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**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

<b>REPORT</b>	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	01 MAR 2023 Wednesday
TABLE OF BY:	Majority Party Whip
CLERK-AT THE TABLE:	Finlay Mudek

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2021**



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**KITUI CENTRAL CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021**

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

*Kitui Central Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95(2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206(2)(c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

To provide leadership and policy direction for effective and efficient management of the Fund

*Kitui Central Constituency  
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**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

**Functions of NG-CDF Committee**

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

**(b) Key Management**

The Kitui Central Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	JOSEPHINE MUTUA
2.	Sub-County Accountant	JUSTUS MUTUA
3.	Chairman NGCDFC	BONIFACE KITHITA
4.	Member NGCDFC	ROSE MBULA

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kitui Central Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee 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 Constituency NGCDF Headquarters**

P.O. Box 732-90200  
Off KwaNgindu Road  
Kitui, KENYA

**(f) Kitui Central Constituency NGCDF Contacts**

Telephone: (254) 0734909303  
E-mail: [cdfkituicentral@ngcdf.go.ke](mailto:cdfkituicentral@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) Kitui Central Constituency NGCDF Bankers**

National Bank of Kenya  
Branch - Kitui  
P.o Box 166-90200  
Kitui

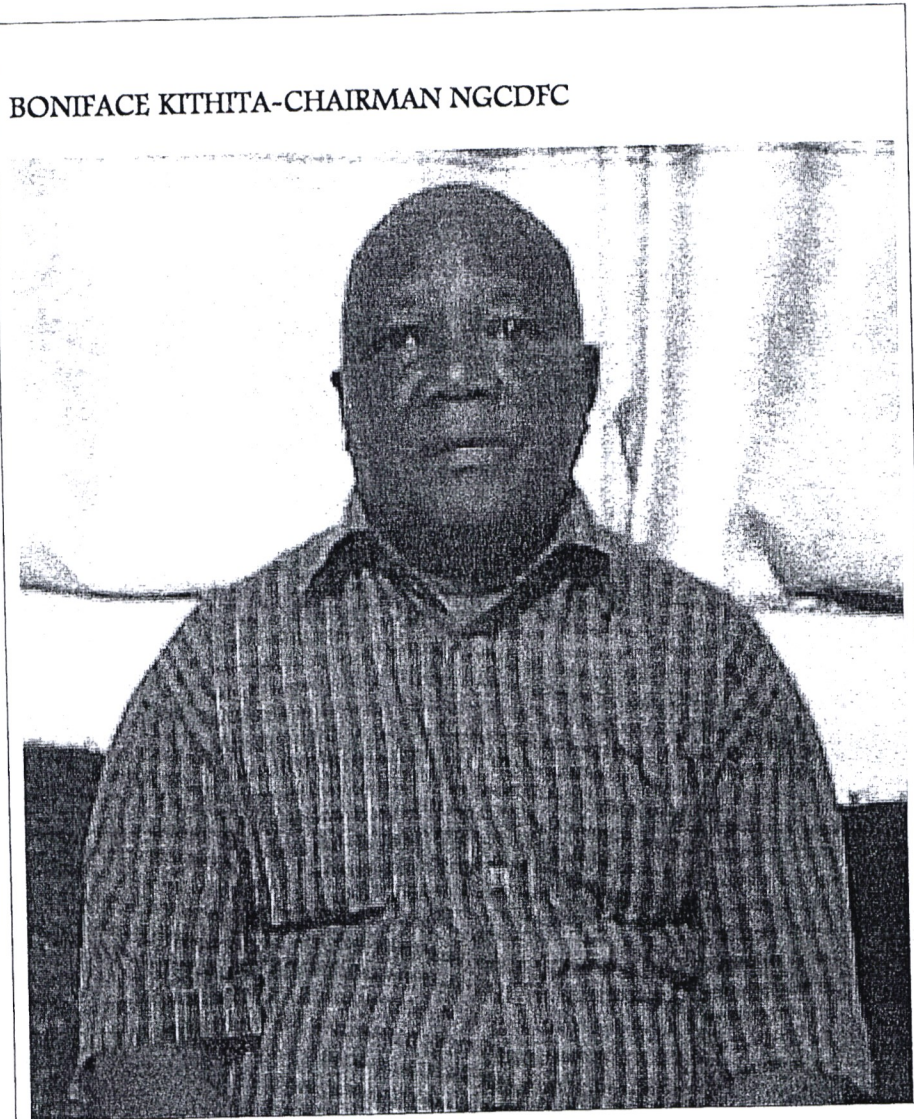
**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

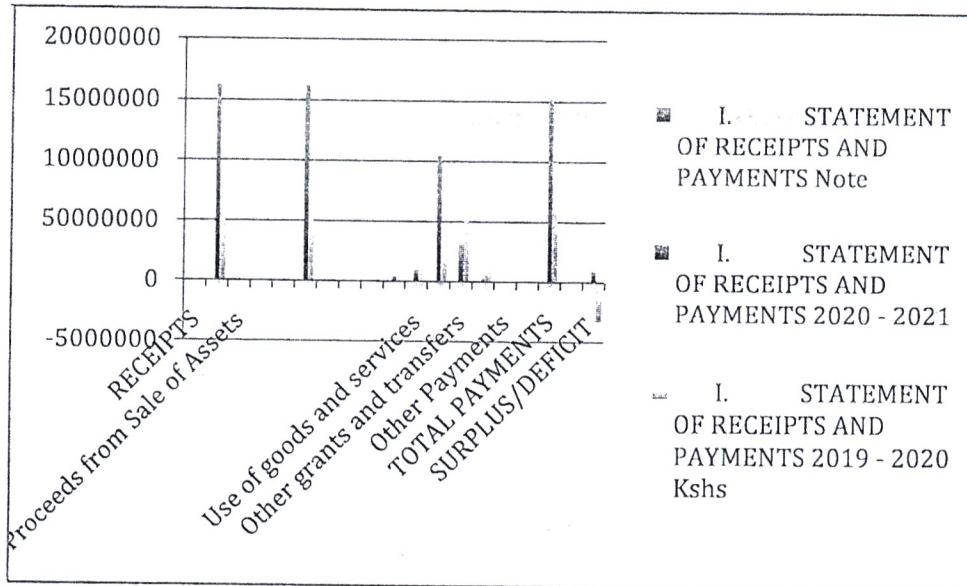
## II.NG-CDFC CHAIRMAN'S REPORT



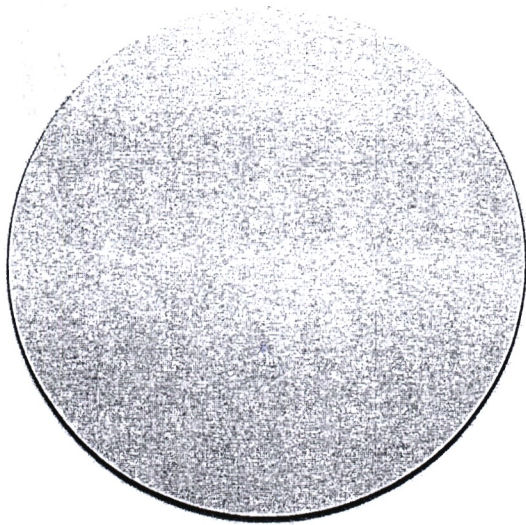
The budget performance for the year was fairly good compared to last financial year despite the challenges witnessed globally associated with the Covid 19 pandemic; we received 67% of the funds for the year's budget.

When you look at the statement of receipts and expenditure you will notice that transfers to government bodies received more funding compared to other grants and payments because we had funded many schools this year and also the funds for financial year 2019-2020 which were disbursed this year a good percentage of the funds was for implementing school projects.

However, despite the above challenges we are proud to report that all the funds received were fully disbursed to the respective projects and the projects were implemented to completion. The performance is graphically illustrated as below.



## I. STATEMENT OF RECEIPTS AND PAYMENTS Note

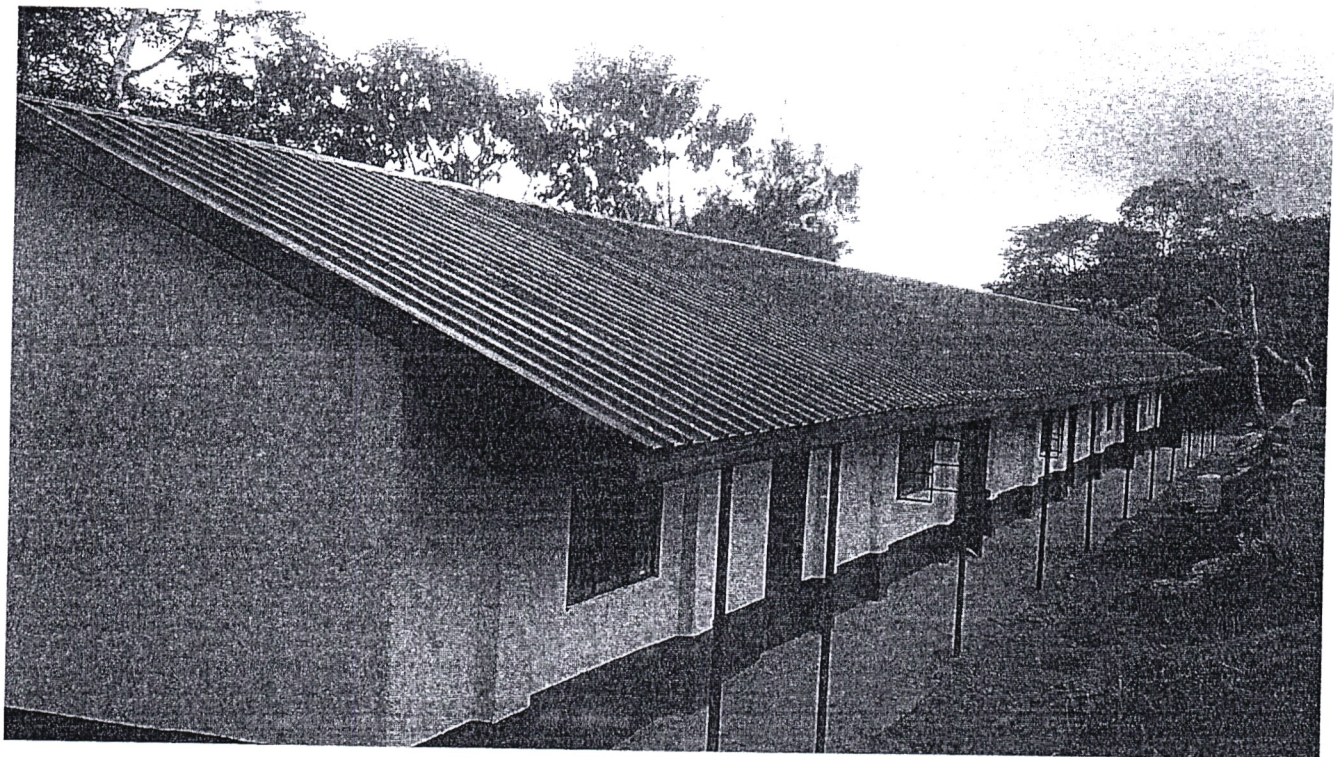
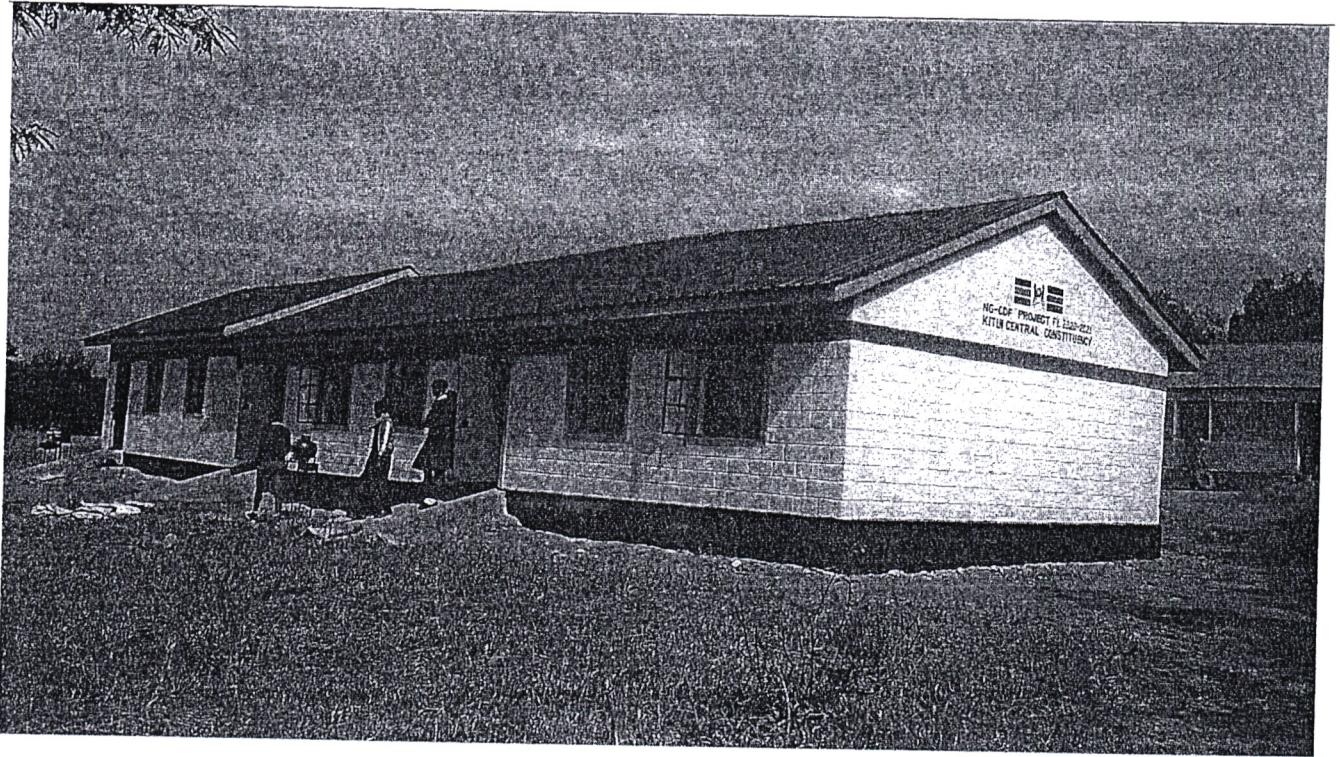


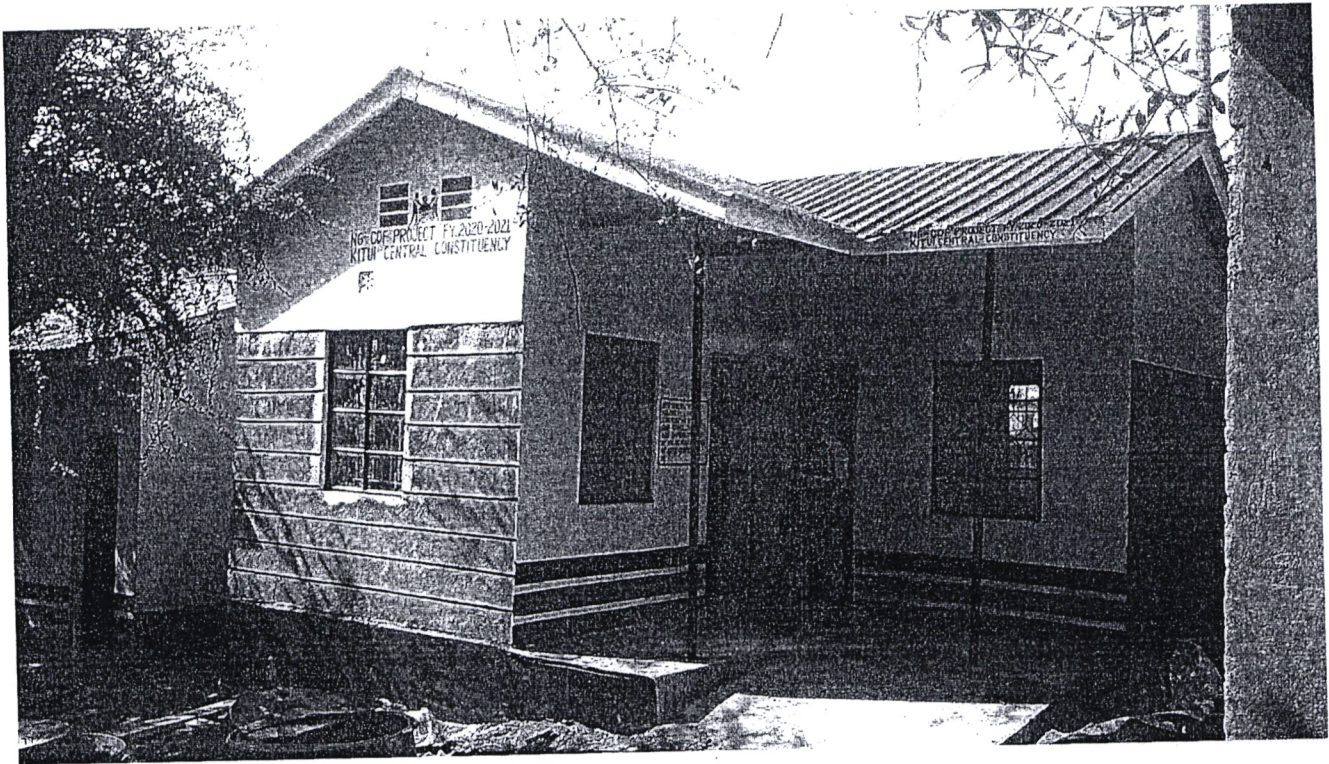
- RECEIPTS
- Transfers from NGCDF Board
- Proceeds from Sale of Assets
- Other Receipts
- TOTAL RECEIPTS

Some of our Key achievements for this year were transforming most of our schools into modern institutions by uplifting their faces by changing their roofs, flooring, fitting of modern windows and doors and repainting the schools.

We also constructed modern science laboratories for several schools and this will help improve the performance of science subjects in our schools








- There are several emerging issues related to Kitui Central NGCDF this includes the below
- (a) Inadequate budget-the needs for projects in our constituency exceeds the funds available for project funding
  - (b) Inadequate skills of some team members –This is common with the project management committee (PMC)members but we are ensuring thorough capacity building of the specific PMC.
  - (c) Conflict of interest among the PMC members- Though we are emphasizing on stepping down of the members with interest on the specific projects.

#### Challenges faced-

Some of the challenges we faced during project implementation was community being misinformed about what the NGCDF Act says about the management of the fund, the projects which we are required 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 that is the project management committees before and even during the implementation process

We also faced delayed disbursement of funds due to the global Covid 19 situation, which also resulted in non-implementation of many projects at the closure of the financial year.

Signature 

CHAIRMAN NGCDF COMMITTEE

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of *Kitui Central Constituency 2018-2022* plan are to:

- ✓ To improve access to education
- ✓ To improve learning environment
- ✓ To improve access to clean water and sanitation in schools
- ✓ To improve the working and living conditions of security personnel in the Constituency
- ✓ To prevent environmental degradation
- ✓ To build and enhance the skills of youth through sports
- ✓ To increase access to ICT infrastructure
- ✓ To strive for organizational excellence

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary beneficiaries at all levels</li> </ul>	In FY 20/21-we ensured that all the remaining old schools in Kitui central constituency had their face uplifted by having new roof,floor,windows,doors,painting-we ensured that the local schools had modern science laboratories by funding 11 schools with science laboratories and upgrading 4 science laboratories for some schools into modern ones

Security	To improve security in the constituency	Improved housing for the police force and improved offices for the administration offices	Number of Houses and offices constructed or renovated for the different central administration staff including the deputy county commissioner, chief, administration and regular police.	<ul style="list-style-type: none"> <li>• 2 offices were constructed for chiefs,</li> <li>• 3 offices constructed for assistant chiefs,</li> <li>• 2 Administration Police lines,</li> <li>• 1 Deputy county commissioners residence construction</li> <li>• Constructed staff houses for Kitui prison police</li> </ul>
Environment	To prevent environmental degradation	Improve sustainable and conserved environment through various conservation measures	Number of trees planted, sand dams constructed and water tanks supplied to various institutions to harvest water	NG-CDF facilitated tree planting in 3 different sites-, around 6 dams. Sand dams were constructed on different rivers.

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

Kitui Central NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

##### **1. Sustainability strategy and profile -**

To ensure sustainability of Kitui Central NG CDF, the committee funds the following key sectors with the following sustainable priorities.

a. **Education and Training:** Kitui Central NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term

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National Government Constituencies Development Fund (NGCDF)  
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collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

- Kitui Central Constituency is affected by climate change, erratic rainfall patterns, reduction of water quantity and quality, flooding, siltation of rivers, and dams, rising temperatures and frequent disease outbreaks are some of the effects of climate change in the Kitui Central constituency.

This year we supported three primary schools to plant trees in the school compound.

- We also organized sports tournament whereby the youth were sensitized on the drug abuse matters and environmental conservation matters

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Kitui Central constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kitui Central constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues. Kitui Central constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

## **4. Market place practices-**

Kitui Central NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests

#### **5. Community Engagements-**

Kitui Central NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

#### **Public Participation in Project Identification and Implementation and Monitoring**

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

#### **Public Awareness**

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

Kitui central NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

*Kitui Central Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

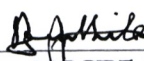
The Accounting Officer in charge of the NGCDF-Kitui Central Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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 entity; (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 entity; (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 NGCDF-Kitui Central Constituency accepts responsibility for the entity'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 constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Kitui Central Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

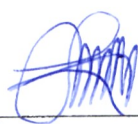
The Accounting Officer in charge of the NGCDF-Kitui Central Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF-Kitui Central Constituency financial statements were approved and signed by the Accounting Officer on 4/10/21 2021.

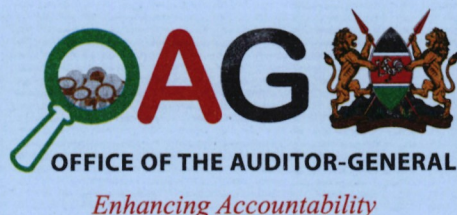
  
Chairman NGCDF Committee  
Name: BONNY B.M. KIMITA

Name:

  
Fund Account Manager  
Josephine Muta

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUI CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and overall Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with overall governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kitui Central Constituency set out on pages 16 to 52,

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*Report of the Auditor-General on the National Government Constituencies Development Fund- Kitui Central Constituency for the year ended 30 June, 2021*

which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kitui Central Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and the Public Finance Management Act, 2012, and comply with the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Financial Statements**

The summary statement of appropriation reflects a budget receipts utilization difference of Kshs.44,526,860. However, on casting the amount, the correct budget utilization difference is Kshs.44,188,879 and hence unexplained difference of Kshs.337,981.

In the circumstances, the accuracy of the budget utilization difference of Kshs.44,526,860 could not be confirmed.

#### **2. Unsupported Expenditure**

The statement of receipts and payments reflects an expenditure of Kshs.9,689,403 under use of goods and services and as disclosed in Note 5 to the financial statements. Included in the amount is other committee expenses and committee allowances of Kshs.3,084,910 and Kshs.4,162,375 respectively. The expenses include monitoring and evaluation amounts of Kshs.1,273,000 and Kshs.300,000 respectively totaling to Kshs.1,573,000. However, the following anomalies were noted during the audit:

- i. The expenditure was not supported with authority indicating purpose of the exercise.
- ii. The schedules and reports presented for audit were not dated.
- iii. Fees for taxi services were not supported with user requisitions.
- iv. Schedule of the meetings held during the year was not provided for audit.

In the circumstances, the completeness and accuracy of the expenditure of Kshs.1,573,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kitui Central Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Other Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amount of Kshs.206,808,584 and Kshs.162,619,705 respectively resulting in an underfunding of Kshs.44,188,879 (or 21%) of the budget. Similarly, the Fund expended Kshs.152,952,906 against an approved budget of Kshs.206,808,584 resulting to an under-expenditure of Kshs.53,855,678 or 26% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non- Adherence to Conditions of a Contract**

The statement of receipts and payments reflects an expenditure of Kshs.104,700,000 being transfers to other Government units as disclosed in Note 6 to the financial statements. The expenditure includes an amount of Kshs.1,615,000 which was disbursed to the Project Management Committee (PMC) of Muslim Secondary School for construction of two classrooms. However, physical verification of the project conducted in the month of April, 2022 revealed the following anomalies:

- i. Fourteen (14) doors were supplied and fitted instead of 15 which were in the contract.
- ii. Three (3) steel doors were to be supplied but only two (2) were supplied and fitted.
- iii. Flooring of the classes was poorly done as big holes and cracks were evident.
- iv. The classroom walls were not plastered despite being provided for in the contract.
- v. The entire contract sum was paid and no provision for retention monies was made.

In the circumstances, value for money from the expenditure of Kshs.1,615,000 could not be confirmed.

## **2. Delay in Completion of Projects**

Review of project implementation status report revealed that an amount of Kshs.137,088,879 was allocated for implementation of seventy-two (72) projects. However, only sixty-one (61) projects valued at Kshs.83,283,288 were completed. Two (2) projects valued at Kshs.6,118,000 were on-going while the balance of nine (9) projects with an allocation of Kshs.47,687,591 had not commenced. No satisfactory explanation was provided by the Fund Management for the delay in completion of the projects.

In the circumstances, value for money could not be confirmed from the Kshs.53,805,591 allocated to projects that were either ongoing or not started.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance

were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the appropriate basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

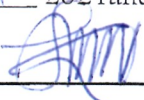
**05 September, 2022**


*Kitui Central Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

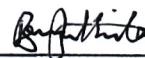
**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	162,267,724	68,000,000
Proceeds from Sale of Assets	2	14,000	-
Other Receipts	3	=	
<b>TOTAL RECEIPTS</b>		<b>162,281,724</b>	<b>68,000,000</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,588,980	2,445,200
Use of goods and services	5	9,689,403	7,813,432
Transfers to Other Government Units	6	104,700,000	23,800,000
Other grants and transfers	7	30,973,354	54,460,948
Acquisition of Assets	8	3,001,169	11,960,000
Other Payments	9	=	=
<b>TOTAL PAYMENTS</b>		<b>152,952,906</b>	<b>100,479,580</b>
<b>SURPLUS/(DEFICIT)</b>		<b>9,328,818</b>	<b>(32,479,580)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kitui Central Constituency financial statements were approved on 14/09 2021 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Josephine Mutua

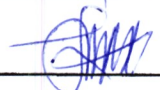
  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: Justus Mutua  
ICPAK M/No: 12228


  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name: Boniface Kithita

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	9,666,799	337,981
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>9,666,799</b>	<b>337,981</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>9,666,799</b>	<b>337,981</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	241,168	300,000
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>241,168</b>	<b>300,000</b>
<b>NET FINANCIAL ASSETS</b>		<b>9,425,631</b>	<b>37,981</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	337,981	32,817, 561
Prior year adjustments	14	-	-
Surplus/Deficit for the year		<b>9,328,818</b>	(32,479,580)
<b>NET FINANCIAL POSITION</b>		<b>9,666,799</b>	<b>337,981</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kitui Central Constituency financial statements were approved on 2021 and signed by:

  
Fund Account Manager  
Name: Josephine Mutua

  
National Sub-County  
Accountant  
Name: Justus Mutua  
ICPAK M/No: 12228

  
Chairman NG-CDF Committee  
Name: Boniface Kithita

*Kitui Central Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	162,267,724	68,000,000
Other Receipts	3	-	-
<b>Total receipts</b>		<b>162,267,724</b>	<b>68,000,000</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,588,980	2,445,200
Use of goods and services	5	9,689,403	7,813,432
Transfers to Other Government Units	6	104,700,000	23,800,000
Other grants and transfers	7	30,973,354	54,460,948
Other Payments	9	-	-
<b>Total payments</b>		<b>149,951,737</b>	<b>88,519,580</b>
<b>Total Receipts Less Total Payments</b>		<b>12,315,987</b>	<b>(20,519,580)</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	(58,832)	300,000
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>12,257,155</b>	<b>(20,219,580)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	14,000	-
Acquisition of Assets	9	(3,001,169)	(11,960,000)
<b>Net cash flows from Investing Activities</b>		<b>(2,987,169)</b>	<b>11,960,000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b><u>9,328,818</u></b>	<b><u>(32,479,580)</u></b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>337,981</b>	<b>32,817,561</b>
<b>Cash and cash equivalent at END of the year</b>		<b><u>9,666,799</u></b>	<b><u>337,981</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kitui Central Constituency financial statements were approved on 14/07/2021 and signed by:

Fund Account Manager  
Name: Josephine Mutua

National Sub-County  
Accountant  
Name: Justus Mutua  
ICPAK M/No: 12228

Chairman NG-CDF Committee

Name: Boniface Kithita

IX. SUMMARY STATEMENT OF APPROPRIATION


Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	b	Openin & Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021				2020/2021	30/06/2021		
	Kshs			Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	337,981	69,367,724	69,367,724	206,794,584	162,605,705	44,526,860	78.5%
Proceeds from Sale of Assets		14,000			14,000	14,000	0	0
Other Receipts								
<b>TOTALS</b>	<b>137,088,879</b>	<b>351,981</b>	<b>69,367,724</b>	<b>69,367,724</b>	<b>206,808,584</b>	<b>162,619,705</b>	<b>44,526,860</b>	<b>78.5%</b>
PAYMENTS								
Compensation of Employees	3,323,200	37,981	2,013,200	4,649,895	5,374,381	4,588,980	785,401	86.0%
Use of goods and services	8,514,799				13,164,694	9,689,403	3,475,291	73.6 %
Transfers to Other Government Units	83,400,000		47,800,000		131,200,000	104,700,000	26,500,000	79.8%
Other grants and transfers	40,328,050		12,492,949		52,821,000	30,973,354	21,847,645	58.6%
Acquisition of Assets	1,522,830	300,000	2,411,680		4,234,510	3,001,169	1,233,341	76.3%
Other Payments								--
Funds pending approval**		14,000					14,000	
<b>TOTALS</b>	<b>137,088,879</b>	<b>351,981</b>	<b>69,367,724</b>	<b>69,367,724</b>	<b>206,808,584</b>	<b>152,952,906</b>	<b>53,855,678</b>	<b>74.1%</b>


**Kitui Central Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

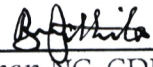
- i. The budget utilization for Transfer to other government units was below 90% because the funds amounting to Kshs22,600,000 had not been received from the NGCDF Board
  - ii. Other grants and transfers was below 90% because Kshs 19,157,000 had not been received by the end of the financial year
  - iii. Compensation of employees- was below 90% because the budget included salary for the employees up to December 2021.
  - iv. Transfers from The NGCDF Board were below 90% because we had only received 67% of the allocation from the NGCDF Board.
- The changes between the original and final budget are as a result of funds amounting to Kshs 69,367,724 meant for financial year 2019-2020 but were received during financial year 2020-2021

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	53,855,678
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	(44,526,860)
	9,328,818
Add Accounts payable	(58,832)
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	<b>9,269,986</b>

The NGCDF-Kitui Central Constituency financial statements were approved on 4/1/2021 2021 and signed by:

  
 \_\_\_\_\_  
**Fund Account Manager**  
**Name: Josephine Mutua**

  
 \_\_\_\_\_  
**National Sub-County**  
**Accountant**  
**Name: Justus Mutua**  
**ICPAK M/No: 12228**

  
 \_\_\_\_\_  
**Chairman NG-CDF Committee**  
**Name: Boniface Kithita**

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget		Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,323,200		37,981	2,013,200	5,336,400	4,588,980	785,401
1.2 Committee allowances	3,400,000			1,820,000	5,220,000	4,162,375	1,057,625
1.3 Use of goods and services	1,002,132			880,000	1,882,132	1,000,000	882,132
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	800,000			800,000	1,600,000	800,000	800,000
2.2 Committee allowances	2,000,000			700,000	2,700,000	2,284,000	416,000
2.3 Use of goods and services	1,312,666.38			449,895	1,762,561.38	1,062,118	783,157
<b>3.0 Emergency</b>							
3.1 Primary Schools	3,692,206.9			1,598,241.38	5,290,448.28	4,600,000	690,448.28
3.2 Secondary schools	2,500,000			1,000,000	3,500,000	2,000,000	1,500,000
3.3 Tertiary institutions	-			-	-	-	-
3.4 Security projects	1,000,000			500,000	1,500,000	840,000	660,000
<b>4.0 Bursary and Social Security</b>							
4.1 Primary Schools	-						
4.2 Secondary Schools	12,052,288.09			380,000	12,432,288.09	90,000	12,342,288.09
4.3 Tertiary Institutions	700,000				700,000	-	700,000
4.4 Universities	1,400,000				1,400,000	-	1,400,000
4.5 Social Security	900,000			720,000	1,620,000	708,000	912,000
<b>5.0 Sports</b>							
5.0 Sports	2,741,777.59			2,747,354	3,016,511.59	2,747,354	2,741,777.59
<b>6.0 Environment</b>							

**Kiwi Central Constituency**  
**. National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
6.1 KAKOMWANI RIVER SAND DAM	611,777.59			611,777.59	611,777.59	0
6.2 KAJUNZI RIVER SAND DAM	650,000			650,000	650,000	0
6.3 KWA KAME PRIMARY SCHOOL	100,000			100,000	100,000	0
6.4 KYAKA STREAM SAND DAM	650,000			650,000	650,000	0
6.5 ULONZO PRIMARY SCHOOL	100,000			100,000	100,000	0
<b>6.6 UNGATU RIVER SAND DAM</b>	<b>630,000</b>			<b>630,000</b>	<b>630,000</b>	0
Mutune Girls primary school			150,000.00	150,000.00	150,000.00	0
Sooma Primary School			150,000.00	150,000.00	150,000.00	0
Mwanyani Primary School			150,000.00	150,000.00	150,000.00	0
Miamhani Primary Scholl			150,000.00	150,000.00	150,000.00	0
Nzaaya Primary School			150,000.00	150,000.00	150,000.00	0
KwaMukasa Primary School			150,000.00	150,000.00	150,000.00	0
Kyangunga Primary School			100,000.00	100,000.00	100,000.00	0
Ngumbwa Primary School			100,000.00	100,000.00	100,000.00	0
Kangau Primary School			100,000.00	100,000.00	100,000.00	0
Mwamba Primary School			100,000.00	100,000.00	100,000.00	0
Mithongo Primary School			150,000.00	150,000.00	150,000.00	0
Nzeuu River Sand Dam			450,000.00	450,000.00	450,000.00	0
Kalawa Primary school			150,000.00	150,000.00	150,000.00	0
Nzeuu River Sand Dam			497,354.00	497,354.00	497,354.00	0
Kalawa Primary school			150,000.00	150,000.00	150,000.00	0
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
7.1 Kangau primary school	1,500,000			1,500,000	1,500,000	0
7.2 Kathumula Primary school	1,000,000			1,000,000	1,000,000	0
7.6 Kingoini primary school	1,500,000			1,500,000	1,500,000	0

National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.7kisekini primary school	1,000,000			1,000,000	1,000,000	0
7.8 KwaKunuwuwa primary school	1,300,000			1,300,000	1,300,000	0
7.9 Kyemwengi Primary school	2,000,000			2,000,000	2,000,000	0
7.10Malungu primary school	1,000,000			1,000,000	1,000,000	0
7.11 matunguni Primary school	1,500,000			1,500,000	0	1,500,000
7.12Mulundi primary school	6,000,000			6,000,000	6,000,000	0
7.13 Mulutu Primary school	1,500,000			1,500,000	1,500,000	0
7.14 Muslim primary school	6,000,000			6,000,000	0	6,000,000
7.15 Mutula primary school	1,500,000			1,500,000	1,500,000	0
7.16 Ndumoni Primary school	1,300,000			1,300,000	1,300,000	0
7.17 Nzune Primary school	1,500,000			1,500,000	1,500,000	0
7.18 Tiva Primary school	1,500,000			1,500,000	1,500,000	0
7.19 Ulonzo primary school	1,800,000			1,800,000	1,800,000	0
7.20 Unyaa primary school	6,000,000			6,000,000	0	6,000,000
7.21 Waluku primary school	2,000,000			2,000,000	2,000,000	0
Kisyoka Primary School			1,500,000	1,500,000	1,500,000	0
Kangundo Primary School			1,200,000	1,200,000	1,200,000	0
Kaliakakya Primary School			1,500,000	1,500,000	1,500,000	0
Ithookwe Primary School			1,500,000	1,500,000	1,500,000	0
Kathungu Primary School			1,500,000	1,500,000	1,500,000	0
Kikuumini Primary School			1,500,000	1,500,000	1,500,000	0
Mwatuni Primary School			1,200,000	1,200,000	1,200,000	0

**Kiwi Central Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements	Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
Mulango Primary School			1,500,000	1,200,000	1,500,000	0
Wanzua Primary School			1,500,000	1,500,000	1,500,000	0
Kanzau Primary School			1,500,000	1,500,000	1,500,000	0
Central Primary School			1,500,000	1,500,000	1,500,000	0
Kathukini Primary School			1,000,000	1,000,000	1,000,000	0
Kyambiti Primary School			1,500,000	1,500,000	1,500,000	0
Kilukuya Primary School			1,500,000	1,500,000	1,500,000	0
Kangalu Primary School			1,500,000	1,500,000	1,500,000	0
Kathungi Primary School			600,000.00	600,000.00	600,000.00	0
Nzukini Primary School			1,500,000	1,500,000	1,500,000	0
Nzunguni Primary School			1,500,000	1,500,000	1,500,000	0
Mbusyani Primary School			1,700,000	1,700,000	1,700,000	0
Maviāni Primary School			900,000	900,000	900,000	0
Ng'oleni Primary School			1,000,000	1,000,000	1,000,000	0
Mikuyuni Primary School			1,500,000	1,500,000	1,500,000	0
Kiviu Primary School			1,500,000	1,500,000	1,500,000	0
Makaani Primary School			1,500,000	1,500,000	1,500,000	0

National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
KwaNzou Primary School			1,500,000	1,500,000	1,500,000	0
Kyalilini Primary School			1,000,000	1,000,000	1,000,000	0
Nyekini Primary School			1,700,000	1,700,000	1,700,000	0
Umuu Primary School			900,000.00	900,000.00	900,000.00	0
Muslim Primary School			1,500,000	1,500,000	1,500,000	0
Central Primary School			1,500,000	1,500,000	1,500,000	0
7.3 Katyethokaa Primary school	1,600,000			1,600,000	1,600,000	0
7.4 kavuvuu primary school	1,600,000			1,600,000	1,600,000	0
7.5 kiluma primary school	1,400,000			1,400,000	1,400,000	0
Kitui Central NGCDF office Renovation			2,411,679.76	2,411,679.76	2,411,679.76	0
<b>8.0 Secondary school projects kaveta secondary school</b>	3,000,0000			3,000,0000	3,000,0000	0
8.1 Ithiani secondary school	3,000,000			3,000,000	3,000,000	0
8.2 kamandio girls secondary school	3,100,000			3,100,000	3,100,000	0
8.3 kavalo secondary school	3,000,000			3,000,000	3,000,000	0
8.4 Kwamukasa secondary school	3,000,000			3,000,000	0	3,000,000
8.5 kwangindu secondary school	3,000,000			3,000,000	3,000,000	0
8.6 kyangunga secondary school	1,000,000			1,000,000	1,000,000	0
8.7 Kyeni girls kathungu sec school	3,000,000			3,000,000	3,000,000	0
8.8 malili mixed secondary school	3,100,000			3,100,000	0	3,100,000
8.9 mbusyani sec school	3,000,000			3,000,000	0	3,000,000

**Ahwi Central Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements	Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
8.10 museve secondary school	3,000,000			3,000,000	3,000,000	0
8.11 vinda secondary school	3,000,000			3,000,000	0	3,000,000
8.12 kavuta secondary school	1,000,000			1,000,000	0	1,000,000
8.13 Malungu secondary school	1,000,000			1,000,000	1,000,000	0
8.14 Ngiini secondary school	1,000,000			1,000,000	1,000,000	0
8.14 Usiani secondary school	1,200,000			1,200,000	1,200,000	0
8.15 Kalukingilu girls sec school	500,000			500,000	500,000	0
Wii Secondary School			1,500,000	1,500,000	1,500,000	0
Muslim Secondary School			1,700,000	1,700,000	1,700,000	0
AIC Miambani Secondary School			2,400,000	2,400,000	2,400,000	0
KwaUkungu Secondary School			1,000,000	1,000,000	1,000,000	0
<b>9.0 Security Projects (list all projects)</b>						
9.1 Iloleka assistant chiefs office	900,000			900,000	900,000	0
9.2 Kitui prisons staff houses	1,500,000			1,500,000	1,500,000	0
9.3 makaani assistant chiefs office	900,000			900,000	900,000	0
9.4 tiva assistant chiefs office	900,000			900,000	900,000	0
9.5 Uhooni assistant chiefs office	900,000			900,000		900,000
<b>10.0 Rural Electrification authority (REA)</b>	7,500,000			7,500,000	7,500,000	0
Misewani Assistant Chiefs Office			900,000	900,000	900,000	0
Ivovoa assistant Chiefs Office			900,000	900,000		0
Nzaaya assistant Chiefs Office			1,000,000	1,000,000		0

**National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.0 Purchase of furniture and equipment	500,000			500,000		0
12.0 Motorcycles	1,022,830			1,022,830		1,022,830
RENOVATION OF OFFICES		300,000		300,000		
AIA		14000		14,000		
TOTAL	137,088,879	351,981	69,367,724	206,808,584	152,614,925	53,855,678

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

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**XI. 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 Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and retentions).

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Entity**

The financial statements are for the NGCDF-Kitui Central Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

**3. Reporting Currency**

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

**a) Recognition of Receipts**

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

**Transfers from the National Government Constituency Development Fund (NG-CDF)**

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

**Proceeds from Sale of Assets**

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

*Unutilized Funds from PMCs.*

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

**External Assistance**

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

**b) Recognition of payments**

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the entity.

**Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

**Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

**Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**5. In-kind contributions**

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents.**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**7. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

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For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

**9. 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 are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the entity at the end of the financial 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.

**10. Unutilized Fund**

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 15 June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

**12. Comparative Figures**

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**13. 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 30<sup>th</sup> June 2021

**14. Errors**

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**15. Related Party Transactions**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. B 096965	1	18,000,000.00	4,000,000
AIE NO. B 104621	2	21,000,000.00	18,000,000
AIE NO. A 823550	3	30,367,724.00	5,000,000
AIE NO. B 124570	1	9,000,000.00	6,000,000
AIE NO. B 119516	2	10,000,000.00	14,000,000
AIE NO. B 128149	3	6,900,000.00	21,000,000
AIE NO. B 119907		13,000,000.00	
AIE NO. B 128461		7,000,000.00	
AIE NO. B 132295		6,000,000.00	
AIE NO. B 138873		13,000,000.00	
AIE NO. B 126167		6,000,000.00	
AIE NO. B 126464		10,000,000.00	
AIE NO. B 140605		12,000,000.00	
<b>TOTAL</b>		<b>162,267,724</b>	<b>68,000,000</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment	14,000	
Receipts from the Sale Plant Machinery and Equipment		
<b>Total</b>	<b>14,000</b>	<b>-</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents		
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere		
<b>Total</b>	-	-

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,508,110	2,328,600
<b>Personal allowances paid as part of salary</b>		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,958,270	-
Employer Contributions Compulsory national social security schemes	122,600	116,600
<b>Total</b>	<b>4,588,980</b>	<b>2,445,200</b>

*Kitui Central Constituency  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses		6,049,000
Utilities, supplies and services	285,000	181,020
Communication, supplies and services	61,510	40,830
Domestic travel and subsistence	71,400	230,400
Printing, advertising and information supplies & services	78,050	65,000
Water and sewerage services	7,688	-
Training expenses	380,000	-
Electricity	15,341	17,852
Other committee expenses	3,084,910	-
Committee allowance	4,162,355	-
Fuel oil and lubricants	322,200	216,270
Bank charges	48,039	34,130
Office and general supplies and services	440,000	498,930
Other operating expenses	360,000	332,500
Routine maintenance – vehicles and other transport equipment	352,890	54,500
Routine maintenance – other assets	20,000	93,000
<b>Total</b>	<b>9,689,403</b>	<b>7,813,432</b>

*Kitui Central Constituency  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	72,300,000	18,400,000
Transfers to secondary schools (see attached list)	32,400,000	5,400,000
Transfers to tertiary institutions (see attached list)	-	-
<b>TOTAL</b>	<b>104,700,000</b>	<b>23,800,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	90,000	38,872,000
Bursary – tertiary institutions (see attached list)	-	4,318,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	708,000	498,000
Security projects (see attached list)	7,000,000	2,100,000
Sports projects (see attached list)	2,747,000	2,136,000
Environment projects (see attached list)	5,488,354	1,836,948
Emergency projects (see attached list)	7,440,000	4,700,000
Others(Rural Electrification Authority)	7,500,000	
<b>Total</b>	<b>30,973,354</b>	<b>54,460,948</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Masonry perimeter wall around the NGCDF offices	-	5,700,000
Refurbishment of Buildings	2,411,679	-
Purchase of Vehicles and Other Transport Equipment	-	5,860,000.00
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	500,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	89,490	400,000
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>3,001,169</b>	<b>11,960,000</b>

**9. OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10: CASH BOOK BANK BALANCE**

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>National Bank of Kenya ,Kitui Central CDF Account - 01001052093400</i>	<b>9,666,799</b>	<b>337,981</b>
<b>Total</b>	<b>9,666,799</b>	<b>337,981</b>
<b>10B: CASH IN HAND</b>		
Location 1		
Location 2		
Location 3		
Other Locations ( <i>specify</i> )		
<b>Total</b>	<b>9,666,799</b>	<b>337,981</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Total</i>				-

[Include an annex if the list is longer than 1 page.]

12A. RETENTION

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 <sup>st</sup> July (A)	300,000	-
Retention held during the year (B)	241,168	300,000
Retention paid during the Year (C)	300,000	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	241,168	300,000

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

	2020-2021	2019-2020
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)		-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

[Provide short appropriate explanations as necessary]

Kitui Central Constituency  
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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	337,981	32,817,561
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>337,981</b>	<b>32,817,561</b>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance**b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	337,981	-	337,981
Cash in hand			
Accounts Payables			
Receivables			
Others ( <i>specify</i> )			
<b>TOTAL</b>	<b>337,981</b>		<b>337,981</b>

\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2020-2021	2019-2020
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	300,000	-
Deposit and Retentions held during the year (B)	241,168	300,000
Deposit and Retentions paid during the Year (C)	300,000	-
closing account payable D= A+B-C	<b>241,168</b>	<b>300,000</b>
Net change in accounts payable E=D-A	<b>(58,832)</b>	

*Kitui Central Constituency  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	905,322.76	2,309,180
Use of goods and services	1,523,675.38	67,220
Amounts due to other Government entities (see attached list)	22,600,000	47,800,000
Amounts due to other grants and other transfers (see attached list)	19,159,880.17	19,529,325
Acquisition of assets	-	-
Others ( <i>specify</i> )	-	-
Funds pending approval	-	-
<b>TOTAL</b>	<b>44,188,879</b>	<b>69,705,705</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17.4: PMC account balances (See Annex 5)**

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	7,474,810	2,057,200
<b>TOTAL</b>	<b>7,474,810</b>	<b>2,057,200</b>

**Kiui Central Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
<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	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
	Sub-Total			
	Grand Total			

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		905,322.76	2,309,180	
Use of goods & services		1,523,675.38	67,220	
<b>Amounts due to other Government entities</b>			47,800,000	
Vinda Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Mutukya Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Kiviu Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Mwatuni Primary School	School rehabilitation		1,200,000	Awaiting funds disbursement
Mutendea Primary School	School rehabilitation		800,000	Awaiting funds disbursement
Katyethoka Primary School	School rehabilitation		1,200,000	Awaiting funds disbursement
Muslim Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Central Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Central Primary School	<b>Construction of dormitory</b>		1,500,000	Awaiting funds disbursement
Kahungu Primary School	Construction of one classroom		1,500,000	Awaiting funds disbursement
Nzunguni Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Nzukini Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Kikumini Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Kwanzou Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Kangundo Primary School	School rehabilitation		1,200,000	Awaiting funds disbursement
Kyambiti Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Kangalu Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Mulango Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Kilukuya Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Kathukini Primary School	School rehabilitation		1,000,000	Awaiting funds disbursement
AICMiambani Secondary School	Construction of laboratory		2,400,000	Awaiting funds disbursement
Mutulukuni Secondary School	Construction of dormitory		1,700,000	Awaiting funds disbursement
Nyekini Primary School	Construction of two classes		1,700,000	Awaiting funds disbursement
Umuu Primary School	Construction of one classroom		900,000	Awaiting funds disbursement
Ngungi Primary School	School rehabilitation		900,000	Awaiting funds disbursement
Wanzua primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Kathungi Primary School	School rehabilitation		600,000	Awaiting funds disbursement
Kavuvoni primary School	School rehabilitation		200,000	Awaiting funds disbursement
Kisyoka Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Ngo'leni Primary School	School rehabilitation		1,200,000	Awaiting funds disbursement
KwaUkungu Sec School	Completion of laboratory		1,000,000	Awaiting funds disbursement
Muslim Sec School	Construction of two classrooms		1,700,000	Awaiting funds disbursement
Wii sec school	Construction of dormitory		1,500,000	Awaiting funds disbursement
Kaliakakya Primary School	School rehabilitation		1,500,000	Awaiting funds disbursement
Mbusyani Primary school	Construction of		1,700,000	Awaiting funds disbursement

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Maviyani Primary school	two classrooms Construction of one classroom		900,000	Awaiting funds disbursement
<b>Amounts due to other grants and transfers</b>				
6.1Nzeu River sand	Construction of sand dam	777.89	450,000	Awaiting funds disbursement
6.2Kalawa Primary school	Purchase and installation of water tank		150,000	Awaiting funds disbursement
6.1Mutune Girls primary school	Purchase and installation of water tank		150,000	Awaiting funds disbursement
6.2sooma primary school	Purchase and installation of water tank		150,000	Awaiting funds disbursement
6.3mwanyani primary school	Purchase and installation of water tank		150,000	Awaiting funds disbursement
7.2miambani primary school	Purchase and installation of water tank		150,000	Awaiting funds disbursement
7.3ruzaaya primary school	Purchase and installation of water tank		150,000	Awaiting funds disbursement
6.1kwa mukasa primary school	Purchase and installation of water tank		150,000	Awaiting funds disbursement
6.2Kyangunga primary school	Purchase and installation of water tank		150,000	Awaiting funds disbursement
6.1ngumbwa primary school	Purchase and installation of water tank		100,000	Awaiting funds disbursement
6.2kangau primary school	Purchase and installation of water tank		100,000	Awaiting funds disbursement
6.3mwamba primary school	Purchase and		100,000	Awaiting funds disbursement

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	installation of of water tank			
7.2mithongo primary school	Purchase and installation of of water tank		150,000	Awaiting funds disbursement
7.3musavi river sand dam	Construction of sand dam		497,354	Awaiting funds disbursement
7.4museve primary school	Purchase and installation of of water tank		150,000	Awaiting funds disbursement
sports	tournament	2,741,778	2747354	Awaiting funds disbursement
NGCDF offices renovation	Office renovation		2461160.14	Awaiting funds disbursement
Social security benefits	Paying NHIF	900,000	720,000	Awaiting funds disbursement
	livovoass chiefs office		900,000	Awaiting funds disbursement
	Emergency	1,842,206.90	2,491,241.38	Awaiting funds disbursement
	Nzaayaass chiefs office			Awaiting funds disbursement
	Misewaniass chiefs office			Awaiting funds disbursement
	Bursary	12,652,288.09	5,555,498	Awaiting funds disbursement
	ACQUISITION OF ASSET			
	motorcycles	1,022,830		Awaiting funds disbursement
Matunguni Primary school	Rehabilitation of school	1,500,000		Awaiting funds disbursement
Muslim primary school	Construction of 4 classrooms (storey)	6,000,000		Awaiting funds disbursement
Unyaa primary school	Construction of 4 classrooms (storey)	6,000,000		Awaiting funds disbursement
KwaMukasa Secondary school	Construction of a	3,000,000		Awaiting funds disbursement



ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land				
Buildings and structures	9,300,000	2,411,679		11,711,679
Transport equipment	8,947,000	-		8,947,000
Office equipment, furniture and fittings	1,271,076	500,000		1,771,076
ICT Equipment, Software and Other ICT Assets	1,118,041	89,490		1,207,531
Other Machinery and Equipment	600,000			600,000
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>21,236,117</b>	<b>3,001,169</b>		<b>24,237,286</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Mutukya Primary School	NBK	01022226065400		
Museve Primary School	NBK	01022216161000		
Vinda Primary School	NBK	01024100682000		
Mutendea Primary School	SIDIAN	01017030000215	447	
AIC Ngungi Primary School	SIDIAN	01017030000375	5,135	700
Katyethoka Primary School	SIDIAN	01017030000415	355	1,200,000
Kamandio Primary School	SIDIAN	01017030000405	11,785	560
St Stephen Mutulukuni Sec School	SIDIAN	01017030000385	17,855	856,000
ST Marys Kavalo sec school	sidian	01017030001293	3,000,025	
KwaNgindu Secondary school	Sidian	01017030001323	1,933,585	
Malungu Secondary school	Sidian	01017030001403	466,155	
KwaNzou Primary school	Sidian	01017030000695	150,295	
Isaangwa Primary school	Sidian	01017030001433	500,023	
Makaani assistant chief	Sidian	01017030001273	43,485	
Kituluni Primary school	Sidian	01017030001213	478,255	
KwaKunuvwa Primary school	Sidian	01017030001413	665,855	
Maviani primary school	Sidian	01017030000805	43,565	
Wii secondary school	Sidian	01017030000705	74,745	
Mbusyani Primary school	sidian	01017030000595	83,245	
<b>TOTAL</b>			<b>7,474,810</b>	<b>2,057,260</b>

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Reference No. on the external audit Report
EH/AUD/NG-CDF/KITUI C./2017-2018/13	Cash and cash equivalent-stale cheques amounting to Kshs 238,000 were not reversed and replaced in the cash book	They were reversed and replaced	resolved	EH/AUD/N G-CDF/KITUI C./2017-2018/13
EH/AUD/NG-CDF/KITUI C./2017-2018/13	Receipts-an amount of kshs 11,379,310 had not been received at the end of the financial year in question	Amount received and programmes and activities were implemented as planned	resolved	EH/AUD/N G-CDF/KITUI C./2017-2018/13
EH/AUD/NG-CDF/KITUI C./2017-2018/13	<b>Expenditure-The fund had not spent kshs 19,230,000 according to the summary statement of appropriation</b>	-Some Funds amounting to Kshs 11,379,310 budgeted for that financial year had not been received as at the closure of the financial year in question however they were received later and spent as budgeted . -An amount of Kshs 5,500,000 was also meant for acquisition of a Motor vehicle for the constituency	resolved	EH/AUD/N G-CDF/KITUI C./2017-2018/13

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Reference No. on the external audit Report
EH/AUD/NG-CDF/KITUI C./2017-2018/13	Project implementation status	Projects amounting to Kshs 1,200,000 for the year ended 30 <sup>th</sup> June 2018 had not been completed	resolved	EH/AUD/N G-CDF/KITUI C./2017-2018/13
EH/AUD/NG-CDF/KITUI C./2017-2018/13	Strategic plan	The NGCDFC made a decision to use the list of the firms prequalified with them for consultancy services a reason why they raised the quotations whereby the prequalified firms applied and one of them won the tender	resolved	EH/AUD/N G-CDF/KITUI C./2017-2018/13
EH/AUD/NG-CDF/KITUI C./2017-2018/13	Training allowances	Bofa Beach Resort is prequalified at the Kitui Central Sub county list of firms which offers training services	resolved	EH/AUD/N G-CDF/KITUI C./2017-2018/13

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FUND ACCOUNT MANAGER

NAME: JOSEPHINE MUTUA



SUB-COUNTY ACCOUNTANT

NAME: JUSTUS MUTUA

CPA MEMBER NO.12228