

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

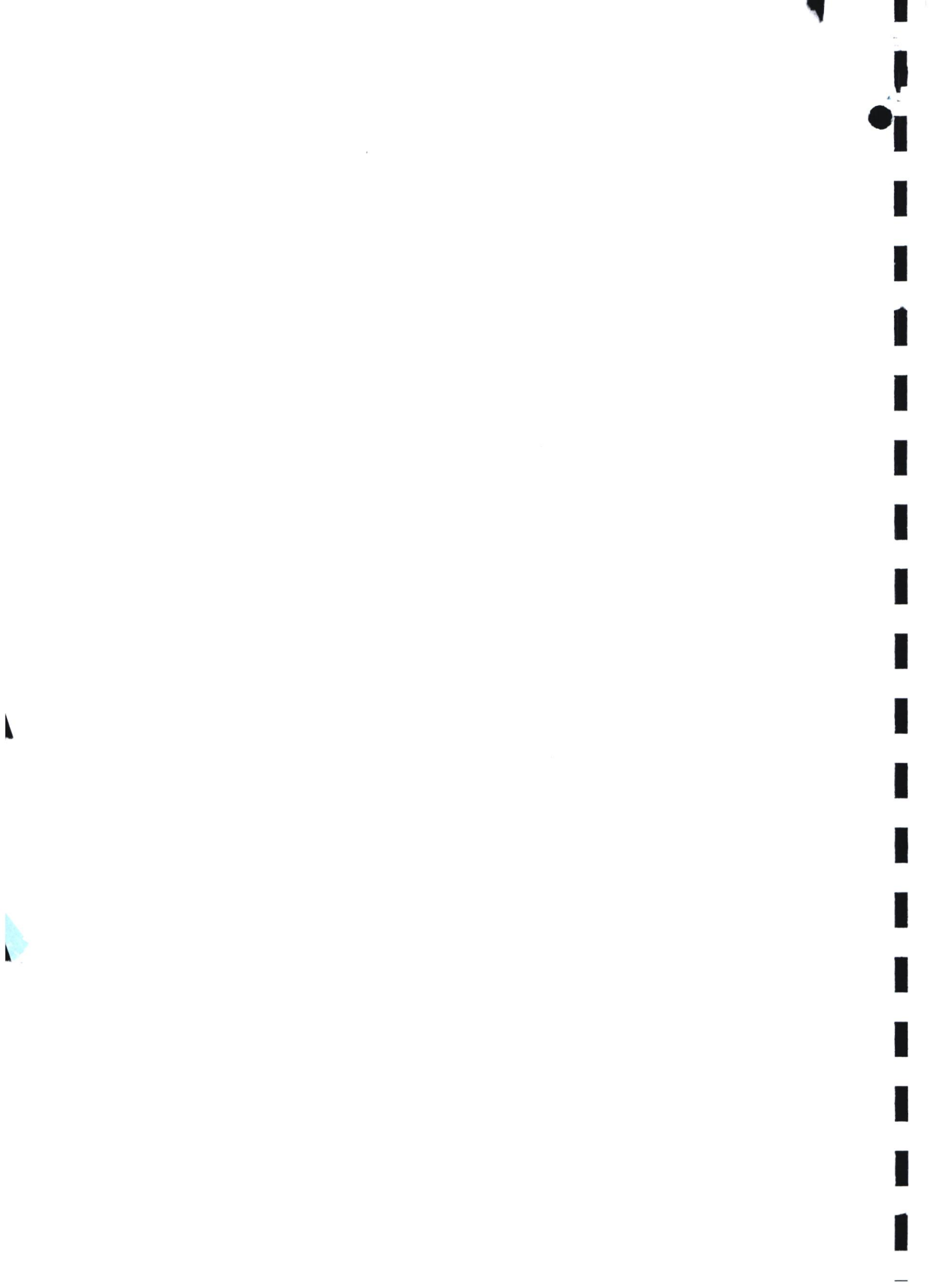
*Paper laid
By the leader of
opposition party - Mr
Peter Ouko
on Wednesday
13/10/15*

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**REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND-
NYERI TOWN CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2014**



REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund - Nyeri Town Constituency set out on pages 4 to 16, which comprise the statement of financial assets and liabilities as at 30 June 2014, and the statement of receipts and payments, and the summary statements and a summary of significance 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

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the constitution 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 funds 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. Accuracy and Completeness of the financial statements.

The financial statements presented for the year ended 30 June 2014 did not include statement of cash flows as required by International Public Sector Accounting Standards (IPSAS). In addition, no trial balance and ledgers were provided for audit review to support the financial statements balances.

In the circumstances, the accuracy and the completeness of the financial statements as at 30 June 2014 could not be confirmed.

2. Statement of Receipts and Payment

The statement of receipts and payments for the year ended 30 June 2014 reflects total receipts of Kshs.103,277,724. This amount consists of transfers from CDF Board only. However, an additional income of Kshs.113,000 and Kshs.3,000,000 for sale of tenders and an undisclosed transfer respectively received in the year was not included in these financial statement. Consequently, the completeness of receipts reported during the year ended 30 June 2014 could not be confirmed.

3. Unsupported Expenditure

The statement of receipts and payments reflects an expenditure of Kshs.70,249,419 as at 30 June 2014. However, no ledger or other supporting schedules were made available for audit review for the following expenditure detailed below:

Expenditure Category	Amount Kshs
Compensation to employees	489,910
Use of Goods and Services	1,634,630
Committee expenses	1,297,091
Transfer to other governmental units	32,456,888
Other grants and transfers	26,366,100
Acquisition of assets	8,000,000

In the circumstances, it has not been possible to confirm the accuracy of the above expenditure balances.

4. Bank Balance

Statement of financial assets and liabilities reflects a balance of Kshs.35,294,935.95 as at 30 June 2014, while bank balance as per note 12 of the financial statements reflected a balance of Kshs.37,088,699.95, leaving unexplained variance of Kshs.1,793,764. Additionally, the cashbook reflected a balance of Kshs.38,294,935 as at 30 June 2014. The bank balance as per the cash book differs from the amount reflected in the

Kshs.3,000,000 and Kshs.1,206,235.05 respectively. However, the variances above were not reconciled or explained.

In view of the above, the accuracy of the bank balances of Kshs.4,206,235.05 reported as at 30 June 2014 could not be confirmed.

5. Flawed procurement procedures

(i) Monitoring and evaluation consultancy services

A total of Kshs.1,036,308 was paid to a consultant to undertake the above mentioned activity and comprised of professional fee, monitoring and evaluation, calling allowance and per diem allowances. However, no contract agreement was signed for the services. In addition, the services were not competitively procured, in contravention of the provisions of section 2 and 68 of Public Procurement and Disposal Act, 2005 and sections 10(1) and 16(7) of Public Procurement and Disposal Regulations, 2006.

(ii) Muruguru Chiefs Office project

The project was allocated Kshs.3,000,000 during financial year 2012/2013 and the amount disbursed in the year 2013/2014 for construction of administration police houses. Records availed for audit showed that the contract was awarded to the second lowest bidder who had quoted Kshs.4,061,585, while the lowest bidder quoted Kshs.3,164,009. No explanation was provided for awarding the contract to second lowest bidder instead of the lowest bidder contrary to the procurement regulations.

Further, expenditure records availed for audit indicated that a total of Kshs.3,400,000 was paid to the contractor. The payments were however made on the strength of certificate of partial completion issued by a consultant and not ministry of public works contrary to provision of section 31(1) of CDF Act 2013 which requires assistance from relevant government department to be sought.

Consequently, the propriety of the expenditure of Kshs.3,400,000 incurred on the project during the year could not be confirmed.

(iii) Ndurutu Police Post Project

The project was allocated Kshs.3,500,000 in financial year 2013/2014 in addition to Kshs.2,000,000 disbursed in the financial year 2012/2013 for construction of a police post and completion of police housing units. Records maintained by the CDF office indicate that, the contract for construction of staff quarters was awarded to Willtime Enterprises Ltd General Contractors and Civil Engineer of P.O. Box 51 Nyeri. However, no contract agreement detailing the contract sum and period of practical completion was signed between the CDFC or PMC and the contractor. The amount quoted by the bidder was reviewed downwards by Kshs.149,240 from Kshs.5,257,590 to Kshs.5,108,290. Included in the bid by contractor, were provisional sums relating to Electrical works of Kshs.210,000; plumbing Kshs.84,000; external works (septic tank, park and walk way) – Kshs.280,000; and joinery & fittings Kshs.73,000. However, there were no

measurements for the works included as provisional sums. It is therefore not clear how the bidder priced the items without specifications. Further, no records on other bidders who participated in the procurement process if any and evidence of tender opening, evaluation and award was made available.

Records also indicated that the contractor was paid a total of Kshs.4,724,147 on the strength of certificate of partial completion issued by a consultant instead of ministry of public works contrary to provisions of section 31(1) of CDF Act, 2013.

Additionally, no works had been carried out on a police post which was started by the defunct County Council of Nyeri and stalled at roofing stage despite the disbursement of Kshs.3,500,000. In the circumstances, it has not been possible to confirm the propriety of the payment of Kshs.5,500,000 and whether value for money was realized on the procurement.

(iv) Construction of Kabiruini Police Post

The project was allocated Kshs.5,000,000 during financial year 2012/2013 for construction of a police post. The project was implemented during financial year 2013/2014 and the estimated cost of completion of the project was Kshs.5,048,267. Records indicate that M/s Echoflames Company Ltd, who had quoted Kshs.3,596,853 was awarded the tender for the construction works. However, no contract agreement detailing the contract sum, period of practical completion was signed between the CDFC/PMC and the contractor. Further, no tender opening committee minutes, tender evaluation report and tender award minutes were availed for audit. In addition, no reasons were provided for not awarding M/s Oljorua who was the lowest bidder and had quoted Kshs.3,442,334 for the contract.

A total of Kshs.3,577,102 was paid to the contractor on the strength of certificate of partial completion issued by a consultant and not ministry of public works contrary to provisions of section 31(1) of CDF Act, 2013.

Further, a physical inspection carried out on the project revealed that toilets for the cells did not have cisterns and bathrooms did not have water points.

Under the circumstances, the implementations of the project did not conform to the Constituencies Development Fund Act, 2013. Therefore, propriety of the expenditure could not be confirmed.

(v) Construction of Thunguma Secondary School Administration Block

The school was allocated Kshs.4,700,000 in 2012/2013 for construction of an administration block. In 2013/2014, it was further allocated Kshs.2,300,000 for construction of classrooms. Records indicates that the contract for the construction of the administration block was awarded to M/s Freeza Enterprises Ltd on 6 January, 2014 at a cost of Kshs.4,900,000. Whereas the tender exceeded the threshold of Kshs.4,000,000 set out in the first schedule of Public Procurement and Disposal (amendment) Regulation 2013, the tender was not advertised in the local dailies contrary to provisions 51(2)

of public procurement and disposal Act, 2005. Further, no records of other bidders who participated in the procurement process or evidence of tender opening, evaluation and award was made available for audit verification.

In addition, funds meant for the construction of classroom amounting to Kshs.2,300,000 were irregularly diverted and utilized on the construction of an administration block.

In view of the observations above, the CDF office was in breach of the law.

6. Unvouched Expenditure

During the year under review, the CDF office made payments totaling to Kshs.35,396,627 which were not supported by payment vouchers. As a result, the propriety of the expenditure could not be confirmed.

7. Unapproved re-allocation of projects funds

(i) Nyarungumu Primary School

The school was allocated Kshs.4,000,000 for construction of 4 classrooms. A physical verification exercise on 7 November, 2014 revealed that part of the amounts released was irregularly diverted for construction of an ablution block at the school. However, in the absence of expenditure returns, it was not possible to ascertain the total cost of the ablution block and consequently the amount diverted. As a result, one classroom as per the approved projects was not constructed. There was no Board's approval for this change of project and reallocation. As a result, the residents did not obtain the planned and promised service as at 30 June 2014.

(ii) Thunguma Secondary School

The school was allocated Kshs.2,300,000 for construction of 2 classrooms in 2013/2014. These funds were however irregularly diverted for construction of an ongoing administration block which was sanctioned by the CDF office in 201/2013. There was no CDF Board's approval for this change of project and reallocation. As a result, the residents of Nyeri Town did not obtain the planned and promised service as at 30 June 2014.

(iii) Giakanjiri Primary School

The school was allocated Kshs.1,200,000 for construction of 2 classrooms in the financial year 2012/2013. A field visit to the school on 8 November 2014 revealed that this project had not taken off and a dormitory was repaired instead. The project funds were irregularly diverted and the approved project was not undertaken. In addition, no returns were availed to justify how the released funds were utilized.

Further, no explanations were provided for the failure by CDF to adhere to the budgetary provisions.

(iv) Disbursements to Muthu-ini and Muruguru Secondary Schools

During the year 2013/2014, an amount of Kshs.3,000,000 each was released to Muthu-ini and Muruguru secondary schools for an unspecified project. Further, an inspection carried out on the schools showed that no related projects was undertaken at the schools for the released funds and no bank statements were availed to confirm if the amounts were still unspent as at the time of audit.

In absence of project documents, it has not been possible to confirm propriety and whether public funds amounting to Kshs.6,000,000 was utilized for the intended purpose.

(v) Ndurutu Police Post

During financial year 2012/2013 an amount of Kshs.2,000,000 was approved by CDF Board for construction of Ndurutu police post. Further, Kshs.3,500,000 was also approved by the Board of construction of AP houses. There was no CDF Board approval for this change of project. As a result, the residents of Nyeri Town did not obtain the planned and promised service as at 30 June 2014.

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

30 September 2015

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[23RD SEPTEMBER 2014]



CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN

REPORTS AND FINANCIAL STATEMENTS

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

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



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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The 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 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Josephat Kaimenyi
3.	District Accountant	Charles M. Mutisya

(d) Fiduciary Oversight Arrangements

- i. Mr. Ndegwa Mureithi- Chairman
- ii. Rev. Charles Wachira
- iii. Ms. Jane W. Mwangi - Secretary
- iv. Mrs. Nancy Kabuthia
- v. Mrs. Zipporah M. Daniel
- vi. Pst. Paul N. Njenga
- vii. Mr. Paul N Ndirangu
- viii. Mr. John K Marete
- ix. Mr. Charles Kanyingi
- x. Mr Josephat kaimenyi – Fund Account Manager



(e) Entity Headquarters

Provide box and physical address of the constituency CDF office

P.O. Box 1976- 10100
CDF Building
Next to Ruring'u Stadium
Nyeri, KENYA

(f) Entity Contacts

Provide telephone number and email of the constituency CDF office

E-mail: nyeritowncfd@cdf.go.ke
Website: www.go.ke

(g) Entity Bankers

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

1. Consolidated Bank of Kenya
Nyeri Branch
Account number 10061203000001
P.O. Box 935-10100
NYERI

(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 Nyeri Town *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 Nyeri Town *CDF* accepts responsibility for the 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 Nyeri Town *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 Nyeri Town *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 Nyeri Town *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 prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Nyeri Town *CDF* financial statements were approved and signed on 23 / SEPT / 2014.

Ndegwa Mureithi
Chairman - CDFC

Josephat Kaimenyi
Fund Account Manager



JOSEPHAT KAIMENYI
FUND ACCOUNT MANAGER
Date:.....23/09/2014.....
Sign:.....

CONSTITUENCIES DEVELOPMENT FUND NYERI TOWN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

III. STATEMENT OF RECEIPTS AND PAYMENTS

#REF!	Note	2013-2014 Kshs	2012-2013 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	103,277,724.00	
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		103,277,724.00	
PAYMENTS			
Compensation to employees	4	489,910.00	
Use of goods and services	5	1,634,630.00	
Committee Expenses	6	1,297,091.00	
Transfers to Other Government Units	7	32,456,888.00	
Other grants and transfers	8	26,366,100.00	
Social Security Benefits	9	4,800.00	
Acquisition of Assets	10	8,000,000.00	
Other Payments	11	-	
TOTAL PAYMENTS		70,249,419.00	
SURPLUS/DEFICIT		33,028,305.00	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyeri Town CDF financial statements were approved on 23/SEPT 2014 and signed by:

Ndegwa Mureithi
Chairman - CDFC




Josephat Kaimenyi
Fund Account Manager



JOSEPHAT KAIMENYI
FUND ACCOUNT MANAGER
 Date: 23/09/2014
 Sign:

IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2013-2014 Kshs	2012-2013 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12	35,294,935.95	
Cash Balances (sale of tenders,hire of grader)	13	0	
Outstanding Imprests	14	0	
Cash Equivalents (eg sale of tender doc held in bankers cheque)	15	0	
TOTAL FINANCIAL ASSETS		<u>35,294,935.95</u>	
REPRESENTED BY			
Fund balance b/fwd 1st July...	16	2,266,630.95	
Surplus/Deficit for the year		33,028,305.00	
Prior year adjustments	17		
NET LIABILITIES		<u>35,294,935.95</u>	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyeri Town CDF financial statements were approved on 23/09/2014 2014 and signed by:

Ndegwa Mureithi
Chairman - CDFC




Josephat Kaimenyi
Fund Account Manager



JOSEPHAT KAIMENYI
FUND ACCOUNT MANAGER
Date: 23/09/2014
Sign:

CONSTITUENCIES DEVELOPMENT FUND - NYERI TOWN CONSTITUENCY

Reports and Financial Statements

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

V: SUMMARY STATEMENT OF APPROPRIATION

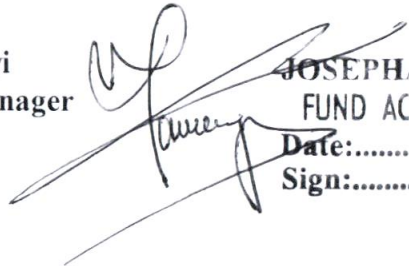
Revenue/Expense Item	Original Budget (approved allocations for FY 2013/14)	Adjustments (Reallocations and previous year 2012/13 balance b/f)	Final Budget	Actual Payments	Budget Utilization Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
Compensation of Employees	1,300,000.00	100,000.00	1,400,000.00	489,910.00	910,090.00	35%
Use of goods and services	2,000,000.00	66,630.95	2,066,631.00	1,634,630.00	432,001.00	79%
Interest payments	0.00	0.00	0.00	0.00	0.00	0%
Committee expenses	1,972,896	100,000.00	2,072,896.00	1,297,091.00	775,805.00	63%
Transfers to Other Government Units	18,743,262.00	29,100,546.00	47,843,808.00	32,456,888.00	15,386,920.00	71%
Other grants and transfers	26,646,900.00	13,000,000.00	39,646,900.00	26,366,100.00	13,280,800.00	67%
Social Security Benefits	9,600.00	0.00	9,600.00	4,800.00	4,800.00	50%
Acquisition of Assets	8,940,054.00	0.00	8,940,054.00	8,000,000.00	940,054.00	89%
Other Payments	3,564,466.00	0.00	3,564,466.00	0.00	3,564,466.00	
TOTALS	63,177,178.00	42,367,176.95	105,544,355.00	70,249,419.00	35,294,936.00	67%

The Nyeri Town CDF financial statements were approved on _____ 2014 and signed by:

Ndegwa Mureithi
Chairman - CDFC



Josephat Kaimenyi
Fund Account Manager



JOSEPHAT KAIMENYI
FUND ACCOUNT MANAGER

Date:.....
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

CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY

Reports and Financial Statements

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

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 – NYERI TOWN CONSTITUENCY

Reports and Financial Statements

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

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.

VII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM CDF BOARD

	Description	2013 - 2014	2012 - 2013
		Kshs	Kshs
Normal Allocation	AIE NO...750066 (27/05/2014)	31,588,589.00	0
	AIE NO...735822 (17/02/2014)	29,588,589.00	0
	AIE NO...711844 (02/12/2013)	2,000,000.00	
	AIE NO... (15/07/2013)	40,100,546.00	
			0
Conditional grants	AIE NO...	-	0
	AIE NO...	-	
	TOTAL	103,277,724.00	0

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		
Total	-	0

CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2014 (Kshs'000)***NOTES TO THE FINANCIAL STATEMENTS (Continued)***3. OTHER REVENUES**

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

4 COMPENSATION OF EMPLOYEES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Basic wages of contractual employees	432,180.00	0
Basic wages of casual labour	-	
Personal allowances paid as part of salary		
House allowance	-	0
Transport allowance	-	0
Leave allowance	-	0
Other personnel payments	-	0
gratuity	57,730.00	
Total	489,910.00	0

CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Utilities, supplies and services	240,000.00	
electricity	60,000.00	
water	60,000.00	
Office rent		
Communication, supplies and services	348,000.00	
Domestic travel and subsistence	278,600	
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses		
Hospitality supplies and services		
Insurance costs		
Specialized materials and services		
Office and general supplies and services	360,000.00	
Fuel ,oil & lubricants		
Other operating expenses	288,030.00	
Routine maintenance – other assets		
Total	1,634,630.00	

6. COMMITTEE EXPENSES

Description	2013 - 2014	2012 - 2013
	Kshs	Kshs
Other committee expenses	249,091.00	
Committee allowance	1,048,000.00	
TOTAL	1,297,091.00	

CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2014 (Kshs'000)****7. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2013 - 2014	2012 - 2013
	Kshs	Kshs
Transfers to primary schools	15,076,385.00	
Transfers to secondary schools	15,380,503.00	
Transfers to Tertiary institutions		
Transfers to Health institutions	2,000,000.00	
TOTAL	32,456,888.00	

8. OTHER GRANTS AND OTHER PAYMENTS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bursary -Secondary	4,000,000.00	
Bursary -Tertiary	3,019,800.00	
Bursary-Special schools		
Mocks & CAT		
water		
Agriculture (food security)		
Electricity projects		
Security	14,370,000.00	
Roads	3,976,300.00	
Sports		
Environment	1,000,000.00	
Emergency Projects (specify)		
Total	26,366,100.00	

9. SOCIAL SECURITY BENEFITS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Employer contribution to NSSF	4,800.00	
Total	4,800.00	

CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY**Reports and Financial Statements****For the year ended June 30, 2014 (Kshs'000)****10. ACQUISITION OF ASSETS**

Non Financial Assets	2013 - 2014	2012 - 2013
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	5,560,000.00	
Refurbishment of Buildings	1,700,000.00	
Purchase of Vehicles		
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles		
Purchase of Office furniture and fittings	130,000.00	
Purchase of computers ,printers and other IT equipments	130,000.00	
Purchase of photocopier	180,000.00	
Purchase of other office equipments	300,000.00	
Purchase of soft ware		
Acquisition of Land		
Total	8,000,000.00	

*NOTES TO THE FINANCIAL STATEMENTS (Continued)***11. OTHER PAYMENTS**

12. BANK BALANCES (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2013 - 2014	2012 - 2013
	Kshs	Kshs
<i>Consolidated Bank of Kenya, Nyeri Branch A/C no.10061203000001, Kshs.</i>	37,088,699.95	
Total	37,088,699.95	

13. CASH IN HAND

	2013 - 2014	2012 - 2013

CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

	Kshs	Kshs
Sale of tender	0	
Hire of graders	0	
Hire of hall	0	
Other receipts (specify)	0	
Total	0.00	

[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</i>	00.00	00.00	00.00
<i>Name of Officer</i>	00.00	00.00	00.00
<i>Name of Officer</i>	00.00	00.00	00.00
<i>Name of Officer</i>	00.00	00.00	00.00
<i>Name of Officer</i>	00.00	00.00	00.00
<i>Name of Officer</i>	00.00	00.00	00.00
<i>Name of Officer</i>	00.00	00.00	00.00
Total	00.00	00.00	00.00

15. CASH EQUIVALENTS (SHORT-TERM DEPOSITS)

Name of Bank, Account No. & currency	Amount in foreign currency	Exchange rate	2013 - 2014	2012 - 2013
			Kshs	Kshs
<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	



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CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY

Reports and Financial Statements

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

Total

xxx

16. BALANCES BROUGHT FORWARD

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts	2,266,630.95	-
Cash in hand		-
Cash equivalents (short-term deposits)		-
Imprest		-
Total	2,266,630.95	-
<i>[Provide short appropriate explanations as necessary]</i>		

17. PRIOR YEAR ADJUSTMENTS

	2013 - 2014	2012 - 2013
	Kshs	Kshs
Bank accounts	0.00	-
Cash in hand	0.00	-
Cash equivalents (short-term deposits)	0.00	-
Imprest	0.00	-
Total	0.00	-

18. OTHER IMPORTANT DISCLOSURES

18.1 FIXED ASSETS REGISTER



2025 RELEASE UNDER E.O. 14176

CONSTITUENCIES DEVELOPMENT FUND – NYERI TOWN CONSTITUENCY

Reports and Financial Statements

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

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>				

18.3 PAYABLES

	Kshs	Kshs
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00

18.4 FUNDS DUE TO PROJECTS

18.5 DISBURSEMENTS FROM THE BOARD

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



RI TOWN CONSTITUENCY IN CENTRAL REGION, NYERI COUNTY ASSET INVENTORY AS AT 30TH JUNE 2014

<u>DESCRIPTION OF FURNITURE</u>	<u>asset number</u>	<u>Asset serial number</u>	<u>Acquation Date</u>	<u>cost</u>	<u>current condition</u>
Executive chair	CDF/NYR/01	1082	17.3.2005	4,000	Good
Office chairs	CDF/NYR/02		15.3.2005	7,000	Good
Cupboard	CDF/NYR/03		14.9.2005	42,000	Good
Black leather chair	CDF/NYR/04	A903	01.3.2006	13,500	Good
Dining table 3000x1200	CDF/NYR/05	BE3012	02.3.2005	56,000	Good
Black leather chair	CDF/NYR/06	1016	02.3.2005	30,000	Good
Secretarial desk	CDF/NYR/07	BE150-H3	02.3.2005	28,250	Good
Office chairs	CDF/NYR/08	NEW Tusca	02.3.2005	39,000	Good
Computer table	CDF/NYR/09	BE PVD 120	02.3.2005	11,000	Good
Secretarial chair	CDF/NYR/10	424	02.3.2005	4,500	Good
Extra table 30"	CDF/NYR/11	GE	02.3.2005	18,000	Good
LG Fridge white	CDF/NYR/12		0.43.2005	12,500	Good
Panasonic fax Machine	CDF/NYR/13	41CQA016986	0.43.2005	16,500	Good
2 speakers wolf dale	CDF/NYR/14		22.7.2006	25,000	Good
1 wireless micro phone	CDF/NYR/15		22.7.2006	40,000	Good
1 speaker cable roll	CDF/NYR/16		22.7.2006	12,000	Good
2 jack-jack	CDF/NYR/17		22.7.2006	8,000	Good
Horn speakers jack-jack	CDF/NYR/18		10.8.2006	600	Good
1 Amplifier ssa-250	CDF/NYR/019		22.7.2006	300	Good
Exc. High black chair (m)	CDF/NYR/020	ax298	02.3.2005		Good
1 drawer metal cabinet	CDF/NYR/021	local	02.3.2005		Good
1 drawer metal cabinet	CDF/NYR/022	local	02.3.2005		Good
2 mortise locks	CDF/NYR/023		11.1.2006		Good
2 union locks	CDF/NYR/024		14.2.2006		Good
Keyboard & mouse	CDF/NYR/025			1,900	Good
Desktop (IV) Branded Computer	CDF/NYR/026			2,900	Good
HP Colour printer	CDF/NYR/027			25,000	Good
APC UPS	CDF/NYR/028			9,000	Good
Safe KC56E	CDF/NYR/029			12,995	Good
Photocopier Sharp	CDF/NYR/030			130,000	Good
Paper shredder	CDF/NYR/031			19,500	Good
Large screen TV 43 Projection	CDF/NYR/032	DK 6110570	0.9.92006	115,590	Good
JVC DVD Recorder	CDF/NYR/033	061EO148	0.9.92006	59,950	Good
Computer HP printer	CDF/NYR/034		02.6.2007	110,000	Good
HP Computer	CDF/NYR/035	CNC819PSGQ	01.4.2009	53,000	Good
1 laptop HP	CDF/NYR/036	CNUGO65K8Y	01.4.2009	58,500	Good
1 Office Safe	CDF/NYR/037		01.4.2009	52,000	Good
HP Computer	CDF/NYR/038	CNC819PSGQ	22.08.2011	65,000	Good
Executive office table	CDF/NYR/039		22.08.2011	6,000	Good
Visitors seat	CDF/NYR/040		22.08.2011	19,000	Good
Executive leather high black chair	CDF/NYR/041		22.08.2011	27,000	Good
Executive leather high black chair	CDF/NYR/042		22.08.2011	24,000	Good
HP LE 185 1W Computer	CDF/NYR/043		2010	NMB	Good
CDFC Building	CDF/NYR/044		2007 to 2013	31,885,597	Good
Executive desk	CDF/NYR/045		21.03.2013	119,938	Good
Executive desk	CDF/NYR/046		21.03.2013	119,938	Good
Executive office chairs	CDF/NYR/047		21.03.2013	97,009	Good
Executive office chairs	CDF/NYR/048		21.03.2013	97,009	Good
Visitors chairs	CDF/NYR/049		21.03.2013	17,647	Good
Visitors chairs	CDF/NYR/050		21.03.2013	17,647	Good
Visitors chairs	CDF/NYR/051		21.03.2013	17,647	Good
Visitors chairs	CDF/NYR/052		21.03.2013	17,647	Good
Visitors chairs	CDF/NYR/053		21.03.2013	17,647	Good
Visitors chairs	CDF/NYR/054		21.03.2013	17,647	Good
Visitors chairs	CDF/NYR/055		21.03.2013	17,647	Good
Visitors chairs	CDF/NYR/056		21.03.2013	17,647	Good

JOSEPHAT KAIMENYI
 FUND ACCOUNT MANAGER
 Date: 23.07.2014



water leather office sofa set	CDF/NYR/057		21.03.2013	17,647	Good
te reception Desk	CDF/NYR/058		21.03.2013	17,647	Good
erial chair	CDF/NYR/059		21.03.2013	73,290	Good
om chairs	CDF/NYR/060		21.03.2013	13,911	Good
oom chairs	CDF/NYR/061		21.03.2013	13,911	Good
oom chairs	CDF/NYR/62		21.03.2013	13,911	Good
room chairs	CDF/NYR/063		21.03.2013	13,911	Good
rdroom chairs	CDF/NYR/064		21.03.2013	13,911	Good
rdroom chairs	CDF/NYR/065		21.03.2013	13,911	Good
ardroom chairs	CDF/NYR/066		21.03.2013	13,911	Good
oardroom chairs	CDF/NYR/067		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/068		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/069		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/070		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/071		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/072		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/073		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/074		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/075		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/076		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/077		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/078		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/079		21.03.2013	13,911	Good
boardroom chairs	CDF/NYR/080		21.03.2013	13,911	Good
executive office desk	CDF/NYR/081		22.05.2013	65,000	Good
1 drawer metal cabinet	CDF/NYR/021	local	May-13	37,500	Good
1 drawer metal cabinet	CDF/NYR/022		May-13	37,500	Good
Scanner	CDF/NYR/085			CDFB	Good
TV- Sony LED 40	CDF/NYR/086		Apr-14	65,000.00	Good
TV- Sony LED 32	CDF/NYR/087		Apr-14	55,000.00	Good
Sony Digital Camera	CDF/NYR/088		Jun-14	40,000.00	Good
metal filing cabinet	CDF/NYR/089		Jun-14	40,000.00	Good
metal filing cabinet	CDF/NYR/090		Jun-14	40,000.00	Good
HP Laptop Probook	CDF/NYR/091		Apr-14	90,000.00	Good
HP Desktop	CDF/NYR/092		May-14	60,000.00	Good
Executive managers desk	CDF/NYR/093		May-14	100,000.00	Good
executive leather high black chair	CDF/NYR/094		May-14	40,000.00	Good
photocopier Machine	CDF/NYR/095		May-14	180,000.00	Good
Half Filing Cupboard	CDF/NYR/096		Jun-14	30,000.00	Good
CDFC Building	CDF/NYR/044		Apr-14	7,260,000.00	

COMPILED BY; JOSEPHAT KAIMENYI
FUND ACCOUNT MANAGER - NYERI TOWN



JOSEPHAT KAIMENYI
FUND ACCOUNT MANAGER

Date: 23/05/2014

Sign:



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