

 <b>REPORT</b>	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 FEB 2022	DAY: <u>THUR</u>
TABLED BY: <u>LOM</u>	OF
CLERK-AT THE-TABLE: <u>Leah</u>	<u>Mwaura Wanjira</u>

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**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020

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

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

**18 MAR 2021**

**RECEIVED**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI  
RURAL CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, 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

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

## **KITUI RURAL CONSTITUENCY**

### Reports and Financial Statements

For the year ended June 30, 2020

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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.

#### (b) Key Management

The NGCDF **KITUI RURAL** Constituency 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 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Ezekiel K Mwangangi-FAM
2.	Sub-County Accountant	David Njoka -DA
3.	Chairman NGCDFC	Simon Muema -Chair
4.	Member NGCDFC	Angeline Mutheu M. alternate signatory

#### (d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -**KITUI RURAL** Constituency. 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) NGCDF **KITUI RURAL** Constituency Headquarters

P.O. Box 1422- 90200  
Esther House Building  
Kwa Vonza

**(f) NGCDF KITUI RURAL Constituency Contacts**

Telephone: (254)723636367  
E-mail: cdfkituirural@ngcdf.go.ke  
Website: www.go.ke

**(g) NGCDF KITUI RURAL Constituency Bankers**

1. Equity Bank  
Kitui Town  
P.O. Box 1453-90200  
Kitui

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

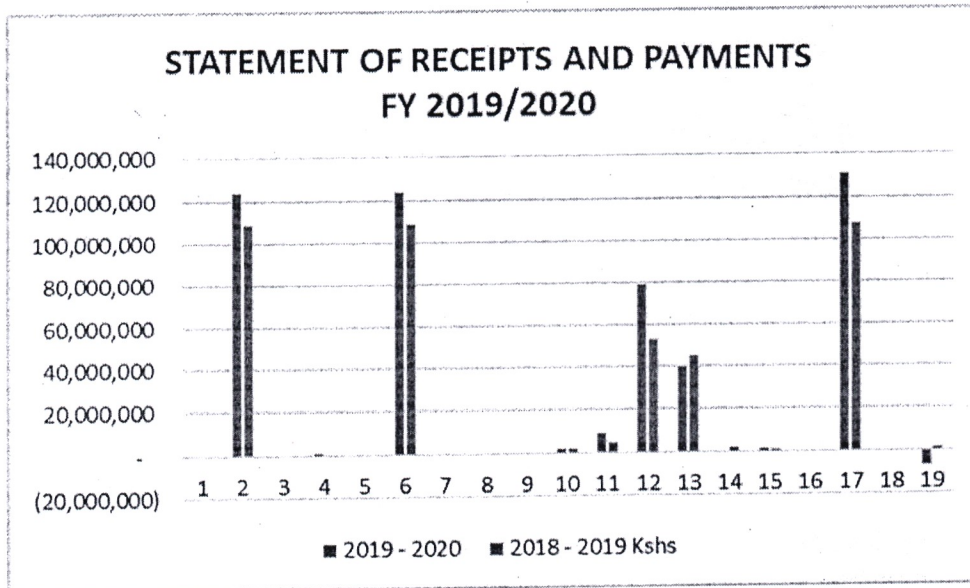
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**KITUI RURAL CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The Kitui Rural Constituency was allocated Ksh. 137,367,724.14 during the year and the below statement of receipts and payments represent the performance for the year of FY 2019/20 in comparative to FY 2018/19.

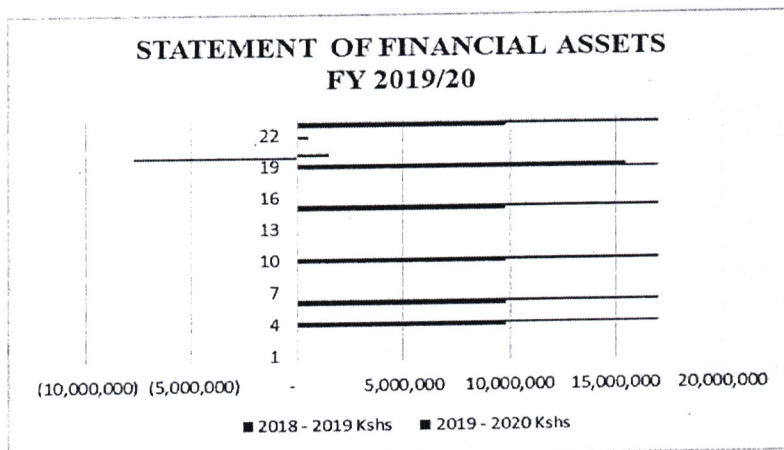
Include among others the following:

Comparison on the Constituency performance.



**Key**  
 1-(Deficient of FY 2019/2020)  
 2-(Surplus of FY 2018/2019)

*This is an indicator of a better performed year 2019/2020 compared to 2018/2019. The reason for this, there was rollover of projects from the previous years which has been implemented in this financial year.*



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KITUI RURAL CONSTITUENCY**

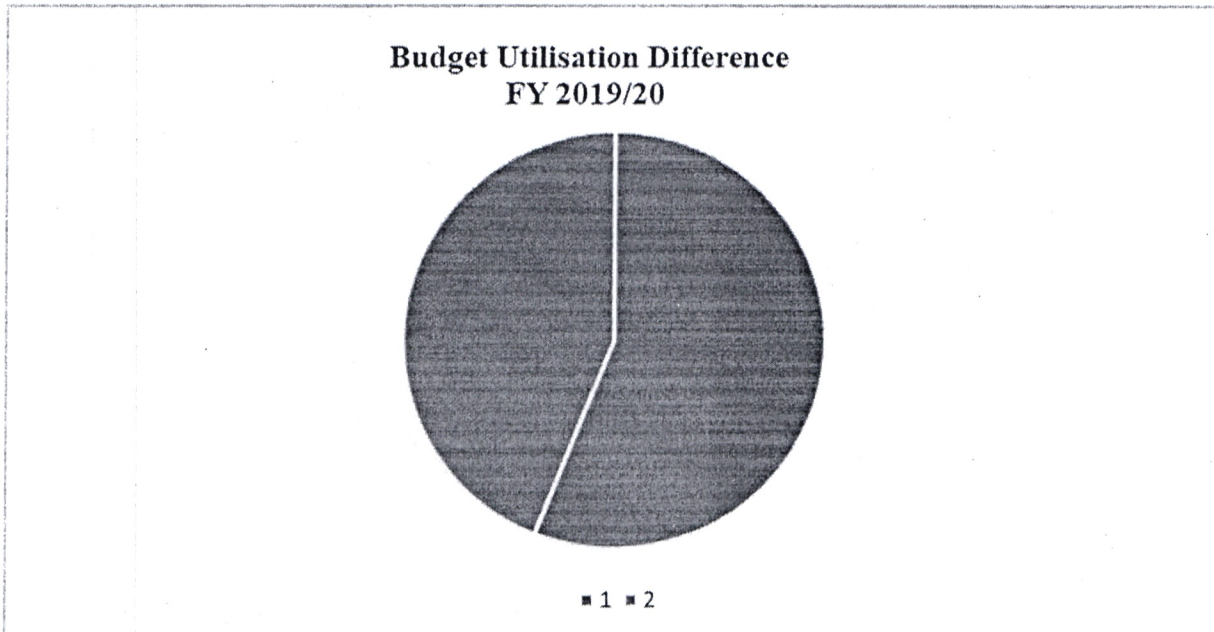
**Reports and Financial Statements**

**For the year ended June 30, 2020**

**Key**

1-( Deficient of FY 2019/2020)

2-( Surplus of FY 2018/2019)



**Key**

1-( FY 2019/2020)

2-( FY 2018/2019)

Many targets have been achieved this financial year 1 compared to the previous year 2.

**Achievements for the entity with pictorials.**

This financial year the entity allocated enough funds to each project under budget consideration compared to others years where a single project was been funded in four phases for it to be complete. The Financial budget is evidence and works under construction.



This projects was funded in 3years, unlike this year we have funded more than 5 dormitory to completion with 2new school buses.

Under the year, the entity has commenced the construction of the NGCDF Office Storey building which may cost about 18M. this is good performance since the office has been operating in rented place which is not big enough for working.

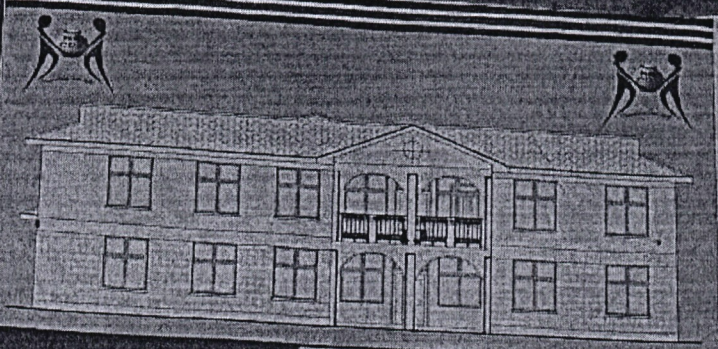
**KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Emerging Issues.

The station map keeps the entity at risk in misplacement of some projects which they are in diaspora locations.



<b>PROJECT</b>	PROPOSED CONSTRUCTION OF NG CDF OFFICE BLOCK KITUI RURAL CONSTITUENCY-KWA VONZA
<b>FINANCED BY</b>	NG CONSTITUENCY DEVELOPMENT FUND
<b>CLIENT</b>	NG C.D.F KITUI RURAL CONSTITUENCY
<b>PROJECT MANAGER</b>	DEPARTMENT OF PUBLIC WORKS
<b>CONTRACTOR</b>	ROYOTEX ENTERPRISES LIMITED P.O. Box 1459 - 90200 KITUI
<b>APPROVALS</b>	NEMA..... NCA.....

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**Implementation challenges**

- Working in a rented premise which the owner of the house does allow any amendment to suit the office requirement.
- The Long-time piecemeal projects which fall under the interior and from the presidential directives, they have remained under unclear state whether they shall be completed and how they should be used.
- Poor working conditions of security and administration personnel
- Inadequate education and training infrastructure

Sign



CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**KITUI RURAL CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**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 NGCDF-**KITUI RURAL** Constituency's 2018-2022 plan are to: *(Enumerate all the objectives of the constituency as per the Strategic Plan)*

- a) Increase in employability of the youth.
- b) Improved performance in primary, secondary and TVET.
- c) Increased security coverage.
- d) Increase in enrolment in primary, secondary.
- e) Increase in transition from primary to secondary.
- f) Increased number of youth engaged in gainful employment
- g) Increase in online business uptake by youth
- h) Increase in knowledge, skills and passion for sustainable environment
- i) Secure business environment.

**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:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KITUI RURAL CONSTITUENCY**

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**For the year ended June 30, 2020**

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 19/20 we implemented 11 Sec school projects, 56 Primary School projects. (Classroom -8 Renovations-13 Dormitories -1 Multi-purpose-1 Laboratories -3 Latrines -7 Fence -7 Admin block-2 Kitchen 2) - Bursary beneficiaries at University 1,234 & Secondary 6809 students
Security	Increased security coverage.	Increased number of chief's offices constructed.	Reduced youth crimes	We completed 7 Pending projects from previous year completed. 1Kanyangi ACC Office 2 mbitini police station 3 Kasevi Asst. Chiefs Office 4 Mbitini chief's camp
Environment	Increased no. of water harvest tanks constructed	Availability of water in learning institution.	Clean leaning environment.	An approved project on the proposal budget yet to be implemented. Kavasya Pri. School
Sports	Increase in number of youth with TVET skills.	United youths and engaged in positive activities.	Reduced youth crimes, and equal distribution of resource.	Constituency youths were united through formation of youth groups as 112 teams With over 1800 youths.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Disaster Management	Increase in employability of the youth.	Impacted citizens on disaster management.	Trained NGCDFC Staffs and Fund Manager.	PMC sensitization Training on project implementation to consider alternative exit in case of emergency. No. 420
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY  
REPORTING**

NGCDF – KITUI RURAL Constituency 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 -**

*The Fund Account manager is tasked to report on the funds on monthly, quarterly, semi-annual and annual report. This is to keep the progressive report which records the operation activities. This is a good practice which international and within the laws of Kenya.*

*The entity is on performance contract which keeps the constituency on track of the expected targets.*

*The existing pmcs are from the locals who neighbour the projects and public participation for ownerships of the projects and pmc formation from local people through public barazas.*

**2. Environmental performance**

*There is no policy made yet in regards to environmental performance.*

**3. Employee welfare**

*The NGCDFC do hire staff through the guidelines given from the NGCDF Board. The Fund account manager keeps the staff guided on their expectation and what is expected of them in regards to the fund. We have 4male staff and 2female which promote 2/3 gender rule in office operation. The NGCDFC did a PMCs training which the NGCDFC Staff were incorporated, this is to make them understand the Stakeholder's expectations and their duty call. The Employer contribution of staff statutory especially on NHIF \*& NSSF, it is a motivation to employees. They Employees are encouraged to have study to improve their careers.*

**4. Market place practices-**

*The organisation should outline its efforts to:*

- a) The entity practice public participation in needs identification to avoid biasness.*
- b) The use of local Materials which are easily available.*
- c) The use of local contractors, this promotes the local ownership of projects.*
- d) The entity has always ensured it does not enter into contract with contractors with projects not allocated in the budget. It always ensure it pays all commitments of payable bills.*
- e) The entity has a public notice board where the advertisement are placed and availability of tender box at accessible point to every person.*
- f) There is safeguard measures put in place especially on COVID 19 for security of employees and customers in the office. Hand wash basin, sanitizers and distancing of sitting points.*

**5. Community Engagements-**

*The entity has engaged the community through the project management committee, where the PMCs are from the surrounding of the project. It gives the project security and long term ownership by the community.*

*The entity has been engaged in the NGCDF Board CSR projects, which the NGCDFC had three projects to consider but through participation of the NGCDFC, they selected Kyamusivi primary school which has been lagging behind in terms of infrastructure.*

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 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.

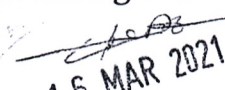
The Accounting Officer in charge of the NGCDF-KITUI RURAL Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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 RURAL 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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KITUI RURAL Constituency further confirms the completeness of the accounting records maintained for the *entity*, 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 RURAL Constituency confirms that the entity 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 entity'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**

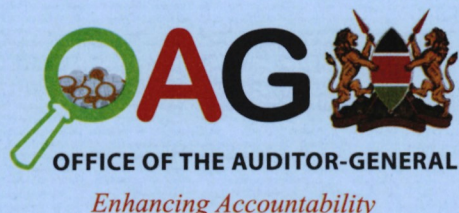
The NGCDF-KITUI RURAL Constituency financial statements were approved and signed by the Accounting Officer on 16th March, 2021

  
16 MAR 2021  
Fund Account Manager  
Name: Ezekiel K Mwangangi

  
Sub-County Accountant  
Name: David M. Njoka  
ICPAK Member Number: 17206

# REPUBLIC OF KENYA

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Anniversary Towers  
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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUI RURAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020**

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kitui Rural Constituency set out on pages 15 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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 Rural Constituency as at 30 June, 2020, 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 comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

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

##### **Inaccuracies in Committee Accounts Balance**

Note 17.4 to the financial statements reflects Project Management Committee account balances total of Kshs.41,381,887 as detailed in Annex 5. However, the total of comparative balance of Kshs.8,935,113 in Annex 5 differs from the nil balance arrived at on re-computation of the totals resulting to an unreconciled variance amounting to Kshs.8,935,113.

In the circumstances, the accuracy, completeness and validity of the Project Management Committee account balances as at 30 June, 2020 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 Rural 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.

### **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.

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.210,532,675 and Kshs.140,664,951 respectively, resulting to an under-funding amounting to Kshs.69,367,724 or 40% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.210,532,675 and Kshs.130,878,114 respectively, resulting to an under expenditure amounting to Kshs.79,654,560 or 38% of the budget.

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

#### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates for the year ended 30 June, 2020.

#### **3. Unrecovered Lost Funds**

As previously reported, the Fund lost an amount of Kshs.970,000 through a stolen cheque that was paid on 28 March, 2017. As a result, two (2) projects with a combined allocation totalling to Kshs.900,000 were not implemented. Although Management indicated that the matter was reported to the police, no recovery has been made.

# 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. Delay in Project Implementation

Review of the Project Implementation Status showed that a total of Kshs.137,367,724 was allocated for implementation of fifty-five (55) projects out of which only twenty-seven (27) projects amounting to Kshs.38,547,354 were completed during the year. Twenty-three (23) projects with a combined allocation amounting to Kshs.94,561,336 were still on-going while the remaining five (5) projects with funding allocation amounting to Kshs.4,259,034 were not commenced. No satisfactory explanation has been rendered for the delays or measures being put in place to remedy the same.

In the circumstances, it has not been possible to confirm whether value for money will be realized from the ongoing and un-started projects with a combined funding allocation amounting to Kshs.98,820,370.

### 2. Unsatisfactory Implementation of Projects

Physical verification of projects which was carried out in January, 2021 revealed anomalies in implementation of four (4) projects as shown in **Appendix I**.

No satisfactory explanation was provided for the deficiencies in project implementation.

Consequently, I am unable to confirm whether the public will obtain value for money for an expenditure totalling to Kshs.8,800,000 allocated to the projects that were not satisfactorily implemented.

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 control, 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable 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 financial reporting process, reviewing the effectiveness of how the Fund 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 control 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 control would not necessarily disclose all matters in the internal control 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 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 control.
- 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 continue 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 continue 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 control 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.



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**18 November, 2021**

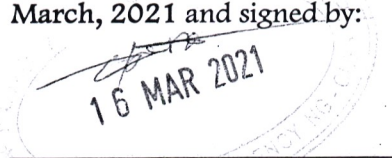
## Appendix I: Unsatisfactory Implemented Projects

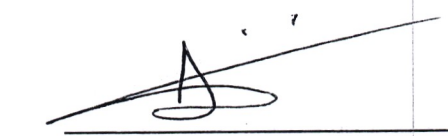
Project Details	Cost (Kshs)	Observations
Kisasi Secondary School- construction of a two hundred (200) pupils capacity dormitory	2,500,000	<ul style="list-style-type: none"> <li>•Cracks on the floor were noticed.</li> <li>•Cracks were noticed in the space between the lintel and the roof.</li> <li>•Despite the school being in dire need of the dormitory, the facility had not been handed over to the School by the Contractor.</li> </ul>
Mosa Primary School- construction of a one hundred and fifty (150) pupils capacity dormitory	2,000,000	<ul style="list-style-type: none"> <li>•Cracks were noted on the floor.</li> <li>•Cracks were noted on the wall near the windows.</li> <li>•The facility has not been handed over to the School.</li> </ul>
Nzeve Primary School- construct a dormitory for one hundred and twenty (120) pupils	1,800,000	<ul style="list-style-type: none"> <li>•The dormitory was operational but under-utilized since the school lacked capacity to buy more beds.</li> <li>•The School lacked a proper girls ablution block.</li> </ul>
Kyathani Mixed School- construction of dining hall to accommodate one hundred and fifty (150) students	2,500,000	<ul style="list-style-type: none"> <li>•Electrical works had not been done</li> <li>•Paint work was not included in the initial Bill of Quantities</li> <li>•Plumbing works had not been done.</li> </ul>
<b>Total</b>	<b>8,800,000</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****KITUI RURAL CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	123,040,876	108,784,483
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>113,000</u>	<u>0</u>
<b>TOTAL RECEIPTS</b>		<b>123,153,876</b>	<b>108,784,483</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,780,490	1,593,055
Use of goods and services	5	9,027,707	5,141,933
Transfers to Other Government Units	6	79,284,374	56,637,000
Other grants and transfers	7	39,409,270	41,003,206
Acquisition of Assets	8	0	2,000,000
Other Payments	9	<u>1,376,274</u>	<u>896,274</u>
<b>TOTAL PAYMENTS</b>		<b>130,878,115</b>	<b>107,271,468</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(7,724,239)</u></b>	<b><u>1,513,015</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI RURAL Constituency financial statements were approved on 16<sup>th</sup> March, 2021 and signed by:

  
Fund Account Manager  
Name: Ezekiel K Mwangangi

  
Sub-County Accountant  
Name: David M. Njoka  
ICPAK Member Number: 17206

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**V. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	9,786,837	16,990,291
Cash Balances (cash at hand)	10B	0	0
<b>Total Cash and Cash Equivalents</b>		<b>9,786,837</b>	<b>16,990,291</b>
Accounts Receivable			
Outstanding Imprests	11	0	0
<b>TOTAL FINANCIAL ASSETS</b>		<b>9,786,837</b>	<b>16,990,291</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable</b>			
Retention	12A	0	0
Deposits (Gratuity)	12B	0	0
<b>TOTAL FINANCIAL LIABILITES</b>		<b>0</b>	<b>0</b>
<b>NET FINANCIAL ASSETS</b>		<b>9,786,837</b>	<b>16,990,291</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	<b>13</b>	<b>16,990,291</b>	<b>15,477,276</b>
Prior year adjustments	14	520,785	0
Surplus/Defict for the year		(7,724,239)	1,513,015
<b>NET FINANCIAL POSITION</b>		<b>9,786,837</b>	<b>16,990,291</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI RURAL Constituency financial statements were approved on 17th March, 2021 and signed by:

Fund Account Manager  
Name: Ezekiel K Mwangangi

Sub-County Accountant  
Name: David M. Njoka  
ICPAK Member Number: 17206

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KITUI RURAL CONSTITUENCY**

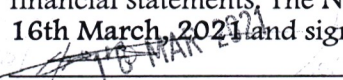
**Reports and Financial Statements**

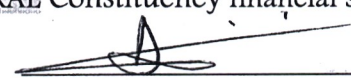
**For the year ended June 30, 2020**

**VI. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	123,040,876	108,784,483
Other Receipts	3	<u>113,000</u>	<u>0</u>
<b>Total receipts</b>		<b>123,153,876</b>	<b>108,784,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,780,490	1,593,055
Use of goods and services	5	9,027,707	5,141,933
Transfers to Other Government Units	6	79,284,374	56,637,000
Other grants and transfers	7	39,409,270	41,003,206
Other Payments	9	1,376,274	896,274
<b>Total payments</b>		<b>130,878,115</b>	<b>105,271,468</b>
<b>Total Receipts Less Total Payments</b>		<b>(7,203,454)</b>	<b>3,513,015</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	0	0
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	0	0
Prior year adjustments	14	520,785	0
<b>Net cash flow from operating activities</b>		<b>(7,203,454)</b>	<b>3,513,015</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	0	2,000,000
<b>Net cash flows from Investing Activities</b>		<b>0</b>	<b>(2,000,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(7,203,454)</b>	<b>1,513,015</b>
Cash and cash equivalent at BEGINNING of the year	13	16,990,291	15,477,276
<b>Cash and cash equivalent at END of the year</b>		<b><u>9,786,837</u></b>	<b><u>16,990,291</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI RURAL Constituency financial statements were approved on 16th March, 2021 and signed by:

  
Fund Account Manager  
Ezekiel k. mwamngangi

  
Sub-County Accountant  
Name David M. Njoka  
ICPAK Member Number: 17206

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**

Reports and Financial Statements  
For the year ended June 30, 2020

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	137,367,724	73,051,951	210,419,675	140,551,951	69,867,724	66.8%
Proceeds from Sale of Assets	0			-	-	0.0%
Other Receipts		113,000	113,000	113,000	-	0.0%
	<b>137,367,724</b>	<b>73,164,951</b>	<b>210,532,675</b>	<b>140,664,951</b>	<b>69,867,724</b>	<b>66.8%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,596,000	670,592	4,266,592	1,780,490	2,486,102	41.7%
Use of goods and services	8,767,094	639,519	9,406,613	9,027,707	378,907	96.0%
Transfers to Other Government Units	66,990,000	67,240,876	134,140,876	79,284,374	54,856,502	59.1%
Other grants and transfers	40,000,000	67,778	40,067,778	39,409,270	658,508	98.4%
Acquisition of Assets	15,159,033	4,032,420	19,191,453	-	19,191,453	0.0%
Other Payments	2,945,597	400,766	3,346,363	1,376,274	1,970,089	41.1%
	0	113,000	113,000	-	113,000	0.0%
<b>TOTALS</b>	<b>137,367,724</b>	<b>73,164,950</b>	<b>210,532,675</b>	<b>130,878,114</b>	<b>79,654,560</b>	<b>62.2%</b>


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


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**  
Reports and Financial Statements  
For the year ended June 30, 2020

- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- a) In Receipts of 633,785, there is AIA of Ksh. 113,000 from the sale of tender which has been disclosed to the NGCDF Board for Approval to include in FY budget and Ksh 520,785 which is prior Year adjustments ( Cheques which have been reversed in the cashbook but not yet paid)
- b)
- i. Transfers from NGCDF Board – 66.8% Due to the prevailing pandemic the financial year was faced with slow disbursement of fund, and late budget making period.
  - ii. Compensation of Employees -42% the allocation not yet disbursed and with inclusion of one staff who is entitle to gratuity pay by end July.
  - iii. Transfers to Other Government Units- 59% the late disbursed funds from the board made slow rate of project implementation.
  - iv. Acquisition of Assets -0% the construction of the office funds which commenced after the closure of the financial year with a budget of close to 20M
  - v. Other Payments- 41% - This include other administration costs and emergency which could not be spent due to COVID 19 hindering the trainings

*(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.*

The NGCDF-KITUI RURAL Constituency financial statements were approved on 16th March, 2021 and signed by:

  
Fund Account Manager  
Name: Ezekiel K. Mwangangi

  
Sub-County Accountant  
Name: David M. Njoka  
ICPAK Member Number: 17206

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs		2019/2020 Kshs	30/06/2020 Kshs	
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,596,000	670,591	4,266,591	1,780,490	2,486,101
			0		
1.2 Committee allowances	3,000,000	982,817	3,982,817	2,554,115	1,428,702
			0		0
1.3 Use of goods and services	1,646,063	2,133,575	3,779,638	1,857,506	1,922,132
			0		0
<b>2.0 Monitoring and evaluation</b>			0		0
2.1 Capacity building	2,200,000	759,192	2,959,192	1,809,100	1,150,092
			0		0
2.2 Committee allowances	900,000	1,666,154	2,566,154	1,634,000	932,154
2.3 Use of goods and services	1,021,031	506,700	1,527,731	910,230	617,501
<b>3.0 Emergency</b>			0		0
<b>3.1 Primary Schools</b>	7,198,241.81	0	7,198,242	2,300,000	4,898,242
3.11 Kilumya pri sch	0	400,000.00	400,000	400,000.00	0



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget		Adjustments	Final Budget		Actual on comparable basis		Budget utilization difference
	2019/2020	Kshs		2019/2020	Kshs	30/06/2020	Kshs	
4.5 Social Security	0	0	0	0	0	0	0	0
<b>5.0 Sports</b>								
5.1 Constituency Sports Tournament	747,355	0	0	747,355	747,355	0	0	0
5.2				0				0
5.3				0				0
<b>6.0 Environment</b>								
6.1 Kavasya Primary School	1,700,000	0	0	1,700,000	0	1,700,000	0	1,700,000
				0				0
<b>7.0 Primary Schools Projects</b>								
<b>(List all the Projects)</b>				0				0
7.1 Mandongoi Day & Boarding Primary School	400,000	0	0	400,000	400,000	0	0	0
7.2 Mandongoi Day & Boarding Primary School	700,000	0	0	700,000	700,000	0	0	0
7.3 Kaundu Primary School	800,000	0	0	800,000	800,000	0	0	0
7.4 Malimbani Primary School	300,000	0	0	300,000	300,000	0	0	0
7.5 KwaKitungu Primary School	300,000	0	0	300,000	0	300,000	0	300,000
7.6 Seekea Primary School	500,000	0	0	500,000	0	500,000	0	500,000
7.7 Seekea Primary School	900,000	0	0	900,000	0	900,000	0	900,000
7.8 Syuasini Primary School	500,000	0	0	500,000	0	500,000	0	500,000
7.9 Syuasini Primary School	800,000	0	0	800,000	0	800,000	0	800,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
7.10 Mukameni Primary School	1,000,000	0	1,000,000	1,000,000	0
7.11 Katwala Primary School	900,000	0	900,000	0	900,000
7.12 Kisasi Primary School	1,250,000	0	1,250,000	0	1,250,000
7.13 Kalatine Primary School	1,500,000	0	1,500,000	1,500,000	0
7.14 Mosa Primary School	2,000,000	0	2,000,000	2,000,000	0
7.15 Manzini Primary School	500,000	0	500,000	0	500,000
7.16 Manzini Primary School	500,000	0	500,000	0	500,000
7.17 Misuuni Primary School	350,000	0	350,000	0	350,000
7.18 Konza Primary School	1,050,000	0	1,050,000	0	1,050,000
7.19 Iiani Primary School	1,200,000	0	1,200,000	0	1,200,000
7.20 Mandu Primary School	1,350,000	0	1,350,000	1,350,000	0
7.21 Nzeve Primary School	1,800,000	0	1,800,000	1,800,000	0
7.22 Ngamyone Primary School	600,000	0	600,000	600,000	0
7.23 Ndandini Primary School	1,200,000	0	1,200,000	1,200,000	0
Kivunga pri sch	0	500,000.00	500,000	500,000.00	0
Thome pri sch	0	500,000.00	500,000	500,000.00	0
Kitukuni pri sch	0	500,000.00	500,000	500,000.00	0
Kiimani pri sch	0	500,000.00	500,000	500,000.00	0
Ulungu pri sch	0	500,000.00	500,000	500,000.00	0
Kwa Kyeey pri sch	0	600,000.00	600,000	600,000.00	0
Mikuyuni pri sch	0	600,000.00	600,000	600,000.00	0
Kanyongonyo pri sch	0	500,000.00	500,000	500,000.00	0
Kiliko pri school	0	1,000,000.00	1,000,000	1,000,000.00	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference
	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs	30/06/2020	Kshs	
Kisikini pri sch	0	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000	1,000,000.00	1,000,000.00	0	
Ikota mwithe pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Kalima pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Kavonge pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Mandalwa pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Kilivi pri sch	0	600,000.00	600,000.00	600,000.00	600,000	600,000.00	600,000.00	0	
Itooma pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Mbananga pri sch	0	600,000.00	600,000.00	600,000.00	600,000	600,000.00	600,000.00	0	
Kitooni pri sch	0	400,000.00	400,000.00	400,000.00	400,000	400,000.00	400,000.00	0	
Nzambia pri sch	0	400,000.00	400,000.00	400,000.00	400,000	400,000.00	400,000.00	0	
Kisavi pri sch	0	600,000.00	600,000.00	600,000.00	600,000	600,000.00	600,000.00	0	
Makukani pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Kilisa pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Matulani pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Ngiluni pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Mwiwe pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Mavindini pri sch	0	526,529.52	526,529.52	526,529.52	526,530	526,529.52	526,529.52	0	
Kinyaa pri sch	0	600,000.00	600,000.00	600,000.00	600,000	600,000.00	600,000.00	0	
Kawongo pri sch	0	400,000.00	400,000.00	400,000.00	400,000	400,000.00	400,000.00	0	
Kanyangi pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Kyuasini pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Musingi pri sch	0	300,000.00	300,000.00	300,000.00	300,000	300,000.00	300,000.00	0	
Muambani pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Kyamusi pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Iviani pri sch	0	400,000.00	400,000.00	400,000.00	400,000	400,000.00	400,000.00	0	
Kwa Kilui pri sch	0	600,000.00	600,000.00	600,000.00	600,000	600,000.00	600,000.00	0	
Kisayani pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
Kimuuni pri sch	0	500,000.00	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**  
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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
Mamole pri sch	0	500,000.00	500,000	500,000.00	0
Kavumbuni pri sch	0	500,000.00	500,000	500,000.00	0
Kilumya pri sch	0	500,000.00	500,000	500,000.00	0
Makolongo pri sch	0	500,000.00	500,000	500,000.00	0
Kilamba pri sch	0	500,000.00	500,000	500,000.00	0
Mbeetwani pri sch	0	400,000.00	400,000	400,000.00	0
Yatta pri sch	0	700,000.00	700,000	700,000.00	0
Mbitini pri sch	0	700,000.00	700,000	700,000.00	0
Mwangeni pri sch	0	500,000.00	500,000	500,000.00	0
Mwangeni pri sch	0	500,000.00	500,000	500,000.00	0
Katanga sua Pri sch	0	327,027.20	327,027	327,027.20	0
Kavisuni Pri Sch	0	700,000.00	700,000	700,000.00	0
kavumbu primary sch	0	600,000.00	600,000	600,000.00	0
usang'a primary sch	0	500,000.00	500,000	500,000.00	0
kwa kasau primary sch	0	500,000.00	500,000	500,000.00	0
		0	0		0
<b>8.0 Secondary Schools Projects (List all the Projects)</b>		0	0		0
8.1 Kanyangi Girls Secondary School	2,500,000	0	2,500,000	2,500,000	0
8.2 Masimba Mixed Secondary School	2,500,000	0	2,500,000	2,500,000	0
8.3 Kiseuni Secondary School	2,500,000	0	2,500,000	2,500,000	0
8.4 St. Augustine Kanyangi Boy's Secondary school	500,000	0	500,000	500,000	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
8.5 Ung'aatu Mixed Secondary School	1,000,000	0	1,000,000	1,000,000	0
8.6 Maliku Girls Secondary School	1,000,000	0	1,000,000	100000	900,000
8.7 Kisasi mixed Secondary School	7,000,000	0	7,000,000	0	7,000,000
8.8 Kisasi Secondary School	2,500,000	0	2,500,000	2,500,000	0
8.9 Mbitini Mixed Secondary School	1,500,000	0	1,500,000	1,500,000	0
8.10 Kivuuni Mixed Secondary School	800,000	0	800,000	800000	0
8.11 Katwala Mixed Secondary School	1,500,000	0	1,500,000	1500000	0
8.12 Hon. Mwalika Secondary School	2,000,000	0	2,000,000	2,000,000	0
8.13 Mwakini Mixed Secondary School	2,500,000	0	2,500,000	2,500,000	0
8.14 Hon. Charles Nyamai Secondary School	7,000,000	0	7,000,000	0	7,000,000
8.15 St. BridgitSyomunyu Secondary School	2,500,000	0	2,500,000	2,500,000	0
8.16 Kyaithani Mixed School	2,500,000	0	2,500,000	2,500,000	0
8.17 St. Paul Kwa Vonza sec sch	0	700,000.00	700,000	700,000.00	0
8.18 Tanganyika Mixed sec sch	0	700,000.00	700,000	700,000.00	0
8.19 Masaani mixed sec sch	0	500,000.00	500,000	500,000.00	0
8.20 Kalulini mixed sec sch	0	2,000,000.00	2,000,000	2,000,000.00	0
8.21 Kitungati sec sch	0	1,500,000.00	1,500,000	1,500,000.00	0
8.22 Lower yatta girls sec sch	0	500,000.00	500,000	500,000.00	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**  
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Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference
	2019/2020	Kshs	Kshs	Kshs	2019/2020	Kshs	30/06/2020	Kshs	
8.23 Sacred Heart Of Jesus sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.24 Kivuuni mixed sec sch	0	0	700,000.00	700,000.00	700,000	700,000.00	700,000.00	0	
8.25 Kathome mixed sec sch	0	0	650,000.00	650,000.00	650,000	650,000.00	650,000.00	0	
8.26 Kanzau sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.27 Nguuni mixed sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.28 Mukameni sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.29 St. Peters mixed day sec sch - Ngomoni	0	0	600,000.00	600,000.00	600,000	600,000.00	600,000.00	0	
8.30 Muselele mixed sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.31 Kiseuni mixed sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.32 Ituki mixed sec sch	0	0	600,000.00	600,000.00	600,000	600,000.00	600,000.00	0	
8.33 Hon. Mwilika IPC Kamulu mixed sec sch	0	0	700,000.00	700,000.00	700,000	700,000.00	700,000.00	0	
8.34 Mandongoi mixed sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.35 Mosa mixed sec sch	0	0	700,000.00	700,000.00	700,000	700,000.00	700,000.00	0	
8.36 Kalatine mixed sec sch	0	0	600,000.00	600,000.00	600,000	600,000.00	600,000.00	0	
8.37 Iiani mixed sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.38 Kilevi mixed sec sch	0	0	800,000.00	800,000.00	800,000	800,000.00	800,000.00	0	
8.39 Ung'aatu sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.40 Ung'aatu sec sch	0	0	500,000.00	500,000.00	500,000	500,000.00	500,000.00	0	
8.41 Mbitini Education office	0	0	525,000.00	525,000.00	525,000	525,000.00	525,000.00	0	
8.42 Mbitini Education office	0	0	525,000.00	525,000.00	525,000	525,000.00	525,000.00	0	
8.43 Maangani sec sch	0	0	800,000.00	800,000.00	800,000	800,000.00	800,000.00	0	
8.44 Mbitini girls sec sch	0	0	1,000,000.00	1,000,000.00	1,000,000	1,000,000.00	1,000,000.00	0	
8.45 charity mixed sec	0	0	2,180,817.00	2,180,817.00	2,180,817	2,180,817.00	2,180,817.00	0	
					0	0	0	0	
					0	0	0	0	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs		2019/2020 Kshs	30/06/2020 Kshs	
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>			0		0
9.1	0	0	0	0	0
9.2			0		0
<b>10.0 Security Projects</b>			0		0
10.1 Ilika Ap Post	0	300,000	300,000	300,000	0
10.2 Katwala chiefs office	0	600,000.00	600,000	600,000	0
10.3 Kwa vonza police station	0	500,000.00	500,000	500,000	0
10.4 Nguuni Ap line	0	250,000.00	250,000	250,000	0
10.5 Nguuni Asst. Chiefs Office	0	250,000.00	250,000	250,000	0
10.6 Kisasi Chiefs office	0	200,000.00	200,000	200,000	0
10.7 Mbusyani Chiefs Office	0	600,000.00	600,000	600,000	0
10.8 Kanyonyoo police station	0	100,000.00	100,000	100,000	0
10.9 Mbitini chiefs camp	0	600,000.00	600,000	600,000	0
10.10 Kasevi Asst. Chiefs Office	0	250,000.00	250,000	250,000	0
10.11 Kanyangi ACC Office	0	400,000.00	400,000	400,000	0
10.12 kisasi police station	0	1,000,000.00	1,000,000	1,000,000	0
10.13 mbitini police station	0	300,000.00	300,000	300,000	0
			0		0
<b>11.0 Acquisition of assets</b>			0		0
11.1 Motor Vehicles (including motorbikes)	0	0	0	0	0
11.2 Construction of CDF office	15,159,033.00	4,700,000	19,859,033	0	19,859,033
11.3 Purchase of furniture and equipment	0	0	0	0	0
11.4 Purchase of computers	0	0	0	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY**  
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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
11.5 Purchase of land	0	1,300,000	1,300,000	0	1,300,000
<b>12.0 Others</b>			0		0
12.1 Strategic Plan	0	<b>1,408,694.00</b>	1,408,694	1,376,274	32,420
12.2 Innovation Hub	0	0	0	0	0
13.0 An allocated Fund	0	113,000	113,000	0	113,000
<b>Total</b>	137,234,724	73,164,950	210,532,675	130,878,114.19	79,654,560.34

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

## **IX. 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 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 RURAL 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.

#### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

#### **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**RURAL CONSTITUENCY**

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**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is 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 public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**RURAL CONSTITUENCY**

**Reports and Financial Statements**

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**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity 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 Entity 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 the Central Bank of Kenya and 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**

For the purposes of these financial statements, deposits 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. 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 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 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.

**RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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 2020.

**14. Errors**

Material prior period errors shall be 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**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI  
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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO B005345			54,784,483
AIE NO B030258			10,000,000
AIE NO B030457			14,000,000
AIE NO B006403			6,000,000
AIE NO B 047090			24,000,000
AIE NO B047178	1	55,040,876	
AIE NO B047484	2	4,000,000	
AIE NO B041487	3	20,000,000	
AIE NO B047938	4	6,000,000	
AIE NO B049331	5	14,000,000	
AIE NO B104355	6	24,000,000	
<b>TOTAL</b>		<b>123,040,876</b>	<b>108,784,483</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**RURAL CONSTITUENCY**

**Reports and Financial Statements**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	113,000	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>113,000</b>	<b>0</b>

**4. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,692,410	1,139,586
Personal allowances paid as part of salary	0	0
Pension and other social security contributions (Gratuity)	0	0
Employer Contributions Compulsory national social security schemes	88,080	453,469
<b>Total</b>	<b>1,780,490</b>	<b>1,593,055</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	3,531,600	1,847,000
Utilities, supplies and services	10,100	26,934
Communication, supplies and services	0	107,999
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	140,220	0
Rentals of produced assets	0	0
Training expenses	1,977,000	0
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	75,000	0
Office and general supplies and services	198,894	0
Other operating expenses	2,052,975	1,232,000
Routine maintenance – vehicles and other transport equipment	841,918	0
Fuel and lubricants	200,000	0
Other Committee expenses	-	1,928,000
<b>Total</b>	<b>9,027,707</b>	<b>5,141,933</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI  
RURAL CONSTITUENCY**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	36,003,557	39,531,000
Transfers to secondary schools (see attached list)	43,280,817	17,106,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
<b>TOTAL</b>	<b>79,284,374</b>	<b>56,637,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	20,460,000	20,784,000
Bursary – tertiary institutions (see attached list)	6,285,000	9,191,000
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	5,050,000	3,010,000
Sports projects (see attached list)	2,899,600	1,736,206
Environment projects (see attached list)	0	0
Emergency projects (see attached list)	4,714,670	6,282,000
<b>Total</b>	<b>39,409,270</b>	<b>41,003,206</b>



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Reports and Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Name of Bank, Account No.</i>	9,786,837	16,990,291
<i>Name of Bank, Account No.</i>	0	0
<b>Total</b>	<b>9,786,837</b>	<b>16,990,291</b>
<b>10B: CASH IN HAND</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI  
RURAL CONSTITUENCY**

**Reports and Financial Statements  
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*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 or Institution</i>	N/A	0	0	0
<b>Total</b>				<b>0</b>

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

**2A. RETENTION**

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
N/A	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*[Provide short appropriate explanations as necessary]*

**12B. GRATUITY DEPOSITS**

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
N/A	0	0
Add as appropriate		
<b>Total</b>	<b>0</b>	<b>0</b>

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	16,990,291	15,477,276
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>16,990,291</b>	<b>15,477,276</b>

*[Provide short appropriate explanations as necessary]*

RURAL CONSTITUENCY

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14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	16,990,291	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others ( <i>Reversed Cheques unpaid</i> )	520,785	0	0
	<b>17,511,075</b>	<b>0</b>	<b>0</b>

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST\*

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	0	0
Imprest issued during the year (B)	7,837,200	0
Imprest surrendered during the Year (C)	7,837,200	0
Net changes in account receivables D= A+B-C	<b>0</b>	<b>0</b>

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
Net changes in account receivables D= A+B-C	<b>0</b>	<b>0</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI  
RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

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

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

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

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
	0	0

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

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,486,102	328,246
Use of goods and services	378,907	889,105
Amounts due to other Government entities (see attached list)	54,856,502	47,870,537
Amounts due to other grants and other transfers (see attached list)	658,508	13,188,173
Acquisition of assets	19,191,453	4,000,000
Others ( <i>specify</i> )	1,970,089	5,755,105
An allocated Fund	113,000	0
<b>TOTAL</b>	<b>79,654,561</b>	<b>72,031,166</b>

**RURAL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	41,381,887	8,935,113
	41,381,887	8,935,113

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**  
**Reports and Financial Statements**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**  
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**ANNEX 3 – UNUTILIZED FUND**

Programme/Sub-programme	Brief Explanation	Outstanding Balance 2019/20	Outstanding Balance 2018/19
	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>			
1.1 Compensation of employees		2,486,101	
1.2 Committee allowances		1,428,702	
1.3 Use of goods and services		0	
		1,922,132	
		0	
<b>2.0 Monitoring and evaluation</b>		0	
2.1 Capacity building		1,150,092	
		0	
2.2 Committee allowances		932,154	
2.3 Use of goods and services		617,501	
<b>3.0 Emergency</b>		0	
<b>3.1 Primary Schools</b>		4,898,242	

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

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Programme/Sub-programme	Brief Explanation	Outstanding Balance 2019/20	Outstanding Balance 2018/19
	Kshs	Kshs	
4.1 Primary Schools		0	
4.2 Secondary Schools		9,498,184	
4.3 Tertiary Institutions		10,067,000	
		<b>30,514,007</b>	<b>13,188,173</b>
<b>6.0 Environment</b>			
6.1 Kavasya Primary School		1,700,000	
7.5 KwaKitungu Primary School		300,000	
7.6 Seekea Primary School		500,000	
7.7 Seekea Primary School		900,000	
7.8 Syuasini Primary School		500,000	
7.9 Syuasini Primary School		800,000	
7.11 Katwala Primary School		900,000	
7.12 Kisasi Primary School		1,250,000	
7.15 Manzini Primary School		500,000	
7.16 Manzini Primary School		500,000	
7.17 Misuuni Primary School		350,000	
7.18 Konza Primary School		1,050,000	
7.19 Iiani Primary School		1,200,000	
8.6 Maliku Girls Secondary School		900,000	
8.7 Kisasi mixed Secondary School		7,000,000	

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

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Programme/Sub-programme	Brief Explanation	Outstanding Balance 2019/20	Outstanding Balance 2018/19
	Kshs	Kshs	
8.14 Hon. Charles Nyamai Secondary School		7,000,000	
		<b>25,350,000</b>	<b>47,870,537</b>
<b>11.0 Acquisition of assets</b>		0	
11.1 Motor Vehicles (including motorbikes)		0	
11.2 Construction of CDF office		19,859,033	
11.5 Purchase of land		1,300,000	
<b>12.0 Others</b>		0	
12.1 Strategic Plan		32,420	
13.0 An allocated Fund		113,000	
<b>Total</b>		<b>79,654,560.34</b>	<b>72,031,166</b>

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Motor Cycle KAU 766H	345,506.00	-	-	345,506.00
Motor Vehicle –Toyota Land cruiser	5,910,000.00	-	-	5,910,000.00
Stapler	900.00	-	-	900.00
Paper Punch	900.00	-	-	900.00
Calculator	1,250.00	-	-	1,250.00
Refrigerator	33,000.00	-	-	33,000.00
4-Way Workstation 4016	76,443.00	-	-	76,443.00
High Back Fabric Blue Office/Conference Chairs WN9	187,036.00	-	-	187,036.00
Floor Carpet 8'x11'	6,000.00	-	-	6,000.00
Office Executive Desk 1.8	69,606.00	-	-	69,606.00
Executive High Back Leather office chair8078	32,830.00	-	-	32,830.00
Executive Office Visitors chairs 800V	17,069.00	-	-	17,069.00
Office Leather Sofa set-619(3,2,1) Black	114,264.00	-	-	114,264.00
Reception Set (Table-ID1280,SIDE TABLE 1045,FIXED)	68,956.00	-	-	68,956.00
Glass Coffee Table-NVA 265	19,702.00	-	-	19,702.00
18-Seater Modular Conference Table (Table ID 1480)	123,859.00	-	-	123,859.00

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Assorted Curtains and Window Nets (sets)	60,000.00	-	-	60,000.00
Artificial Flowers	1,000.00	-	-	1,000.00
Extension cables	3,200.00	-	-	3,200.00
Pencil Holder	200.00	-	-	200.00
Water Glasses	1,800.00	-	-	1,800.00
Water Jar	1,500.00	-	-	1,500.00
Serving Tray	600.00	-	-	600.00
Tea Mug	2,500.00	-	-	2,500.00
Dell Laptops window 7 pro	120,000.00	-	-	120,000.00
Epson color printer L210 (inkjet) three in one	34,000.00	-	-	34,000.00
Kyocera HP Copier with scanner	98,000.00	-	-	98,000.00
Samsung note 4 Tab	52,000.00	-	-	52,000.00
HP Desktop 18.5 Monitor window 7 pro	61,000.00	-	-	61,000.00
Office Generator	100,750.00	-	-	100,750.00
Riso EZ201E	-	-	-	175,000.00
Desk top (CPU CZC00697D3)	-	-	-	-
Monitor (CNC950Q93S)	-	-	-	-
Printer (CNCJG43827)	-	-	-	-

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements  
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Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
UPS (S/NO. 40084260905)	-	-	-	-
Scanner (CN2CAVH00Z)	-	-	-	-
cash save box	-	-	-	-
air conditioner fan	-	-	-	-
laptop mac book pro computer	-	-	-	-
Office Land Property 2627	2,000,000.00	-	-	2,000,000.00
table	2,500.00	-	-	2,500.00
Gas cylinder	4,500.00	-	-	4,500.00
<b>Total</b>	<b>9,725,871.00</b>			<b>9,725,871.00</b>

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)****Reports and Financial Statements****For the year ended June 30, 2020****ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

NO.	PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
1	Kalulini mixed sec sch	Equity	0720279044885	272,850.00	0
2	Charity Mixed Sec Sch	Equity	0720278914338	2,180,817.00	0
3	Hon. Mwlika IPC Kamulu mixed sec sch	Equity	0720279066241	2,000,097.50	0
4	liani mixed sec sch	Equity	0720264079698	510,125.00	0
5	Ikota mwithi pri sch	Equity	0720164076582	0.05	0
6	Itooma pri sch	Equity	0720271048852	1,987.50	0
7	Ituki mixed sec sch	Equity	0720279122585	600,000.00	0
8	Iviani pri sch	Equity	0720270821025	1,645.00	0
9	Kalatine mixed sec sch	Equity	0720279309091	600,600.00	0
10	Kalima pri sch	Equity	0720279209223	1,890.00	0
11	Kanyangi ACC Office	Equity	0720279759199	4,940.00	0
12	Kanyangi chief's office	Equity	0720279662707	3,915.00	0
13	Kanyangi Girls sec sch	Equity	0720279758570	2,501,050.00	0
14	Kanyangi pri sch	Equity	0720279286869	27,680.00	0
15	Kanyongonyo pri sch	Equity	0720272405582	610.00	0
16	Kanyonyoo police station	Equity	0720270055942	800.00	0
17	Kanzau sec sch	Equity	0720278612818	234.00	0
18	Kaondu Pri Sch	Equity	0720278458788	514,723.95	0
19	Kasevi Asst. Chiefs Office	Equity	0720279381153	968.00	0
20	Katanga sua Pri sch	Equity	0720277792562	990.00	0
21	Kathome mixed sec sch	Equity	0720277984074	385.00	0
22	Katwala chief's office	Equity	0720279022260	2,880.00	0
23	Kavisuni Pri Sch	Equity	0720278455790	530.00	0
24	Kavonge pri sch	Equity	0720270897501	1,695.00	0
25	Kavumbu Pri Sch	Equity	0720279064254	600,000.00	0
26	Kavumbuni pri sch	Equity	0720270787071	9,570.00	0
27	Kawongo pri sch	Equity	0720270930907	402,360.00	0
28	Kiimani pri sch	Equity	0720274034728	3000	0
29	Kilamba pri sch	Equity	0720278766131	4,095.00	0

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

30	Kilevi mixed sec sch	Equity	0720278734898	800,940.00	0
31	Kiliko pri school	Equity	0720278515882	476.60	0
32	Kilisa pri sch	Equity	0720270819181	234.35	0
33	Kilivi pri sch	Equity	0720269668937	240,442.50	0
34	Kilumya pri sch	Equity	0720279301879	2,835.30	0
35	Kimuuni pri sch	Equity	0720270793259	480.00	0
36	Kinyaa pri sch	Equity	0720279016308	86,914.65	0
37	Kisasi Chief's office	Equity	0720166468070	0.00	0
38	Kisasi Mixed Sec Sch	Equity	0720262021815	7,931.50	0
39	Kisasi Police Station	Equity	0720279424961	1,000,300.00	0
40	Kisavi pri sch	Equity	0720278894798	0.00	0
41	Kisayani pri sch	Equity	0720278853185	880.00	0
42	Kiseuni mixed sec sch	Equity	0720278854672	2,502,655.00	0
43	Kisikini pri sch	Equity	0720270793699	800.00	0
44	Kitoooni pri sch	Equity	0720164353975	0.00	0
45	Kitukuni pri sch	Equity	0720279059436	165.00	0
46	Kitungati pri sch	Equity	0720264080491	500,616.10	0
47	Kitungati sec sch	Equity	0720263803617	9,271.00	0
48	Kivunga pri sch	Equity	0720279014983	3,030.00	0
49	Kivuuni mixed sec sch	Equity	0720279020027	349,716.50	0
50	Kwa Kilui pri sch	Equity	0720278992540	224,057.50	0
51	Kwa kitungu pri sch	Equity	0720271650155	600,425.00	0
52	Kwa Kye pri sch	Equity	0720278930243	12,312.90	0
53	Kwa vonza police station	Equity	0720279130781	906.65	0
54	Kyaithani Mixed Sec Sch	Equity	0720261754519	2,502,265.00	0
55	Kyamusivi pri sch	Equity	0720272224880	500,125.00	0
56	Kyuasini pri sch	Equity	0720278862861	1,640.00	0
57	Lower yatta girls sec sch	Equity	0720279077124	578.50	0
58	Maangani sec sch	Equity	0720270833716	801,290.00	0
59	Makolongo pri sch	Equity	0720277809221	6,252.50	0
60	Makukani pri sch	Equity	0720278854563	22,170.00	0
61	Mamole pri sch	Equity	0720278464047	22,170.00	0
62	Mandalwa pri sch	Equity	0720275570534	200,096.75	0
63	Mandongoi mixed sec sch	Equity	0720279336224	503,612.50	0
64	Mandongoi pri sch	Equity	0720279759263	819,940.00	0
65	Mandu Primary Sch	Equity	0720278673236	1,352,005.00	0

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
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66	Masaani mixed sec sch	Equity	0720261705958	15,345.25	0
67	Masimba mixed day sec sch	Equity	0720279060506	2,502,242.20	0
68	Matulani pri sch	Equity	0720278902606	125	0
69	Mavindini pri sch	Equity	0720263896899	155	0
70	Mbananga pri sch	Equity	0720279040546	7.5	0
71	Mbeetwani pri sch	Equity	0720278655493	409,349.10	0
72	Mbitini chief's camp	Equity	0720279331407	2,610.00	0
73	Mbitini Education office	Equity	0720277914665	10,170.00	0
74	Mbitini girls sec sch	Equity	0720263848075	1,400.00	0
75	Mbitini Mixed Sec Sch	Equity	0720262196680	1,506,702.50	0
76	Mbitini police station	Equity	0720279895354	300,000.00	0
77	Mbitini pri sch	Equity	0720263768682	198	0
78	Mbusyani Chief's Office	Equity	0720267624931	346,211.90	0
79	Mikuyuni pri sch	Equity	0720278834039	20	0
80	Mosa mixed sec sch	Equity	0720279316685	321,940.00	0
81	Mosa Pri sch	Equity	0720271070446	2,003,535.00	0
82	Muambani pri sch	Equity	0720270790092	895	0
83	Mukameni Mixed sec sch	Equity	0720262186316	998,812.05	0
84	Mukameni Pri sch	Equity	0720279844274	1,000,880.00	0
85	Muselele mixed sec sch	Equity	0720278151410	1,880.00	0
86	Musingi pri sch	Equity	0720277747977	2,725.20	0
87	Mwakini Mixed Sec Sch	Equity	0720278853809	2,504,408.00	0
88	Mwangeni pri sch	Equity	0720166029938	0	0
89	Mwiwe pri sch	Equity	0720264080733	96,159.95	0
90	Ngamyone pri sch	Equity	0720277792562	990	0
91	Ngiluni pri sch	Equity	0720279009389	1,007.50	0
92	Nguuni Ap line	Equity	0720271373445	460	0
93	Nguuni Asst. Chief's Office	Equity	0720279027854	297.5	0
94	Nguuni mixed sec sch	Equity	0720277511077	8,610.00	0
95	Nzambia pri sch	Equity	0720270836402	339.1	0
96	Nzeve Primary Sch	Equity	0720271304527	1,800,608.10	0
97	Sacred Heart Of Jesus	Equity	0720279237846	189,766.50	0

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

	sec sch				
98	St. Paul Kwa Vonza sec sch	Equity	0720264085201	1,040.65	0
99	St. Peters mixed day sec sch -Ngomoni	Equity	0720279014983	3,030.00	0
100	Syomunyu Girls Sec Sch	Equity	0720292501984	2,500,100.00	0
101	Tanganyika Mixed sec sch	Equity	0720279039756	13,930.00	0
102	Thome pri sch	Equity	0720278052371	3,697.50	0
103	Ulungu pri sch	Equity	0720270794036	340	0
104	Ung'aatu sec sch	Equity	0720278864462	1,000,910.00	0
105	Usang'a Pri Sch	Equity	0720264085834	502,704.95	0
106	Yatta Pri sch	Equity	0720279485877	310	0
				41,381,887.25	8,935,133.00

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
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**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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
1.0	Bursary funds		Resolved on Certificate	5days	30 days
2.1	Stale cheques		Resolved on Certificate	5days	30 days
2.2	Lost cash		Resolved on Certificate	5days	30 days
3.0	Committee expenses		Resolved on Certificate	5days	30 days
4.0	Unsupported fuel expenditure				
5.0	Other grants and other payments				