

REPUBLIC OF KENYA



*Robert LAD*  
*Be the leader of*  
*majority party*  
*on 4.10.2016*

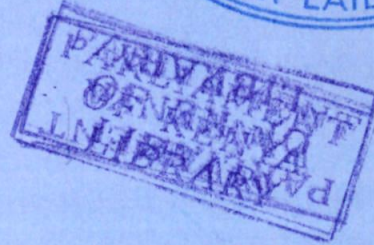


OFFICE OF THE AUDITOR-GENERAL



REPORT

OF



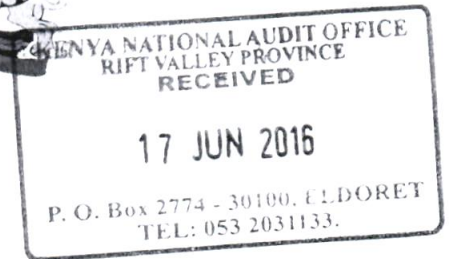
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
CONSTITUENCIES DEVELOPMENT  
FUND - KIMININI CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2015





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**CONSTITUENCY DEVELOPMENT FUND- KIMININI CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

**CONSTITUENCY DEVELOPMENT FUND – KIMININI CONSTITUENCY**

**Reports and Financial Statements**

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

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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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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 *Kiminini Constituency's* day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (CDFB)
- ii. Constituency Development Fund Committee (CDFC)

### **(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2015 and who had direct fiduciary responsibility were:

<b>No</b>	<b>Designation</b>	<b>Name</b>
.		
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Eunice Anubi</b>
3.	Accountant	<b>Benjamin Muchina</b>

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

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

P.O. Box 1683  
Dipakben Vipul Dodhia Building  
Milimani Road (Opposite Kitale Club)  
Off Eldoret-Kitale Highway  
Kitale, KENYA

**(f) KIMININI CDF Contacts**

Telephone: (254) 0724 415689/ 0722286697

E-mail: [cdfkiminini.go.ke](mailto:cdfkiminini.go.ke)

Website: [www.kimininiconstituency.com](http://www.kimininiconstituency.com)

**(g) KIMININI CDF Bankers**

1. Co-operative Bank  
Kitale  
01141599005900  
Box 1058, Kitale

**(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)**

Kiminini Constituency Development Fund was allocated Kshs 116,691,994 by the CDF Board in reference to the financial year 2014/2015. Out of this allocation, the constituency had received a total of Kshs 87, 518, 995 by 30<sup>th</sup> June 2015.

Hence by close of the financial year there was a balance of Kshs. 29,172,999 as funds due to the constituency from the CDF Board. Therefore 75 % of the budget has been funded.

In addition to this there were funds totalling 47,934,665 brought forward from the previous financial year bringing the total amount available during the financial year to Kshs 135,453,660 out of which Kshs 124,825,454 was spent by end of the financial year.

In summary the programmes have been carried out as follows in relation to funds received:

- Transfers to other government units to the tune of Kshs 70,332,759 accounted for 88% of the sector allocation whereas other grants and transfers took Kshs 39,377,488.60 accounting for 67% of the allocation.
- Other payments were allocated a total of Kshs 4,020,000. The amount is intended for development of a Strategic Plan which was tendered for and the contract awarded in June 2015. No payment had been made by close of the financial year hence the 0% utilisation on budget. The programme is currently underway and payments have commenced.
- Under acquisition of assets, the CDF office is under construction with the payment indicated catering for 73% of the total amount allocated to the programme within the financial year.

This accounts for 84% of the funding available during the financial year. The projects funded are at different levels of completion.

- The budget for use of goods and services has been utilized to the tune of Kshs 2,298,531 which is 55% of the total allocated. The funds were intended to cater for purchase of office equipment among others for which a procurement plan is being developed for purchase in the next reporting period.

In 2014/2015, key achievements include timely disbursement of bursary funds for needy students to various institutions. 99% of funds allocated towards bursary were disbursed. There was also marked improvement in disbursement of funds to programmes as compared to the previous financial year.

There have been changes in the availability of funds for infrastructure development in the Education sector, therefore the need for CDF to increase funding towards schools. In addition, new secondary schools have been started within the constituency to improve on transition rates from Primary to Secondary level. This has led to pressure on CDF for increased funding towards the Education sector. The Project Management Committees are the key implementers of projects. Some of the PMCs are requesting for additional funds to complete projects due to the rising cost of construction. There is therefore need to look into costing to cater for such changes.

**CONSTITUENCY DEVELOPMENT FUND- KIMININI CONSTITUENCY**

**Reports and Financial Statements**


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

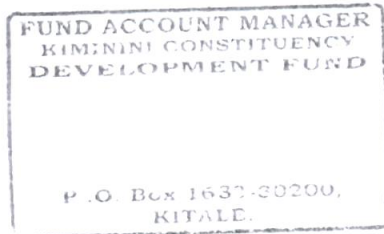
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Some projects which had been allocated funds had not received funding by close of the financial year due in part to delay in release of funds and in some cases lack of proper management structures or requisite documentation for release of funds.

We therefore recommend timely release of funds by the CDF Board in order for timely disbursement of funds to projects. Meanwhile Project Management Committees are being trained and advised on documentation required for release of funds. Relevant departmental heads should also speed up the provision of requisite documentation for release of funds, mainly in projects involving acquisition of land.

With these recommendations in place, we hope to perform better during the next financial year.

  
JOHN SIBOE  
**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 *Kiminini 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 *Kiminini 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 *Kiminini 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 *Kiminini 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 *Kiminini CDF's* financial statements were approved and signed by the Accounting Officer on 16.06.2016.

  
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John Siboe  
**Chairman - CDFC**

  
\_\_\_\_\_  
Eunice Anubi  
**Fund Account Manager**  
FUND ACCOUNT MANAGER  
KIMININI CONSTITUENCY  
DEVELOPMENT FUND  
P.O. Box 1683-30200,  
KITALE.

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund- Kiminini Constituency set out on pages 6 to 24, which comprise statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

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

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the 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 misstatements.

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

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*Constituencies Development Fund - Kiminini Constituency – Annual report and Financial Statements for the year ended 30 June 2015*

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 statement.

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

## **Basis for Qualified Audit Opinion**

### **1.0 Late Submission of Financial Statements**

Constituency Development Fund - Kiminini constituency submitted its financial statements for the year ended 30 June 2015 to the Auditor General on 27 May 2016, a period of 8 months after the end of the statutory deadline of 30 September 2015. This is contrary to Section 164 (4a) of the Public Finance Management Act 2012, which stipulates that within three months after the end of each financial year, the accounting officer for an entity shall submit for audit the entity's financial statements to the Auditor-General. Consequently, the management of the fund is in breach of the law.

### **2.0 Bank Balances**

Note 12A of the Fund's financial statements reflects bank balance figure of Kshs.10,582,707. However, bank reconciliation statement availed for audit review had reconciling items that had remained outstanding for over six months. The items included un-presented cheques amounting to Kshs.14,155,178.80 which included stale cheques totalling Kshs.600,437.80 and payments in bank statement not yet recorded in cash book of Kshs.34,115 which had not been reversed in the cash book. No information was however availed for audit review showing the dates when the balance of the un-presented cheques totalling Kshs.13,554,740 was subsequently cleared in the bank.

In the circumstances, it was not possible to confirm that the bank balance of Kshs.10,582,707 was fairly stated as at 30 June 2015.

### **3.0 Oils and Lubricants**

Included in the statement of receipts and payments under use of goods and services figure of Kshs.2,298,531 is fuel, oil and lubricants amount of Kshs.308,000 out of which an amount of Kshs.300,000 was paid to a service station for fuel deposits. However, it was not possible to ascertain how the service station was sourced since the respective procurement records were not availed for audit verification contrary to Section 27 (1) of the Public Procurement and Disposal Act 2005 which stipulates that a public entity shall ensure that this Act, the regulations and any directions of the Authority are complied with in respect to each of its procurements. Consequently, the propriety of Kshs.300,000 paid to the service station for supply of fuel could not be confirmed for the year ended 30 June 2015.

## **4.0 Transfer to other Government Entities**

### **4.1 Purchase of Land- Nabiswa Primary School**

Included in the statement of receipts and payments under transfer to other government entities figure of Kshs.70,332,759 is transfers to primary schools figure of Kshs.31,850,000 out of which an amount of Kshs.700,000 was paid vide cheque no 901 to Nabiswa Primary School for the purchase of one acre piece of land. However, ownership documents including the title deed were not availed for audit verification.

In the absence of the ownership documents, the propriety of the amount of Kshs.700,000 spent on the purchase of one acre piece of land could not be confirmed for the year ended 30 June 2015.

### **4.2 Purchase of Land- Kikwamet Secondary School**

Included in the statement of receipts and payments under transfer to other government entities figure of Kshs.70,332,759 is transfers to Secondary schools figure of Kshs.34,000,000 out of which an amount of Kshs.700,000 was paid vide cheque no 1362 to Kikwamet Secondary School for the purchase of one acre piece of land. However, ownership documents including the title deed were not availed for audit verification.

In the absence of the ownership documents, the propriety of the amount of Kshs.700,000 spent on the purchase of one acre piece of land could not be confirmed for the year ended 30 June 2015.

### **4.3 Purchase of Land- Nabiswa Secondary School**

Included in the statement of receipts and payments under transfer to other government entities figure of Kshs.70,332,759.00 is transfers to Secondary schools figure of Kshs.34,000,000 out of which an amount of Kshs.1,500,000 was paid vide cheque no 1465 to Nabiswa Secondary School for the purchase of two acres piece of land. However, ownership documents including the title deed were not availed for audit verification.

Consequently, the propriety of an amount of Kshs.1,500,000 spent on the purchase of two acre piece of land could not be confirmed in the absence of the ownership documents for the year ended 30 June 2015.

### **4.4 Purchase of School Bus- St. Teresas Bikeke Boys Secondary School**

Included in the statement of receipts and payments under transfer to other government units figure of Kshs.70,332,759.00 is transfers to Secondary Schools figure of Kshs.34,000,000 out of which an amount of Kshs.2,000,000 was disbursed vide cheque No. 1348 to St. Teresas Bikeke Boys Secondary School to supplement the school to purchase a school bus. Information available indicates that the school acquired a 62 seater bus from a supplier at a price of Kshs.10,972,000.00. However

evidence availed indicate that the school sourced for quotations through advertisement at local markets contrary to Section 29(1) of Public Procurement and Disposal Act, 2005 which require for each procurement, the procuring entity shall use open tender under Part V or an alternative procedure under Part VI. Further, the advertisement did not give specifications and model of the required bus. In addition minutes of the tender evaluation committee, tender award committee, local purchase order, and inspection and acceptance committee report were not availed for audit verification.

Consequently, the propriety of the expenditure of Kshs.2,000,000 incurred to supplement the purchase of a school bus could not be confirmed for the year ended 30 June 2015.

## **5.0 Bursaries**

Included in the statement of receipts and payments under other grants and transfers figure of Kshs.39,377,489 is bursary amount of Kshs.26,547,000 out of which Kshs.15,717,000 was disbursed to Secondary Schools while Kshs.10,830,000 to tertiary institutions. However it was not possible and management failed to explain the criteria used in awarding the bursaries as minutes on deliberations that led to the identification of the beneficiaries were not availed for audit review. Further, no acknowledgement receipts or letters from the recipients were made available for audit review.

Consequently, the propriety and validity of the bursary disbursement amount of Kshs.26,547,000 for the year ended 30 June 2015 could not be confirmed.

## **6.0 Fixed Assets Register**

Included in the statement of receipts and payments is acquisition of assets figure of Kshs.5,848,898. However, Annex 4 on summary of fixed asset register reflects nil balances for the year ended 30 June 2015. Consequently, the accuracy and completeness of the acquisition of assets figure of Kshs.5,848,898 for the year ended 30 June could not be confirmed.

## **7.0 Outstanding Imprests**

Note 12c to the Fund's financial statements reflects outstanding imprest balance figure of Kshs.45, 500. However, no information was availed for audit review showing the dates when the imprest was issued and subsequently surrendered as no imprest register is maintained by the management.

In the circumstances, it was not possible to confirm that the outstanding imprests balance of Kshs.45, 500 was fairly stated as at 30 June 2015.

## **8.0 Transfers from CDF Board**

Included in the statement of receipts and payments are transfers from the CDF Board for the year 2014/2015 figure of Kshs.87,518,995. However, records from the Board indicate that disbursement of Kshs.116, 691,994 relating to 2014/2015 financial year were made. The variance between the two figures of Kshs.29,172,999 has not been explained or reconciled. Under the circumstances, the accuracy and validity of transfers

from CDF Board figure of Kshs.87, 518,995 could not be confirmed for the year ended 30 June 2015.

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

### Other Matter

#### 1.0 Budget Control and Performance

##### 1.1 Budgetary Performance

During the year under review, the constituency had an annual budget of Kshs.164,626,659 while the actual expenditure amounted to Kshs.124,825,454 or 76% resulting to under expenditure of Kshs.39,801,205 or 24% as summarized below:

Item	Budget 2014-2015 Kshs	Actuals 2014-2015 Kshs	Under Expenditure Kshs	% Under Expenditure
Compensation of employees	1,799,953	964,777	835,176	46
Use of goods and services	4,215,254	2,298,531	1,916,723	45
Committee expenses	7,709,632	5,992,000	1,717,632	22
Transfer to other governments units	80,332,759	70,332,759	10,000,000	12
Other grants and transfers	58,519,819	39,377,488.60	19,142,330	33
Social security benefits	12,000	11,000	1,000	8
Acquisition of Assets	8,017,242	5,848,898	2,168,344	27
Other payments	4,020,000	0	4,020,000	100
<b>Total</b>	<b>164,626,659</b>	<b>124,825,454</b>	<b>39,801,205</b>	<b>24</b>

Failure to utilize funds may lead to poor service delivery for the citizens of Kiminini Constituency or it may be an indication of inappropriate budget making hence there may be need to review the budget process with an aim of focusing on the priority areas.

##### 1.2 Project Implementation

During the year under review, the constituency had a final budget of Kshs.164,626,659 out of which Kshs.96,428,602 had been disbursed to various projects. A total of one hundred and twenty nine (129) projects were proposed and approved at an estimated budget of Kshs.96,428,602 out of which seven (7) projects with an estimated budget of Kshs.2,072,318 had not started, thirty six (36) projects with an estimated budget of

Kshs.42,188,506 were partially completed and eighty six (86) others were fully completed as shown below:

S/NO	Project Name	Sub-Project Activities	Financial Year (Approved)	Allocation (Kshs.)	Disbursement (Kshs.)	Start date	End date	Status	% Level of completion
1	Kabuyefwe Girls Sec. School	Construction of Dining Hall	2014/2015	1,000,000	1,000,000	2-Dec-15	Jun-16	Ongoing	0%
2	Kikwamet Sec. School	Land purchase	2014/2015	700,000	700,000	30-Jun-14	Jun-16	Ongoing	0%
3	Friends Kabuyefwe Sec. School	Purchase of uniforms and balls	2013/2014	62,744	62,744		Mar-16	Complete	0%
4	Nyamira Sec. School	Purchase of uniforms and balls	2013/2014	62,744	62,744		Jun-16	Complete	0%
5	Kabuyefwe Friends Girls Sec. School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415		Apr-16	Complete	0%
6	Matunda Tree Nursery	Raising tree nurseries for the community	2013/2014	150,000	150,000		Aug-16	Complete	0%
7	St. Brigid's Girls High School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415		Apr-16	Not started	0%
		<b>Total</b>		<b>2,072,318</b>	<b>2,072,318</b>				
8	Friends Sirende Sec. School	Construction of Dining Hall	2014/2015	1,000,000	1,000,000	17-Aug-14	Jun-16	Ongoing	10%
9	Bikeke Girls Sec. School	Construction of Dining Hall	2014/2015	1,000,000	1,000,000	6-Apr-15	Jun-16	Ongoing	19%
10	St. Brigid's Girls Sec. School	Construction of Dormitory – co-funded	2014/2015	1,000,000	1,000,000	6-Jul-15	Jun-16	Ongoing	20%
11	St. Theresa's Sikhendu Sec. School	Construction of Dormitory	2014/2015	800,000	800,000	22-Jun-15	Jun-16	Ongoing	20%
12	Mufutu Water Project	Piping & constructing water storage tank	2013/2014	300,000	300,000	10-Mar-15	Jun-16	Ongoing	20%
13	Hill Sec. School	Completion of six classrooms storeyed block	2013/2014	3,000,000	3,000,000			Ongoing	30%
14	Muongano Sec. School	Completion of twin laboratory	2014/2015	600,000	600,000	3-Aug-15	Jun-16	Ongoing	30%
15	St. James Mabonde Sec. School	Construction of Dormitory	2014/2015	1,000,000	1,000,000	11-Jul-14	Jun-16	Ongoing	35%
16	Namgoi Primary School	Construction of Administration block	2013/2014	600,000	600,000	2-Apr-15	Jun-16	Ongoing	40%

17	Kabuyefwe Boys Sec. Sch.	Completion of Dining Hall	2014/2015	600,000	600,000	27-Feb-14	Jun-16	Ongoing	40%
18	Mitoto Sec. School	Construction of 6 classroom storeyed block	2013/2014	3,000,000	3,000,000			Ongoing	40%
19	St. John's Sirende Sec.School	Construction of Dining Hall	2014/2015	1,000,000	1,000,000	11-Aug-15	Jun-16	Ongoing	40%
20	St. Teresa's Bikeke Boys Sec. Sch.	Construction of twin laboratory	2013/2014	500,000	500,000	4-Oct-15	Jun-16	Ongoing	40%
21	Wamalwa Kijana Sec. School	Construction of 1 classroom	2014/2015	500,000	500,000	11-May-14	Mar-15	Ongoing	40%
22	Misemwa Primary School	Construction of 6 classroom storeyed block	2013/2014	3,000,000	3,000,000			Ongoing	45%
23	Mitambo Primary School	Construction of 6 classroom storeyed block	2013/2014	3,000,000	3,000,000			Ongoing	45%
24	Nabiswa Primary School	Construction of 6 classroom storeyed block	2013/2014	3,000,000	3,000,000			Ongoing	45%
25	Kiminini Primary School	Construction of a canopy for the disabled pupils	2014/2015	400,000	400,000	Jun-15	Jun-16	Ongoing	50%
26	Chalicha Sec. School	Completion of six classrooms storeyed block	2013/2014	3,000,000	3,000,000			Ongoing	50%
27	Nyakinywa Dam	Renovating by fencing, cleaning & building gabions	2013/2014	300,000	300,000	14-Oct-14	Jun-16	Ongoing	50%
28	Kiungani Primary School	Construction of Administration block	2014/2015	600,000	600,000	Jul-15	Feb-16	Ongoing	60%
29	Lumuli Primary School	Construction of Administration block	2014/2015	600,000	600,000	Apr-15	Jun-16	Ongoing	60%
30	Mitoto Primary School	Construction of 2 classrooms	2013/2014	600,000	600,000	Jun-13	Dec-14	Complete	60%
31	ACK Wehoya Sec. School	Construction of Administration block	2013/2014	800,000	800,000	3-Aug-15	Jun-16	Ongoing	60%
32	St. Anthony's Boys Sec. Sch.	Completion of twin laboratory	2014/2015	800,000	800,000	3-Jan-14	Jun-16	Ongoing	60%
33	St. James Amagoro Sec. School	Construction of 1 classroom	2014/2015	500,000	500,000	11-May-15	Jun-16	Ongoing	60%
34	St. Teresa's Bikeke Boys Sec. School	Completion of twin laboratory	2014/2015	1,300,000	1,300,000	8-Oct-14	Jun-16	Ongoing	60%
35	Masaba Primary School	Construction of Administration block	2014/2015	700,000	700,000	Jul-15	Jun-16	Ongoing	65%

36	Mitoni Mitatu Sec. School	Completion of twin laboratory	2013/2014	600,000	600,000	13-Mar-14	Jun-15	Complete	70%
37	Mufutu Sec. School	Construction of Dormitory	2014/2015	1,000,000	1,000,000	3-Mar-15	Jun-16	Ongoing	70%
38	Birunda Sec. School	Completion of twin laboratory	2014/2015	600,000	600,000	24-Apr-14	Nov-15	Ongoing	80%
39	Bikeke Health Centre	Construction of staff houses	2013/2014	1,494,253	1,494,253	18-Apr-15	Dec-15	Ongoing	80%
40	Kiminini Urban Centre Tree Nursery	Raising tree nurseries for the community	2013/2014	150,000	150,000	30-Mar-15	Aug-16	Ongoing	80%
41	Kimoson Tree Nursery	Raising tree nurseries for the community	2013/2014	150,000	150,000	12-Feb-15	Apr-16	Ongoing	80%
42	Sikhendu Dispensary	Construction of staff houses	2013/2014	1,494,253	1,494,253	24-Sep-14	Dec-15	Ongoing	85%
43	Mitoto Sec. School	Completion of six classrooms storeyed block	2014/2015	3,200,000	3,200,000	15-Apr-14	Apr-16	Complete	90%
		TOTAL		42,188,506	42,188,506				
44	Bikeke Primary School	Renovation - flooring, plastering, painting, glazing	2014/2015	500,000	500,000	May-15	Dec-15	Complete	100%
45	Birunda Primary School	Construction of dormitory for disabled children	2013/2014	600,000	600,000	May-14	Dec-15	Complete	100%
46	Chris Wamalwa Primary School	Construction of 4 classrooms, 12 toilets, fencing & gate	2014/2015	2,400,000	2,400,000	Feb-15	Jan-16	Complete	100%
47	Forest Primary School	Re-roofing of 6 classrooms	2014/2015	500,000	500,000	Mar-15	Jun-15	Complete	100%
48	Kabuyefwe Primary School	Renovation - flooring, plastering, painting, glazing	2014/2015	400,000	400,000	Sep-15	Jun-16	Complete	100%
49	Kahuho Primary School	Construction of 1 classroom	2014/2015	500,000	500,000	Jun-15	Dec-15	Complete	100%
50	Kiminini Primary School	Construction of toilets	2014/2015	300,000	300,000	Apr-15	Dec-15	Complete	100%
51	Kirenga Primary School	Construction of 1 classroom	2014/2015	500,000	500,000	Jul-15	Dec-15	Complete	100%
52	Konoini Primary School	Purchase of 150 desks	2014/2015	150,000	150,000	Feb-15	Jun-16	Complete	100%
53	Lolkeringet Primary School	Construction of 1 classroom	2014/2015	500,000	500,000	Jul-15	Jun-16	Complete	100%
54	Lulu Primary School	Construction of 1 classroom	2014/2015	500,000	500,000	Jul-15	Jun-15	Complete	100%

55	Meso Primary School	Construction of 1 classroom	2014/2015	500,000	500,000	Apr-15	Jun-15	Complete	100%
56	Meso Primary School	Purchase of 150 desks	2014/2015	150,000	150,000	Apr-16	Jun-16	Complete	100%
57	Milele Primary School	Construction of 1 classroom	2013/2014	400,000	400,000	Sep-14	Dec-14	Complete	100%
58	Milele Primary School	Construction of 2 classrooms	2014/2015	1,000,000	1,000,000	Feb-14	Jun-15	Complete	100%
59	Misemwa Primary School	Completion of six classrooms storeyed block	2014/2015	3,200,000	3,200,000	Jun-14	Sep-15	Complete	100%
60	Mitambo Primary School	Completion of six classrooms storeyed block	2014/2015	3,200,000	3,200,000	6-Jun-14	Sep-15	Complete	100%
61	Mokoiywet Primary School	Construction of 2 classrooms	2014/2015	1,000,000	1,000,000	20-Jul-15	Sep-15	Complete	100%
62	Mosoriot Primary School	Construction of 2 classrooms	2014/2015	1,000,000	1,000,000	2-May-15	Sep-15	Complete	100%
63	Mucharage Primary School	Renovation - flooring, plastering, painting, glazing	2014/2015	300,000	300,000	10-Jul-15	Sep-15	Complete	100%
64	Nabiswa Primary School	Completion of six classrooms storeyed block	2014/2015	3,200,000	3,200,000	18-Jun-14	Jun-15	Complete	100%
65	Nabiswa Primary School	Land purchase	2013/2014	700,000	700,000	29-Jan-14	Sep-14	Complete	100%
66	Nyabomo Primary School	Construction of 1 classroom	2013/2014	400,000	400,000	3-Aug-14	Sep-15	Complete	100%
67	Shimo La Tewa Primary School	Completion of 1 classroom	2014/2015	200,000	200,000	2-Jul-15	Mar-15	Complete	100%
68	Sikhendu Primary School	Construction of 1 classroom	2014/2015	500,000	500,000	24-Apr-15	Dec-15	Complete	100%
69	Simatwet Primary School	Completion of 3 classrooms	2014/2015	300,000	300,000	19-Aug-15	Dec-15	Complete	100%
70	St. Veronica Weonia Primary School	Construction of 1 classroom	2014/2015	500,000	500,000	20-Apr-15	Sep-15	Complete	100%
71	Waitaluk Primary School	Construction of 1 classroom	2013/2014	400,000	400,000	8-Sep-14	Dec-15	Complete	100%
72	Wehoya Primary School	Construction of 1 classroom	2013/2014	500,000	500,000	8-May-14	Dec-15	Complete	100%
73	Wekhonye Primary School	Construction of 1 classroom	2013/2014	500,000	500,000	22-May-15	Dec-15	Complete	100%

74	Weyeta Primary School	Construction of 1 classroom & 4 toilets	2013/2014	550,000	550,000	3-Apr-15	Dec-15	Complete	100%
75	Chalicha Secondary School	Completion of six classrooms storeyed block	2014/2015	3,200,000	3,200,000	2-Oct-14	Dec-15	Complete	100%
76	Hilario Sec. School	Construction of 1 classroom	2014/2015	500,000	500,000	6-Apr-15	Aug-15	Complete	100%
77	Hill Secondary School	Construction of 6 classroom storeyed block	2014/2015	3,200,000	3,200,000	6-Apr-14	Aug-15	Complete	100%
78	Kibomet Sec. School	Purchase of bus - cofunded	2014/2015	2,000,000	2,000,000	3-Jun-15	Jun-15	Complete	100%
79	Lolkerinet Sec. School	Construction of toilets	2014/2015	100,000	100,000	13-Oct-15	Jun-16	Complete	100%
80	Machungwa Sec. School	Construction of 1 classroom	2014/2015	500,000	500,000	16-Jul-15	Dec-15	Complete	100%
81	Milimani Sec. School	Construction of 1 classroom	2014/2015	500,000	500,000	15-Jul-14	Dec-15	Complete	100%
82	Nabiswa Sec. School	Land purchase	2013/2014	1,500,000	1,500,000	19-Aug-15	Jun-15	Complete	100%
83	St. Teresa's Bikeke Boys Sec. School	Purchase of school bus – co-funded	2014/2015	2,000,000	2,000,000	2-May-15	Dec-15	Complete	100%
84	Kiminini Health Centre	Construction of staff houses	2013/2014	1,494,253	1,494,253	17-Feb-13	Sep-14	Complete	100%
85	AP Camp Bikeke	Construction of staff houses	2015/2016	600,000	600,000	16-Mar-15	Jan-16	Ongoing	100%
86	Kiminini Divisional HQs	Completion of offices - plastering, painting, fittings	2013/2014	350,000	350,000	24-Mar-14	Jun-14	Complete	100%
87	Maili Saba Police Post	Construction of a staff house	2013/2014	200,000	200,000	24-Jul-15	Dec-15	Ongoing	100%
88	Makutano Police Post	Construction of AP post	2013/2014	600,000	600,000	4-Apr-14	Dec-14	Complete	100%
89	Musundi Police Post	Construction of AP post	2013/2014	600,000	600,000	6-Jul-15	Dec-15	Complete	100%
90	Waitaluk Divisional HQs	Construction of offices	2013/2014	400,000	400,000	16-Sep-14	Nov-15	Complete	100%
91	Milele Nyasi Bridge	Construction of bridge	2013/2014	3,000,000	3,000,000	23-Jun-14	Dec-15	Ongoing	100%
92	Birunda Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	4-Nov-15	Mar-16	Complete	100%
93	Friends Mufutu Sec. School	Purchase of uniforms and balls	2013/2014	62,744	62,744	23-Nov-15	Mar-16	Complete	100%
94	Imani Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	4-Apr-15	Mar-16	Complete	100%
95	Kaptien Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	5-May-15	Mar-16	Complete	100%

96	Kiminini Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	3-Feb-15	Mar-16	Complete	100%
97	Konoin Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	5-May-15	Mar-16	Complete	100%
98	Lisa Paper Works	Purchase of uniforms, balls and trophies	2013/2014	400,000	400,000		Dec-15	Complete	100%
99	Lisa Paper Works	Purchase of uniforms, balls and trophies	2013/2014	400,000	400,000		Dec-15	Complete	100%
100	Lolkeringet Sec. School	Purchase of uniforms and balls	2013/2014	62,744	62,744	23-Jul-15	Mar-16	Complete	100%
101	Machungwa Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	6-Jun-15	Mar-16	Complete	100%
102	Mitoni Mitatu Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	27-May-15	Mar-16	Complete	100%
103	Mucharage Sec. School	Purchase of uniforms and balls	2013/2014	62,744	62,744	6-May-15	Mar-16	Complete	100%
104	Namgoi Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	7-Jul-15	Jun-16	Complete	100%
105	Sikhendu Primary School	Purchase of uniforms and balls	2013/2014	62,744	62,744	5-Dec-15	Mar-16	Complete	100%
106	Sports Organization	Sports organization	2014/2015	1,199,800	1,199,800		Dec-15	Complete	100%
107	St. Andrews Baraton Girls Sec. School	Purchase of uniforms and balls	2013/2014	62,744	62,744	3-Jul-15	Mar-16	Complete	100%
108	St. Anthony's Boys High School	Purchase of uniforms and balls	2013/2014	62,744	62,744	20-Nov-14	Aug-15	Complete	100%
109	St. Teresa's Bikeke Girls Sec. School	Purchase of uniforms and balls	2013/2014	62,744	62,744	1-Apr-15	Mar-16	Complete	100%
110	AIC Kapkoi Sisal Secondary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	5-Nov-15	Apr-14	Complete	100%
111	Bikeke Tree Nursery	Raising tree nurseries for the community	2013/2014	150,000	150,000	23-Apr-15	Dec-15	Complete	100%
112	Emmanuel ACK Wehoya Sec School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	20-Feb-16	Dec-15	Complete	100%
113	Forest Primary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	24-Sep-15	Apr-16	Complete	100%
114	Kibormos Tree Nursery	Raising tree nurseries for the community	2013/2014	150,000	150,000	23-Jun-14	Aug-15	Ongoing	100%
115	Kikwamet Primary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	2-Feb-16	Apr-16	Complete	100%

*Constituencies Development Fund - Kiminini Constituency – Annual report and Financial Statements for the year ended 30 June 2015*

116	Kiungani Primary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	23-Jun-14	Sep-14	Complete	100%
117	Konoin Sec. School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	10-Sep-14	Apr-16	Complete	100%
118	Makindu Primary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	28-Apr-15	Apr-16	Complete	100%
119	Mokoiywet Primary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	30-Mar-15	Apr-16	Complete	100%
120	Namawanga Primary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	19-Jun-15	Apr-16	Complete	100%
121	Sabata Primary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	18-May-15	Apr-16	Complete	100%
122	Showground Primary School	Planting of tree seedlings, flowers & fruit trees	2013/2014	48,415	48,415	25-Oct-15	Dec-15	Complete	100%
123	Sikhendu Market Centre	Raising tree nurseries for the community	2013/2014	150,000	150,000	25-Feb-15	Dec-15	Complete	100%
124	Big Tree Primary School	Completion of classrooms - flooring	2014/2015	500,000	500,000	10-Sep-15	Jun-15	Complete	100%
125	Machungwa Wehoya Bridge	Construction of culverts and road reshaping	2014/2015	500,000	500,000	18-Feb-14	Sep-15	Complete	100%
126	Nabiswa Primary School	Renovation of classrooms - plastering, fittings & painting	2013/2014	450,000	450,000	11-Jun-14	Dec-14	Complete	100%
127	Simatwet Primary School	Construction of pit latrines	2013/2014	200,000	200,000	6-Jul-14	Dec-14	Complete	100%
128	St. Veronica Weonia Primary School	Construction of pit latrines	2013/2014	200,000	200,000	4-Jun-14	Dec-14	Complete	100%
129	Waitaluk Primary School	Completion of a classroom	2013/2014	300,000	300,000	19-Apr-14	Dec-14	Complete	100%
	<b>Total</b>			<b>52,167,778</b>	<b>52,167,778</b>				
	<b>Grand Total</b>			<b>96,428,602</b>	<b>96,428,602</b>				

The projects which are not fully implemented totalling to Kshs.44,260,824 may impact negatively on the service delivery to the people of Kiminini Constituency.

### 1.3 Projects Verification


During audit verification, thirty one (31) projects were physically inspected out of which observations were made regarding seventeen (17) projects costing Kshs.21,532,759 as analysed below:

S/ No	Project Name	Sub-Project Activities	Financial Year (Approved)	Allocation (Kshs.)	Disbursement (Kshs.)	Status	Level of completion	Observation- Visited projects
1	Kiungani Primary School	Construction of Administration block	2014/2015	600,000	600,000	Ongoing	60%	Work done though poor workmanship. The walls and floors are rough
2	Nabiswa Primary School	Construction of 6 classroom storeyed block	2013/2014	3,000,000	3,000,000	Ongoing	45%	Complete but poor workmanship. The walls and floors are rough
3	Nabiswa Primary School	Completion of six classrooms storeyed block	2014/2015	3,200,000	3,200,000	Complete	100%	Complete but poor workmanship. The walls and floors are rough
4	Nabiswa Primary School	Land purchase	2013/2014	700,000	700,000	Complete	100%	No title deed
5	Bikeke Girls Sec. School	Construction of Dining Hall	2014/2015	1,000,000	1,000,000	Ongoing	19%	Not plastered, no window panes, not floored, Not painted
6	Kabuyefwe Boys Sec. Sch.	Completion of Dining Hall	2014/2015	600,000	600,000	Ongoing	40%	No plastered, no floor, No window panes, not painted
7	Kabuyefwe Girls Sec. School	Construction of Dining Hall	2014/2015	1,000,000	1,000,000	Ongoing	0%	Ground slab not done, no BQs. The contract appears not competent
8	Mufutu Sec. School	Construction of Dormitory	2014/2015	1,000,000	1,000,000	Ongoing	80%	Not painted, not plastered
9	St. Teresa's Bikeke Boys Sec. Sch.	Construction of twin laboratory	2013/2014	500,000	500,000	Ongoing	90%	work tops not finished, Yet to be painted
10	St. Teresa's Bikeke Boys Sec. School	Completion of twin laboratory	2014/2015	1,300,000	1,300,000	Ongoing	90%	work tops not finished, Yet to be painted
11	Bikeke Health Centre	Construction of staff houses	2013/2014	1,494,253	1,494,253	Ongoing	100%	Complete however no one stays in the houses
12	Kiminini Health Centre	Construction of staff houses	2013/2014	1,494,253	1,494,253	Complete	100%	Complete but converted into a dispensary as there is no Hospital
13	Sikhendu Dispensary	Construction of staff houses	2013/2014	1,494,253	1,494,253	Ongoing	100%	Complete however no one stays in the houses
14	Waitaluk Divisional HQs	Construction of offices	2013/2014	400,000	400,000	Complete	100%	Completed however the size of the office is very small

15	Milele Nyasi Bridge	Construction of bridge	2013/2014	3,000,000	3,000,000	Ongoing	100%	Done however there are gaping hole on the sides that needs repair
16	Bikeke Health Centre	Construction of septic tank & other finishes		300,000	300,000			done however the lid cover is missing
17	Nabiswa Primary School	Renovation of classrooms - plastering, fittings & painting	2013/2014	450,000	450,000	Complete	100%	Work done, however, workmanship poor, floors are already scrapped off
		<b>Total</b>		<b>21,532,759</b>	<b>21,532,759</b>			

The projects visited indicated cases of poor workmanship and lack of title documents, therefore, it has not been possible to ascertain if the residents of Kiminini Constituency obtained value for money on Kshs.21,532,759 spent on the above projects during the year ended 30 June 2015.

My opinion is not qualified in respect of this matter.



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

**Nairobi**


**22 July 2016**

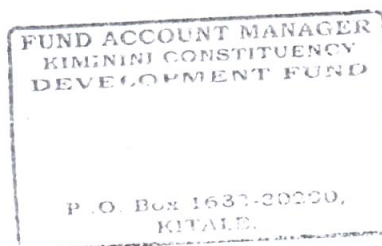
**CONSTITUENCY DEVELOPMENT FUND- KIMININI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015****IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015	2013-2014
		Kshs	Kshs (RESTATED)
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	87,518,995.00	80,952,765.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>87,518,995.00</b>	<b>80,952,765.00</b>
<b>PAYMENTS</b>			
Compensation of employees	4	964,777.00	268,409.00
Use of goods and services	5	2,298,531.00	638,186.00
Committee Expenses	6	5,992,000.00	2,162,400.00
Transfers to Other Government Units	7	70,332,759.00	23,250,000.00
Other grants and transfers	8	39,377,489.00	5,964,385.00
Social Security Benefits	9	11,000.00	10,020.00
Acquisition of Assets	10	5,848,898.00	724,700.00
Other Payments	11	-	-
<b>TOTAL PAYMENTS</b>		<b>124,825,454.00</b>	<b>33,018,100.00</b>
<b>SURPLUS/DEFICIT</b>		<b>(37,306,459.00)</b>	<b>47,934,665.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIMININI CDF financial statements were approved on 16.06 2016 and signed by:

  
 \_\_\_\_\_  
**Chairman - CDFC**

  
 \_\_\_\_\_  
**Fund Account Manager**



**CONSTITUENCY DEVELOPMENT FUND- KIMININI CONSTITUENCY**

**Reports and Financial Statements**

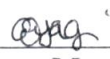
**For the year ended June 30, 2015**

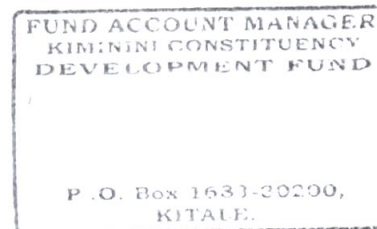
**V. STATEMENT OF ASSETS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	10,582,707.00	47,692,165.00
Cash Balances (cash at hand)	12B	-	-
Outstanding Imprests	12C	45,500.00	242,500.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>10,628,207.00</b>	<b>47,934,665.00</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	47,934,665.00	-
Surplus/Deficit for the year		(37,306,459.00)	47,934,665.00
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b>10,628,207.00</b>	<b>47,934,665.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KIMININI CDF financial statements were approved on 16.06.2015 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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	97,248,348.00	43,656,997.00	140,707,345.00	82,683,622.50	58,023,722.50	59
Proceeds from Sale of Assets						
Other Receipts				8,196.00	(8,196.00)	
<b>Total</b>						
<b>PAYMENTS</b>						
Compensation of Employees	1,416,000.00		1,416,000.00	973,284.00	442,712.00	69
Use of goods and services	3,218,900.00	198,000.00	3,218,900.00	2,238,907.00	1,177,993.00	66
Committee Expenses	3,785,450.00	1,601,537.50	5,641,137.50	4,575,319.00	1,065,818.50	85
Transfers to Other Government Units	44,917,931.00	19,419,960.00	64,337,891.00	35,950,032.00	28,387,859.00	56
Other grants and transfers	41,078,067.00	22,183,349.50	63,261,416.50	41,262,920.00	21,998,496.50	65
Social Security Benefits	102,000.00		102,000.00	30,900.00	71,100.00	30
Acquisition of Assets	230,000.00	254,150.00	230,000.00	328,150.00	(98,150.00)	68
Other Payments	2,500,000.00		2,500,000.00		2,500,000.00	0
<b>TOTALS</b>	<b>97,248,348.00</b>	<b>43,656,997.00</b>	<b>140,707,345.00</b>	<b>85,161,512.00</b>	<b>55,545,833.00</b>	<b>61</b>

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]  
[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. *Social Security benefits*  
The budget had been factored for the whole calendar year as opposed to financial year
- ii. *Other Payments*  
The underutilization was caused by the fact that the funds were still with the CDF board.

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

- e) *By close of the financial year there was a balance of Kshs 10,628,206.00*
- f) *Other items performed well.*

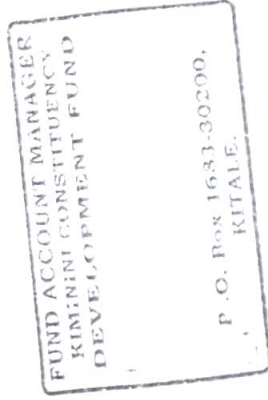
The KIMININI CDF financial statements were approved on 16.06.2016 and signed by:



**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 – KIMININI 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
			32,381,106.00
			24,285,830.00
CDF Board	AIE NO. 735979		24,285,829.00
	AIE NO. 750470	29,172,997.00	
	AIE NO. 796578	14,503,800.00	
	AIE NO. 796776	14,669,199.00	-
	AIE NO. 797218	29,172,999.00	
<b>Receipt from other Constituency</b>		-	
<b>TOTAL</b>		<b>87,518,995.00</b>	<b>80,952,765.00</b>

Note: *The figure above in relation to FY 2013/2014 balances has been restated from Kshs.56, 666, 935.50 posted last year. It includes AIE No. 735979 amounting Kshs 24,285,829.50 received in the bank account on 29<sup>th</sup> May, 2014]*

**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	-	-
<b>Total</b>	-	-

**3. OTHER RECEIPTS**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>		
	-	-

**CONSTITUENCIES DEVELOPMENT FUND – KIMININI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***4. COMPENSATION OF EMPLOYEES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	854,777.00	268,409.00
Basic wages of casual labour	-	
<b>Personal allowances paid as part of salary</b>		
House allowance	110,000.00	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments		
<b>Total</b>	<b>964,777.00</b>	<b>268,409.00</b>

**5. USE OF GOODS AND SERVICES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	36,285.00	70,530.00
Office Rent	228,000.00	57,000.00
Communication, supplies and services	83,185.00	5,599.00
Domestic travel and subsistence	439,900.00	
Printing, advertising and information supplies & services	75,653.00	
Rentals of produced assets	-	
Training expenses	430,000.00	
Hospitality supplies and services	127,014.00	
Insurance costs	-	377,732.00
Specialized materials and services	-	
Office and general supplies and services	55,283.00	
Fuel ,oil & lubricants	308,000.00	100,000.00
Other operating expenses	221,840.00	
Routine maintenance – vehicles and other transport equipment	283,481.00	14,225.00
Routine maintenance – other assets	9,890.00	13,100.00
<b>Total</b>	<b>2,298,531.00</b>	<b>638,186.00</b>

**6. COMMITTEE EXPENSES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee allowances	5,392,000.00	-
Other committee expenses	600,000.00	2,162,400.00
<b>Total</b>	<b>5,992,000.00</b>	<b>2,162,400.00</b>

**CONSTITUENCIES DEVELOPMENT FUND – KIMININI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015****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)	31,850,000.00	6,900,000.00
Transfers to secondary schools (see attached list)	34,000,000.00	16,350,000.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	4,482,759.00	-
<b>TOTAL</b>	<b>70,332,759.00</b>	<b>23,250,000.00</b>

**8. OTHER GRANTS AND TRANSFERS**

	2014 - 2015	2013- 2014
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,717,000.00	3,562,000.00
Bursary – tertiary institutions (see attached list)	10,830,000.00	-
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	600,000.00	-
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	2,750,000.00	1,000,000.00
Roads projects (see attached list)	3,000,000.00	-
Sports projects (see attached list)	1,701,093.00	-
Environment projects (see attached list)	1,529,396.00	-
Emergency projects (see attached list)	3,250,000.00	1,402,385.00
<b>Total</b>	<b>39,377,489.00</b>	<b>5,964,385.00</b>

**9. SOCIAL SECURITY BENEFITS**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Employer contribution to NSSF	11,000.00	10,020.00
<b>Total</b>	<b>11,000.00</b>	<b>10,020.00</b>

**CONSTITUENCIES DEVELOPMENT FUND – KIMININI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***10. ACQUISITION OF ASSETS****Non-Financial Assets**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	5,848,898.00	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	724,700.00
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	5,848,898.00	724,700.00

*Note: (The figure above in relation to FY 2013-2014 has been restated from Kshs. 244,700.00 to include Kshs. 480,000.00 used to acquire a website which had been categorized under Other Payments. This is a correction on the category of Purchase of ICT equipment, software and other ICT assets under which this should have been reflected. Other Payments category has also been restated to reflect nil balance from Kshs. 480,000.00 – see below.)*

**11. OTHER PAYMENTS**

	2014 - 2015	2013 - 2014
	Kshs	Kshs
		0
	0	0

**12A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
<i>Cooperative Bank, Kitale Branch A/C no.01141599005900</i>	10,582,707.00	47,692,165.00
		-
		-
<b>Total</b>	<b>10,582,707.00</b>	<b>47,692,165.00</b>

*Note: The figure above in relation to FY 2013/2014 bank balances has been restated from Kshs.23, 406,335.50 posted last year. It includes AIE No. 735979 amounting Kshs 24,285,829.50 received in the bank account on 29<sup>th</sup> May, 2014]*

**CONSTITUENCIES DEVELOPMENT FUND – KIMININI 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	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*[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>George Orina</i>		446,000.00	423,000.00	23,000.00
<i>Eunice Anubi</i>		229,500.00	207,000.00	22,500.00
<b>Total</b>				<b>45,500.00</b>

**CONSTITUENCIES DEVELOPMENT FUND – KIMININI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2015***NOTES TO THE FINANCIAL STATEMENTS (Continued)***13. BALANCES BROUGHT FORWARD**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	47,692,165.00	-
Cash in hand	-	-
Imprest	242,500.00	-
<b>Total</b>	<b>47,934,665.00</b>	<b>-</b>

*[Note: The figure above in relation to FY 2013/2014 bank balances has been restated from Kshs.23, 406,335.50 posted last year. It includes AIE No. 735979 amounting Kshs 24,285,829.50 received in the bank account on 29<sup>th</sup> May, 2014]*

**14. PRIOR YEAR ADJUSTMENTS**

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

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	2,168,344.00	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	4,000,000.00	-
	<b>6,168,344.00</b>	<b>-</b>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>Kshs</b>	<b>Kshs</b>
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>contract</i> )	289,070.00	-
	<b>289,070.00</b>	<b>-</b>

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	10,000,000.00	-
Amounts due to other grants and other transfers (see attached list)	19,142,330.00	-
Others ( <i>specify</i> )	-	-
	<b>29,142,330.00</b>	<b>-</b>

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

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

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		4,981,000
Office equipment, furniture and fittings		402,385
ICT Equipment, Software and Other ICT Assets		724,700
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>		<b>6,108,085</b>