensation of Employees	4	108800	
Use of goods and services	5	1,394117	
Committee Expenses	6	913735	
Transfers to Other Government Units	7	23710650	
Other grants and transfers	8	18837002	
Social Security Benefits	9	-	
Acquisition of Assets	10	-	
Other Payments	11	-	
<b>TOTAL PAYMENTS</b>		<b>44964304</b>	
		<b>22828365</b>	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The kaperset CDF financial statements were approved on 22.9.14 2014 and signed by:



**Philip Kogo**  
**Chairman - CDFC**



**WESLEY MAINA**  
**Fund Account Manager**

DEPARTMENT OF CONSTITUENCIES DEVELOPMENT  
 ACCOUNTS MANAGER  
 22 SEP 2014

**CONSTITUENCIES DEVELOPMENT FUND – KAPSERET CONSTITUENCY**  
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**IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES**

	Note	2013-2014 Kshs	2012-2013 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12	22825687	
Cash Balances (sale of tenders,hire of grader)	13	Xxx	
Outstanding Imprests	14	419500	
Cash Equivalents ( eg sale of tender doc held in bankers cheque)	15	0	
<b>TOTAL FINANCIAL ASSETS</b>		<u>23245187</u>	

**REPRESENTED BY**

<b>Fund balance b/fwd 1st July...</b>	16	Xxx	
<b>Surplus/Defict for the year</b>		23245187	
<b>Prior year adjustments</b>	17	xxx	
<b>NET LIABILITIES</b>		<u>xxx</u>	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The kapseret CDF financial statements were approved on 22<sup>nd</sup> 9<sup>th</sup> 2014 2014 and signed by:

**PHILIP KOGO**  
**Chairman - CDFC**



**WESLEY MAINA**  
**Fund Account Manager**



DEVELOPMENT FUND CDFC  
 ACCOUNT MANAGER  
 22 SEP 2014

REPORTS AND FINANCIAL STATEMENTS

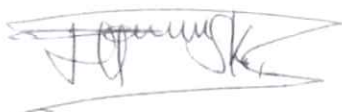
For the year ended June 30, 2014 (Kshs'000)

V: SUMMARY STATEMENT OF APPROPRIATION

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
Compensation of Employees	735,000.00	0	735,000.00	108,800.00	626,200.00	15
Use of goods and services	2,354,389.00	0	2,354,389.00	1,394,117.00	960,272.00	59
Committee Members Expenses	3,108,502.00	0	3,108,502.00	913,735.00	2,194,767.00	29
Transfers to Other Government Units	34,093,409.00	0	34,093,409.00	23,710,650.00	10,382,759.00	70
Other grants and transfers	27,501,369.00	0	27,501,369.00	18,837,002.00	8,664,367.00	68
Social Security Benefits			-	-	-	
Acquisition of Assets			-	-	-	
Finance Costs, including Loan Interest			-	-	-	
Repayment of principal on Domestic and Foreign borrowing			-	-	-	
Other Payments			-	-	-	
<b>TOTALS</b>	<b>67,792,669.00</b>	<b>-</b>				

The Kapseret Financial Statements was approved on 22<sup>nd</sup> 9 2014 and Signed by

Philip K...  
 Chairman CDFC



Wesley Maian- FAM



ACCOUNT MANAGER  
 22 SEP 2014  
 Sign

## **VI. SIGNIFICANT ACCOUNTING POLICIES**

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

### **a) 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 and relevant legal framework of the Government of Kenya. 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 Constituency and all values are rounded to the nearest thousand (Kshs'000). 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 Constituency.

### **b) Recognition of revenue and expenses**

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

### **c) In-kind contributions**

In-kind contributions are donations that are made to the Constituency 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 Constituency 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.

### **d) 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also

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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.

# CONSTITUENCIES DEVELOPMENT FUND – KAPSERET CONSTITUENCY

## Reports and Financial Statements

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

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### *SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**e) Receivables and payables**

Receivables are funds due to the Constituency at the end of the financial year from the CDF Board and other sources but not yet received while payables are funds due to other parties at the end of the financial year but not yet paid. As receivables and payables do not involve the receipt or payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Constituency at the end of the year. When the receivables or payables are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**f) 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 Constituency'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 Constituency's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**g) Comparative figures**

This is the first year the Constituency is preparing financial statements and hence we do not have comparative figures.

**h) 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, 2014.

**CONSTITUENCIES DEVELOPMENT FUND – KAPSERET CONSTITUENCY**  
**Reports and Financial Statements**  
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**VII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM CDF BOARD**

	Description	2013 - 2014	2012 - 2013
		Kshs	Kshs
Normal Allocation	AIE NO...735873	27117067.60	0
	AIE NO.....750064	40675601.40	0
			0
Conditional grants	AIE NO...	-	0
	AIE NO...	-	
	<b>TOTAL</b>	<b>67792669</b>	<b>0</b>

**2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		0
Receipts from the Sale Plant Machinery and Equipment		
Receipts from the Sale of office and general equipment		
<b>Total</b>	-	<b>0</b>

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**Reports and Financial Statements**  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER REVENUES**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	0
Rents	-	0
Sale of tender documents	-	0
Other Receipts Not Classified Elsewhere (specify)	-	0
<b>Total</b>	<b>-</b>	<b>0</b>

**4 COMPENSATION OF EMPLOYEES**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	108800	0
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	-	0
Transport allowance	-	0
Leave allowance	-	0
Other personnel payments	-	0
gratuity		
<b>Total</b>	<b>108800</b>	<b>0</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	54250	
electricity		
Water		
Office rent		
Communication, supplies and services	54415	
Domestic travel and subsistence	46350	
Printing, advertising and information supplies & services	63661	
Rentals of produced assets		
Training expenses		
Hospitality supplies and services	89555	
Insurance costs		
Specialized materials and services	88550	
Office and general supplies and services	183015	
Fuel ,oil & lubricants	361426	
Other operating expenses	100,000	
Routine maintenance – other assets	352895	
<b>Total</b>	<b>1394117</b>	

**6. COMMITTEE EXPENSES**

<b>Description</b>	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Other committee expenses	346565	
Committee allowance	567170	
<b>TOTAL</b>	<b>913735</b>	<b>xx</b>

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**7. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2013 - 2014	2012 - 2013
	Kshs	Kshs
Transfers to primary schools	18,210,650	
Transfers to secondary schools	5,500,000	
Transfers to Tertiary institutions		
Transfers to Health institutions		
<b>TOTAL</b>	<b>23710650</b>	<b>-</b>

**8. OTHER GRANTS AND OTHER PAYMENTS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bursary -Secondary	6,885,000	
Bursary -Tertiary	4,106,602	
Bursary-Special schools		
Mocks & CAT		
water	1,000,000	
Agriculture (food security)		
Electricity projects		
Security	1,200,000	
Roads	2,565,450	
Sports		
Environment	3,080,002	
Emergency Projects (specify)		
<b>Total</b>	<b>18,837,002</b>	<b>-</b>

**9. SOCIAL SECURITY BENEFITS**

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Employer contribution to NSSF		
<b>Total</b>	<b>-</b>	<b>-</b>

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**10. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles		
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles		
Purchase of Office furniture and fittings		
Purchase of computers ,printers and other IT equipments		
Purchase of photocopier		
Purchase of other office equipments		
Purchase of soft ware		
Acquisition of Land		
<b>Total</b>	-	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**11. OTHER PAYMENTS**


**12. BANK BALANCES (CASH BOOK BANK BALANCE)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Cooperative Bank, ELDORET Branch 01141443517600</i>	22825687	
	xxx	
	xxx	
<b>Total</b>	22825687	

**13. CASH IN HAND**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
WESLY MAINA	419500	

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Sale of tender	xxx	
Hire of graders	xxx	
Hire of hall	xxx	
Other receipts (specify)	xxx	
<b>Total</b>	<b>xxx</b>	

*[Provide cash count certificates for each]*

**14. OUTSTANDING IMPRESTS**

<i>Name of Officer</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 WESLEY MAINA</i>	419500	000	419500
<i>Name of Officer</i>	xxx	xxx	xxx
<i>Name of Officer</i>	xxx	xxx	xxx
<i>Name of Officer</i>	xxx	xxx	xxx
<i>Name of Officer</i>	xxx	xxx	xxx
<i>Name of Officer</i>	xxx	xxx	xxx
<b>Total</b>	<b>419500</b>		<b>419500</b>

**15. CASH EQUIVALENTS (SHORT-TERM DEPOSITS)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Amount in foreign currency</b>	<b>Exchange rate</b>	<b>2013 - 2014</b>	<b>2012 - 2013</b>
			<b>Kshs</b>	<b>Kshs</b>
<i>Describe the nature of deposit</i>	xxx	xxx	xxx	
<i>Describe the nature of deposit</i>	xxx	xxx	xxx	
<i>Describe the nature of deposit</i>	xxx	xxx	xxx	
<i>Describe the nature of deposit</i>	xxx	xxx	xxx	
<b>Total</b>			<b>xxx</b>	

**16. BALANCES BROUGHT FORWARD**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>

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**Reports and Financial Statements**

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

Bank accounts	xxx	-
Cash in hand	xxx	-
Cash equivalents (short-term deposits)	xxx	-
Imprest	xxx	-
<b>Total</b>	xxx	-
<i>[Provide short appropriate explanations as necessary]</i>		

**17. PRIOR YEAR ADJUSTMENTS**

	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	xxx	-
Cash in hand	xxx	-
Cash equivalents (short-term deposits)	xxx	-
Imprest	xxx	-
<b>Total</b>	xxx	-

**18. OTHER IMPORTANT DISCLOSURES**

**18.1 FIXED ASSETS REGISTER**

**18.2 RECEIVABLES FROM CDF BOARD AND OTHER RECEIVABLES**

<i>RECEIVABLES FROM THE BOARD</i>	
<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>
<i>OTHER RECEIVABLES (SPECIFY)</i>	

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**18.3 PAYABLES**

<b>Kshs</b>	<b>Kshs</b>
xxx	xxx
xxx	xxx
xxx	xxx
xxx	xxx
<b>xxx</b>	<b>xxx</b>

*18.4 FUNDS DUE TO PROJECTS*

*18.5 DISBURSEMENTS FROM THE BOARD*

<i>AIE NO.</i>	<i>AMOUNT</i>	<i>FINANCIAL YEAR</i>