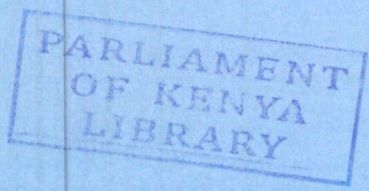


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

17 Feb 2017
Rep the leader
of majority party
Hon. Alex
Dunne
on 24/9/2017
ES



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KITUI EAST CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**

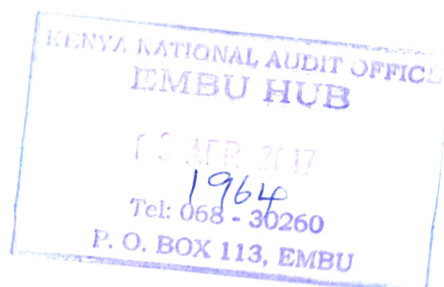


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KITUI EAST CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

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



NG-CONSTITUENCY DEVELOPMENT FUND – KITUI EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CHAIRMAN NG-CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)	3
III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS	5
V. STATEMENT OF ASSETS	6
VI. STATEMENT OF CASHFLOW	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	9
IX. NOTES TO THE FINANCIAL STATEMENTS	11

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *NG-Constituencies Development Fund (NG-CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013.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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Dennis Matundura
3.	Accountant	Gilbert Maende
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of KITUI EAST Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the NG-Constituency Development Fund Committee (NG-CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) KITUI EAST CDF Headquarters

P.O. Box 1199
NG-CDF OFFICE BUILDING AT CHULUNI MARKET
KITUI-MUTOMO ROAD
KITUI, KENYA

NG- CONSTITUENCY DEVELOPMENT FUND- KITUI EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

(f) KITUI EAST NG-CDF Contacts

Telephone: (254) 722811542
E-mail: cdfkituieast@cdf.go.ke
Website: www.cdf.go.ke

(g) KITUI EAST NG-CDF Bankers

Equity Bank Ltd
Kitui Branch
0720261343213
P.o Box 1453

(h) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

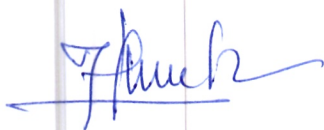
II. FORWARD BY THE CHAIRMAN NG-CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)

I have the pleasure to forward the accounts of Kitui East NG-CDF for the financial year 2015/2016 which represents a true record of activities undertaken within the year.

I am also happy to report that during the year, the NG-CDFC was able to utilize the funds received safe for the funds that were not received at the end of the financial year.

The other challenge during the year was setting up of a new NG-CDFC, which took quite a substantial time hence affected implementation of activities.

The NG-CDFC is happy with the fund and would like to thank the board for its effort but request if disbursement can be done in a timely manner.



Fultonior K. Muli

CHAIRMAN NG-CDFC

NG- CONSTITUENCY DEVELOPMENT FUND- KITUI EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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 NG-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.

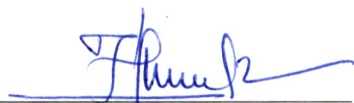
The Accounting Officer in charge of the Kitui East NG-CDF is responsible for the preparation and presentation of the NG-CDF's financial statements, which give a true and fair view of the state of affairs of the NG-CDF for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility 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 NG-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 NG-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 Kitui East NG-CDF accepts responsibility for the NG-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 NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2015, and of the NG-CDF's financial position as at that date. The Accounting Officer in charge of the Kitui East CDF further confirms the completeness of the accounting records maintained for the NG-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 Kitui East NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-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 NG-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 NG-CDF's financial statements were approved and signed by the Accounting Officer on 18/08/2016 and were signed by:



NG-CDFC Chairman



Fund Account Manager



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Kitui East Constituency set out on pages 5 to 15, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, 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 35 of the Public Audit Act, 2015. 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 the International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

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

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

Basis for Qualified Opinion

1.0 Non Compliance with the Prescribed Format.

The International Public Sector Accounting Standards (IPSAS) Cash Basis format prescribed by the Public Sector Accounting Standards Board (PSASB) requires that a report on follow-up of auditor recommendations form part of the financial statements.

However, although the Fund received a qualified audit opinion in 2014/2015, the report on the progress on follow up of the issues raised in the audit report was not included in the financial statements for the year under review.

In the circumstances, the financial statements do not comply with the IPSAS presentation format for financial statements as at 30 June 2016.

2.0 Drilling of Manyuu Borehole Water Supply Project

Included in the expenditure for Water Projects of Kshs.15,300,000 was Kshs.4,000,000 granted for the drilling of Manyuu Borehole Water Supply project.

The construction was done by Mumbu General Contractors and Supplies of Kitui. The project completion certificate was issued on 13 October 2015. However, no hydrological survey report was made available for audit review. Further, regret letters were not sent to the losing bidders.

In the circumstances, the propriety of the expenditure of Kshs.4,000,000 as at 30 June 2016 could not be confirmed.

3.0 Fencing of Kilonzo Mwove Earth Dam

During the year under review, Kshs.300,000 was disbursed for the fencing of Kilonzo Mwove earth dam. The works were awarded to Aoni Investments and General Merchants limited. The project completion certificate was issued on 8 February 2016. However, minutes of the adhoc committee evaluating the bids were not availed and no regret letters were sent to bidders who lost. Further, branding of the project was not done.

In the circumstances, the propriety of the expenditure of Kshs.300,000 as at 30 June 2016 could not be confirmed.

4.0 Unsupported Projects

During the year under review and included in the project implementation status report were 8 projects implemented at a total cost of Kshs.8,705,563. However, the respective projects file and procurement documents were not made available for audit review. In the circumstances, the propriety of the expenditure of Kshs.8,705,563 as at 30 June 2016 could not be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Kitui East Constituency as at 30 June 2016, and 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 National Government Constituencies Development Fund Act, 2015.

Other Matter

1.0 Budgetary Control and Performance

The Fund approved a budget of Kshs.130,395,789 for the year under review. In addition to the approved budget for the year, the Fund had a cash balance of Kshs.43,219,164 brought forward from 2014/2015, therefore the total budget for the year under review was Kshs.173,614,953. However, out of a total budget of Kshs.173,614,952 only Kshs.102,272,341 was utilized during the year under review thus resulting in under expenditure of Kshs.71,342,612.

Further, the budgeted receipts was Kshs.130,395,789 while the actual receipts was Kshs.67,000,000 leading to an under funding of Kshs.63,395,789 (49%).

As a result of the under funding of Kshs.63,395,789 as at 30 June 2016, the residents of Kitui East constituency did not enjoy services equivalent to the amount under funded.

2.0 Project Implementation Status

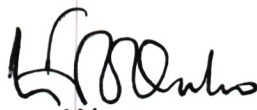
The approved development projects' budget of Kshs.175,423,073 for the year under review was categorized into various sectors within the constituency namely Emergency, Bursary, Education, Health, Road, Environment, Sport, Market Sheds and Water.

Review of the project implementation status report indicated. The fund had budgeted to implement 199 projects during the year out of which 128 were completed, 63 were on-going and 7 had not started as shown below;

Sector	Project Status	Amount Allocated (Kshs.)	Amount Disbursed (Kshs.)	No. of projects
Education	Completed	32,457,915	32,457,915	64
	Ongoing	42,450,000	42,450,000	42
	Not started	2,900,000	2,900,000	3
	Sub Total	77,807,915	77,807,915	109
Bursary	Completed	36,762,554	36,762,554	3
	Ongoing	0	0	0
	Not started	0	0	0
	Sub Total	36,762,554	36,762,554	3
Health	Completed	12,700,759	12,700,759	18
	Ongoing	5,500,000	5,500,000	9
	New	0	0	0
	Sub Total	18,200,759	18,200,759	27
Sport	Completed	1,311,619	1,311,619	2
	Ongoing	0	0	0
	New	0	0	0
	Not started	2,507,913	2,507,913	1
	Sub Total	3,819,532	3,819,532	3
Water	Completed	20,700,000	20,700,000	14
	Ongoing	0	0	0
	Not started	0	0	0
	Relocated	3,000,000	3,000,000	1
	Sub Total			15
Roads Bridges	Completed	5,250,000	5,250,000	9
	Ongoing	0	0	0
	Not started	0	0	0
	Sub Total	5,250,000	5,250,000	9
Environment	Completed	2,507,915	4,965,055	6
	Ongoing	0	0	0
	Not started	0	0	0
	Sub Total	2,507,915	4,965,055	6
Emergency	Completed	5,767,647	5,767,647	1
	Ongoing	0	0	0
	New	0	0	0
	Sub Total	5,767,647	5,767,647	1
Security	Completed	3,950,000	3,950,000	10
	Ongoing	3,180,000	3,950,000	8
	Not started	1,300,000	1,300,000	3
	Sub Total	8,430,000	9,200,000	21
Other	Completed	1,800,000	1,800,000	1
	Ongoing	8,076,691	8,076,691	4
	New	0	0	0
	Sub Total	9,876,691	9,876,691	5
	Grand Total	171,423,013	174,650,153	199

From the above analysis, out of the 199 projects, 7 projects with a total allocation of Kshs.6,707,913 were not implemented, while projects with total allocation of Kshs.59,976,691.00, numbering 63 remained on going. Further, one project worth Kshs.300,000 was reloaded under imprest sector.

In the circumstances, it was not possible to ascertain that the Fund will implement all projects as budgeted and that the residents would get the benefits associated with the budget.



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

Nairobi

14 June 2017

NG- CONSTITUENCY DEVELOPMENT FUND- KITUI EAST CONSTITUENCY

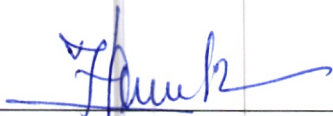
Reports and Financial Statements

For the year ended June 30, 2016

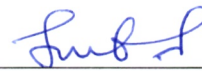
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016	2014-2015
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board-AIEs' Received	1	67,000,000.00	120,927,960.00
Proceeds from Sale of Assets		-	
Other Receipts		-	
TOTAL		67,000,000.00	120,927,960.00
PAYMENTS			
Compensation of employees	2	3,174,062.00	3,261,362.80
Use of goods and services	3	4,318,310.60	8,607,302.95
Transfers to Other Government Units	4	37,650,000.00	66,718,690.00
Other grants and transfers	5	57,129,968.00	39,795,132.00
Acquisition of Assets	6	-	772,440.00
Other Payments	7	-	925,000.00
TOTAL		102,272,340.60	120,079,927.75
SURPLUS/DEFICIT		(35,272,340.60)	848,032.25

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI EAST NG-CDF financial statements were approved on 18/08/2016 and signed by:



Chairman – NG-CDFC




Fund Account Manager

NG- CONSTITUENCY DEVELOPMENT FUND- KITUI EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016


V. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8A	7,946,822.95	43,219,163.55
Cash Balances (cash at hand)		-	-
TOTAL FINANCIAL ASSETS		<u>7,946,822.95</u>	<u>43,219,163.55</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	8B	43,219,163.55	42,371,131.30
Surplus/Deficit for the year		(35,272,340.60)	848,032.25
Prior year adjustments		-	-
NET FINANCIAL POSITION		<u>7,946,822.95</u>	<u>43,219,163.55</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI EAST NG-CDF financial statements were approved on 18/08/2016 and signed by:



Chairman – NG-CDFC



Fund Account Manager

NG- CONSTITUENCY DEVELOPMENT FUND- KITUI EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

VI. STATEMENT OF CASHFLOW

		2015- 2016	2014 - 2015
Receipts for operating income			
Transfers from NG-CDF Board	1	67,000,000.00	120,927,960.00
Payments for operating expenses			
Compensation of Employees	2	3,174,062.00	3,261,362.80
Use of goods and services	3	4,318,310.60	8,607,302.95
Transfers to Other Government Units	4	37,650,000.00	66,718,690.00
Other grants and transfers	5	57,129,968.00	39,795,132.00
Other Payments	7	-	925,000.00
subtotal for operating expenses		102,272,340.60	119,307,487.75
Adjusted for:			
Adjustments during the year		0	0
Net cash flow from operating activities		(35,272,340.60)	1,620,472.25
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	-	(772,440.00)
Net cash flows from Investing Activities		-	(772,440.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		(35,272,340.60)	848,032.25
Cash and cash equivalent at BEGINNING of the year	8B	43,219,163.55	42,371,131.30
Cash and cash equivalent at END of the year		7,946,822.95	43,219,163.55

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI EAST NG-CDF financial statements were approved on 18/08/2016 and signed by:



Chairman NG-CDFC



Fund Account Manager

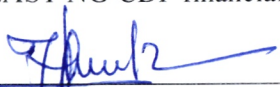
NG-CONSTITUENCIES DEVELOPMENT FUND – KITUI EAST CONSTITUENCY**Reports and Financial Statements**

For the year ended June 30, 2016

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	130,395,789.00	43,219,163.55	173,614,952.55	110,219,163.55	63,395,789.00	63
Other receipts	-					
Total	130,395,789.00	43,219,163.55	173,614,952.55	110,219,163.55	63,395,789.00	-
PAYMENTS						
Compensation of Employees	4,025,000.00	310,800	4,335,800.00	3,174,062.00	1,161,738.00	73
Use of goods and services	7,710,621.00	450,071.95	8,160,692.95	4,318,310.60	3,842,382.35	53
Transfers to Other Government Units	81,300,000.00	23,750,000	105,050,000.00	37,650,000.00	67,400,000.00	36
Other grants and transfers	29,383,477.00	18,708,291.60	48,091,768.60	57,129,968.00	(9,038,199.40)	119
Acquisition of Assets	7,976,691.00	-	7,976,691	-	7,976,691	-
Other Payments				-	-	-
TOTALS	130,395,789.00	43,219,163.55	173,614,952.55	102,272,340.60	71,342,611.95	-

The KITUI EAST NG-CDF financial statements were approved on 18/08/2016 and signed by:



 Chairman NG-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 *NG-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 *NG-CDF*.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *NG-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 *NG-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

NATIONAL GOVERNMENT ENTITY - KITUI EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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 NG-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 NG-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 NG-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, 2016.

NATIONAL GOVERNMENT ENTITY - KITUI EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal Allocation	AIE NO.A796241	2,000,000.00	30,731,990.00
	AIE NO.A796304	10,000,000.00	18,439,194.00
	AIE NO.	20,000,000.00	10,000,000.00
	AIE NO.A820821	20,000,000.00	30,731,990.00
	AIE NO.825529	15,000,000.00	31,024,786.00
TOTAL		67,000,000.00	120,927,960.00

2. COMPENSATION OF EMPLOYEES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Basic wages of contractual employees		2,068,727.00	2,104,448.40
House allowance		374,400.00	380,640.00
Transport allowance		366,000.00	366,000.00
Leave allowance		36,000.00	36,000.00
gratuity		307,335.00	352,674.40
Employer contribution NSSF		21,600.00	21,600.00
Total		3,174,062.00	3,261,362.80

NATIONAL GOVERNMENT ENTITY - KITUI EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

3. USE OF GOODS AND SERVICES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	37,225.00	15,320.00
Office rent	30,000.00	60,000.00
Communication, supplies and services	18,815.00	20,169.00
Domestic travel and subsistence	399,850.00	127,070.00
Training expenses	311,000.00	1,166,000.00
Office and general supplies and services	267,475.00	323,346.00
Fuel ,oil & lubricants	248,835.00	776,728.00
Other operating expenses	30,910.60	624,066.95
Routine maintenance – vehicles and other transport equipment	-	946,208.00
Routine maintenance – other assets		26,000.00
Committee expenses	2,974,200.00	4,522,395.00
Total	4,318,310.60	8,607,302.95

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	21,800,000.00	30,167,931.00
Transfers to secondary schools	6,800,000.00	19,800,000.00
Transfers to Tertiary institutions	300,000.00	500,000.00
Transfers to Health institutions	8,750,000.00	16,250,759.00
TOTAL	37,650,000.00	66,718,690.00

NATIONAL GOVERNMENT ENTITY - KITUI EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Secondary	12,711,598.00	10,095,500.00
Bursary -Tertiary	8,282,000.00	7,610,000.00
Water	15,300,000.00	10,000,000.00
Security	2,500,000.00	3,920,000.00
Roads	1,800,000.00	-
Sports	2,458,555.00	1,611,619.00
Environment	4,965,055.00	1,200,000.00
Markets	5,000,000.00	-
Emergency	4,112,760.00	5,358,013.00
Total	57,129,968.00	39,795,132.00

NATIONAL GOVERNMENT ENTITY - KITUI EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>		2015 - 2016	2014- 2015
		Kshs	Kshs
Purchase of Bicycles & Motorcycles		-	619,440.00
Purchase of computers ,printers and other IT equipment		-	153,000.00
Total		-	772,440.00

7. OTHER PAYMENTS

Strategic plan		-	925,000.00
		-	-
		-	-
TOTAL		-	925,000.00

8A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2015 - 2016	2014 - 2015
		Kshs (30/6/2016)	Kshs (30/6/2015)
<i>Equity Bank, Kitui Branch A/C no.</i>		7,946,822.95	43,219,163.55
Total		7,946,822.95	43,219,163.55

8B. BALANCES BROUGHT FORWARD

		2015 - 2016	2014 - 2015
		Kshs (1//7/2015)	Kshs (1//7/2014)
Bank accounts		43,219,163.55	42,371,131.30
Cash in hand			
Imprest		-	-
Total		43,219,163.55	42,371,131.30

NATIONAL GOVERNMENT ENTITY - KITUI EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER IMPORTANT DISCLOSURES

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Buildings and structures	4,000,000.00	4,000,000.00
Transport equipment	5,312,602.00	5,312,602.00
Office equipment, furniture and fittings	250,050.00	250,050.00
ICT Equipment, Software and Other ICT Assets	323,000.00	323,000.00
Total	9,885,652.00	9,885,652.00

REPUBLIC OF KENYA



KITUI EAST NG-CONSTITUENCY DEVELOPMENT FUND
P.O BOX 1199-90200 KITUI

MINUTES FOR KITUI EAST NG-CDFC MEETING HELD AT THE CDF OFFICES AT CHULUNI MARKET ON 18/08/2016

MEMBERS PRESENT

1. Fultonior K.Muli	Chairman
2. Richard Kitema	Secretary
3. Jackline Malombe	Member
4. Sylvia M. Ivutha	Member
5. Kambwere Munyasya	Member
6. Bernard M. Munyalo	Member
7. Rebecca L. Mukai	Member
8. Fred Munyoki	Member
9. Samson O. Kwach	DCC
10. Dennis Matundura	FAM

AGENDA

1. Reading of previous minutes
2. Matters arising
3. CDFC training
4. Financial reports for the financial year ending June 2016
5. AOB

The Chairman called the meeting to order at 2:23pm. He requested Jackline Malombe to pray. He then welcomed all members to the meeting and asked them to contribute aggressively to the agenda.

MIN 1/18/08/2016 READING AND CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

The previous minutes were read by the secretary. They were confirmed a true record of what transpired. Jackline Malombe proposed while Mwende Ivutha seconded.

MIN 2/18/08/2016 MATTERS ARISING

Min 6/25/05/2016: Reallocation of Funds

The committee observed that there was an error in the list submitted to the NG-CDF Board for reallocation of the REA projects to supply of desks. A total of 50 schools had been planned for but one was left out during typing of minutes. The School left out was Kaliluni Primary School. Members mandated the FAM to submit the same to the NG-CDF Board for supply of 50 desks with a value of ksh 100,000.

MIN 3/18/08/2016 NG-CDFC AND NG-CDFC TRAINING

This activity had been planned before but funds have not been received to undertake it.

The CDFC agreed to have a combined training for both NG-CDFC and staff. This was agreed so to enable the committee and their staff to integrate and focus on a common vision and mission. The venue was agreed to be in Kitui Town, in one of the big hotels.

Members agreed to use other government departments as facilitators as opposed to contracting the training in order to save money. Members approved ksh 5,000 per session for facilitators.

Members agreed that they will look for their own accommodation in the Kitui Town and therefore the package with the hotel should be tea break, lunch, 4 o'clock tea and conference facilities. Members' allowances during the training was therefore agreed to be the normal meeting allowance to help members look for their accommodation and welfare after each day's activity during the training.

NG-CDFC staff allowance per day during the training was agreed to be ksh 3,000 per person.

Members agreed to source for an expert to handle NG-CDF act 2015 and Strategic plan. This should be at most three sessions.

The FAM was also tasked to check the previous PC signed and come up with a training program as well as allocate activities to facilitators.

Members concluded that the training should take place as soon as funds are received from NG-CDF Board covering at most four days.

MIN 4/18/08/2016 FINANCIAL REPORTS FOR YEAR ENDING JUNE 2016

The Fund Account Manager tabled the financial statements for the year 2015-16 before the committee. These financial statements were statement of receipts and payments, statement of financial assets and liabilities, statement of cashflow and statement of appropriation. The


committee deliberated on them and unanimously approved them as a true record of transactions for the period ending 30th June 2016.

MIN 5/18/08/2016 AOB

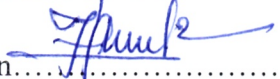
- a) Rent for Zombe satellite office had not been paid. It is normally paid in 6 months at ksh 5,000 per month. Members approved the same to be paid for 6 months starting May 2016 to October 2016, payable to Thome Kithome Mengo.
- b) The FAM reported that he had responded to the Management letter of the routine audit carried out by the NG-CDF Board during the month of April 2016.
- c) Members requested the FAM to fast track the purchase of T-shirts as earlier approved by the committee.
- d) A number of motor cycles needed service/repairs and replacement of some items. Members tasked the FAM to act accordingly.

There being no any other business, the meeting ended with a word of prayer from Jackline Malombe at 5:10pm.

Minutes were taken by
CDFC Secretary
Richard Kitema

Sign..........

Minutes Confirmed by
CDFC Chairman
Fultonior K. Muli

Sign..........

