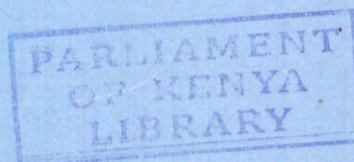


REPUBLIC OF KENYA



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Thursday
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OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2016**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI

30 SEP 2016

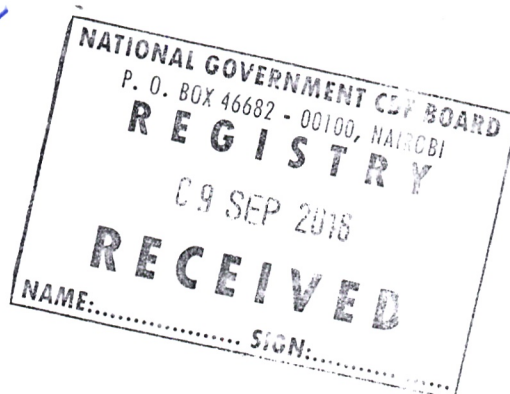
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KITUI RURAL CONSTITUENCY**

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)



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI RURAL
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (NG-CDF)* was set up under the NG-CDF Act, 2003 now repealed by the NG-CDF Act, 2014. 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*. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and fight against poverty in the constituency level.

(b) Key Management

The *Kitui Rural Constituency's* day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government 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 (F.A.M)	Nicholas N. Kimanzi
3.	District Accountant	Paul Nyoro

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Kitui Rural Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the National Government 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 RURAL NG-CDF Headquarters

P.O. Box 1422-90200, Kitui
ESTHER HOUSE
Kitui - Machakos Road
Kwa Vonza Market, KITUI

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

**Reports and Financial Statements
For the year ended June 30, 2016**

(f) KITUI RURAL NG-CDF Contacts

Telephone: (254) 721640726

E-mail: kwavonzaoffice@gmail.com

Website:

(g) KITUI RURAL NG-CDF Bankers

1. Equity Bank
Kitui
0720 261 934 286
Kitui Town

(h) Independent Auditors

Auditor General
Office of Auditor General
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 NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

INTRODUCTION

The Kitui Rural Constituency Development Committee which is to appreciate the NG-CDF Board and all the other stakeholders for roles in the implementation of the NG-CDF projects and efforts put forward in making the dream of projects a success.

I would like to put forth that we have successfully led the implementation of the various projects in Kitui Rural and that we are glad our tireless efforts to help communities benefit from the projects have born fruits. Despite some challenges which are normal everywhere we have made it possible and that our children are studying in classrooms, our health centres and dispensaries have been funded and that our children are benefiting immensely from the bursaries which have enabled them pay their school fees.

2015 /2016 FINANCIAL YEAR ACHIEVEMENTS

During the financial year 2015/2016, NG-CDF contributed towards construction of three school science laboratories. The laboratories have enabled our learners to be well placed in science subjects NG-CDF was able to do rehabilitation and construct 60 classrooms which gave learners a conducive learning environment.

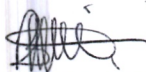
EMERGING ISSUES

During the financial year 2015/2016, NG-CDF was unable to proceed with some of the projects it had been engaging in due to devolution of some departments such as health and water. The public confidence in NG-CDF declined due to the court case that was challenging the legality of the fund. The performance contracting that was introduced for NG-CDFCs improved the performance of NG-CDFC to a greater extent.

IMPLEMENTATION CHALLENGES

Political influence from local leaders to some extent became challenges in the allocation of resources within the constituency. Such influence could affect the fair distribution of resources. Failure to involve the technical department in the implementation of NG-CDF projects by the PMCs. This is however prompted by the fact that there are no enough officers in the technical departments.

It is recommended that the learning institutions should invest in water harvesting tanks so that they are able to nurture the seedlings even during the dry spell. The NG-CDFCs should be keen on fair distribution of resources despite the political pressure. The National Government should consider deploying more officers working in the technical departments.



Chairman NG-CDFC

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

**Reports and Financial Statements
For the year ended June 30, 2016**

III. STATEMENT OF NG-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 Rural 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 ended on June 30, 2016. 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 Rural 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, 2016, and of the *NG-CDF's* financial position as at that date. The Accounting Officer charge of the *Kitui Rural NG-CDF* further confirms the completeness of the accounting records maintained for the *NG-CDF* which have been relied upon in the preparation of the *NG-CDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *Kitui Rural 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 7 September, 2016.



Fund Account Manager



Chairman- NG-CDFC

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUI RURAL 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 Rural Constituency set out on pages 5 to 23, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flow 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 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

*Report of the Auditor-General on the Financial Statements of National Government Constituencies
Development Fund - Kitui Rural Constituency for the year ended 30 June 2016*

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 adverse audit opinion.

Basis for Adverse Opinion

1.0 Non Compliance with the Prescribed Financial Statements Presentation Format

The International Public Sector Accounting Standards (Cash Basis) financial statement presentation format prescribed by the Public Sector Accounting Standard Board requires the inclusion of a progress report on follow-up on the previous year's audit issues of auditor recommendations. However, although the Fund had an adverse audit opinion in 2014/2015, no report on the follow-up on the issues raised in the audit report was included in the financial statements for the year under review.

In the circumstance, the financial statements do not comply with the IPSAS (Cash Basis) financial presentation format prescribed by the Public Sector Accounting Standards Board.

2.0 Accuracy and Completeness of the Financial Statements

The financial statements for Kitui Rural NG-CDF for the year ended 30 June, 2016 had the following inaccuracies;

2.1 Statement of Cash Flows

- i. The comparative cash and cash equivalents balance in the statement of cash flow has been stated as Kshs.45,261,781 while the certified audited balance was Kshs.48,631,881 leading to an unexplained variance of Kshs.3,370,100.
- ii. The Cash and cash equivalent at the beginning of 2015/2016 was further erroneously stated as Kshs. 48,831,881 instead of Kshs.48,631,881 leading to an unexplained variance of Kshs.200,000 as shown in note 11 to the financial statements.
- iii. Cash and cash equivalents at end of the year has been stated as Kshs.13,768,055 while the actual figure was Kshs.13,568,055 leading to unexplained variance of the Kshs.200,000.

2.2 Paging and Heading of the Financial Statements

During the year under review, the financial statements title on pages 21 - 23 has, '(Kshs'000)' erroneously added.

2.3 Summary of Fixed Asset Register

According to annex 4 of the financial statements the total fixed assets register balance for 2015/2016 and 2014/2015 was stated as Kshs.7,543,871. However, casting of the figures gave a total of Kshs. 7,483,871 leading to an unexplained and unreconciled overcast of Kshs.60,000. Further, the assets acquired during the year of Kshs.302,750 had not been incorporated into the summary fixed assets register as at 30 June 2016.

2.4 Prior Year Adjustments

The statement of assets, statement of cash flows and note 12 of the notes to the financial statements reflect Kshs.4,376,341 as a prior year adjustment which was indicated as bank accounts.

However, the nature of the prior year adjustment has not been explained. In the circumstance, the accuracy of the statement of assets and the cash flow statements as at 30 June 2016 could not be confirmed.

2.5 Receipts

During the year under review, the statement of receipts and payments had a balance of Kshs.84,000,000 for transfers from the NG - CDF board. However, a review of the bank reconciliation for the month of June 2016, revealed a receipt in bank not recorded in the cash book of Kshs 28,155,034. It was explained that the receipt could not be posted to the cash book as an AIE of the same had not been received as at 30 June 2016. However, there was no disclosure of the amount in the notes to the financial statements. The accuracy and adequacy of disclosure of the receipts totaling Kshs.28,155,034 as at 30 June 2016 could not be confirmed.

In view of the foregoing, the accuracy and completeness of the financial statements for the year ended 30 June 2016 could not be ascertained.

3.0 Maintenance of Fixed Asset Register

Kitui Rural NG-CDF maintained a Fixed Asset register as at 30 June 2016, detailing the asset year of purchase, serial number/ registration numbers, cost at acquisition, location of the asset and responsible person/ custodian. However, the register was not being updated properly as asset addition for the year; notably 2 Book shelves, 2 Ashut Filing metal cabinet with 4 drawers, Cash safe box and 3 Air conditioners fans, had not been updated in the register. Further, the register does not indicate the condition of the assets. In addition, the assets acquired within the year under audit had not been tagged.

In the circumstances, the accuracy, custody and security of the fixed assets worth Kshs.7,543,871 as at 30 June 2016 could not be confirmed.

4.0 Funding and Administration of Education Projects

4.1 Renovation of Classrooms at Kwa Vonza Primary School

During the year under audit review, Kshs.800,000 was spent on the renovations, shuttering and plastering of 8 classrooms at Kwa Vonza Primary School.

However, a physical verification done on 25 January 2017 revealed that one of the verandahs which had been plastered was peeling off, while external verandahs for three classrooms were not floored. Further, the painting of the doors and windows was not done. In addition, there were no inspection and acceptance reports. In the circumstances, the propriety of the expenditure of the Kshs.800,000 as at 30 June 2016 could not be confirmed.

4.2 Construction of Classrooms at Ilani Secondary

During the year under review, Kshs.1,000,000 was paid for the construction of two classrooms at Ilani Secondary School. However, a physical inspection done on 25 January 2017 revealed that two classrooms had been constructed to roofing but no form of finishing had been done as the funds had been exhausted. Further, there were pending works which included plastering, flooring and fixing of window panes. In addition, the bill of quantities issued by the Sub County Works Officer had estimated the construction of one classroom to cost Kshs.1,000,000. No, inspection and acceptance reports and land ownership documents were made available for audit review.

Consequently, the propriety of the expenditure of the Kshs.1,000,000 as at 30 June 2016 could not be confirmed.

4.3 Construction of Classrooms and an Administration Block at Katoteni Central Primary School

During the year under review, Kshs.700,000 was used in the construction of two classrooms and administration block at Katoteni Central Primary School. However, a physical inspection carried out on 25 January 2017 revealed that the finishing to the floors of the verandah and one classroom had not been completed. Further, no painting had been done while the back walls of the building had not been plastered. In addition, the bill of quantities available was for roofing only at an estimated cost of Kshs.700,000 while inspection reports were also not made available for audit verification.

In the consequence, the propriety of the expenditure of the Kshs.700,000 as at 30 June 2016 could not be confirmed.

4.4 Construction of Classrooms at Kyandwia Primary School

During the year 2015/2016 Kshs.800,000 was spent in the construction of two classrooms. However, the bill of quantities had estimated the construction of one classroom to cost Kshs 800,000. Physical verification done on 25 January 2017 revealed that the classes had been done to roofing but no finishing had been done including fixing of doors and windows. The classes were however being used. Further, the walling of the classrooms had been done using bricks and not natural dressed stones as required in the bill of quantities. Further, no inspection reports were availed for audit review.

In the circumstances, the propriety and value for money of the expenditure of Kshs.800,000 as at 30 June 2016 could not be confirmed.

4.5 Construction of Classrooms at Ilovi Primary School

During the year under review, Kshs 800,000 was spent in the construction of two classrooms at Ilovi Primary School. However, the bill of quantities had estimated the construction of one classroom to cost Kshs 800,000. Physical verification carried out on 25 January 2017 showed that the two classrooms had been done to roofing but no finishing had been done. Further, the roof of the building appeared warping on one side. In addition, there was no inspection report made available for audit review.

As a result, the propriety and value for money of the expenditure of the Kshs.800,000 as at 30 June 2016 could not be confirmed.

4.6 Renovation of Classrooms at Syuasini Primary School

During the year under review, Kshs 700,000 was spent on the renovations, shuttering and plastering of 7 classrooms at Syuasini Primary School. However, a physical inspection done on 25 January 2016 revealed that the wall painting appeared poorly done as it was peeling off. Further, the old iron sheets replaced were allegedly sold but the proceeds have not been accounted for. In addition, there were no inspection reports made available for audit review.

In the circumstances, the propriety of the expenditure of Kshs.700,000 as at 30 June 2016 could not be confirmed.

4.7 Renovation of Classrooms at Seekea Primary School

During the year under review, Kshs.700,000 was spent for the renovation of 7 classrooms at Seekea Primary School. However, a physical inspection done on 26 January 2017, revealed that the inside walls of the classrooms were not plastered. Further, the sales proceeds from the replaced iron sheets has not been accounted for while no inspection reports were availed for audit review. In the circumstances, the propriety and value for money of the expenditure of the Kshs.700,000 as at 30 June 2016 could not be confirmed.

4.8 Construction of Classrooms at Mwinzengi Secondary School

During the year under review, Kshs.1,000,000 was spent in the construction of two classrooms at Mwinzengi Secondary School. A physical verification done on 26 January 2017 revealed that there were a few cracks on the floor and walls of the classrooms. The classes were also not complete as they required painting and placing of window panes. Further, there were no inspection reports availed for audit review.

Consequently, the propriety and value for money of the expenditure of the Kshs.1,000,000 as at 30 June 2016 could not be confirmed.

5.0 Emergency Projects

During the year under review Kshs. 4,633,787 was spent on eight (8) emergency projects as shown below:-

No.	PV No and Date	Payee	Details	Amount (Kshs)
1.	471 of 30/11/2015	Kiusyani- Madongoi Road	Repair section of damaged road	827,500
2.	488 of 21/12/2015, and 553 of 12/02/2016	Muvitha Borehole	Repair sections of the pipeline.	1,335,00
3.	504 of 21/12/2016	Kawongo Secondary School	Renovation of students latrines.	500,000
4.	554 of 12/02/2016	Thome Primary School		200,000
5.	559 of 12/02/2016	Kalivini Primary School		300,000
6.	556 of 12/02/2016	Kenya Power and Lighting		71,287
7.	574 of 31/03/2016	Kangala Primary School		700,000
8.	621 of 30/06/2016	Makolongo Primary School	Re-roofing classrooms	700,000
	Total			4,633,787

Audit review of the projects files and physical verification carried out on 25 and 26 January 2017 revealed that there were no reports that were made to show that the projects were indeed cases of emergency, contrary to the requirement of Section 8 of the NG - CDF Act. In the circumstances, the propriety of the emergency funds totaling to Kshs.4,633,787, as at 30 June 2016 could not be confirmed.

5.1 Rehabilitation of Kiusyani Madongoi Road

During the year under review, Kshs.827,500 was spent in the rehabilitation of the Kiusyani Madongoi road. However, there were no project expenditure returns including the procurement documents to account for the funds. In addition, the application for the funding was done by the Project Management Committee (PMC) on 17 November 2015 while, the CDFC had approved for the funding of the project in an earlier meeting held on 6 November 2015 and application did not indicate the specific section/s of the road that were damaged and needed repair. During the

physical verification carried out on 25 January 2017, the furrows and gabions placed, as described in the application, could not be traced.

As a result, the propriety of expenditure of Kshs.827,500 as at 30 June 2016 could not be confirmed.

5.2 Repair Works at Kawongo Secondary

During the year under review, Kshs.500,000 was spent on repair works at Kawongo secondary school.

However, the expenditure returns to account for the Kshs 500,000 were not made available for audit review. Further, a physical verification done on 25 January 2017 revealed that a total of Kshs 335,026 had been spent. The payment voucher particulars showed that the funds were for the repair of the student latrines. However, the expenditure schedule showed that the funds were spent on repair of classrooms at Kshs 248,489, repair of verandah at Kshs 36,030 and repair of toilets at Kshs 50,507 while no approval for the change of project was availed for audit review. In the circumstance, the propriety of the expenditure of Kshs.500,000 as at 30 June 2016 could not be confirmed.

6.0 Construction of Dispensaries

6.1 Construction of Kwa Kilui Dispensary

During the year under review, Kshs 600,000 was spent on roofing, plastering, and shuttering of Kwa Kilui dispensary. However, materials including iron sheets, doors and door frames, timber and cement were sourced from local suppliers but no quotations and evaluation reports were made available for audit scrutiny. Further, no certificates of completion and bill of quantities were made available for audit review. A physical verification done on 25 January 2017 revealed that the building which had been roofed and fixed with doors and windows, appeared abandoned as no activity was found going on. In addition, the path to the compound from the main road had over-grown vegetation. In the circumstances, the propriety and value for money for the expenditure of Kshs.600,000 as at 30 June 2016 could not be confirmed.

6.2 Construction of Kathemboni Dispensary

During the year under review, the CDF disbursed Kshs.500,000 for completion of the Kathemboni dispensary block. However, the project management committee application for the funds drawn on 3 July 2015 indicated that the funds would be used in construction of one latrine for staff and one room for dispensary. The application showed that Kshs.404,870 would be for the procurement of the construction materials including labour costs, while Kshs.95,000 would be used in procuring equipment.

These details however seem to contradict the payment voucher particulars which stated the completion of the project. Physical verification done on 25 January 2017, revealed that the dispensary was not in use and no activity was ongoing at the time.

The building appeared abandoned with over-grown vegetation. It was however, not possible to access the building as the gate to the compound was locked at the time. The latrines which had been constructed alongside the building had the doors infested by termites.

In the circumstances, it has not been possible to confirm the propriety and value for money for the expenditure of Kshs.500,000.

6.3 Construction of Itulu Dispensary

During the year under review, Kshs. 600,000 was disbursed for roofing, shuttering and plastering of Itulu dispensary. However, the project was abandoned half way and not put into intended use. Plastering of the walls has not been done and only 4 steel doors have been fitted out of the BQ provision of 10 doors and 2 windows out of the provision of 8. Further, the project file was not availed for audit review, including the bank statements.

Consequently, it has not been possible to ascertain the propriety and value for money for the expenditure of Kshs.600,000.

7.0 Funding for Mocks and CATs Examinations

During the year under review, Kshs.6,200,000 was dispersed in respect of educational activities undertaken during the year. However, no expenditure returns including the bank statement were made available to account for expenditures worth Kshs.4,550,000. In addition, Kshs.4,000,000 incurred for the printing and distribution of mocks and CATs, was not supported by the Ministry of Education approval. Also, it was not known how the alleged mocks/CATs reached the schools as no documentation were made available.

Under the circumstance, the propriety and value for money for the expenditure of Kshs.6,200,000 as at 30 June 2016 could not be confirmed.

8.0 Roads Projects

During the year under review, the Kitui Rural NG-CDF disbursed a total of Kshs.9,628,474 in respect of four roads as shown in the table below;

PVC No.	Date	Road	Amount (Kshs)
1850	31/10/2015	Kyusiani Madongoi Road	2,250,000.00
2193	29/01/2016	Seku Katothya MOW B7 Road	3,877,599.00
2392	18/02/2016	Kiimani Kivunga Pry school road	1,450,700.00
2394	18/02/2016	Kanyangi Mumbe Road	2,050,175.00
Total			9,628,474

However, review of the project files and physical verification of the roads done on 25 January 2017 revealed the following issues:

8.1 Construction of Kiimani - Kivunga Primary School Road

During the year under review, a grant of Kshs.1,450,000 was made in respect of the the construction of Kiimani-Kivunga Primary School road measuring 3.3 Kilometres. The grant was to facilitate light grading, bush clearing, tree and stumps removal and clearing obstructions. A physical verification revealed that the road was done and had already been put into use. However, no expenditure returns were in the project file. Further, there were no documents to show that the Kenya Rural Roads Authority was consulted before and during the undertaking of the project. The road lacked a sign post showing that its construction was funded by the NG - CDF.

In the circumstance, the propriety and value for money for the expenditure of Kshs.1,450,000 as at 30 June 2016 could not be confirmed.

8.2 Construction of Kiusyani Madongoi Road

During the year under review, Kiusyani Madongoi road was granted Kshs.2,250,000 for gravel patching covering a distance of 33 Kilometres. A Physical verification done on 25 January 2017 revealed that the road was done and was in use. However, review of the project file revealed that Kshs.200,000 for purchase of murrum was paid to one Mungano Masaku but was not supported by procurement documents including an order and an invoice from the supplier. Further, a total of Kshs.396,000 was paid to Timax Construction Company in respect of hire of lorry for six days to transport murrum. The same firm was paid a total of Kshs.586,000 for hire of back hoe for six days including mobilization, operator, and the assistant operator. Another Kshs.426,000 was paid to the firm for hire of grader. However, these payments were not supported by procurement documents including a Local Purchase Order and an invoice. It was also not explained why the services of the Kenya Rural Roads Authority were not sought for provision of equipment and doing the works which might have costed less.

An amount of Kshs.153,000 was paid to Auto Building Services for provision of technical supervision. However, no procurement documents were made available for audit review.

In the circumstances, the propriety and value for money for the expenditure of Kshs.2,250,000 as at 30 June 2016 could not be confirmed.

9.0 Security Projects

9.1 Construction of Mbitini OCPD Office

During the year under review, Kshs.1,000,000 was disbursed for the completion of the Mbitini OCPD office. However, the project appeared abandoned as no construction activities were ongoing. Further, the file documentation showed that the project was started in the 2013/2014 financial year and so far a total of Kshs.1,500,000 has been spent. The ownership status of the land on which the building has been put up cannot be ascertained.

In the circumstances, the propriety and value for money for the expenditure of Kshs. 1,000,000 as at 30 June 2016 could not be confirmed.

9.2 Construction of Nzambia Chief's Camp

During the year under review, Kshs. 400,000 was disbursed for the construction of Nzambia Chief's office block. A physical verification done on 25 January 2017 revealed that only one steel door had been fitted, out of the BQ provision of six (6). Further, returns for payment vouchers made available were not supported with expenditure receipts. In addition, no sign post had been displayed on the project site. It was also noted that there were no land ownership documents.

As a result, the propriety and value for money for the expenditure of Kshs. 400,000 as at 30 June 2016 could not be confirmed.

10.0 Sports Projects

During the year under review, Kshs.2,253,101 was paid to the Kitui Rural Sports Tournament project management committee. However, no expenditure returns including the bank statement were made available for audit review.

Under the circumstances, it has not been possible to ascertain the propriety and value for money for the expenditure of Kshs.2,253,101.

11.0 Budgetary Control and Performance

During the year under review, Kitui Rural NG-CDF had an approved budget of Kshs.112,155,034. Further, to this budget were cash balances for the year 2014/2015 of Kshs.48,631,881 and Kshs.2,126,341 which was an outstanding balance for the 2014/2015 financial year which was funded in the 2015/2016. Included also was a Kshs.2,250,000 which was a transfer from the Kitui Central NG - CDF and an undisclosed amount of Kshs.300,000 bringing the total resource available for the year to Kshs.165,463,256. The actual expenditure for the year was Kshs.123,440,167 (77%).

Comparison of the budget with the actual expenditure showed that Kshs.37,346,748 was not utilized as shown below;

Receipts and Payments

Sub-Head	Budgeted Expenditure (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Transfers from CDF Board	165,163,256	137,208,222	27,955,034	83
Total Receipts	165,363,256	137,208,222	27,955,034	
Compensation of Employees	3,069,192	1,249,487	1,819,705	41

Use of goods and services	11,592,562	8,563,038	3,029,524	74
Transfers to Other Government Units	72,081,427	71,700,000	381,427	99
Other grants and transfers	78,295,074	41,624,891	36,570,182	53
Acquisition of Assets	425,000	302,750	122,250	71
Total	165,463,256	123,440,167	41,923,088	74.6

In overall the budget had an absorption rate of 74.6% leaving out 25.4% being unutilized. A total of Kshs.41,923,088 had not been utilized an indication that projects worth the amount had not been implemented as at 30 June 2016. In the circumstance, it cannot be confirmed that the residents got full benefits from the total budget allocation.

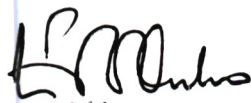
12.0 Project Implementation and Management

The approved budget for development projects was apportioned among various sectors within the constituency namely primary schools, secondary schools, health institutions, sports, water projects, roads, security, environment and emergency.

However, no analysis of the project implementation status for the 2015/2016 financial year was made available for audit review. In the circumstances, it was not possible to confirm whether the residents of Kitui Rural Constituency obtained the services associated with the planned and budgeted project implementation.

Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of the National Government Constituencies Development Fund – Kitui Rural Constituency as at 30 June 2016, 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 do not comply with the National Government Constituencies Development Fund Act, 2015.



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

Nairobi

18 October 2017

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

**Reports and Financial Statements
For the year ended June 30, 2016**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	84,000,000.00	141,243,085.85
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		84,000,000.00	141,243,085.85
PAYMENTS			
Compensation of Employees	4	1,249,487.00	1,080,696.00
Use of goods and services	5	8,563,038.81	6,303,164.39
Transfers to Other Government Units	6	71,700,000.00	34,750,931.00
Other grants and transfers	7	41,624,891.82	53,810,517.00
Acquisition of Assets	8	302,750.00	8,594,500.00
Other Payments	9	0	0
TOTAL PAYMENTS		123,440,167.63	104,539,808.39
SURPLUS/DEFICIT		(39,440,167.63)	36,703,277.46

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitui Rural NG-CDF financial statements were approved on 7th September, 2016 and signed by:



Chairman - NG-CDFC




Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUI RURAL
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2016

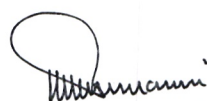
V. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	10A	13,768,054.93	45,261,781.46
Cash Balances (cash at hand)	10B	0	0
Outstanding Imprests	10C	0	3,370,100.00
TOTAL FINANCIAL ASSETS		13,768,054.93	48,631,881.46
REPRESENTED BY			
Fund balance b/fwd	11	48,831,881.46	11,928,604.00
Surplus/Deficit for the year		(39,440,167.63)	36,703,277.46
Prior year adjustments	12	4,376,341.10	0
NET FINANCIAL POSITION		13,768,054.93	48,631,881.46

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitui Rural NG-CDF financial statements were approved on 7th September, 2016 and signed by:



Chairman - NG-CDFC



Fund Account Manager


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

**Reports and Financial Statements
For the year ended June 30, 2016**

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	84,000,000.00	141,243,085.85
Other Receipts	3	0	0
Payments for operating expenses			
Compensation of Employees	4	1,249,487.00	1,080,696.00
Use of goods and services	5	8,563,038.81	6,303,164.39
Transfers to Other Government Units	6	71,700,000.00	34,750,931.00
Other grants and transfers	7	41,624,891.82	53,810,517.00
Other Payments	9	0	0
Adjusted for:			
Adjustments during the year	12	4,376,341.10	0
Net cash flow from operating activities		(34,761,076.53)	45,297,777.46
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	302,750.00	8,594,500.00
Net cash flows from Investing Activities		(302,750.00)	(8,594,500.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		(35,063,826.53)	36,703,277.46
Cash and cash equivalent at BEGINNING of the year	11	48,831,881.46	11,928,604.00
Cash and cash equivalent at END of the year	10	13,768,054.93	45,261,781.46

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitui Rural NG-CDF financial statements were approved on 7th September, 2016 and signed by:



Chairman NG-CDFC



Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI RURAL 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	112,155,034.00	53,208,222.56	165,363,256.56	137,208,222.56	28,155,034.00	83
Proceeds from Sale of Assets						
Other Receipts						
Total Receipts	112,155,034.00	53,208,222.56	165,363,256.56	137,208,222.56	28,155,034.00	83
PAYMENTS						
Compensation of Employees	2,867,200.00	201,992.10	3,069,192.10	1,249,487.00	1,819,705.10	41
Use of goods and services	6,846,753.06	4,745,809.83	11,592,562.89	8,563,038.81	3,029,524.08	74
Transfers to Other Government Units	50,500,000.00	21,581,427.32	72,081,427.32	71,700,000.00	381,427.32	99
Other grants and transfers	51,516,080.94	26,678,993.31	78,295,074.25	41,624,891.82	36,570,182.43	53
Acquisition of Assets	425,000.00	0	425,000.00	302,750.00	122,250.00	71
TOTALS	112,155,034.00	53,208,222.56	137,208,222.56	123,440,167.63	41,923,088.93	75

(a) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]


i. Compensation of Employees

The NG-CDFC allocated more funds against the actual expenditure on staff salaries.

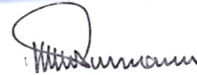
The NG-CDFC allocated more funds against the actual expenditure on staff salaries.

For the year ended June 30, 2016

The Kitui Rural NG-CDF financial statements were approved on 7th September, 2016 and signed by:



Chairman NG-CDF



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI RURAL
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

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 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI
RURAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 CONSTITUENCIES DEVELOPMENT FUND – KITUI
RURAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
NG-CDF Board			24,452,923.35
			26,579,264.00
			18,579,264.50
			10,000,000.00
			24,579,264.00
			37,052,370.00
	A724110	10,000,000.00	
	A820589	10,000,000.00	
	A796305	10,000,000.00	
	A796498	10,000,000.00	
	A820895	16,000,000.00	
	A825567	28,000,000.00	
TOTAL		84,000,000.00	141,243,085.85

1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI
RURAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.3 OTHER RECEIPTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	1,237,287.00	1,043,296.00
Basic wages of casual labour	0	28,000.00
Employer contribution to NSSF	12,200.00	9,400.00
House allowance	0	0
Transport allowance	0	0
Total	1,249,487.00	1,080,696.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI
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Reports and Financial Statements
For the year ended June 30, 2016**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.5 USE OF GOODS AND SERVICES

	2015 – 2016	2014 - 2013
	Kshs	Kshs
Utilities, supplies and services	19,335.45	415,700.00
Office Rent	0	
Communication, supplies and services	306,000.00	95,000.00
Domestic travel and subsistence	310,200.00	100,000.00
Printing, advertising and information supplies & services	26,786.00	9,524.00
Training expenses	483,500.00	124,350.00
Fuel,oil &Lubricants	267,600.00	450,000.00
Hospitality supplies and services	323,450.00	
Other committee expenses	2,569,040.00	1,900,000.00
Committee Allowance	3,117,000.00	2,689,500.00
Insurance costs	395,723.00	
Office and general supplies and services	599,689.00	
Other operating expenses	36,827.36	519,090.00
Routine maintenance-Vehicle & Other transport equipment	107,888.00	
TOTAL	8,563,038.81	6,303,164.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI

RURAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.6 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools (see attached list)	59,700,000.00	9,287,931.00
Transfers to secondary schools (see attached list)	8,000,000.00	21,263,000.00
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	4,000,000.00	4,200,000.00
TOTAL	71,700,000.00	34,750,931.00

1.1.1.1.1.1.7 OTHER GRANTS AND OTHER PAYMENTS

	2015- 2016	2014 – 2015
	Kshs	Kshs
Bursary – secondary schools	8,619,189.00	15,726,726.00
Bursary – tertiary institutions	2,614,000.00	4,496,000.00
Bursary – special schools	0	0
Water projects	0	5,356,817.00
Mocks & CAT	6,200,000.00	6,300,832.00
Strategic plan	0	2,260,000.00
Public Toilets	0	600,000.00
Security projects	6,700,000.00	4,281,162.00
Roads projects/Prefab Houses	9,628,474.00	4,482,759.00
Sports projects	2,253,100.68	3,518,781.00
Other capital grants & transfer	2,126,341.14	1,392,440.00
Emergency projects	3,483,787.00	5,395,000.00
Total	41,624,891.82	53,810,517.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI
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Reports and Financial Statements
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1.1.1.1.1.1.8 ACQUISITION OF ASSETS

Non-Financial Assets

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Office Furniture and General Equipment	202,000.00	0
Purchase of other office equipments	100,750.00	0
Purchase of vehicles	0	5,950,000.00
Purchase of computers, printers & IT Equipments	0	252,500.00
Purchase of Photocopier	0	132,000.00
Purchase of software	0	2,260,000.00
Total	302,750.00	8,594,500.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI
RURAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.9 OTHER PAYMENTS

2015 – 2016 Kshs	2014 – 2015 Kshs
0	0

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs	2014 - 2015 Kshs
<i>Equity Bank, 0720 262 084 328.</i>	13,768,054.93	45,261,781.46
Total	13,768,054.93	45,261,781.46

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI
RURAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2015 – 2016 Kshs	2014 – 2015 Kshs
Location 1	0	0
Total	0	0

Banl
Casl

10C: 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>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI
RURAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	45,261,781.46	8,636,758.00
Cash in Hand	3,570,100.00	3,291,846.00
Total	48,831,881.46	11,928,604.00

12. PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	4,376,341.10	-
Cash in hand	0	-
Imprest	0	-
Total	4,376,341.10	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI
RURAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

13. OTHER IMPORTANT DISCLOSURES

13.3: OTHER PENDING PAYABLES (See Annex 3)

	2015-2016	2014-2015
	Kshs	Kshs
Amounts due to other Government entities	381,427.32	21,581,427.32
Amounts due to other grants and other transfers	36,570,182.43	26,678,993.31
Compensation of employees	1,819,705.10	201,992.10
Use of goods and services	3,029,524.08	4,745,809.83
Acquisition of Assets	122,250.00	0
Other Payments	0	0
Total	41,923,088.93	53,208,222.56

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015-2016	Outstanding Balance 2014-2015	Comments
		a	B	C	$d=(a+e)-c$	e	
Amounts due to other Government entities		50,500,000.00		71,700,000.00	381,427.32	21,581,427.32	
Sub-Total		50,500,000.00		71,700,000.00	381,427.32	21,581,427.32	
Amounts due to other grants and other transfers		51,516,080.94		41,624,891.82	36,570,182.43	26,678,993.31	
Sub-Total		51,516,080.94		41,624,891.82	36,570,182.43	26,678,993.31	
Others (specify)							
Compensation of employees		2,867,200.00		1,249,487.00	1,819,705.10	201,992.10	
Use of goods and services		6,846,753.06		8,563,038.81	3,029,524.08	4,745,809.83	
Acquisition of Assets		425,000.00		302,750.00	122,250.00	0	
Other Payments		0		0	0	0	
Sub-Total		10,138,953.06		10,115,275.81	4,971,479.18	4,947,801.93	
Grand Total		112,155,034.00		123,440,167.63	41,923,088.93	53,208,222.56	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI RURAL CONSTITUENCY
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For the year ended June 30, 2016 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

a. FIXED ASSETS REGISTER

ASSET CLASS	HISTORICAL COST 2015/2016 KSHS	HISTORICAL COST 2014/2015 KSHS
MOTOR CYCLE KAU 766H	345,506.00	345,506.00
MOTOR VEHICLE T/LANDCRUISER GK B969F	5,910,000.00	5,910,000.00
STAPLER	900.00	900.00
PAPER PUNCH	900.00	900.00
CALCULATOR	1,250.00	1,250.00
REFRIGERATOR	33,000.00	33,000.00
4 WAY WORK STATION	76,443.00	76,443.00
HIGH BACK FABRIC CONFERENCE CHAIR	187,036.00	187,036.00
FLOOR CARPET	6,000.00	6,000.00
OFFICE EXECUTIVE DESK	69,606.00	69,606.00
EXECUTIVE HIGH BACK LEATHER CHAIR	32,830.00	32,830.00
EXECUTIVE OFFICE VISITORS CHAIRS	17,069.00	17,069.00
OFFICE LEATHER SOFA SET	114,264.00	114,264.00
RECEPTION SET	68,956.00	68,956.00
GLASS COFFEE TABLE	19,702.00	19,702.00
18 SEATER MODULAR CONFERENCE TABLE	123,859.00	123,859.00
ASSORTED CURTAINS AND WINDOW NETS	60,000.00	60,000.00
ARTIFICIAL FLOWERS	1,000.00	1,000.00
EXTENSION CABLES	3,200.00	3,200.00
PENCIL HOLDER	200.00	200.00
WATER GLASSES	1,800.00	1,800.00
HP DESKTOP PRO	61,000.00	61,000.00
WATER JAR	1,500.00	1,500.00
SERVING TRAY	600.00	600.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITURU RURAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016 (Kshs'000)

TEA MUG	2,500.00	2,500.00
DELL LAPTOPS	60,000.00	60,000.00
EPSON PRINTER	34,000.00	34,000.00
KYOCERA HP COPIER	98,000.00	98,000.00
SAMSUNG NOTE 4 TAB	52,000.00	52,000.00
OFFICE GENERATOR	100,750.00	100,750.00
TOTAL	7,543,871.00	7,543,871.00