

REPUBLIC OF KENYA



*Paper laid by the  
Leader of majority  
on 6/8/2014  
Shumbe;*

**KENYA NATIONAL AUDIT OFFICE**



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF**  
**OFFICE OF THE DEPUTY PRIME MINISTER**  
**AND MINISTRY OF LOCAL GOVERNMENT**

**FOR THE YEAR ENDED**  
**30 JUNE 2013**

# REPUBLIC OF KENYA

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



P.O. Box 30084-00100  
NAIROBI

## KENYA NATIONAL AUDIT OFFICE

### **REPORT OF THE AUDITOR-GENERAL ON THE OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF LOCAL GOVERNMENT FOR THE YEAR ENDED 30 JUNE 2013**

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Office of the Deputy Prime Minister and Ministry of Local Government, Vote 112, which comprise the Statement of Assets and Liabilities - Recurrent, Development and Deposits as at 30 June 2013, and the Appropriation Account - Recurrent and Development, and Local Authorities Transfer Fund (LATF), for the year then ended and a summary of significant explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Accounting Officer's Responsibility for the Financial Statements**

The Accounting Officer - Office of the Deputy Prime Minister and Ministry of Local Government is responsible for the preparation and fair presentation of these financial statements in accordance with Government Financial Regulations and Procedures and Public Finance Management Act, 2012 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 accounting officer is also responsible for the submission of these financial statements to the Auditor-General in accordance with the provisions of Sections 4 and 6 of the Public Audit Act, 2003.

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

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry'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 opinion.

#### **A. APPROPRIATION ACCOUNT VOTE R.112**

##### **Basis for Qualified Opinion**

##### **1. Over Expenditure and Under Expenditure**

The Recurrent Appropriation account reflects over expenditure of Kshs.81,582,654.49 against various items which had an actual expenditure of Kshs.703,538,484.49 against approved estimates of Kshs.621,955,830.00.

Although details given for the over expenditure relate to committee allowance for employees, transfers of senior staff in the Ministry and escalation of maintenance costs, details of how the Ministry financed the over expenditure were not availed for audit review.

The Appropriation account also reflects an actual expenditure of Kshs.1,154,832,589.10 against approved estimates of Kshs.1,387,644,115.00 resulting to under expenditure of Kshs.232,811,526.80 or about 17% of gross estimated expenditure. Although the under expenditure has been explained as over estimation of expenditure, late submission of invoices and delay in submitting claims, the Ministry did not indicate measures it intends to take to ensure expenditure on voted funds is in accordance with the budget.

##### **2. Contribution in Lieu of Rates (CILOR)**

Examination of records produced for audit in respect of Contribution in Lieu of Rates (CILOR) revealed that the Ministry had a balance of Kshs.2, 775,812,224 owed by the Government to various Local Authorities as at 30 June 2013. However, and as reported in the previous years, no reasons were provided for failure to remit the outstanding CILOR to the Authorities. In addition, five (5) Councils were over paid

by Kshs.225,846,535.00 during the year. No documentary evidence or explanation was provided on the measures the Ministry has taken to recover the same.

### **3. Omission of Footnotes**

Material variances in excess of Kshs. 1,000,000.00 on each item within various heads between the approved estimates and actual expenditure or collection of Appropriation in Aid have not been explained in the footnotes to the accounts contrary to the requirements of Chapter 11, Paragraph 11.7 of Government Financial Regulations and Procedures.

## **B. STATEMENT OF ASSETS AND LIABILITIES - R.112**

### **Basis for Qualified Opinion**

#### **4. Paymaster General - Bank Reconciliation Statements**

The bank reconciliation statements which supported the PMG balance had some long outstanding items as indicated below;

##### **(i) Payments in Cashbook not in the Bank Statements**

The bank reconciliation statement for Recurrent Cashbook as at 30 June 2013 reflects payments in the cashbook not in bank statement amounting to Kshs.35,732,815.75. No explanation has been given for the outstanding payments.

##### **(ii) Receipts in Bank Statements not yet Recorded in Cash Book**

The statement reflects receipts totalling Kshs.2,882,386.95 in bank statement not recorded in cashbook. Failure to update the cashbook with the long outstanding receipts has not been explained.

##### **(iii) Payments in Bank Statements not in the Cashbook**

The bank reconciliation statement further reflects payments of Kshs.1,389,164.65 in the bank statement not recorded in the cashbook. No explanation has been given for failure to update the cashbook with the long outstanding payments.

##### **(iv) Receipts in Cash Book not yet Recorded in the Bank Statements**

In addition, the statement reflects receipts totalling Kshs.104,065,263.35 in cash book not yet recorded in the bank statement. No explanation has been provided for failure to bank the receipts as at 30 June 2013.

#### **5. Failure to Analyze Balances**

The Statement shows Exchequer, Paymaster General, District Suspense Account, General Account of Vote, General Suspense and Clearance Account balances of

Kshs.512,124,316.95, Kshs.278,853,387.80, Kshs.12,396,278.65, Kshs.828,082,569.38, Kshs.(24,265,476.13) and Kshs.3,356,419.15 respectively which have not been analyzed.

## **6. Non Clearance of Long Outstanding Balances**

The Statement reflects balances of Kshs.398,480,201.95, Kshs.182,209,735.80, Kshs.(649,270.,35) Kshs.595,271,043.48, Kshs.(16,148,711.23) and Kshs.3,356,419.15 against the Exchequer Account, Paymaster General, District Suspense, General Account of Vote, General Suspense and Clearance Account respectively, relating to 2011/2012 and earlier years. No reason has been provided for failure to clear the long outstanding balances.

## **7. Outstanding Imprest**

The statement reflects Standing and Temporary Imprest balances of Kshs.1,650,942.00 and Kshs.2,148,587.00 respectively which had not been surrendered or accounted for as at 30 June 2013. Out of these balances, Kshs.1,500,942.00 and Kshs.937,142.00 relate to 2011/2012 and earlier years. The Ministry has not provided evidence to show the measures it has taken to ensure that the imprests are surrendered or accounted for.

## **C. APPROPRIATION ACCOUNT - D.112**

### **Basis for Qualified Opinion**

## **8. Non-Submission of Trial Balance**

The Ministry did not provide the trial balance to support the balances reflected in the Development Appropriation Account for Vote D.112 as at 30 June 2013. As a result, the completeness and accuracy of the balances could not be ascertained.

## **9. Over-Expenditure and Under-Expenditure**

The Appropriation Account for Vote D.112 reflects expenditure of Kshs.519,175,428.55, Kshs.151,070,862.00 and Kshs.1,567,002,809.26 incurred under Head 0001, sub head 01, item 3110600 - overhaul and refurbishment of construction and civil works, Head 0001, subhead 01, item 3111100 - purchase of specialized plant equipment and machinery and Head 0001, sub head 06, item 3110200- construction of buildings respectively, against which only provisions of Kshs.500,000,000.00, Kshs.150,000,000.00 and Kshs.1,525,434,090.00 respectively had been made in the budget. However, details of how the Ministry financed the over expenditure of Kshs.19,175,428.55, Kshs.1,070,862.00 and Kshs.41,568,719.26 incurred under the three items were not availed for audit review.

The Appropriation Account further reflects under expenditure of Kshs.373,575,459.58 representing approximately 6% of the approved estimates. The Ministry has not indicated the measures it has put in place to address the underlying causes of under expenditure.

#### **10. Under Collection on Appropriations-in-Aid (AIA)**

The Development Appropriation Account reflects under collection of Appropriations-in-Aid of Kshs.480,522,679.00 or about 88% of the estimated receipts of Kshs.544,600,000.00. The Ministry has not indicated the measures it has put in place to address the underlying causes of under collection of Appropriations-in-Aid.

#### **11. Pending Bills**

The Ministry had pending bills of Kshs.250,927,234.50 relating to the Development Vote which were not settled during the year but were instead carried forward to the financial year 2013/2014. The Ministry has not given the action it intends to take to clear the outstanding bills. Had the bills been paid and the expenditure charged to the Development Appropriation Account for Vote D112, the Appropriation Account would have recorded a reduced net surplus of Kshs.122,648,225.08 instead of Kshs.373,575,459.58 now shown. This situation adversely affects operations of the Ministry for the subsequent year as such bills form first charge on the budgetary provisions.

#### **12. Failure to Provide Footnotes to the Accounts**

Material variances in excess of Kshs.1,000,000.00 on each item within various heads between the approved estimates and actual expenditure or collection of Appropriation-in-Aid have not been explained in the footnotes to the account contrary to the requirements of Chapter 11, Paragraph 11.7 of Government Financial Regulations and Procedures.

### **D. STATEMENT OF ASSETS AND LIABILITIES D.112**

#### **Basis for Qualified Opinion**

#### **13. Failure to Provide the Trial Balance**

The Balances reflected in the Statement have not been supported with a Trial Balance as at 30 June 2013. As a result, the completeness and accuracy of the balances could not be ascertained.

#### **14. Paymaster General**

The Statement reflects a Paymaster General Account credit balance of Kshs.164,933,371.30 as at 30 June 2013 which represents balances for 2012/2013

and earlier years. However, it has not been explained why the PMG Account which under normal circumstances should reflect a debit balance is reflecting a credit balance of Kshs.164,933,371.30 as at 30 June 2013.

#### **15. Development Bank Reconciliation Statement**

##### **(i) Un-presented Cheques**

The Bank Reconciliation Statement reflects Kshs.474,266,891.70 as un presented cheques. It has not been explained why the entries have not been reversed in the cash book.

##### **(ii) Receipts in Bank Statement not in Cashbook**

The Bank Reconciliation statement also reflects Kshs.765,083.00 as receipts in bank statement not in cashbook. No reason has been given as to why the receipts have not been recorded in the cashbook as at 30 June 2013.

##### **(iii) Payments in Bank Statement not in Cashbook**

The Statement further reflects payments in the bank statement not recorded in the cash book totalling Kshs.6, 332,345.25. No reason has been provided for failure to record the payments in the cashbook.

##### **(iv) Receipts in Cashbook not in the Bank Statement**

The statement also reflects receipts in the Cashbook not in the bank statement amounting to Kshs.345,890,832.35. No explanation has been provided for failure to bank the receipts as at 30 June 2013.

#### **16. Non Clearance of Long Outstanding Balances**

The Statement reflects balances of Kshs.6,307,583,214.55, Kshs.166,496,141.80, Kshs.6,443,086.10, Kshs.6,272,428,656.95 and Kshs.164,933,371.30 relating to 2011/2012 and earlier years against the Exchequer Account, Suspense Account, Temporary Imprest Account, General Account of Vote and Paymaster General (PMG) Account respectively. No reason has been provided for failure to clear the long outstanding balances.

### **E. STATEMENT OF ASSETS AND LIABILITIES FOR DEPOSITS – 112**

#### **Basis for Adverse Opinion**

##### **17. Local Authorities Transfer Fund (LATF) Deposits**

The Statement shows a balance of Kshs.13,112,473.70 for LATF Deposits as at 30 June 2013. However, and as mentioned in the previous year's audit report, no

schedule or explanation in support of the balance was provided for audit verification. Further, no LATF deposits register was provided for audit verification.

Consequently, the accuracy of LATF Deposit balance of Kshs.13,112,473.70 as at 30 June 2013 could not be ascertained.

### **18. Temporary Imprest**

The Statement shows an opening balance of Kshs.180,396.00 which is also shown as the closing balance. However, the outstanding imprests of Kshs.16,057,933.50 as at 30 June 2013 are not supported and the figure of Kshs.16,057,933.50 is excluded from the balance of Kshs.180,396.00.

As a result, the accuracy of the temporary imprests balance of Kshs.180,396.00 as at 30 June, 2013 could be ascertained.

### **19. Paymaster General - Fuel Levy**

The Statement includes Paymaster General - Fuel Levy of Kshs.4,245,925.55 which has not been supported. In addition, the bank reconciliation statement and the board of survey for the account were not availed for audit verification.

As a result, the accuracy of the Paymaster General Fuel Levy cash balance of Kshs.4,245,925.55 as at 30 June 2013 could be ascertained.

### **20. Paymaster General**

The Statement includes a Paymaster General cash balance of Kshs.549,742,575.05 as at 30 June 2013 which includes a prior year balance of Kshs.408,330,183.40 and the balance of Kshs.141,412,391.65 for the year under review. However, the cashbook and board of survey report as at 30 June 2013 shows a balance of Kshs.486,954,551.95. The difference of Kshs.62,788,023.10 has not been explained or reconciled.

In addition, the bank reconciliation statement for the account showed payments in cashbook not yet recorded in bank statement of Kshs.11,524,113.55, receipts in bank statement not yet recorded in cashbook of Kshs.83,046,379.50, payments in bank statement not yet recorded in cashbook of Kshs.2,348,180.15 and receipts in cashbook not yet recorded in bank statement of Kshs.28,902,417.55.

Failure to update the cashbook and bank the long outstanding receipts has not been explained.

### **21. Other Deposits**

The Statement shows other deposits opening and closing balances of Kshs.9,422,365.10 and Kshs.119,714,322.18 respectively. However, the supporting

schedule shows an opening balance of Kshs.181,479,485.08 which is different from the approved opening balance of Kshs.9,422,365.10 resulting in a difference of Kshs.172,057,119.98. In addition, the schedule shows a net increase during the year of other deposits of Kshs.61,765,162.90 while the statement show Kshs.110,291,957.08 which has not been supported.

Consequently, the accuracy of other deposits balance of Kshs.119,714,322.18 as at 30 June 2013 could not be ascertained.

## 22. General Suspense

The Statement includes a balance of Kshs.12,760,997.45 for General Suspense as at 30 June 2013. However, no schedule was provided to support the opening and closing balance of Kshs.12,760,997.45. Further, the General Suspense account balance has not been cleared from the books.

As a result, the completeness and accuracy of the general suspense account balance as at 30 June 2013 could not be confirmed.

## 23. Inaccuracies in the Financial Statements

The following casting differences were noted in the financial statement;

Item	Financial Statement Balances Kshs.	Financial Statement Cross Casting Kshs.	Difference Kshs.
<b>Assets</b>			
- Temporary imprest	180,396	17,137,933.50	16,957,537.50
- Total Assets	567,281,370.30	584,239,303.80	16,957,933.50
<b>Liabilities</b>			
- Total Liabilities	567,281,370.30	584,239,303.80	16,957,933.50

Consequently, the accuracy of the statement of assets and liabilities for deposits as at 30 June 2013 could not be confirmed.

## F. LOCAL AUTHORITIES TRANSFER FUND (LATF)

### Basis for Qualified Opinion

#### 24. LATF Cash on Special Account Balance

The Statement of the financial position as at 30 June, 2013 reflects cash on special account balance of Kshs.5,691,407,946.40. However, no documentary evidence such as bank statements or a bank certificate were made available to support the

balance. In addition, the statement of revenue maintained by the National Treasury shows cash on special account balance of Kshs.6,021,578,342.21 as at the same date. The difference of Kshs.330, 170,395.81 has not been reconciled or explained.

Under the circumstances, the accuracy, validity and existence of the cash on special account balance of Kshs.5,691,407,946.40 could not be confirmed.

## **25. Disbursements to Local Authorities**

The statement of financial performance for the year ended 30 June, 2013 includes disbursements to Local Authorities on service delivery and performance condition totalling Kshs.18,158,020,651.00 while the statement of revenue maintained by the National Treasury for the same item as at 30 June 2013 reflects Kshs.18,043,143,590.00 resulting in an unreconciled or unexplained difference of Kshs.114,877,061.

Under the circumstances, it was not possible to confirm the account balance of Kshs.18, 158,020,651.00.

## **26. Administrative Costs**

The statement of financial performance as at 30 June 2013 shows administrative costs of Kshs.67,300,000 while the supporting schedule shows Kshs.72,822,595.00 resulting in a difference of Kshs.5,522,595. In addition, the Ministry received Kshs.67, 300,000 for the Fund's administration costs while the statement of revenue maintained by the National Treasury as at the same date shows that no funds were disbursed to the Ministry of Local Government for administration expenses. The difference between the two sets of records has not been reconciled or explained.

Under the circumstances, it was not possible to confirm the account balance of Kshs.67, 300,000.

## **27. Delayed Disbursements**

During the year under review, Kshs.21,498,000,000 had been budgeted for disbursements to the 175 Local Authorities' in the country. However, only Kshs.18,158,020,651 had been disbursed as at 30 June 2013 leaving a balance of Kshs.3,339,979,349.

Under the circumstances, the intended purpose of the allocation may not have been achieved.

## **AUDIT OPINION**

In line with my responsibility, I express the following Opinions on the financial statements:-

### **Qualified Audit Opinion**

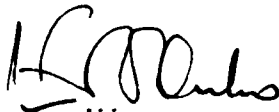
- (i) Appropriation Account for Recurrent Vote R. 112
- (ii) Statement of Assets and Liabilities for Recurrent Vote R. 112
- (iii) Appropriation Account for Development Vote D.112
- (iv) Statement of Assets and Liabilities for Development Vote D.112
- (v) Local Authorities Transfer Fund (LATF)

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the five (5) financial statements indicated above present fairly, in all material respects the financial position of the Office of the Deputy Prime Minister and Ministry of Local Government as at 30 June, 2013 and of its operations for the year ended, in accordance with Government Financial Regulations and Procedures and the Public Finance Management Act, 2012.

### **Adverse Opinion**

Statement of Assets and Liabilities for Deposits 112

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the statement of Assets and Liabilities for Deposits 112 does not present fairly the financial position of the Office of the Deputy Prime Minister and the Ministry of Local Government as at 30 June 2013 and of its operations for the year then ended, in accordance with Government Financial Regulations and Procedures and the Public Finance Management Act, 2012.



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

**Nairobi**

**30 April 2014**



**MINISTRY OF LOCAL GOVERNMENT**  
**FINANCIAL STATEMENTS**  
**FOR THE**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2013**



## **INTRODUCTION**

The Ministry's main focus is to ensure operationalization of the policy, institutional and legal reforms within the local governance sector to enhance service delivery including provision of appropriate capacity to Local Authorities to enable them provide efficient and quality services. The Ministry contributes to the implementation of the, Constitution, Medium Term Plan of Kenya Vision 2030, and millennium development Goals through various development programmes; Urban and County Development; Market development; Local Authority management / and advisory service; and Reform in Local Authorities under the on-going programme and operationalization of devolved governments under CoK 2010.

The Ministry oversees implementation of various flagship projects of Vision 2030 including the constitutional operationalization at the devolved levels. It is playing a leading role in the devolution process including the formation of devolved governments in collaboration with the other sectors and key public institutions, particularly the Transition Authority.

The Ministry has continued to involve the citizens on matters pertaining to planning and development through Local Authority Service Delivery Action Plans (LASDAP) AND Monitoring of the LATF project implementation which are linked to District Development Plans and by extension the Medium Term Plan of Kenya Vision 2030.

The Ministry is facilitating the Transition Authority which is the statutory body mandated with the constitutional authority to midwife the transition process. The Authority is therefore a critical institution charged with the responsibility of overseeing implementation of the transition through policy and legal advisory, resource mobilization, oversight, capacity building and coordination, by working in partnership with key actors in the public sector.



In the Local Government sub-sector, key reforms aimed at enhancing improved service delivery and efficient financial management have been embraced. Major policy reforms are ongoing including developing a framework for Private-Public-Partnerships, as well as reviewing the decentralization policy to inform the transition into county government.

In addition to implementing the current Strategic Plan, the Ministry is spearheading the preparation for the devolution chapter of COK 2010 in the Second Medium Term Plan whose preparation is underway by providing guidance on the priority areas that would be addressed during the plan period. The Strategic Plan and Ministerial Public Expenditure Reports (MPER) are anchored on the pillars of vision 2013.

The expenditure and budget allocation of the Ministry has been increasing gradually over the years although in the financial year 2008/09 it dropped to Kshs.907 million from 1.296 billion on recurrent due to economic meltdown and impact of post election violence coupled with prolonged drought. It is noted that the inter-government fiscal transfers (LATF) has grown over years to 21.5 billion. Large finances have been spent on the sub-programs and projects which have stimulated local economic growth development and reduced poverty and thus yielded direct benefits to the citizens besides contribution to economic growth and development.

In the pursuit of the implementation of its mandates, the Ministry is guided by its vision and mission, namely;

**Vision:** To have viable, Autonomous, Accountable and Responsive Local Authorities.

**Mission:** To facilitate Local Authorities achieve good governance and improved service delivery for enhanced socio-economic development.

In the Fiscal Year 2011/12 the Ministry realized impressive results in the various programmes which were funded by the Government. The work also benefitted from support of Development Partners such as World Bank, Embassy of Sweden, UNICEF, and IFD among others.



However, over the last two years much time, resources and efforts were focused on facilitation the development of policy and institutional framework for the realization of devolved governments, as required by the COK 2010.

Details on performance in implementation of the programmes is provided in the matrices here below.

#### **CHALLENGES FACED IN IMPLEMENTATION OF PROGRAMMES/PROJECTS/ACTIVITIES**

Most of the projects are ongoing but delays in the commencement of some of them has been to a greater extent due to the long procurement process. The delay in the process has resulted to many of the projects having their contracts awarded at the same time, further stretching the already limited allocations.

Some of the Market projects constitute extensions and expansions of existing markets with the attendant problems in relocating operators from the sites to allow for the works to start. Resistance to relocation has in some instances led to delays in exacting the contracts even when resources are available. Further, disagreements between local leaders on where some of the markets should be sited have caused long delays. Lack of Land for markets has meant that some areas have into benefited room on-going investments e.g Nairobi and Mombasa where no ESP markets have been built.

The planning for the 12 towns under the Kenya Municipal Programme (KMP) funded through partner support including the World Bank has been delayed for over one year not only due to the long procurement process but also the conditions set by the partners with the "no objection clauses" which require their authority for various stages of project cycle. This has led to delays in project implementation.

Funds have also been a challenge especially for the big projects and delays in their release from Treasury has necessitated re-scheduling of some of the project phases and to some extent led to late commencement and completion of projects.

As stated above, difficulties face in the identification and acquisition of suitable land for construction of markets and other structures adversely affects realization of targeted results. This remains a formidable challenge given the need for



conducting due diligence before commencing projects that are based on land. In addition, to the above, we have had unique challenges in the case of solid waste management projects. In the case of Nairobi and Mombasa, available land has been condemned as either too near to the airports or no the flight paths. In Nakuru , land that was identified for solid waste management was later classified as being in a wildlife corridor. Thus no progress has been made on solid waste management in the above municipalities.

Another major challenge that is causing concern is lack of funds to support devolution process. So far in 2012/2013 budget no funds have been allocated to the Ministry to fund activities necessary for smooth transition especially civic education and copacity building.

## **CONCLUSION**

The Ministry performed well in the implementation for key policies and programmes under its jurisdiction. The areas of devolution, urban development, markets development, reforms in local authorities and street families programme did commendable work that is already impacting on the lives of Kenyans in lime with the Medium Term Plan of Kenya Vision 2030.

Devolution issues will continue to take centre stage in the work of the Ministry and as such will require to be adequately provided for in the budget. The Transitional Authority is currently supported but it cannot carry out the functions for the Ministry (as cited above).

The Ministry is spearheading preparation of the Devolution Chapter in the Medium Term Plan 2013-2017 and as such requires critical support in-order to realize its objectives and mandate. The challenges mentioned above are being addressed internally by the Ministry and also, consultations are going on for support from other stakeholders including the Treasury for funding.



**Eng. Peter O. Mangiti**

**Principal Secretary**



VOTE R112-OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF LOCAL GOVERNMENT			
RECURRENT APPROPRIATION ACCOUNT ON SUMMARY ITEM-FOR THE PERIOD FROM JUL-12 TO JUN-13			
TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Under(over) Expenditure Kshs
Sub-Vote 120 General Administration and Planning			
Head 0001 Planning and Development			
Sub-Head 01- H01-headquarters			
2110100 Basic Salaries-Permanent Employess			
Original.. . . . .Kshs 72,255,153.00			
Add Re-allocation.. Kshs 9,516,270.00	86,527,638.00	92,936,093.00	(6,408,455.00)
2110200 Basic Wages-Temporary Employess	400,000.00	236,970.00	163,030.00
2110300 Personal Allowance paid as part of salary			
Original.. . . . .Kshs 53,779,000			
Add Re-allocation.. Kshs 48,000.00	58,888,057.00	54,584,768.50	4,303,288.50
2110400 Personal Allowance Paid as reimbursements	700,000.00	3,574.10	696,425.90
2210100 Utilities Supplies and Services	7,000,000.00	2,069,585.00	4,930,415.00
2210200 Communication Supplies and Services			
Original.. . . . .Kshs 8,568,000.00			
Add Re-allocation.. Kshs 643,200.00	9,211,200.00	10,384,501.90	(1,173,301.90)

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Under(over) Expenditure Kshs
2210300	Domestic Travel and Subsistence and Other Transportation costs Original.....Kshs 7,000,000.00 Add Re-allocation.. Kshs 2,580,000.00	9,580,000.00	16,368,076.50	(6,788,076.50)
2210400	Foreign Travel & Subsistence & Other Transportation Costs Original.....Kshs 3,580,000.00 Add Re-allocation.. Kshs 684,000.00	4,264,000.00	5,137,541.00	(873,541.00)
2210500	Printing, Advertising , & Information Supplies and Services Original.....Kshs 3,325,000.00 Add Re-allocation.. Kshs 67,500.00	3,392,500.00	3,652,922.10	(260,422.10)
2210700	Training Expenses Original.....Kshs 10,050,000.00 Less Re-allocation.. Kshs 2,010,000.00	8,040,000.00	9,085,527.90	(1,045,527.90)
2210800	Hospitality Supplies and Services Original.....Kshs 16,057,650.00 Add Re-allocation.. Kshs 37,414,235.00	53,471,885.00	57,282,435.00	(3,810,550.00)
2211000	Specialized Materials and Supplies	1,600,000.00	1,967,659.00	(367,659.00)

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Under(Over) Expenditure Kshs
2211100	Office General Supplies and Services			
	Original.....Kshs 5,664,127.00			
	Less Re-allocation.. Kshs 566,413.00	5,097,714.00	7,969,443.00	(2,871,729.00)
2211200	Fuel, Oil and Lubricants			
	Original.....Kshs 9,200,000.00			
	Add Re-allocation..kshs 1,000,000.00	11,600,000.00	12,559,214.00	(959,214.00)
2211300	Other Operating Expenses			
	Original.....Kshs 8,560,000.00			
	Add Re-allocation.. Kshs 4,000,000.00	9,368,000.00	9,194,127.00	173,873.00
2220100	Routine Maintenance - Vehicles and Other Transport Equipment	8,574,400.00	9,631,475.59	(1,057,075.59)
2220200	Routine Maintenance - Other Assets	4,579,998.00	6,233,099.05	(1,653,101.05)
2620100	Membership Fees, Dues and Subscription To International Organisations	700,000.00	271,005	428,995.00
2630100	Current Grants to Government Agencies and Other Levels of Government	0.00	0.00	
2710100	Government Pension & Retirement Benefits	8,111,685.00	5,602,497.30	2,509,187.70

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Under(over) Expenditure Kshs
3110700	Purchase of motor Vehicles			
	Original.....kshs0.00			
	Less Re-allocation..Kshs15,000,000.00	12,200,000.00	12,196,659.00	3,341.00
3111000	Purchase of Office Furniture and General Equipment			
	Original.....Kshs 1,603,330.00			
	Less Re-allocation.. Kshs 320,666.00	1,282,664.00	3,535,885.00	(2,253,221.00)
3111100	Purchase of Specialised Plant Equipment and Machinery			
	Original.....Kshs 50,000,000.00			
	Less Re-allocation..kshs10,000,000.00	30,000,000.00	15,531,266.00	14,468,734.00
3111200	Rehabilitation and Renovation of Plant, Machinery & Equipment	50,000.00	26,750.00	23,250.00
	<b>GROSS EXPENDITURE</b>	<b>334,639,741.00</b>	<b>336,461,074.94</b>	<b>(1,821,333.94)</b>
	<b>LESS Appropriation In Aid</b>			
1420600	Receipts from the Sale of Incidental Goods	1,800,000.00	2,727,680.00	(927,680.00)
3510800	Receipts from Sale of Plant, Machinery & Equipment	50,000.00	-	-
3520300	Receipts from Sale of Other Inventories, Stocks & commodities	50,000.00	-	-
	Total Appropriation in Aid	1,900,000.00	2,727,680.00	(827,680.00)
	Net Expenditure Sub-Head 01	332,739,741.00	333,733,394.94	(993,653.94)
	<b>Sub-Head 02 AIDS Control Unit</b>			
2210300	Domestic Travel and Subsistence and Other Transportation Costs			
	Original.....Kshs 2,037,000.00			
	Less Re-allocation.. Kshs 203,700.00	1,833,300.00	1,194,400.00	638,900.00

2210500	Printing, Advertising & Information Supplies & Services					
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TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
Original.. . . . .Kshs 237,440.00 Less Re-allocation.. Kshs 23,744.00 2210700 Training Expenses	213,696.00	90,000.00	123,696.00
Original.. . . . .Kshs 1,070,320.00 Less Re-allocation.. Kshs 214,064.00 2210800 Hospitality Supplies and Services	856,256.00	356,382.35	499,873.65
Original.. . . . .Kshs 840,000.00 Less Re-allocation.. Kshs 84,000.00 2211000 Specialized materials and Supplies	756,000.00	704,500.00	51,500.00
3111000 Purchase of office Furniture and General Equipment	500,000.00	240,500.00	259,500.00
Original.. . . . .Kshs 80,000.00 Less Re-allocation.. Kshs 16,000.00 Net Expenditure Sub-Head 02	64,000.00	28,800.00	35,200.00
<b>Sub-Head 03 Information Communication Technology</b> <u>Unit</u>	4,223,252.00	2,614,582.35	1,608,669.65
2210700 Training Expenses			
Original.. . . . .Kshs 208,000 Less Re-allocation.. Kshs 41,600.00 2211000 Office General Supplies and Services	166,400.00	264,670.00	(98,270.00)

TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over/(under) Expenditure Kshs
Original.....Kshs 441,000.00 less Re-allocation..Kshs 44,100.00	396,900.00	46,000.00	350,900.00
2220200 Routine Maintenance-Other Assets	800,000.00	213,572.00	586,428.00
3111000 Purchase of Office Furniture and General Equipment			
Original.....Kshs 191,360 Less Re-allocation.. Kshs 38,272.00	153,088.00	632,450.00	(479,362.00)
3111100 Purchase of Specialized Plant, Equipment & Machinery			
Original.....Kshs 5,800,000.00 Less Re-allocation..Kshs 1,160,000.00	4,640,000.00	3,812,820.00	827,180.00
Net Expenditure Sub-Head 03	6,156,388.00	4,969,512.00	1,186,876.00
<u>Sub-Head 04 Planning and Research</u>			
2210300 Domestic Travel and Subsistence and Other Transportation Costs			
Original.....Kshs 1,435,000.00 Less Re-allocation.. Kshs 143,500.00	1,291,500.00	649,500.00	642,000.00
2210800 Hospitality Supplies and Services			
Original.....Kshs 700,000.00 Less Re-allocation.. Kshs 70,000.00	630,000.00	548,913.00	81,087.00
2211100 Office GeneralSupplies and services			

Original.. . . . .Kshs 622,000.00				
Less Re-allocation.. Kshs 62,200.00				
		559,800.00	184,500.00	375,300.00

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2211200	Fuel,Oil and Lubricants	476,000.00	560,828.00	(84,828.00)
2220100	Routine Maintenance-Vehicles and Other Transport Equipment	160,160.00	20,050.00	140,110.00
	Net Expenditure Sub-Head 04	3,117,460.00	1,963,791.00	1,153,669.00
	<u>Sub-Head 05 Finance Management Services</u>			
2210200	Communication Supplies and Services			
	Original.. . . . .Kshs 488,880.00			
	Less Re-allocation.. Kshs 48,880.00	439,992.00	290,409.60	149,582.40
2210300	Domestic Travel and Subsistence and Other Transportation Costs			
	Original.. . . . .Kshs 3,969,288.00			
	Add Re-allocation.. Kshs 303,071.00	4,272,359.00	4,436,505.00	(164,146.00)
2210400	Foreign Travel & Subsistence & Other Transportation Costs			
	Original.. . . . .Kshs 130,108.00			
	Less Re-allocation.. Kshs 26,022.00	104,086.00	466,000.00	(361,914.00)
2210500	Printing, Advertising & Information Supplies and Services			
	Original.. . . . .Kshs 31,500.00			
	Less Re-allocation.. Kshs 3,150.00	28,350.00	0	28,350.00

TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2210700 Training Expenses			
Original.. . . . .Kshs 3,900,000.00			
Less Re-allocation.. Kshs 780,000.00	3,120,000.00	2,801,441.00	318,559.00
2210800 Hospitality Supplies and Services			
Original.. . . . .Kshs 1,260,000.00			
Add Re-allocation.. Kshs 274,000.00	1,534,000.00	1,302,330.00	231,670.00
2211100 Office General Supplies and Services			
Original.. . . . .Kshs 4,030,960.00			
Less Re-allocation.. Kshs 403,096.00	3,627,864.00	3,246,007.00	381,857.00
2220200 Routine Maintenance- Other Assets			
Purchase of Office Furniture and General Equipment	1,079,500.00	498,635.00	580,865.00
3111000			
Original.. . . . .Kshs 1,472,000.00			
Less Re-allocation.. Kshs 294,400.00	1,177,600.00	1,236,100.00	(58,500.00)
Net Expenditure Sub-Head 05	15,383,751.00	14,277,427.60	1,106,323.40
<u>Sub-Head 06 Street Families Rehabilitation Fund</u>			
Current Grants to Government Agencies and other levels of Government			
Original.. . . . .Kshs 120,000,000.00			
Less Re-Allocation..Kshs 12,000,000.00	120,000,000.00	123,568,269.50	(3,568,269.50)
Net Expenditure Sub-Head 06	120,000,000.00	123,568,269.50	(3,568,269.50)

<u>Sub-Head 07 Coordination Services</u>				
2210200	CommunicationSupplies and Services			
	Original.....Kshs 990,000.00			
	Less Re-allocation.. Kshs 99,000.00	891,000.00	204,268.00	686,732.00

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over/(under) Expenditure Kshs
2210300	Domestic Travel and Subsistence and Other Transportation costs Original.. . . . .Kshs 18,382,000.00 Less Re-allocation.. Kshs 1,838,200.00	16,543,800.00	16,651,112.00	(107,312.00)
2210400	Foreign Travel & Subsistence & Other Transportation Costs Original.. . . . .Kshs 9,224,090.00 Less Re-allocation.. Kshs 1,844,818.00	5,995,277.00	6,803,469.00	(808,192.00)
2210700	Training Expenses Original.. . . . .Kshs 2,275,720.00 Less Re-allocation.. Kshs 455,144.00	1,820,576.00	1,868,601.00	(48,025.00)
2210800	Hospitality Supplies and Services Original.. . . . .Kshs 8,540,000.00 Less Re-allocation.. Kshs 854,000.00	8,554,295.00	9,993,740.00	(1,439,445.00)
2211000	Specialized materials and Supplies	180,000.00	146,494.00	33,506.00
2211100	Office General Supplies and Services Original.. . . . .Kshs 3,307,500.00 Less Re-allocation.. Kshs 330,750.00	3,492,450.00	3,307,501.00	184,949.00

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2211200	Fuel, Oil and Lubricants	6,400,000.00	3,021,126.00	3,378,874.00
2211300	Other Operating Expenses			
	Original.. . . . .Kshs 300,000.00	240,000.00	150,000.00	90,000.00
	Less Re-Allocation..Kshs 60,000.00			
2220100	Routine Maintenance-Vehicles and Other Transport Equipment	2,777,600.00	1,274,001.30	1,503,598.70
2220200	Routine Maintenance-Other Assets	400,000.00	323,800.00	76,200.00
3110300	Refurbishment of Buildings	970,000.00	1,064,000.00	(94,000.00)
3111000	Purchase of Office Furniture and General Equipment			
	Original.. . . . .Kshs 400,000	320,000.00	535,192.00	(215,192.00)
	Less Re-allocation.. Kshs 80,000.00			
	Net Expenditure Sub-Head 07	48,584,998.00	45,343,304.30	3,241,693.70
	<b>Sub-Head 08 Nairobi Health Management Board</b>			
2630100	Current Grants to Government Agencies & Other Levels of Government			
	Original.. . . . .Kshs 31,300,000.00			
	Less Re-allocation..Kshs 3,130,000.00	28,170,000.00	28,170,000.00	-
	Net Expenditure Sub-Head 08	28,170,000.00	28,170,000.00	0.00

TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
<u>Sub-Head 11 Transition Authority Planning and Development</u>			
2630100 Current Grants to Government Agencies & Other Levels of Government	130,000,000.00	158,139,439.40	(28,139,439.40)
Net Expenditure Sub-Head 11	130,000,000.00	158,139,439.40	(28,139,439.40)
Net Expenditure Head 0001	688,375,590.00	712,779,721.09	(24,404,131.09)
<u>0002 Provincial Local Government Offices</u>			
01 Headquarters			
2110100 Basic Salaries-Permanent Employees			
Original.....Kshs 9,071,655.00			
Add Re-allocation.. Kshs 893,089.00	9,964,744.00	11,123,979.60	(1,159,235.60)
2110300 Personal Allowance paid as Part of Salary			
Original.....Kshs 6,934,600.00			
Add Re-allocation.. Kshs 6,000.00	6,964,260.00	5,240,011.25	1,724,248.75
2110400 Basic wages-Temporary Employees	500,000.00	0	500,000.00
2210100 Utilities Supplies and Services	1,100,000.00	1,055,275.00	44,725.00

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2210200	Communication Supplies and Services			
	Original.. . . . .Kshs 1,215,000.00			
	Less Re-allocation.. Kshs 121,500.00	1,093,500.00	1,102,008.00	(8,508.00)
2210300	Domestic Travel and Subsistence and Other Transportation Costs			
	Original.. . . . .Kshs 2,007,040.00			
	Less Re-allocation.. Kshs 200,704.00	1,806,336.00	1,806,336.00	-
2210400	Foreign Travel & Subsistence & Other Transportation Costs			
	Original.. . . . .Kshs 40,140.00			
	Less Re-allocation.. Kshs 8,028.00	32,112.00	20,840.00	11,272.00
2210500	Printing, Advertising & Information Supplies and services			
	Original.. . . . .Kshs 364,000.00			
	Less Re-allocation.. Kshs 36,400.00	327,600.00	324,131.00	3,469.00
2210600	Rentals of Produced Assets			
	Original.. . . . .Kshs 840,000.00			
	Less Re-allocation.. Kshs 168,000.00	672,000.00	612,422.00	59,578.00
2210700	Training Expenses			
	Original.. . . . .Kshs 840,000.00			
	Less Re-allocation.. Kshs 168,000.00	672,000.00	612,422.00	59,578.00

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2210800	Hospitality Supplies and Services			
	Original.....Kshs 504,000.00			
	Less Re-allocation.. Kshs 50,400.00	453,600.00	462,826.00	(9,226.00)
2211000	Specialized materials and Supplies	400,000.00	405,579.00	(5,579.00)
2211100	Office General Supplies			
	Original.....Kshs 1,708,200.00			
	Less Re-allocation.. Kshs 170,820.00	1,537,380.00	1,584,108.00	(46,728.00)
2211200	Fuel, Oil and Lubricants	2,320,000.00	2,185,966.00	134,034.00
2211300	Other operating Expenses			
	Original..... Kshs 900,000.00			
	Less Re-allocation..Kshs 180,000.00	720,000.00	725,156.00	(5,156.00)
2220100	Routine Maintenance-Vehicles & Other Transport Equipment	2,208,000.00	2,095,415.00	112,585.00
3111000	Purchase of Office Furniture and General Equipment			
	Original.....Kshs 384,000.00			
	Less Re-allocation.. Kshs 76,800.00	307,200.00	313,689.00	(6,489.00)
3111200	Rehabilitation and Renovation of Plant, Machinery & Equipment	100,000.00	95,885.00	4,115.00
	Net Expenditure Head 0002	38,006,732.00	31,182,713.85	6,824,018.15

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
	<u>0003 local Authorities Reforms</u>			
2110100	Basic Salaries- Permanent Employees			
	Original.. . . . .Kshs 3,619,668.00			
	Add Re-allocation.. Kshs 835,440.00	4,455,108.00	3,184,710.80	1,270,397.20
2110300	Personal Allowance Paid as Part of Salary	3,190,000.00	2,131,339.00	1,058,661.00
2210200	Communication Supplies and Services			
	Original.. . . . .Kshs 1,017,720.00			
	Less Re-allocation.. Kshs 101,772.00	915,948.00	363,281.60	552,666.40
2210300	Domestic travel and Subsistence and Other Transportation Costs			
	Original.. . . . .Kshs 567,938.00			
	Less Re-allocation.. Kshs 56,794.00	511,144.00	391,745.00	119,399.00
2210400	Foreign Travel & Subsistence & Other Transportation Costs			
	Original.. . . . .Kshs 350,100.00			
	Less Re-allocation.. Kshs 70,020.00	280,080.00	135,345.00	144,735.00

TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2210500 Printing,Advertising & Information Supplies and Services			
Original.....Kshs 280,350.00			
Less Re-allocation.. Kshs 28,035.00	252,315.00	3,000.00	249,315.00
2210700 Training Expences			
Original.....Kshs 2,480,000.00			
Less Re-allocation.. Kshs 496,000.00	1,984,000.00	2,483,450.00	(499,450.00)
2210800 Hospitality Supplies and Services			
Original.....Kshs 700,000.00			
Less Re-allocation.. Kshs 70,000.00	630,000.00	693,000.00	(63,000.00)
2211000 Specialized Materials and Supplies	120,000.00	0	120,000.00
2211100 Office general Supplies and Services			
Original.....Kshs 411,500.00			
Less Re-allocation.. Kshs 41,150.00	370,350.00	117,000.00	253,350.00
2211200 Fuel, Oil and Lubricants	208,800.00	127,000.00	81,800.00
2220100 Routine maintainance-Vehicles & Other Transport Equipment	2,339,426.00	2,305,859.75	33,566.25
2220200 Routine Maintenance-Other Assets	500,000.00	-	500,000.00

TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2630100 Current Grants to Government Agencies & Other Levels of Government	21,498,000,000.00	9,505,382,487.00	11,992,617,513.00
3111000 Purchase of Office Furniture and General Equipment			
Original.. . . . .Kshs 1,200,000.00	960,000.00	591,000.00	369,000.00
Less Re-allocation.. Kshs 240,000.00			
<b>GROSS EXPENDITURE</b>	<b>21,514,717,171.00</b>	<b>9,517,909,218.15</b>	<b>11,996,807,952.85</b>
Appropriation in aid			
1110500 <u>Less Income Tax Share of LATE</u>	21,498,000,000.00	9,505,382,487.00	11,992,617,513.00
Net Expenditure Head 0003	16,717,171.00	12,526,731.15	4,190,439.85
<b><u>0004 Urban Development Department</u></b>			
2110100 Basic Salaries- Permanent Employees			
Original.. . . . .Kshs 29,385,051.00	27,558,936.00	31,536,311.10	(3,977,375.10)
Less Re-allocation.. Kshs 1,826,115.00			
2110200 Basic Wages-Temporary Employees	200,000.00	21,465.60	178,534.40
2110300 Personal Allowance paid as Part of Salary			
Original.. . . . .Kshs 19,117,600.00			
Less Re-allocation.. Kshs 1,890,000.00	17,589,924.00	18,075,325.50	(485,401.50)

TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2110400 Personal Allowance Paid as Reimbursements			
Original.. . . . .Kshs 150,000			
Less Re-allocation.. Kshs 150,000	0.00		0
2210200 Communication Supplies and Services			
Original.. . . . .Kshs 3,269,520.00			
Less Re-allocation.. Kshs 326,952.00	2,942,568.00	3,063,647.30	(121,079.30)
2210300 Domestic Travel and Subsistence and Other Transportation costs			
Original.. . . . .Kshs 1,526,105.00			
Less Re-allocation.. Kshs 152,611.00	1,373,494.00	1,499,934.00	(126,440.00)
2210400 Foreign Travel & Subsistence & Other Transportation Costs			
Original.. . . . .Kshs 580,000.00			
Less Re-allocation.. Kshs 116,000.00	464,000.00	409,939.00	54,061.00
2210500 Printing Advertising & Information Supplies and Services			
Original.. . . . .Kshs 607,670.00			
Less Re-allocation.. Kshs 60,767.00	546,903.00	305,620.00	241,283.00
2210600 Rentals of Produced Assets	30,192,200.00	34,671,909.95	(4,479,709.95)

TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2210700 Training expenses			
Original.....Kshs 2,250,000.00			
Less Re-allocation.. Kshs 450,000.00	1,800,000.00	1,476,741.00	323,259.00
2210800 Hospitality Supplies and Services			
Original.....Kshs 840,000.00			
Less Re-allocation.. Kshs 84,000.00	756,000.00	966,525.00	(210,525.00)
2211000 Specialised Materials and Supplies			
2211100 Office General Supplies and Services			
Original.....Kshs 810,000.00			
Less Re-allocation.. Kshs 81,000.00	729,000.00	613,283.50	115,716.50
2211200 Fuel, Oil and Lubricants			
2211300 Other Operating Expenses			
Original..... Kshs 400,000.00			
Less Re-allocation..Kshs 80,000.00	320,000.00	310,000.00	10,000.00
2220100 Routine Maintenance- Vehicles and Other Transport Equipment			
2220200 Routine Maintenance-other Assets			
Original.....Kshs 497,600.00	497,600.00	497,436.00	164.00
3110300 Refurbishment of Buildings			
Original.....Kshs 117,000.00	117,000.00	57,870.00	59,130.00

3111000	Purchase of Office Furniture and General Equipment					
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TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
Original.....Kshs 480,160.00 Less Re-allocation.. Kshs 96,032.00	384,128.00	210,000.00	174,128.00
Net Expenditure for Sub Head 01	86,856,533.00	94,574,882.95	(7,718,349.95)
<b>02 Market Department</b>			
2210200 Communication Supplies and Services			
Original.....Kshs 662,400.00 Less Re-allocation.. Kshs 66,240.00	596,160.00	529,335.00	66,825.00
2210300 Domestic Travel and Subsistence and Other Transportation Costs			
Original.....Kshs 1,140,860.00 Less Re-allocation.. Kshs 114,086.00	1,026,774.00	630,925.00	395,849.00
2210400 Foreign Travel & Subsistence and Other Transportation costs			
Original.....Kshs 554,645.00 Less Re-allocation.. Kshs 110,929.00	443,716.00	304,485.00	139,231.00
2210500 Printing,Advertising & Information Supplies and Services			
Original.....Kshs 774,313.00 Less Re-allocation.. Kshs 77,431.00	696,882.00	716,638.00	(19,756.00)
2210700 Training Expenses			

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
	Original.....Kshs 648,000.00 Less Re-allocation.. Kshs 129,600.00	518,400.00	446,151.00	72,249.00
2210800	Hospitality Supplies and Services			
	Original.....Kshs 498,511.00 Less Re-allocation.. Kshs 49,851.00	448,660.00	393,874.40	54,785.60
2211000	Specialized Materials and Supplies	225,500.00	100,275.00	125,225.00
2211100	Office General Supplies and Services			
	Original.....Kshs 487,935.00 Less Re-allocation.. Kshs 48,793.00	439,142.00	848,384.00	(409,242.00)
2211200	Fuel,Oil and Lubricants	460,000.00	163,206.00	296,794.00
2220100	Routine Maintenance-Vehicles and Other Transport Equipment	480,000.00	396,021.95	83,978.05
2220200	Routine Maintenance-Other Assets	430,280.00	336,740.00	93,540.00
3111000	Purchase of Office Furniture and General Equipment			
	Original.....Kshs 7,680.00 Less Re-allocation.. Kshs 1,536.00	6,144.00	0	6,144.00

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over/(under) Expenditure Kshs
	Net Expenditure for Sub Head 02	5,771,658.00	4,866,035.35	905,622.65
	Net Expenditure Head 0004	92,628,191.00	99,440,918.30	(6,812,727.30)
	Net Expenditure Sub Vote 120	835,727,684.00	856,330,084.39	(20,602,400.39)
	122 Contribution in Lieu of Rates			
	<u>0005 Contribution in Lieu of Rates</u>			
2210600	Rentals of Produced Assets	512,864,000.00	256,432,000.00	
	Net Expenditure Head 0005	512,864,000.00	256,432,000.00	256,432,000.00
	0006 Local Government Finance and Administration Department			
2110100	Basic Salaries- Permanent Employees			
	Original.. . . . .Kshs 12,286,588.00			
	Add Re-allocation..Kshs 442,092.00	12,728,680.00	16,037,592.10	(3,308,912.10)
2110300	Personal Allowance paid as part of salary			
	Original.. . . . .Kshs 9,449,000.00			
	Less Re-allocation.. Kshs 168,000.00	9,379,000.00	9,142,572.05	236,427.95
2110400	Personal Allowance Paid as Reimbursements			
	Original.. . . . .Kshs 170,000			
	Less Re-allocation.. Kshs 170,000	0.00		0
2210200	Communication Supplies and Services			

TITLES AND DETAILS		Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2210300	Original.....Kshs 1,792,800.00	1,613,520.00	1,188,871.90	424,648.10
	Less Re-allocation.. Kshs 179,280.00			
Domestic Travel and Subsistence and Other Transportation Costs				
	Original.....Kshs 11,470,057.00	10,323,051.00	11,045,184.00	(722,133.00)
	Less Re-allocation.. Kshs 1,147,006.00			
2210400	Foreign Travel & Subsistence & Other Transportation Costs			
	Original.....Kshs 296,175.00	236,940.00	30,000.00	206,940.00
	Less Re-allocation.. Kshs 59,235.00			
2210500	Printing, Advertising & Information Supplies and Services			
	Original.....Kshs 406,195.00	365,576.00	86,990.00	278,586.00
	Less Re-allocation.. Kshs 40,619.00			
2210700	Training Expenses			
	Original.....Kshs 1,224,320.00	995,456.00	733,386.00	262,070.00
	Less Re-allocation.. Kshs 248,864.00			
2210800	Hospitality Supplies and Services			
	Original.....Kshs 726,401.00	653,761.00	724,289.00	(70,528.00)
	Less Re-allocation.. Kshs 72,640.00			


TITLES AND DETAILS	Approved Estimates Kshs	Actual Expenditure Kshs	Over(under) Expenditure Kshs
2211000 Specialized Materials and Supplies	235,000.00	175,000.00	60,000.00
2211100 Office General Supplies and Services			
Original.. . . . .Kshs 684,000.00	615,600.00	625,000.00	(9,400.00)
Less Re-allocation.. Kshs 68,400.00			
2211200 Fuel,Oil and Lubricants	712,000.00	760,700.00	(48,700.00)
2220100 Routine Maintenance - Vehicles and Other Transport Equipment	412,160.00	305,274.75	106,885.25
2220200 Routine maintenance- Other Assets	507,688.00	1,109,000.00	(601,312.00)
3111000 Purchase of Office Furniture and General Equipment			
Original.. . . . .Kshs 280,000.00	224,000.00	64,095.00	159,905.00
Less Re-allocation.. Kshs 56,000.00			
3111200 Rehabilitation and Renovation of Plant, Machinery and Equipment	50,000.00	42,550.00	7,450.00
Net Expenditure Head - 0006	39,052,432.00	42,070,504.80	(3,018,072.80)
Net Expenditure Sub Vote 122	551,916,432.00	298,502,504.80	253,413,927.20
Total Net Expenditure R112			
MINISTRY OF LOCAL GOVERNMENT	1,387,644,116.00	1,154,832,589.19	232,811,526.81

VOTE R112 OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF LOCAL GOVERNMENT

RECURRENT APPROPRIATION ACCOUNT SUMMARY ITEM - FOR THE PERIOD FROM JUL-12 TO JUN-13

SUB - VOTE	Approved Estimates Kshs	Actual Expenditure Kshs	
<b>GROSS EXPENDITURE</b>			
120 General Administration and Planning	22,335,627,683.00	10,364,440,251.30	
122 Add:Contribution in Lieu of Rates	551,916,432.00	298,502,504.80	Surplus of Gross estimate over Expenditure
Gross Total Expenditure	22,887,544,115.00	10,662,942,756.10	Kshs.12,224,601,358.9
<b>Appropriation in Aid</b>			
120 General Administration and Planning	21,499,900,000.00	9,508,110,167.00	
Total Appropriation in Aid	21,499,900,000.00	9,508,110,167.00	less deficiency in AIA Kshs 11,991,789,833.00
NET TOTAL VOTED R112	1,387,644,115.00	1,154,832,589.10	Net surplus Kshs 232,811,525.9
Ministry of Local Government			

  
 ENG. PETER O. MANGITI  
 PRINCIPAL SECRETARY

  
 CHARLES LIYAYI SHIDZUGANE  
 PRINCIPAL ACCOUNTANT

**OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF LOCAL GOVERNMENT**

**STATEMENT OF ASSETS AND LIABILITIES FOR VOTE R112 AS AT 30TH JUNE 2013**

DETAILS	2011-2012 & EARLIER YEARS	2012-2013	TOTAL
ASSETS	KSHS.	KSHS.	KSHS.
Exchequer	398,480,201.95	113,644,115.00	512,124,316.95
Paymaster General	182,209,735.80	96,643,652.00	278,853,387.80
Standing Imprest	1,500,942.00	150,000.00	1,650,942.00
Temporary Imprest	937,142.00	1,211,445.00	2,148,587.00
District Suspense	(649,270.35)	13,045,549.00	12,396,278.65
<b>TOTAL</b>	<b>582,478,751.40</b>	<b>224,694,761.00</b>	<b>807,173,512.40</b>
<b>LIABILITIES</b>			
General Account of Vote	595,271,043.48	232,811,525.90	828,082,569.38
General Suspense	(16,148,711.23)	(8,116,764.90)	(24,265,476.13)
Clearance Account	3,356,419.15	-	3,356,419.15
<b>TOTAL</b>	<b>582,478,751.40</b>	<b>224,694,761.00</b>	<b>807,173,512.40</b>



Charles Liyayi Shidzugane  
 Ag. Senior Deputy Accountant General


Date: 30.9.2013


VOTE D112-OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF LOCAL GOVERNMENT				
DEVELOPMENT APPROPRIATION ACCOUNT ON SUMMARY ITEM-FOR THE PERIOD FROM JUL-12 TO JUN-13				
TITLES AND DETAILS				
	Approved	Actual	Under(Over)	
	Estimates	Expenditure	Expenditure	
	Kshs	Kshs	Kshs	
Head 0001 Planning and Development				
Sub-Head 01 Headquarters				
2210799 Training expenses-other Budget				
Original.. . . . .	800,000.00		800,000.00	
Add Supplementary.. . . . .				
2630200 Capital Grants to Government Agencies and other levels	25,500,000.00		25,500,000.00	
3110100 Purchase of buildings				
Original.. . . . .				
Less Supplementary.. . . . .				
3110200 Construction of buildings				
Original.. . . . .	676,118,980.00	418,100,848.70	258,018,131.30	
Less Supplementary.. . . . .				
3110300 refurbishing of Buildings				
Original.. . . . .	28,000,000.00	23,353,495.00	4,646,505.00	
Less Supplementary.. . . . .				
3110400 Construction of roads	200,000,000.00	183,219,536.40	16,780,463.60	
3110500 Construction and Civil works				
Original.. . . . .	1,337,000,000.00	919,935,153.00	417,064,847.00	
Add supplementary.. . . . .	500,000,000.00	519,175,428.55	(19,175,428.55)	
3110600 Overhaul and refurbishment of constr.and civil works	150,000,000.00	151,070,862.00	(1,070,862.00)	
3111100 purchase of Specialised plant,Equipment & machinery				
3111400 Research ,feasibility studies,project.and design				

	Original.. . . . .Kshs 685,000,000.00				27,137,824.00
	Less Re-allocation.. . . . .Kshs 168,000,000.00			489,862,176.00	
	Gross Expenditure		517,000,000.00		
	<u>Less Appropriation in aid</u>				
1310200	Grants from foreign Governments		3,434,418,980.00	2,704,717,499.65	728,901,480.35
	Original.. . . . .Kshs 300,000,000.00				
	Add supplementary.. . . . .Kshs 90,000,000.00		390,000,000.00		
1320200	Grants from international organization				
	Original.. . . . .Kshs 137,800,000.00			57,736,326.00	
	Less Supplementary.. . . . .Kshs 99,200,000.00				
5120200	Foreign Borrowing-direct Payments		116,000,000.00	6,340,995.00	
	Total Appropriation in Aid		544,600,000.00	64,077,321.00	480,522,679.00
	Net expenditure Sub-Head-01		2,889,818,980.00	2,640,640,178.65	249,178,801.35

		Approved		Actual		Under(Over)	
		Estimates	Kshs	Expenditure	Kshs	Expenditure	Kshs
3110200	Sub-Head 06 Street Families Rehabilitation Fund						
	Construction of Buildings						
	Original.. . . . .Kshs 55,000,000.00	49,500,000.00		11,631,593.00		37,868,407.00	
	Less Supplementary.....Kshs 5,500,000.00	49,500,000.00		11,631,593.00			
	Gross Expenditure	49,500,000.00		11,631,593.00			
Net Expenditure For Sub-head 06							
3110200	Devolved Functions.						
	Construction of Buildings						
	Original.. . . . .Kshs 1,075,434,090.00	1,525,434,090.00		1,567,002,809.26		(41,568,719.26)	
	Add Supplementary.....Kshs 450,000,000.00	1,525,434,090.00		1,567,002,809.26			
	Gross Expenditure For Sub-head 98	1,525,434,090.00		1,567,002,809.26			
Net Expenditure for sub-Head98							
Net Expenditure for Head-0001			4,464,753,070.00	4,219,274,580.91			
3110200	0007 Basic Infrastructure Local Authorities Economic Stimulus For Constituencies						
	Construction Of Buildings						
	Original.. . . . .Kshs 224,565,910.00	402,109,319.00		274,012,348.51		128,096,970.49	
	Add Supplementary.....Kshs 177,543,409.00	402,109,319.00		274,012,348.51			
	Gross expenditure for head-0007	402,109,319.00		274,012,348.51			
Net Expenditure For Head-0007							
Add Net Expenditure For head 0001			4,464,753,070.00	4,219,274,580.91		245,478,489.09	
Total Net Expenditure Vote D112			4,866,862,389.00	4,493,286,929.42		373,575,459.58	

VOTED 112- OFFICE OF THE DEPUTY PRIME AND MINISTRY OF LOCAL GOVERNMENT DEVELOPMENT APPROPRIATION ACCOUNT ON SUMMARY ITEM-FOR THE PERIOD FROM JUL-12 TO JUN-13			
Sub Vote	Approved Estimates Kshs	Actual Expenditure Kshs	surplus (Deficit) Kshs
Head 0001 General Administration and Planning	5,009,353,070.00	4,283,351,901.91	
Head 0007 Development Schemes	402,109,319.00	274,012,348.51	Surplus of Gross Estimates
Total gross Expenditure D112	5,411,462,389.00	4,557,364,250.42	854,098,138.58
LESS Appropriation in Aid			
SUB-VOTE 0001 General Administration and Plann	Approved Estimates 544,600,000.00	Actual Receipts 64,077,321.00	
Total AIA	544,600,000.00	64,077,321.00	Less deficiency in Appropriation 480,522,679.00
Net Total Vote D 112	4,866,862,389.00	4,493,286,929.42	Net surplus 373,575,459.58
Office of the Deputy Prime Minister and Ministry of Local Government			

  
 ENG. PETER O. MANGITI  
 PRINCIPAL SECRETARY

  
 CHARLES NYAYI SINDIGA  
 AG. SENIOR DEPUTY ACCOUNTANT GENERAL  
 30.9.2013

**OFFICE OF THE DEPUTY PRIME AND MINISTRY OF LOCAL GOVERNMENT  
STATEMENT OF ASSETS AND LIABILITIES FOR VOTE D112 AS AT 30TH JUNE 2013**

DETAILS	2011-2012 & EARLIER YEARS	2012-2013	TOTAL
	Kshs.	Kshs.	Kshs.
<b>ASSETS</b>			
Exchequer	6,307,583,214.55	310,117,589.00	6,617,700,803.55
Suspense	166,496,141.80	19,885,672.38	186,381,814.18
Temporary Imprest	6,443,086.10	411,784.00	6,854,870.10
<b>TOTAL</b>	<b>6,480,522,442.45</b>	<b>330,415,045.38</b>	<b>6,810,937,487.83</b>

<b>Liabilities</b>			
General Account of Vote	6,272,428,656.95	373,575,459.58	6,646,004,116.53
Paymaster General	208,093,785.50	(43,160,414.20)	164,933,371.30
<b>TOTAL</b>	<b>6,480,522,442.45</b>	<b>330,415,045.38</b>	<b>6,810,937,487.83</b>



Charles Liyayi Shidzugane


Ag. Senior Deputy Accountant General

30.9.2013

Dates:

**MINISTRY OF LOCAL GOVERNMENT  
STATEMENT OF ASSETS AND LIABILITIES FOR DEPOSIT E12 AS AT 30 JUNE 2013**

DETAILS	2011/2012 AND EARLIER		2012/2013		TOTAL
	YEARS		YEARS		
<u>ASSETS</u>	KSH		KSH		KSH
PAYMASTER GENERAL	408,330,183.40		141,412,391.65		549,742,575.05
PMG - FUEL LEVY	12,724,892.30		(8,478,966.75)		4,245,925.55
LATF DEPOSITS	13,112,473.70		-		13,112,473.70
TEMPORARY IMPREST	180,396.00		16,957,933.50		180,396.00
<b>TOTAL</b>	<b>434,347,945.40</b>		<b>149,891,358.40</b>		<b>567,281,370.30</b>
<u>LIABILITIES</u>					
RETENTION MONEY	399,439,690.55		31,120,434.57		430,560,125.12
OTHER DEPOSITS	9,422,365.10		110,291,957.08		119,714,322.18
GENERAL SUSPENSE	12,760,997.45		-		12,760,997.45
K.R.B FUEL LEVY DEPOSIT CASHBOOK	12,724,892.30		8,478,966.75		4,245,925.55
<b>TOTAL</b>	<b>434,347,945.40</b>		<b>149,891,358.40</b>		<b>567,281,370.30</b>

  
**CHARLES LIYATH**  
 PRINCIPAL ACCOUNTANT

GOVERNMENT OF KENYA



OFFICE OF THE DEPUTY PRIME MINISTER AND  
MINISTRY OF LOCAL GOVERNMENT

LOCAL AUTHORITIES TRANSFER FUND

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

2012/2013

**LOCAL AUTHORITIES TRANSFER FUND  
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2013**

ASSETS	2011/2012	2012/2013
	KSHS	KSHS
Cash on Special Accounts (CBK)	4,264,646,448.39	5,691,407,946.4
<b>TOTAL ASSETS</b>	<b>4,264,646,448.39</b>	<b>5,691,407,946.4</b>
<b>FINANCED BY;</b>		
Surplus	4,264,646,448.39	5,691,407,946.4
<b>TOTAL SURPLUS</b>	<b>4,264,646,448.39</b>	<b>5,691,407,946.4</b>



Eng. Peter O. Mangiti  
Principal Secretary/Accounting Officer  
Date:



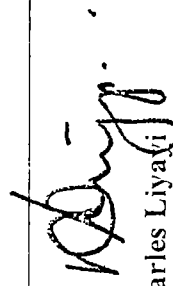
Charles Liyaji  
Principal Accountant  
Date: 30.9.2013

**LOCAL AUTHORITIES TRANSFER FUND**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30<sup>TH</sup> JUNE, 2013**

INCOME	2011/2012		2012/2013	
	KSHS		KSHS	
GOK- Income Share of LATF	16,413,757,246.75		19,652,082,148.65	
<b>TOTAL INCOME</b>	<b>16,413,757,246.75</b>		<b>19,652,082,148.65</b>	
<b>EXPENDITURE</b>				
Service Delivery	10,356,626,880.00		10,863,943,755.40	
Performance Condition	6,904,417,920.00		7,294,076,895.60	
Administrative Costs	61,700,000.00		67,300,000.00	
<b>TOTAL EXPENDITURE</b>	<b>17,322,744,800.00</b>		<b>18,225,320,651.00</b>	
<b>SURPLUS/(DEFECIT)</b>	<b>(908,987,553.25)</b>		<b>1,426,761,497.60</b>	



Eng. Peter O. Mangiti  
Principal Secretary/Accounting Officer  
Date:




Charles Liyayi  
Principal Accountant  
Date: 30.9.2013

**LOCAL AUTHORITIES TRANSFER FUND  
STATEMENT OF EXPENDITURE FOR THE YEAR ENDING 30<sup>TH</sup> JUNE, 2013**

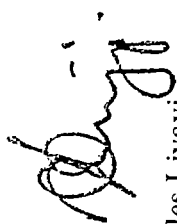
Service Delivery	10,863,943,755.40
Performance Condition	7,294,076,895.60
Administration costs	67,300,000.00
<b>TOTAL KSHS</b>	<b>18,225,320,651.00</b>

We hereby certify that the above amounts have been disbursed for the purpose of supplementing the financing of the services and facilities they are required to provide under the Act.

Certified

  
Eng. Peter O. Mangiti  
Principal Secretary/Accounting Officer  
Date:

Verified by

  
Charles Liyayi  
Principal Accountant  
Date: 30.6.2013

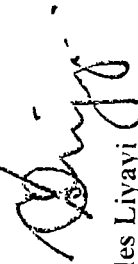
LOCAL AUTHORITIES TRANSFER FUND  
STATEMENT OF MOVEMENT ON THE FUND ACCOUNT FOR THE YEAR ENDING 30<sup>TH</sup> JUNE, 2013

Balance B/F 01.07.2012	4,264,646,448.40
Share of Tax	19,652,082,148.65
Total Receipts	<b>23,916,728,597</b>
Disbursements / Expenses	
Service Delivery	10,863,943,755.40
Performance Condition	7,294,076,895.60
Administration costs	67,300,000.00
Closing Balance as at 30.06.2013	<b>5,691,407,946</b>

We certify the information as contained in this Account represents a true position of our records



Eng. Peter O. Mangiti  
Principal Secretary/Accounting Officer  
Date:



Charles Liyayi  
Principal Accountant  
Date: 30.9.2013

TRIAL BALANCE OF LATF FOR YEAR ENDED 30 JUNE 2013

Particulars	Dr	Cr
Assets	5,691,407,946.00	4,264,646,448.39
Surplus (Capital)		19,652,082,148.65
Share of Tax (Receipts)		
<b>Expenses</b>		
Service Delivery	10,863,943,755.40	
Performance Condition	7,294,076,895.60	
Administration costs	67,300,000.00	
<b>Total</b>	<b>23,916,728,597.00</b>	<b>23,916,728,597.00</b>