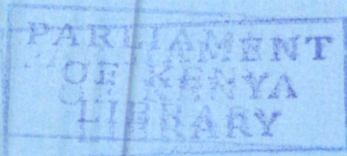


REPUBLIC OF KENYA



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Thursday  
30/11/17  
[Signature]*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**

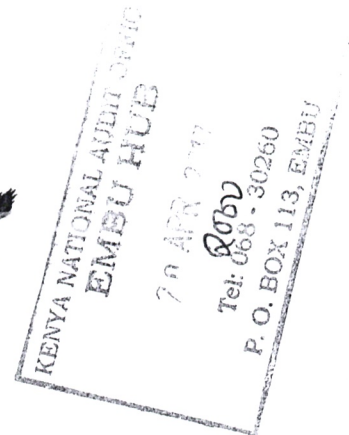






**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI CENTRAL  
CONSTITUENCY**

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



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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30<sup>TH</sup>, 2016**

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



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI CENTRAL  
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The *National Government Constituencies Development Fund (NG-CDF)* was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2015. *The National Government 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 *National Government Constituencies Development Fund*.

**(b) Key Management**

The *KITUI CENTRAL National Government 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 30<sup>th</sup> June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Josephine Mutua
3.	Accountant	Ismael Mbuvi
4.		

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG- CDF Board provide overall fiduciary oversight on the activities of National Government Kitui Central 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 CENTRAL CDF Headquarters**

P.O. Box 732 - 90200  
Next to the DC's office  
Opposite Kitui Sports Club  
Kitui.

**(f) KITUI CENTRAL CDF Contacts**

E-mail: [cdfkituicentral@cdf.go.ke](mailto:cdfkituicentral@cdf.go.ke)  
Website: [www.cdf.go.ke/kituicentral](http://www.cdf.go.ke/kituicentral)



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

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

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**(g)KITUI CENTRAL CDF Bankers**

1. National Bank of Kenya  
Kitui Branch  
Account No. 01001052093400  
P.o. Box 166,  
Kitui.

**(h)Independent Auditors**

Auditor General  
OFFICE OF THE 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



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

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

Our budget performance when compared to the actual was perfect and by the closure of the financial year we had received all our funding for the financial year. It is also evident that the absorption rate was also good given that we had a significant opening balance and as per our reports you will notice that our closing balance was far much less compared to the last financial year. It is evident that NGCDF have achieved much in terms of development at the grass root levels in the diverse sectors like education, water, security, among others and this enhances wealth creation hence poverty reduction at the constituency level. Some of the challenges we face during project implementation are Political Interferences, community being misinformed about what the various Acts governing the management of the fund says, the projects which we are able to fund and also their role in implementation and to counteract this we have embraced a culture of thorough capacity building of the community members and more so the project management committees before and even during the implementation process and also involvement of the local community at large during handing over of the project.



*Sign*

**JANET S. MUMO**

**CHAIRMAN NGCDFC**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI CENTRAL  
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 CENTRAL NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND* is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the NG-CDF for and as at the end of the financial year 2015/2016) 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 NGCDF; (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 CENTRAL NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND* accepts responsibility for the NGCDF'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 CENTRAL NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND* 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 CENTRAL NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND* 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 15/7  
2016.

  
\_\_\_\_\_  
NG-CDFC CHAIRPERSON

  
\_\_\_\_\_  
FUND ACCOUNT MANAGER



# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.oagkenya.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Kitui Central Constituency set out on pages 5 to 18, which comprise statement of 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

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



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 Financial Statements Presentation Format**

The Cash Basis of Accounting Method under the International Public Sector Accounting Standards prescribed by the National Treasury requires that a report on follow-up of auditor recommendations form part of the financial statements. However, although the Fund's financial statements received a qualified audit opinion in 2014/2015, no report on the progress of the issues raised in the audit report was included in the financial statements for the year under review.

In the circumstances, the financial statements do not comply with IPSAS (Cash Basis) financial statements presentation format prescribed by the National Treasury.

### **2.0 Cash and Cash Equivalents**

The financial statements reflects a cash and cash equivalents balance of Kshs.39,092,093 as at 30 June 2016 which included Kshs.5,743,348 in respect to unpresented cheques which further included Kshs.14,560 in respect to cheques that had gone stale. However, the stale cheques had not been reversed in the cashbook as at 30 June 2016.

Under the circumstance, the accuracy and completeness of the cash and cash equivalents balance of Kshs.39,092,093 could not be confirmed.

### **3.0 Construction Projects**

#### **3.1 Construction of Classrooms at Nyekini Pimary School**

During the financial year under review, the Fund transferred Kshs.48,300,000 to various primary schools within the Constituency which included Kshs.1,400,000 disbursed to Nyekini primary school for construction of 2 classrooms. A physical verification carried out on 18 January 2017 revealed that the classrooms were complete and were in use. However, the building had developed cracks at the window area and the access ramp. Further, the contractor had been paid the whole contract sum including the 10% retention fee.

In the circumstances, value for money for the expenditure worth Kshs.1,400,000 could not be confirmed.



### 3.2 Construction of Emergency Projects

The financial statements reflects other grants and transfers balance of Kshs.61,627,893 which included Kshs.4,512,000 for emergency projects which further included Kshs.907,000 spent on 7 projects that were not emergency related as follows;

Payee	Cheque No.	Date	Date approved by CDFC	Amount (Kshs)	Details
Mary Mumbere	6531	22.07.15	12/06/2015	50,000	Appreciation for land parcel issued.
Majengo Community Library	6720	29.12.15	27/11/2015	42,000	Wooden Chairs and tables
St Marys Secondary School	7270	3.02.16		200,000	
Kangalu Pri School	7299	12.02.2016		125,000	
Katulani Chief's Office	6819	8.03.2016	12/01/2016	90,000	Purchase of water tank
Mwia Mwanzia	6822	8.03.2016		300,000	
Wikililye Comm Water Project	6824	8.03.2016		100,000	
<b>Total</b>				<b>907,000</b>	

In the circumstances, the propriety of the expenditure of Kshs.61,627,893 could not be ascertained.

### 3.3 Construction of Mbooni Bridge

During the year under review, Kshs.1,000,000 was spent from the emergency fund for the rehabilitation of Mbooni bridge. The bill of quantities showed that the works involved rock fill, gabion installation and rock fill to gabions, earth works and culvert drainage works. A review of the project file and a physical verification carried out on 18 January 2017 revealed that the downstream side of the bridge had the gabions placed while the upstream side had not been done and there was huge erosion of the adjacent grounds. On the downstream side, one side of the bridge had eroded thus risking further damage to the bridge. Further, the BQ did not provide detailed information of what actually involved the stated components as item 5 of the BQ stated "earth works" estimated at Kshs.362,068 but did not show where the earth works were to take place and in what quantities. Further, Item 8 stated "culvert and drainage works" estimated to cost Kshs.531,035 but did not give details on what was to be involved.

In the circumstances, the propriety and value for money for the project worth Kshs.1,000,000 could not be ascertained.

### 3.4 Construction of Mutune Dispensary

During the year under review Kshs.1,500,000 was spent in the construction of Mutune dispensary. However, a physical verification revealed that the dispensary

had not been put into use as it was unoccupied and appeared abandoned. In the circumstances, value for money for the Kshs.1,500,000 expenditure could not be confirmed.

### **3.5 Construction of Rooms and a Maternity Block at Kabaa Dispensary**

During the year under review, Kshs.1,500,000 was spent in the construction of three rooms and a maternity block at the Kabaa dispensary. However, a physical verification revealed that the building had not been put into use and instead the dispensary operations were being undertaken at an adjacent old building.

On enquiries, it was alleged that the new building was unoccupied due to its poor workmanship. It was observed that the building had big cracks on the floors which also appeared to be sinking. In the circumstances, the propriety and value for money for the Kshs.1,500,000 expenditure could not be confirmed.

### **3.6 Construction of Kwa Ikolania Pipeline Extension from Mbooni Borehole**

During the year under review, Kshs.1,500,000 was spent on the construction of Kwa Ikolania Pipeline extension from the Mbooni borehole. The contract was awarded to Savannah Enterprises Limited at a contract sum of Kshs.1,425,000. The project was still ongoing as at the time of the audit in January 2017 despite the funds having been released to the PMC on 19 January 2016 one year earlier. A physical verification of the project revealed that a water kiosk was on the same site where the Fund's kiosk was to be done. This earlier kiosk had been labelled as funded by the County Government of Kitui. No explanation was given as to why the Fund did not put up the Kiosk in another location where there was no similar kiosk.

In the circumstances, value for money for the project worth Kshs.1,500,000 could not be confirmed.

### **3.7 Construction of a Toilet and an Administration Room at - Maangina Administration Police Line**

During the year under review, Kshs.150,000 was spent under emergency for the construction of a toilet and a room at Maangina AP line. However, the completed project had not been put into use as at the time of audit in January 2017.

In the circumstances, the propriety and value for money for the expenditure of Kshs.150,000 could not be confirmed.

### **3.8 Construction of Classrooms and an Administration Block at Kwa Mukasa Secondary School**

During the year under review, Kshs.1,800,000 was spent on the construction of 2 classrooms and an administration block in the Kwa Mukasa secondary school. However, a physical inspection revealed that there were major cracks on the walls and on the floor in all the construction works.

In the circumstances, the propriety and value for money for the expenditure worth Kshs.1,800,000 could not be confirmed.



### 3.9 Construction of Dormitories and Purchase of Beds for Ithiani Primary School

During the year under review, Kshs.2,000,000 was spent for the construction of 2 dormitories and purchase of beds in Ithiani Primary school. However, a physical verification revealed that the floors in both dormitories were not properly screened and were chipping off. Further, 10% retention money had not been deducted to cater for possible defects. In the circumstances, the propriety and value for money for the expenditure of Kshs.2,000,000 could not be confirmed.

#### Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kitui Central 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 comply with the National Government Constituencies Development Fund Act, 2015.

#### Other Matter

#### 1.0 Budget and Budgetary Control

During the year under review, the Fund had an approved budget of Kshs.116,884,028. In addition to this budget were cash balances for the year 2014/2015 of Kshs.60,422,236, bringing the total resource available for the year to Kshs.177,306,264. However, the actual expenditure for the year totaled Kshs.138,214,171 (78%) resulting into an under expenditure of Kshs.39,092,093 as analyzed below;

Receipt/Expense Item	Final Budget (Kshs.)	Actual on Comparable Basis (Kshs.)	Variance (Kshs.)	Variance %
<b>Receipts</b>				
Transfers from CDF Board	177,306,263.55	94,989,666.65	82,316,597	46.2%
<b>Total Receipts</b>	<b>177,306,263.55</b>	<b>94,989,666.65</b>	<b>82,316,597</b>	
Compensation of Employees	3,002,000.00	1,834,046.00	1,167,954.00	38.9%
Use of goods and services	11,140,572.55	6,532,232.00	4,608,340.55	41.4%
Transfers to Other Government Units	85,200,000.00	68,200,000.00	17,000,000.00	20%
Other grants and transfers	76,967,250.00	61,627,892.83	15,339,357.17	20%
Acquisition of Assets	996,441.00	20,000.00	976,441.00	
<b>Total</b>	<b>177,306,263</b>	<b>138,214,171</b>	<b>39,092,093</b>	22%

In the circumstance, the residents of Kitui Central Constituency did not get expected benefits worth the Kshs.39,092,093 under expenditure.

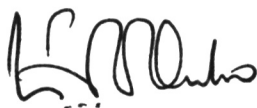
## 1.1 Project Implementation Status

The approved budget was apportioned among various sectors within the Constituency namely primary and secondary schools, health institutions, sports, water, security, bursary, CDF office and emergency projects and administration and committee expenses.

Review of the project implementation status report revealed that 70 projects were completed, and only 5 were ongoing as at 30 June 2016 as shown in the table below:

Sector	Project Status	Amount Allocated	Amount Disbursed	No of Projects
Education Projects	Complete	52,960,000	52,960,000	55
	Ongoing	2,900,000	2,900,000	3
Security Projects	Complete	4,000,000	4,000,000	7
Electricity Projects	Ongoing	4,000,000	4,000,000	1
Roads	Complete	2,000,000	2,000,000	2
Health Projects	Complete	3,000,000	3,000,000	2
Water	Complete	8,700,000	8,700,000	4
	Ongoing	1,500,000	1,500,000	1
<b>Totals</b>		<b>79,060,000</b>	<b>79,060,000</b>	<b>75</b>

However, the project implementation status report made available for audit review may not be accurate as it reflects expenditures on projects worth Kshs.79,060,000 while the statement of receipts and payments shows a total of Kshs.67,900,000 and Kshs.61,627,892.83 in respect of transfers to other government units and other grants and transfers respectively both totaling to Kshs.129,527,893. The variance of Kshs.50,467,893 between the projects expenditure in the financial statements and the one reflected in the project implementation status has not been explained. Further, the project status report did not show projects that may not have been started and or whose funds had not been disbursed as at 30 June 2016 considering that the financial statements reflected cash balances of Kshs.39,092,092. In addition, the status report lacked information on the sports and environment projects which had expenditures of Kshs.2,105,000 and Kshs.4,119,893 respectively as per note 7 of the financial statements. In the circumstances, the accuracy of the Kshs.129,527,893 transferred to implement various projects in the Constituency as at 30 June 2016 could not be confirmed.



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

**Nairobi**

**05 October 2017**




**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI CENTRAL  
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
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	116,884,028.00	145,635,824.50
Proceeds from sale of assets	2	0	0
Other Receipts	3		462,440.00
<b>TOTAL RECEIPTS</b>		<b>116,884,028.00</b>	<b>146,098,264.50</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,834,046.00	1,743,372.00
Use of goods and services	5	6,832,232.00	7,553,225.00
Transfers to Other Government Units	6	67,900,000.00	40,620,690.00
Other grants and transfers	7	61,627,892.83	45,374,379.10
Acquisition of Assets	8	20,000.00	1,300,000.00
Other Payments	9		500,000.00
<b>TOTAL PAYMENTS</b>		<b>138,214,170.83</b>	<b>97,092,666.10</b>
<b>SURPLUS/DEFICIT</b>		<b>(21,330,142.83)</b>	<b>49,006,098.40</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI CENTRAL NG-CDF financial statements were approved on 10/4 2014 and signed by:

  
Chairman - CDFC

  
Fund Account Manager

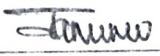
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI CENTRAL  
CONSTITUENCY**

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

**V. STATEMENT OF ASSETS**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	10	39,092,092.72	60,422,235.55
Receivables(Outstanding Imprest)	11	0	0
<b>TOTAL FINANCIAL ASSETS</b>		<b>39,092,092.72</b>	<b>60,422,235.55</b>
<b>REPRESENTED BY</b>			
Retention	12	0	0
Fund balance b/fwd	13	60,422,235.55	11,416,137.15
Surplus/Deficit for the year		(21,330,142.83)	49,006,098.40
Prior year Adjustments	14	0	0
<b>NET LIABILITIES</b>		<b>39,092,092.72</b>	<b>60,422,235.55</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI CENTRAL NG-CDF financial statements were approved on 10/9/16 and signed by:

  
Chairman - CDFC

  
Fund Account Manager



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

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

**VI. STATEMENT OF CASHFLOW**

		<b>2015 - 2016</b>	<b>2014 - 2015</b>
<b>Receipts for operating income</b>			
Transfers from CDF Board	<b>1</b>	116,884,028	145,635,825
Proceeds from sale of assets	<b>2</b>	0	0
Other Receipts	<b>3</b>	0	<u>462,440</u>
<b>Payments for operating expenses</b>			
Compensation of Employees	<b>4</b>	1,834,046.00	1,743,372.00
Use of goods and services	<b>5</b>	6,832,232.00	7,553,225.00
Transfers to Other Government Units	<b>6</b>	67,900,000.00	40,620,690.00
Other grants and transfers	<b>7</b>	61,627,892.83	45,374,379.00
Other Payments	<b>9</b>		500,000.00
<b>Net cash flow from operating activities</b>		<b>(21,310,142.83)</b>	<b>50,686,699.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	<b>8</b>	(20,000)	(1,300,000)
<b>Net cash flows from Investing Activities</b>		<b>(21,330,142.83)</b>	<b>49,006,299.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(21,330,142.83)</b>	<b>49,006,299.00</b>
Cash and cash equivalent at BEGINNING of the year	<b>13</b>	60,422,235.55	11,416,137.15
Cash and cash equivalent at END of the year	<b>10</b>	39,092,092.72	60,422,235.55

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI CENTRAL NG-CDF financial statements were approved on 15/4/16 and signed by:

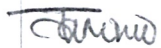
  
\_\_\_\_\_  
Chairman CDFC

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	116,884,028.00	60,422,235.55	177,306,263.55	177,306,263.55	0	100%
<b>TOTAL</b>	116,884,028.00	60,422,235.55	177,306,263.55	177,306,263.55	0	100%
<b>PAYMENTS</b>						
Compensation of Employees	2,085,000	917,000	3,002,000	1,834,046.00	1,167,954.00	62%
Use of goods and services	7,438,122	3,702,450.55	11,140,572.55	6,832,232	4,608,340.55	67%
Transfers to Other Government Units	52,600,000	32,600,000	85,200,000	67,900,000	17,000,000	81%
Other grants and transfers	53,764,465	23,202,785	76,967,250	61,627,892.83	15,339,357.17	81%
Acquisition of Assets	996,441	0	996,441	20,000	976,441	2%
<b>TOTALS</b>	116,884,028.00	60,422,235.55	177,306,263.00	138,214,170.83	39,092,092.72	

The KITUI CENTRALNG- CDF financial statements were approved on 16<sup>th</sup> 2016 and signed by:

  
 \_\_\_\_\_  
 Chairman CDF

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



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

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**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 *NGCDF* 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 *NGCDF*.

**2. Recognition of revenue and expenses**

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

**3. In-kind contributions**

In-kind contributions are donations that are made to the *NGCDF* 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 *NGCDF* 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 CONSTITUENCY DEVELOPMENT FUND – KITUI  
CENTRAL CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2016**

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*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 *NGCDF* 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 *NGCDF'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 *NGCDF'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 CONSTITUENCY DEVELOPMENT FUND – KITUI  
CENTRAL 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
CDF Board			
AIE NO	724109	20,000,000	38,359,151.50
AIE NO	796303	10,000,000	27,569,168.25
AIE NO	820588	10,000,000	14,541,500.95
	820820	18,000,000	13,027,667.00
	825733	58,884,028	27,569,168.25
			24,569,168.55
<b>TOTAL</b>		<b>116,884,028.00</b>	<b>145,635,824.35</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**2. PROCEEDS FROM SALE OF ASSETS**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
	0	0

**3. OTHER RECEIPTS**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Other Receipts Not Classified Elsewhere	0	462,440.00
<b>Total</b>	<b>0</b>	<b>462,440.00</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,814,246.00	1,721,772.00
Social security benefits	19,800.00	21,600.00
<b>Total</b>	<b>1,834,046.00</b>	<b>1,743,372.00</b>



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	592,364	536,337
Communication, supplies and services	200,000	153,390
Domestic travel and subsistence	150,000	145,000
Printing, advertising and information supplies & services	150,000	120,000
Training expenses	461,650	557,500
Office and general supplies and services	681,818	747,368
Other operating expenses	125,000	249,860
Routine maintenance – vehicles and other transport equipment	367,400	936,600
Routine maintenance – other assets	165,000	215,000
Fuel, oil and other lubricants	384,000	406,200
Committee expenses	3,555,000	3,486,000
<b>Total</b>	<b>6,832,232.00</b>	<b>7,553,255.00</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	48,300,000	17,037,931
Transfers to secondary schools	14,100,000	13,700,000
Transfers to tertiary institutions	2,500,000	1,400,000
Transfers to health institutions	3,000,000	8,482,759
<b>TOTAL</b>	<b>67,900,000</b>	<b>40,620,290</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools	19,541,000	17,297,000
Bursary – tertiary institutions	7,528,000	5,833,759
Mock & CAT	1,422,000	0
Water projects	13,200,000	9,920,589
Electricity projects	4,000,000	0
Security projects	4,000,000	1,500,000
Roads projects	1,200,000	2,200,000
Sports projects	2,105,000	800,000
Environment projects	4,119,892.83	1,168,031
Emergency projects	4,512,000	6,655,000
<b>Total</b>	<b>61,627,892.83</b>	<b>45,374,379</b>



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

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

**Non-Financial Assets**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Refurbishment of Buildings	0	350,000
Purchase of Office Furniture and General Equipment	0	350,000
Purchase of ICT Equipment, Software and Other ICT Assets	20,000	0
Purchase of Specialized Plant, Equipment and Machinery	0	600,000
<b>Total</b>	<b>20,000</b>	<b>1,300,000</b>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Website development	0	500,000
	0	500,000

10: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs	2014 - 2015 Kshs
. NBK-Kitui Account Number-01001052093400	39,092,092.72	60,422,235.55
<b>Total</b>	<b>39,092,092.72</b>	<b>60,422,235.55</b>

11. OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance Kshs
		0	0	0

12. RETENTION




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

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**13. BALANCES BROUGHT FORWARD**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	60,422,235.55	11,416,137.15
<b>Total</b>	<u>60,422,235.55</u>	<u>11,416,137.15</u>

**14. PRIOR YEAR ADJUSTMENTS**

	2015-2016	2014-2015
	Kshs	Kshs
Bank accounts	0	0
Cash in hand		
Imprest		
<b>Total</b>	<u>0</u>	<u>0</u>

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

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2015/16</b>	<b>Historical Cost (Kshs) 2014/15</b>
Land ,Buildings and structures	3,600,000	3,600,000
Transport equipment	3,087,000	3,087,000
Office equipment, furniture and fittings	1,137,500	1,117,500
ICT Equipment, Software and Other ICT Assets	718,041-	718,041
Other Machinery and Equipment	600,000	600,000
<b>Total</b>	<b>9,142,541</b>	<b>9,122,541</b>



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2016**





REVENUE AUTHORITY  
KIBWEZI EAST  
13 JUN 2016  
2070  
KIBWEZI EAST  
P.O. BOX 12345  
KIBWEZI



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

**REPORTS AND FINANCIAL STATEMENTS**

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

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



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## I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

### (a) Background information

The Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2003 now repealed by the NG-CDF Act, 2015. 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 constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

### (b) Key Management

The Kibwezi East Constituency's day-to-day management is under the following key organs:

- i. 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 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Bawazir Mohamed Shariff
3.	Accountant	Benjamin Uhuru Kitiku
4.		

### (d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kibwezi East 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) KIBWEZI EAST NGCDF Headquarters

NG-CDF Office Building.  
P.O Box1-90137  
KIBWEZI



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

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**(f) KIBWEZI EAST NGCDF Contacts**

Telephone: (254) 0722666095  
E-mail: cdfkibwezieast@cdf.go.ke  
Website: www.cdf.go.ke

**(g) KIBWEZI EAST NGCDF NG-CDF Bankers**

1. Kenya Commercial Bank  
P.O Box 288-90138  
Mtito Andei

**(h) Office of the Auditor General**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

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

II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)

The NGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF have improved the Education and Security infrastructures of Kibwezi East.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NG-CDFCs wish that the issues of having the project on going for more than 2years be stopped.

Sign.....  
CHAIRMAN NGCDFC

CDF KIBWEZI EAST  
P.O. BOX 1-90137  
KIBWEZI



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 NG-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 Kibwezi East NG-CDF is responsible for the preparation and presentation of the NGCDF'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, 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 NGCDF; (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 Kibwezi 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 Kibwezi East 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 Kibwezi 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 NGCDF's financial statements were approved and signed by the Accounting Officer on 9/3/2017.

*Bawazi Mohamed*  
Fund Account Manager

*NICHOLAS MARIHA*  
Chairman *Shaita*

CDF KIBWEZI EAST  
P. O. Box 1 - 90137,  
KIBWEZI



# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.oagkenya.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Kibwezi East Constituency set out on pages 5 to 25, which comprise the statement of financial assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined 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 commerce 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

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



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 Disclosure and Presentation of Financial Statements**

The International Public Sector Accounting Standards (Cash Basis) financial reporting format prescribed by the Public Sector Accounting Standards Board requires that financial statements include a report of follow-up on auditor recommendations. However, although the Fund had a qualified audit opinion in 2014/2015, no report on the progress of the issues raised in the audit report was included in the financial statements for the year under review. Further, the financial statements were not properly and consistently paged as page number 11 was omitted in Financial Statements. This was contrary to the Public Sector Accounting Standard (Cash Basis) financial reporting format.

As a result, the financial statements do not comply with IPSAS (Cash Basis) financial reporting format.

### **2.0 Accuracy and completeness of the Financial Statements**

The statement of receipts and payments reflects receipts totalling to Kshs. 100,000,000 all being receipts from the Board. However, Note 3 of the notes to the financial statements reflects other receipts amounting to Kshs.11,000 during the year under review. However, these receipts are not included in the statement of receipts and payment.

In the circumstances, the accuracy and completeness of the statement of receipts and payment 2016 could not be ascertained.

### **3.0 Cash and Cash Equivalents**

The statement of financial assets reflects a balance of Kshs.21,053,449 under cash and cash equivalents as at 30 June 2016. However, the bank reconciliation statements for the month of June 2016 reflected a balance of Kshs 23,333,796 as the reconciled cash book balance occasioning an unexplained variance of Kshs 2,280,347. Further, stale cheques amounting to Kshs.1,870,347 had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 21,053,449 could not be ascertained.



#### **4.0 Construction of a School Science Laboratory**

The Fund disbursed Kshs.2,000,000 during the year under review to Kiteng'ei Secondary School for construction of a science laboratory. However, the Bill of Quantities (BQ) was for Kshs.2,800,000 leading to an under-funding of Kshs.800,000. Further, the BQ was not prepared by the Sub county Works Officer as dictated by the NGCDF Act, 2015 Section 25(1)

In addition, the project's total expenditure shown in the project file was Kshs 1,900,000 which differed with the BQ figure of Kshs.2,800,000 by Kshs.900,000 raising doubts as to whether the project was done as per (BQ) standards. Further, physical verification done in January 2017 revealed that the building had not been put to the intended use.

In the circumstances, the propriety and value-for-money of the expenditure of Kshs.2,000,000 could not be confirmed.

#### **5.0 Procurement of a Bus for Ulilinzi Secondary School**

The Fund disbursed Kshs.2,000,000 to Ulilinzi Secondary School for purchase of a school Bus. The contract was awarded to M/s Thika Motor Dealers at a cost of Kshs.6,609,000. However, quotations method of procurement was used instead of open tender as required by Section 96 of the Public Procurement and Asset Disposal Act, 2015. Further, the school management entered into a loan agreement of Kshs.3,609,000 with Kenya Commercial Bank and the school contributed Kshs.1,000,000.

In the circumstances, the Fund was in breach of the procurement regulations.

#### **6.0 Irregular Procurement of an Ambulance for Msambini Health Centre**

The Fund disbursed Kshs.4,000,000 to Msambini Health Centre for purchase of an ambulance. The contract was awarded to M/s Abby Holdings at a cost of Kshs.3,855,000 for supply of a Toyota Hiace. However, there was no written recommendations from the Sub-county Mechanical Officer in favor of purchase of a Toyota Hiace van.

In absence of open tender procurement, it has not been possible to confirm whether the Fund got value-for-money in the Kshs.4,000,000 expenditure incurred on purchase of the ambulance.

#### **7.0 Additional Building Works at Kambu Mortuary**

The Fund disbursed Kshs.600,000 for additional building works of Kambu mortuary. Audit inspection of the mortuary on 31 February 2017 revealed that the works were complete.

However, the mortuary freezer and the six door body cabinet which was delivered in July 2015 could not be used because the electricity installation was one-phase instead of the required three-phase capacity. The project therefore has not been put to use since its initiation in the year 2012/2013.



Consequently, the propriety and value-for-money for the expenditure of Kshs. 600,000 cannot be confirmed.

### Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kibwezi East 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 comply with National Government Constituencies Development Fund Act, 2015.

### Other Matter

#### 1.0 Budgetary Control and Performance

During the financial year under review, the Fund approved a budget of Kshs.134,241,346. The budget was adjusted to Kshs.173,400,704 by a balance brought forward of Kshs.39,159,358 comprising of a bank balance of Kshs.39,062,358.43 and an outstanding imprest of Kshs.97,000 as reflected in Note 13 of the financial statement. However, out of the total budget of Kshs.173,400,704, only Kshs.120,405,909 was utilized during the year resulting to an under-expenditure of Kshs.52,994,795 as analyzed below:

Sub Head	Budgeted Expenditure (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Primary School Projects	15,700,000	14,100,000	1,600,000	89.9
Secondary School Projects	19,150,000	19,450,000	-300,000	101
Health Projects	8,700,000	7,100,000	1,600,000	81.7
Sports projects	1,000,000	2,000,000	-1,000,000	200
Roads Projects	39,462,300	19,300,000	20,162,300	61.6
Water Projects	42,500,000	18,900,000	23,600,000	44.5
Other projects	2,800,000	2,700,000	100,000	96.5
Emergency Projects	5,767,647	7,154,202	-1,386,555	124
Bursary	14,000,000	13,628,535	371,465	97.4
Acquisition of Assets	<b>9,400,000</b>	5,276,900	4,123,100	56.4
Mocks and Cats	<b>500,000</b>	500,000	0	100
Use of Goods and Services	11,670,757	9,082,715	2,588,042	81.9
Compensation of Employees	2,750,000	1,213,557.20	1,536,443	44.2
	<b>173,400,704</b>	<b>120,405,909</b>	<b>52,994,795</b>	<b>30.6</b>

The residents of Kibwezi East did not therefore receive the promised and expected services equivalent to Kshs.52,994,795, being amount budgeted but not utilized.

Further, out of the budgeted receipts of Kshs.174,400,704, only Kshs.100,000,000 was received resulting to a revenue shortfall of Kshs.74,400,704. This translated to an equivalent value of budgeted services not availed to the residents of Kibwezi East.

## 2.0 Project Implementation and Management

The approved budget for development projects totaling to Kshs.109,967,647 was apportioned among various sectors within the Constituency namely Primary schools, Secondary schools, Health institutions, Sports, Water projects, Roads, bursaries, Mocks and Cats, Acquisition of Assets, other projects and Emergencies.

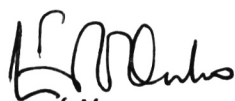
Review of the project implementation status report for 2015/2016 financial year revealed a total of 110 projects out of which, 96 projects with an allocation of Kshs.89,567,647 were completed five (5) projects costing Kshs.9,400,000 had not started and nine (9) projects with an allocation of Kshs.11,000,000 were ongoing as shown in the table below:

<b>Sector</b>	<b>Project Status</b>	<b>Amount Allocated (Kshs.)</b>	<b>Amount Disbursed (Kshs.)</b>	<b>No. of projects</b>
Education	Completed	21,800,000	-	26
	Ongoing	10,000,000	-	7
	Not started	300,000	-	1
	<b>Sub Total</b>	<b>32,100,000</b>	<b>-</b>	<b>34</b>
Health	Completed	6,400,000	-	4
	Ongoing	1000,000	-	1
	Not started	1,200,000	-	1
	<b>Sub Total</b>	<b>8,600,000</b>	<b>-</b>	<b>6</b>
Water	Completed	20,000,000	-	7
	Ongoing	-	-	-
	Not started	7,900,000	-	3
	<b>Sub Total</b>	<b>27,900,000</b>	<b>-</b>	<b>10</b>
Other Projects	Completed	1,800,000	-	6
	Ongoing	-	-	-
	Not started	-	-	-
	<b>Sub Total</b>	<b>1,800,000</b>	<b>-</b>	<b>6</b>
Roads	Completed	17,800,000	-	7
	Ongoing	-	-	1
	Not started	-	-	-
	<b>Sub Total</b>	<b>17,800,000</b>	<b>-</b>	<b>8</b>
Bursary	Completed	14,000,000	13,628,535	-
	Ongoing	-	-	-
	Not started	-	-	-
	<b>Sub Total</b>	<b>14,000,000</b>	<b>13,628,535</b>	<b>-</b>



Sport	Completed	2000,000	2,000,000	1
	Ongoing	-	-	
	Not started	-	-	
	<b>Sub Total</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>1</b>
Emergency	Completed	5,767,647	7,154,202	45
	Ongoing	-	-	
	Not started	-		
	<b>Sub Total</b>	<b>5,767,647</b>		
	<b>Grand Total</b>	<b>109,967,647</b>	<b>22,782,737</b>	<b>110</b>

The projects implementation status did not indicate the amounts disbursed in the specific projects categories and this made it difficult to compare the amounts budgeted for each category analyzed and the balances undisbursed. In the circumstance, it has not been possible to confirm whether the Fund would implement all projects as budgeted.



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


**Nairobi**

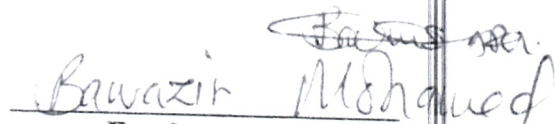
**18 October 2017**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	100,000,000.00	126,996,514.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>100,000,000.00</b>	<b>126,996,514.00</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,213,557.20	1,438,260.50
Use of goods and services	5	9,082,715.00	10,074,129.30
Transfers to Other Government Units	6	40,650,000.00	46,945,259.00
Other grants and transfers	7	64,182,737.00	70,575,028.65
Acquisition of Assets	8	5,276,900.00	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>120,405,909.20</b>	<b>129,032,677.45</b>
<b>SURPLUS/DEFICIT</b>		<b>(20,405,909.20)</b>	<b>(2,036,163.45)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kibwezi East NG-CDF financial statements were approved on 9/31 2017 and signed by:

  
Nicholas Marita  
Chairman - NGCDFC

  
Bawazir Mohamed  
Fund Account Manager

CDF KIBWEZI EAST  
P. O. Box 1 - 90137.  
KIBWEZI



CONSTITUENCY

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

... INVESTMENT FUND - KIBWEZI EAST

V. STATEMENT OF ASSETS

	Note	2015 - 2016 Kshs	2014 - 2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	21,053,449.23	39,062,358.43
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		21,053,449.23	97,000.00 39,159,358.43
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd 1st July...	13	39,159,358.43	41,298,051.98
Surplus/Deficit for the year		(20,405,909.20)	(2,036,163.45)
Prior year adjustments	14	2,300,000.00	(102,530.10)
<b>NET LIABILITIES</b>		21,053,449.23	39,159,358.43

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kibwezi East NG-CDF financial statements were approved on 9/3 2017 and signed by:

[Signature]  
Chairman - NGCDFC

[Signature]  
Fund Account Manager

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

VI. STATEMENT OF CASHFLOW


Receipts for operating income

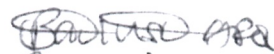
		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	100,000,000.00	126,996,514.00
Other Receipts	3	-	-
		<b>100,000,000.00</b>	<b>126,996,514.00</b>
Payments for operating expenses			
Compensation of Employees	4	(1,213,557.20)	(1,438,260.50)
Use of goods and services	5	(9,082,715.00)	(10,074,129.30)
Transfers to Other Government Units	6	(40,650,000.00)	(46,945,259.00)
Other grants and transfers	7	(64,182,737.00)	(70,575,028.65)
Other Payments	8	-	-
		<b>(115,129,009.20)</b>	<b>(129,717,651.55)</b>
Adjusted for:			
Adjustments during the year	14	2,300,000.00	102,530.10.00
<b>Net cash flow from operating activities</b>		<b>(12,829,009.20)</b>	<b>(2,138,693.55)</b>

CASHFLOW FROM INVESTING ACTIVITIES

Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(5,276,900.00)	-
<b>Net cash flows from Investing Activities</b>		<b>(5,276,900.00)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(18,105,909.20)</b>	<b>-</b>
Cash and cash equivalent at BEGINNING of the year	13	39,159,358.43	41,298,051.98
<b>Cash and cash equivalent at END of the year</b>		<b>21,053,449.23</b>	<b>39,159,358.43</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kibwezi East NG-CDF financial statements were approved on 9/3 2017 and signed by:

  
 NIUTUM MASHA AST  
 Chairman NGCDF

  
 Bawazi Mchale  
 Fund Account Manager



## II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	134,241,346.00	39,159,358.43	173,400,704.43	139,159,358.43	34,241,346.00	80
Proceeds from Sale of Assets				-	-	
Other Receipts						
<b>TOTAL RECEIPTS</b>	<b>134,241,346.00</b>	<b>39,159,358.43</b>	<b>173,400,704.43</b>	<b>139,159,358.43</b>	<b>34,241,346.00</b>	
<b>PAYMENTS</b>					-	
Compensation of Employees	2,000,000.00	750,000.00	2,750,000.00	1,213,557.20	1,536,442.80	79
Use of goods and services	9,723,699.00	1,947,058.43	11,670,757.43	9,082,715.00	2,588,042.43	79
Transfers to Other Government Units	33,750,000.00	2,900,000.00	36,650,000.00	40,650,000.00	(4,000,000.00)	111
Other grants and transfers	84,767,647.00	28,162,300.00	112,929,947.00	64,182,737.00	48,747,210.00	57
Acquisition of Assets	4,000,000.00	5,400,000.00	9,400,000.00	5,276,900.00	4,123,100.00	56
Other Payments				-	-	
<b>TOTAL PAYMENTS</b>	<b>134,241,346.00</b>	<b>39,159,358.43</b>	<b>173,400,704.43</b>	<b>120,405,909.20</b>	<b>52,994,795.23</b>	<b>69</b>

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

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

- i. XXXX
- ii. XXXX
- iii. XXXX
- iv. XXXX
- v. XXXX

by: The KIBWEZI WESTNG-CDF financial statements were approved on 9/3/ 2017 and signed

*[Signature]*  
 Chairman NGCDF

NICHTLA KIBWEZI EAST  
 CDF  
 1-30137  
 KIBWEZI

*[Signature]*  
 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 NGCDF 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 NGCDF.

### 2. Recognition of revenue and expenses

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

### 3. In-kind contributions

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

## 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 NGCDF 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.



IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

I. NOTES TO THE FINANCIAL STATEMENTS			
1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
Normal Allocation	AIE:A724180	30,000,000.00	31,749,128.50
	AIE:A724242	20,000,000.00	26,749,128.50
	AIE:A796471	17,000,000.00	5,000,000.00
	AIE NO	33,000,000.00	63,498,257.00
		<b>100,000,000.00</b>	<b>126,996,514.00</b>

2. PROCEEDS FROM SALE OF ASSETS

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

EAST CONSTITUENCY  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. OTHER RECEIPTS**

	2015 - 2016 Kshs	2014 - 2015 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	1,201,557.20	1,438,260.50
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF gratuity	12,000.00	13,600.00
<b>Total</b>	<b>1,213,557.20</b>	<b>1,451,860.50</b>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Utilities, supplies and services	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Other committee expenses	5,998,500.00	6,976,950.00
Committee allowance		
Insurance costs		
Specialised materials and services		
Office and general supplies and services	871,020.00	791,446.80
Fuel ,oil & lubricants	1,318,403.00	1,360,000.00
Other operating expenses		361,670.50
Routine maintenance – vehicles and other transport equipment	894,792.00	570,462.00
Routine maintenance – other assets		
<b>Total</b>	<b>9,082,715.00</b>	<b>10,060,529.3</b>

## 6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	14,100,000.00	15,150,000.00
Transfers to secondary schools (see attached list)	19,450,000.00	19,000,000.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	7,100,000.00	12,795,259.00
<b>-TOTAL</b>	<b>40,650,000.00</b>	<b>46,945,259.00</b>

## 7. OTHER GRANTS AND OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bursary – secondary schools (see attached list)	9,352,500.00	5,961,400.00
Bursary – tertiary institutions (see attached list)	4,276,035.00	4,816,500.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	500,000.00	500,000.00
Water projects (see attached list)	18,900,000.00	32,700,000.00
Agriculture projects (see attached list)	-	2,500,000.00
Electricity projects (see attached list)	-	2,100,000.00
Security projects (see attached list)	-	-
Roads projects (see attached list)	19,300,000.00	11,930,447.00
Sports projects (see attached list)	2,000,000.00	800,000.00
Environment projects (see attached list)	-	800,000.00
Other Projects (see attached list)	2,700,000.00	6,400,000.00
Emergency Projects (specify)	7,154,202.00	3,066,681.65
<b>Total</b>	<b>64,182,737.00</b>	<b>70,575,028.65</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016 Kshs	2014 - 2015 Kshs
Purchase of Buildings	-	-
Construction of Buildings	5,276,900.00	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>5,276,900.00</b>	<b>-</b>

## 9. OTHER PAYMENTS

Specify	2015 - 2016	2014 - 2015
	Kshs	Kshs

## 10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
Kenya Commercial Bank A/c 1155822469	21,053,449.23	39,062,358.43
	-	-
	-	-
	21,053,449.23	39,062,358.43
<b>10B: CASH IN HAND</b>		
	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
<b>Total</b>		
[Provide cash count certificates for each]		





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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	39,062,358.43	41,298,051.98
Cash in hand	-	-
Imprest	97,000.00	-
<b>Total</b>	<b>39,159,358.43</b>	<b>41,298,051.98</b>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bankers Repurchased for various projects:Kithasyu borehole ksh 1million,Ing'ola Mbaa Borehole ksh 1million,Kyumani Public Toilet:ksh 300,000	2,300,000-	-
Salaries not posted in 30/6/15	-	102,430.10
Imprest	-	-
<b>Total</b>	<b>2,300,000.00-</b>	<b>102,430.10</b>



15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016 Kshs	2014 - 2015 Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xxx	xxx
Middle management	xxx	xxx
Unionisable employees	xxx	xxx
Others (specify)	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	xxx	xxx
Amounts due to other grants and other transfers (see attached list)	xxx	xxx
Others (specify)	xxx	xxx
	<b>xxx</b>	<b>xxx</b>

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		A	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1.							
2.							
3.							
	<b>Sub-Total</b>						
<b>Amounts due to other grants and other transfers</b>							
4.							
5.							
6.							
	<b>Sub-Total</b>						
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
7.							
8.							
9.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						



ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land	N/A	N/A
Buildings and structures	5,276,900	
Transport equipment	2,969,650	
Office equipment, furniture and fittings	363,400	363,400
ICT Equipment, Software and Other ICT Assets	23,554,520	23,554,520
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>32,164,470</b>	<b>26,887,570</b>

Prepared by: *Bawazir Mohamed Shariff*

**Bawazir Mohamed Shariff**  
**Fund Account Manager**  
**Kibwezi East**

CDF KIBWEZI EAST  
 P.O. BOX 1-90137,  
 KIBWEZI

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