


REPORT

OF

 THE AUDITOR-GENERAL	
THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
DATE:	08 FEB 2022
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**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
KITUI WEST CONSTITUENCY**

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

Revised Template 30th June 2020



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



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -
KITUI WEST CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

4

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) KITUI
WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 (NG-CDF) KITUI WEST CONSTITUENCY

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Core Values

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

(b) Key Management

The NG-CDF KITUI WEST Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

N	Designation	Name
o		
1.	A.I.E holder	Nicholas N. Kimanzi
2.	Sub-County Accountant	Alex M. Mutua
3.	Chairman NG-CDFC	Wilfred N. Keli
4.	Member NG-CDFC	Rhodester M. Muthui

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of NG-CDF -KITUI WEST Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF 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) NG-CDF KITUI WEST Constituency Headquarters

P.O. Box 244-90205
Kitui West NG-CDF Building
Ndolos Corner
KABATI, KITUI

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(f) NG-CDF KITUI WEST Constituency Contacts

Telephone: 0720528337
E-mail: kituiwestcdf@yahoo.com
Website: www.kituiwestngcdf.go.ke

(g) NG-CDF KITUI WEST Constituency Bankers

Equity Bank
Account No: 0720 262 084 328
Kitui Town

(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

II.FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

INTRODUCTION

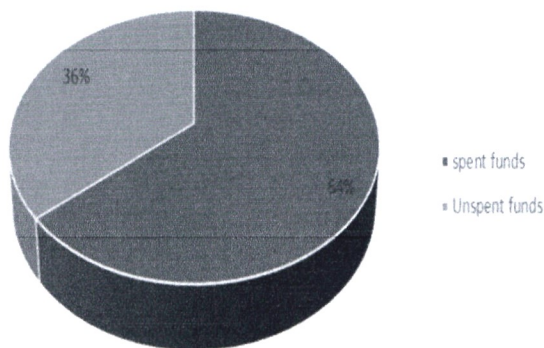
Kitui West Constituency is one of the constituencies that were created in 2013 and was curved from the old Kitui West Constituency. It comprises of a population of about 118,618 as per the 2019 census.

The NG-CDFC has always dedicated time to ensure prudent allocation of resources received from the NG-CDF Board within the four wards in the constituency. Since its inception, the NG-CDFC has completed several development projects that are geared towards infrastructural development, wealth creation and fighting against poverty in the constituency.

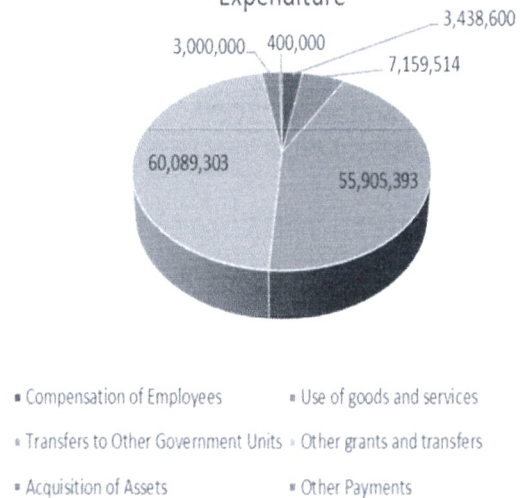
During the financial year 2019/2020, the NG-CDFC was able to utilize 64% of its allocated resources. At the closure of the financial year, the constituency had unutilised fund amounting to Kshs. 5,114,438 out of the funds received of Kshs. 123, 040, 876.

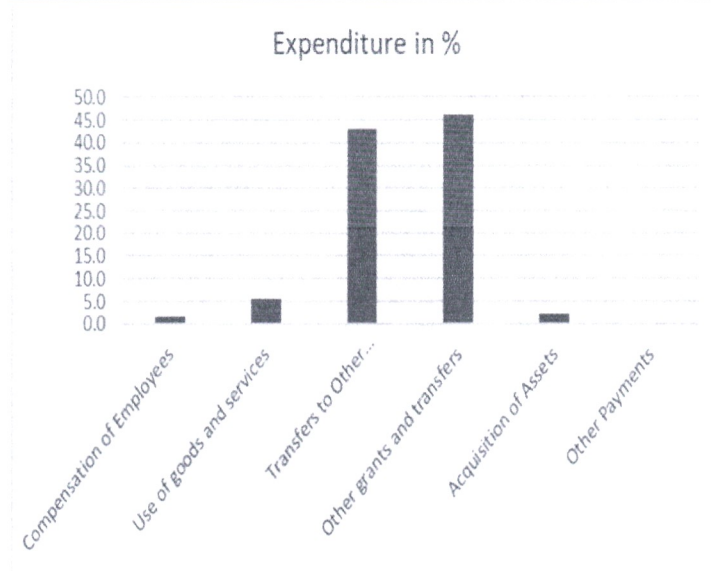
The implementation of funded projects was slow due to a prolonged delay in disbursement of funds by the NG-CDF Board.

UTILIZATION OF FUNDS



Expenditure





2019 /2020 FINANCIAL YEAR ACHIEVEMENTS

During the financial year 2019/2020, Kitui West NG-CDF constructed nineteen (19) new classrooms, renovated seventy nine (79) classrooms in both primary and secondary schools, fenced six(6) schools, completed five(5) dormitories, one(1) laboratory, two (2) staff houses, one (1) administration block and bought two(2) school buses across the constituency. Kitui West NG-CDF also completed the construction of three (3) assistant chiefs offices and one (1) Chiefs office within the constituency.



Figure 1: Fencing of Mbavae Primary School Compound.

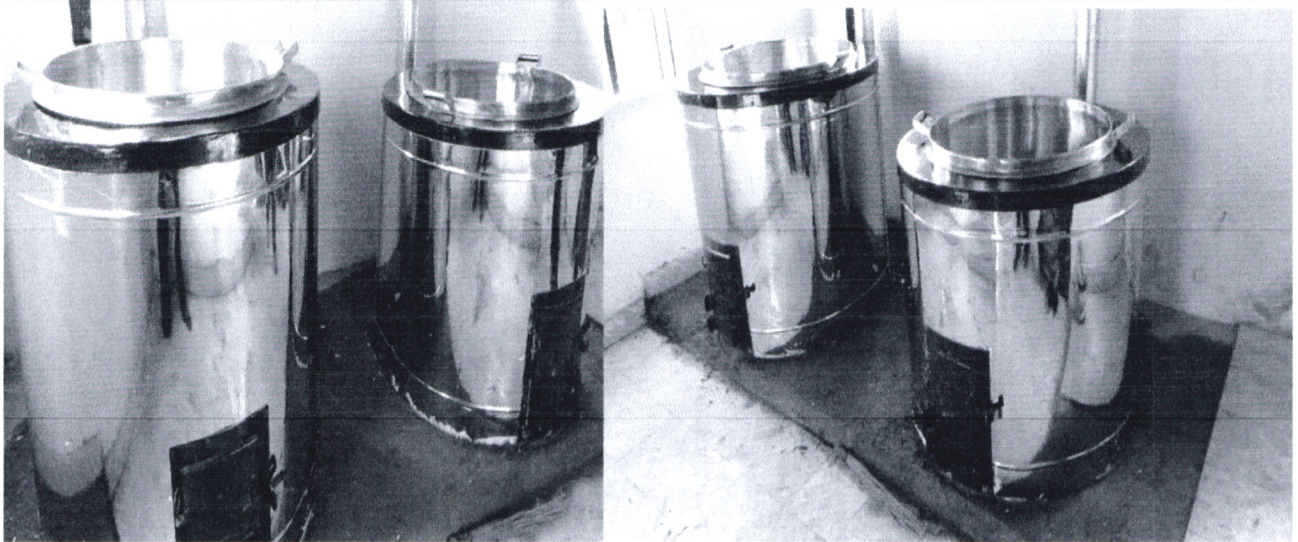


Figure 2: Purchase and Installation of boilers at Kwa Ndonga Primary School



Figure 3: Construction of Dormitory at Kathivo Primary School

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Figure 4: Construction of Kasaini Chiefs Office

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Figure 5: Purchase of Musengo Sec. School Bus



Figure 6: Purchase of St. Phillips Mutini Sec. School Bus.

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Figure 7: Completion of Katheka Assistant Chiefs Office



Figure 8: Construction of Three (3) classrooms at Kyondoni Mixed Day Sec. School

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The improved school infrastructures have led to more conducive learning environment for learners. The Chiefs and Assistant chiefs' offices have helped beef up security for the constituents and ensure government services are available to them more easily and conveniently.

EMERGING ISSUES

It has been noted that the Kitui West constituents have developed trust with NG-CDF projects and they understand the importance of such funding, fully support project implementation and they own the projects. However, with the outbreak of the Covid-19 Pandemic which was reported in China in December, 2019 and later spread worldwide, the government directed the closure of all learning institutions in March, 2020, banned all social gatherings and subsequently regulated the services provided by other government institutions and the private sector as a mitigation formula for curbing the spread of the virus. This has greatly derailed the implementation of the NG-CDF funded projects. Kitui West NG-CDF acquired 115 hand washing tanks which were distributed and located at strategic positions within the constituency to promote hygiene through handwashing to prevent possible spread of coronavirus in the constituency.

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Figure 9: Hand washing tanks for fight against Covid 19 pandemic

IMPLEMENTATION CHALLENGES

Kitui West NG-CDF had an approved budget of Kshs. 137,367,724 for the financial year 2019/2020. As at the closure of the year, only Kshs. 68,000,000 had been received from the NG-CDF Board which translates to approximately 50% of the total allocation. This has greatly affected the implementation of the approved projects within the financial year.

In respect of the above, the NG-CDFC Kitui West office had made a requisition of the remaining funds before the closure of the financial year.

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CHAIRMAN NG-CDF COMMITTEE



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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 NG-CDF-KITUI WEST Constituency's 2018-2022 plan are to:

- a) Provision of quality education through support of school infrastructure and award of bursaries to the needy students
- b) Promote Environmental sustainability through tree planting in schools
- c) Support quality infrastructure development within the constituency
- d) Empower youth, women and people living with disability through Constituency sports tournament, provision of sports Kits and training of boda boda riders in the constituency
- e) Enhance ICT Skills through provision of computers to schools and establishment of constituency innovation hubs
- f) Promote NG-CDF staff welfare through Improved work environment and better remuneration
- g) Provision of security through improved infrastructure

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	19 classrooms completed. 79 classrooms rehabilitated 6 Schools fenced 5 Dormitories completed 1 laboratory completed 2 staff houses completed. Bought 2 school buses, Completed 1 administration block,	In FY 19/20 -we increased number of classrooms by 19, dormitories by 5, laboratories by 1, staff houses by 2, renovated 79 classrooms and fenced 6 schools

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			Land scaping and levelling of school compound for 1 school	
Security	Enhancing security, Provision of Conducive working environment and bringing services closer to the constituents.	-Easy access to government services -Morale boost among the personnel -Improved Security.	-Completed 3 assistant chiefs' offices and 1 chiefs' office	In FY 19/20 we Completed 3 assistant chiefs' offices and 1 chiefs' office
Environment	Supporting tree planting activities and construction of sand dams	Afforestation and Sustained environment free from soil erosion and prevention of flooding.	Planted trees in the NG-CDF office and in various institutions in conjunction with Kenya Forest Service (KFS) and Kamba Visionaries Association (KVA)	In FY 19/20 Planted over 3,000 tree seedlings in conjunction with other foundations in the NG-CDF office and in various institutions
Sports	Promote youth talent through sports and entrepreneurship	Youth empowerment, curbing of substance abuse and sensitizing them on good morals.	Held one constituency tournament, Supplied 220 balls, 32 sets of Uniforms and nets to participating teams.	In FY 19/20 Held several education forums and constituency sports tournament, Supplied 220 balls, 32 sets of Uniforms and nets.
Disaster Management	Promote initiatives on Prevention of disasters and mitigation practices in case of unforeseen events in the constituency.	To mitigate emergency events when they occur through the emergency kitty.	Constructed 13 pit latrines across the constituency. Acquired 115 hand washing tanks to curb spread of Covid 19 pandemic.	In FY 19/20 Distributed 115 Handwashing Tanks in various Market centres and institutions within the constituency and Constructed 13 pit latrines in various institutions.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NG-CDF – KITUI WEST 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 NG-CDF Kitui West operates within the framework of NG-CDF Act 2015 and its regulations of 2016. The Main objective of the Act is to address Socio-economic development of the people at the constituency level in order to reduce poverty and enhance regional equity. In line with the above,

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Kitui West NG-CDFC receives project Proposals by conducting public participation forums in all the wards and projects are prioritized equitably. The office trains PMCs on Project Implementation and their sustainability once completed and handed over. The office ensures that the projects are well labeled and branded without personalization.

2. Environmental performance

The NG-CDF allocates 2 per centum of the total allocation to environmental activities. The NG-CDF Kitui West Supported tree planting activities, and construction of sand dam to increase vegetation cover and a Sustained environment free from soil erosion and flooding. In the Financial Year 2019/2020 Ng-CDF Kitui West managed to Plant over 3,000 tree seedlings in conjunction with Kenya Forest Service (KFS) and Kamba Visionaries Association (KVA) in the NG-CDF office and in various institutions. The NG-CDFC is also committed to supplying Hand washing dispensers to various institutions within the constituency once funds are disbursed from the NG-CDF Board.

3. Employee welfare

During the Financial year 2019/2020, Kitui West NG-CDFC engaged three (3) new members of staff bringing the total employees to six (6): four being Male and two female in the compliance with the one third gender rule. The office conducted NG-CDFC, PMC and staff training in order to enhance their capacities. The office takes care of the staff welfare and safety by providing O'clock tea, Clean drinking water and fixing of fire fighting equipment within the premises

4. Market place practices-

The NG-CDF Kitui West operates within the provisions enshrined in the Public Procurement and Disposal Act of 2015 which advocates for fair and competitive sourcing of suppliers and contractors. The Office conducts several public forums to sensitize the members of public on the nature of projects that are undertaken by NG-CDF and the provisions relating to them. The office ensures prompt payment to suppliers and contracts once their works and services are approved by personnel from the relevant technical departments.

5. Community Engagements-

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The NG-CDF Kitui West undertakes various projects in both Primary and secondary schools to improve their infrastructure and create a conducive learning environment for the learners. These includes Classrooms, Laboratories, Dormitories and Fencing among others. The NG-CDF Kitui West Conducted a sports tournament in which the participating teams were issued with balls, uniforms and nets. Further, the office conducted staff training and various education forums during the financial to sensitize community members on the mandate of NG-CDF and mechanisms of addressing other cross cutting issues such as gender and disability mainstreaming, HIV/Aids, substance abuse and government policies. In the financial year Kitui West NG-CDF distributed 115 hand washing tanks to various market centres and institutions to curb spread of coronavirus. The office in conjunction with the area Member of National Assembly supplemented government efforts in distribution of alcohol-based sanitizers by provision of vehicle and personnel.



Figure 10: Distribution of Alcohol Based Sanitizers to Kitui West Residents spearheaded by area M.P.

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 NG-CDF-KITUI WEST 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

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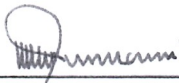
and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NG-CDF-KITUI WEST 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 NG-CDF-KITUI WEST 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 NG-CDF-KITUI WEST 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 NG-CDF-KITUI WEST Constituency financial statements were approved and signed by the Accounting Officer on 15th Sept: 2020.



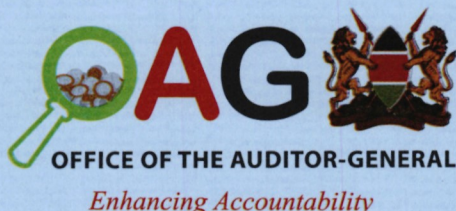
Fund Account Manager
Name: Nicholas N. Kimanzi



Sub-County Accountant
Name: Alex M. Mutua
ICPAK Member Number:

REPUBLIC OF KENYA

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kitui West Constituency set out on pages 20 to 75 which comprise the statement of assets and liabilities as at 30 June, 2020, and the 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 effects 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 National Government Constituencies Development Fund - Kitui West Constituency as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Use of Unapproved Rates for Domestic Travel and Subsistence Allowances

The statement of receipts and payments reflects Kshs.7,159,514 with respect to use of goods and services which as disclosed at Note 5 to the financial statements, includes Kshs.445,075 incurred on domestic travel and subsistence. Review of the supporting documents for the payments revealed that daily subsistence allowances were paid using rates determined by the Constituency Development Fund Committee. However, the approval of the rates by the Salaries and Remuneration Commission was not provided for audit.

In the circumstances, the regularity of the expenditure of Kshs.445,075 incurred on domestic travel and subsistence allowances 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 West 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

Budgetary Control and Performance

The summary statement of appropriation-recurrent and development combined reflects a receipts budget and actual receipts on comparable basis of Kshs.203,894,628 and Kshs.134,526,905 respectively, resulting into an underfunding of Kshs.69,367,723 or 34%. Further, expenditure amounting to Kshs.129,992,809 was incurred during the year against a budget of Kshs.203,894,628 resulting into an under-expenditure Kshs.73,901,819 or 36% of the approved budget.

Failure to receive the budgeted funds from the Board and the resultant under-expenditure implies that some of the budgeted projects and programmes were not implemented thereby denying effective services to the constituents.

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 of Conclusion

1. Delay in Implementation of Projects

One hundred and forty-five (145) projects with a combined budget of Kshs.87,273,074 were planned for implementation during the year. However, one hundred and one (101) projects with a combined allocation of Kshs.49,474,709 had not commenced.

Delay in implementation of projects hinders effective service delivery to the residents and may lead to cost escalations.

2. Implementation of Emergency Projects

The statement of receipts and payments reflects other grants and transfers of Kshs.60,089,303 which as disclosed at Note 7 to the financial statements, includes payments of Kshs.5,540,815 on emergency projects. Review of the project implementation documents and audit inspection of the emergency projects revealed the following anomalies:

2.1 Construction of a Classroom at Mwatate Primary School

The Fund disbursed Kshs.800,000 for construction of one classroom to completion at Mwatate Primary School. However, it was noted that, the School did not have a title deed for the land in which the project was implemented. In absence of ownership documents for the land, value for money for the expenditure on the projects could not be confirmed.

2.2 Supply of Hand washing Tanks and Water Tanks

The Fund disbursed Kshs.266,000 for the supply, branding and delivery of hand wash tanks complete with tap stand and a basin and Kshs.796,875 for the supply of 250-litre hand washing tanks to curb the spread of Covid-19. However, the suppliers were identified through the direct procurement method in spite of the fact that the conditions for use of the method as provided under Section 103 of Public Procurement and Asset Disposal Act, 2015 had not been met. In addition, Management did not provide any evidence that the tanks were received in the stores and on how the hand wash tanks and the water tanks were distributed.

In the circumstances, it has not been possible to confirm that value for money was realized from the expenditure of Kshs.266,000 and Kshs.796,875 incurred on procurement of hand washing tanks and water tanks, respectively.

3. Contract for Completion of a Dormitory at Kauma Secondary School

The statement of receipts and payments reflects transfers of Kshs.55,905,393 to other government units which as disclosed at Note 6 to the financial statements included transfers of Kshs.28,350,000 to secondary schools of which an amount of Kshs.2,500,000 was disbursed for completion of a 200-student capacity dormitory at

Kauma Secondary School. The project was indicated to have been completed and the contractor paid the full contract sum. However, audit inspection in February, 2021 revealed that painting works valued at Kshs.52,000 and flooring and tiling works costing Kshs.346,400 which were part of the awarded bill of quantities had not been done. No explanation was provided for the omissions.

4. Implementation of Security Projects

The statement of receipts and payments reflects other grants and transfers of Kshs.60,089,303 which as disclosed at Note 7 to the financial statements, includes disbursements of Kshs.8,700,000 for security projects. However, review of documents and audit inspection of the projects revealed the following anomalies:

4.1 Lack of Land Ownership Documents

Funds totaling to Kshs.2,000,000 were disbursed for implementation three (3) security projects namely; Completion of a Four-room Office at Katheka Assistant Chief's Office, completion of a Three-room Office at Kangii Assistant Chief's Office and Completion of a 300-people Capacity Social Hall at Kwa Mutonga Chief's Office at a cost of Kshs.1,000,000, Kshs.500,000 and Kshs.500,000 respectively. However, title deeds for the parcels of land on which the three projects were implemented was not provided for audit.

In absence of title deeds, the sustainability of the benefits from the projects could not be confirmed.

4.2 Stalled Construction of Administration Block at Ndolo's Police Station

An amount of Kshs.3,066,349 was released to the Project Management Committee for the construction of an Administration Block at Ndolo's Police Station on 21 June, 2019 and the contract awarded on 23 September, 2019. However, audit inspection in February, 2021 revealed that the Project had stalled at foundation level. No explanation was provided for the stalled project and the measures in place to ensure its completion.

In the circumstances, it was not possible to confirm if and when value for money would be realized from the expenditure of Kshs.3,066,349 incurred on the project.

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 going concern basis of accounting unless the Management is aware of intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 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 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 going concern 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 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 December, 2021

*Report of the Auditor General on the National Government Constituencies Development Fund – Kitui West
Constituency for the year ended 30 June, 2020*

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board	1	123,040,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	39,000	131,000
TOTAL RECEIPTS		123,079,876	108,915,483
PAYMENTS			
Compensation of employees	4	3,438,600	2,310,553
Use of goods and services	5	7,159,514	6,222,318
Transfers to Other Government Units	6	55,905,393	64,036,207
Other grants and transfers	7	60,089,303	36,374,462
Acquisition of Assets	8	3,000,000	5,000,000
Other Payments	9	400,000	4,000,000
TOTAL PAYMENTS		129,992,809	117,943,540
SURPLUS/(DEFICIT)		(6,912,934)	(9,028,057)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-KITUI WEST Constituency financial statements were approved on 15th Sept 2020 and signed by:



Fund Account Manager
Name: Nicholas N. Kimanzi



Sub-County Accountant
Name: Alex M. Mutua
ICPAK Member Number


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) KITUI WEST CONSTITUENCY


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

VII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	5,114,438	11,447,029
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		5,114,438	11,447,029
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		5,114,438	11,447,029
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	580,343	-
TOTAL FINANCIAL LIABILITES		580,343	-
NET FINANCIAL ASSETS		4,534,095	11,447,029
REPRESENTED BY			
Fund balance b/fwd	13	11,447,029	20,475,075
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(6,912,934)	(9,028,077)
NET FINANCIAL POSITION		4,534,095	11,447,029

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-KITUI WEST Constituency financial statements were approved on 15th Sept 2020 and signed by:


Fund Account Manager
Name: Nicholas N. Kimanzi


Sub-County Accountant
Name: Alex M. Mutua
ICPAK Member Number


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) KITUI WEST CONSTITUENCY

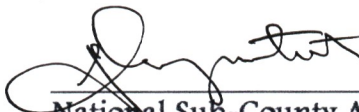
**Reports and Financial Statements
For the year ended June 30, 2020**

VIII. STATEMENT OF CASHFLOW

		2019 – 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NG-CDF Board	1	123,040,876	108,784,483
Other Receipts	3	39,000	131,000
Total receipts		123,079,876	108,915,483
Payments for operating expenses			
Compensation of Employees	4	3,438,600	2,310,553
Use of goods and services	5	7,159,514	6,222,318
Transfers to Other Government Units	6	55,905,393	64,036,207
Other grants and transfers	7	60,089,303	36,374,462
Other Payments	9	400,000	4,000,000
Total payments		126,992,809	112,943,540
Total Receipts Less Total Payments		(3,912,933)	(4,028,057)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15		
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	580,343	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		(3,332,591)	(4,028,057)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	(3,000,000)	(5,000,000)
Net cash flows from Investing Activities		(3,000,000)	(5,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,332,591)	(9,028,057)
Cash and cash equivalent at BEGINNING of the year	13	11,447,029	20,475,085
Cash and cash equivalent at END of the year		5,114,438	11,447,028

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-KITUI WEST Constituency financial statements were approved on 15th Sept. 2020 and signed by:


Fund Account Manager
Name: Nicholas N. Kimanzi


National Sub-County Accountant
Name: Alex M. Mutua
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

IX. 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 %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	66,353,904	203,721,628	134,353,905	69,367,724	66%
Proceeds from Sale of Assets				-	-	0%
Other Receipts (AIA)		173,000	173,000	173,000	-	100%
	137,367,724	66,526,904	203,894,628	134,526,905	69,367,724	66%
PAYMENTS						
Compensation of Employees	3,655,056	2,972,537	6,627,593	3,438,600	3,188,993	52%
Use of goods and services	8,708,039	2,784,638	11,492,677	7,159,514	4,333,163	62%
Transfers to Other Government Units	64,478,366	20,377,027	84,855,393	55,905,393	28,950,000	66%
Other grants and transfers	54,992,950	36,819,702	91,812,652	60,089,303	31,723,350	65%
Acquisition of Assets	533,313	3,000,000	3,533,313	3,000,000	533,313	85%
Other Payments	5,000,000.00	400,000	5,400,000	400,000	5,000,000	7%
AIA		173,000	173,000		173,000	0%
TOTALS	137,367,724	66,526,904	203,894,628	129,992,809	73,901,819	64%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

- i. Compensation of Employee – 52%: Kitui west NG-CDF had employed a clerk of works who resigned in the course of the year.
- ii. Use of goods and services – 62%: The funds budgeted for use of goods and services had not been fully received as at closure of the financial year.
- iii. Transfers to Other Government Units – 66%: Funds under this vote relates to allocation to schools whose money had not been received as at the closure of the year.
- iv. Other grants and transfers -65%: The funds relate to bursaries to secondary schools, bursaries to tertiary institutions and security projects whose funds had not been released by closure of the financial year.
- v. Acquisition of Assets – 85%: The Funds relate to Kshs.533,313 allocation for office motor whose money had not been received as at the closure of the year.
- vi. Other Payments- 7%: The Funds relate to Matching Facility Funding to Rural Electrification & Renewable Energy Corporation (REREC) whose money had not been received as at the closure of the year.

The difference between the original and the final budget was a result of balances carried forward from the previous year.

The NG-CDF-KITUI WEST Constituency financial statements were approved on 15th Sept. 2020 and signed by:



Fund Account Manager
Name: Nicholas N. Kimanzi



Sub-County Accountant
Name: Alex M. Mutua
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

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

X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,655,056.00	2,972,536.00	6,627,592.00	3,438,600.00	3,188,993.00
1.2 Committee allowances	2,000,000.00	448,058.00	2,448,058.00	1,947,022.88	501,035.12
1.3 Use of goods and services	2,587,007.45	401,510.00	2,988,517.45	2,275,663.93	712,853.52
2.0 Monitoring and evaluation					
2.1 Capacity building	1,800,000.00	1,265,650.00	3,065,650.00	583,900.00	2,481,750.00
2.2 Committee allowances	1,000,000.00	342,451.00	1,342,451.00	1,092,451.00	250,000.00
2.3 Use of goods and services	1,321,031.72	326,969.33	1,648,001.05	1,260,479.32	387,521.73
3.0 Emergency	7,198,241.38	1,196,936.00	8,395,177.38	5,540,816.57	2,854,360.81
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	16,000,000.00	16,260,258.00	32,260,258.00	30,934,636.97	1,325,621.03
4.3 Tertiary Institutions/Universities	14,000,000.00	11,000,873.00	25,000,873.00	10,552,212.10	14,448,660.90

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
4.4 Universities					
4.5 Social Security					
5.0 Sports	2,747,354.48	2,180,818.00	4,928,172.48	2,180,818.00	2,747,354.48
5.1					
6.0 Environment	2,747,354.48	2,180,818.00	4,928,172.48	2,180,818.00	2,747,354.48
6.1					
6.2					
6.3					
7.0 Primary Schools Projects (List all the Projects)					
Emivea Primary School	500,000.00	-	500,000.00	-	500,000.00
Kakeani Primary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Kakumuti Primary School	700,000.00	-	700,000.00	700,000.00	-
Kangii Primary School	800,000.00	-	800,000.00	-	800,000.00
Kangondi Primary School	700,000.00	-	700,000.00	-	700,000.00
Kathivo Primary School	578,365.63	-	578,365.63	578,365.63	-
Kaumoni Primary School	500,000.00	-	500,000.00	-	500,000.00
Kauwi Primary School	700,000.00	-	700,000.00	700,000.00	-
Kavumbu Primary School	500,000.00	-	500,000.00	-	500,000.00
Kiatine Primary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kilimu Primary School	500,000.00	-	500,000.00	-	500,000.00
Kithumula Primary School	200,000.00	-	200,000.00	-	200,000.00
Kiukuni Primary School	600,000.00	-	600,000.00	600,000.00	-
Kivani Primary School (Matinyani)	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Kombu Primary School	700,000.00	-	700,000.00	700,000.00	-
Kyunduani Primary School	800,000.00	-	800,000.00	-	800,000.00
AIC Kivani Primary School	700,000.00	-	700,000.00	-	700,000.00
Kyeni Pry School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Kwa Kitui Primary School	800,000.00	-	800,000.00	800,000.00	-
Kwa Mulungu Primary School	600,000.00	-	600,000.00	600,000.00	-
Kwa Mumo Primary School	700,000.00	-	700,000.00	700,000.00	-
Kwa Ndonga Primary School	900,000.00	-	900,000.00	900,000.00	-
Kyaani Primary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Maaani Primary School	1,100,000.00	-	1,100,000.00	-	1,100,000.00
Makolo Primary School	1,200,000.00	-	1,200,000.00	1,200,000.00	-

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Maseki Primary School	700,000.00	-	700,000.00	-	700,000.00
Maselele Primary School	600,000.00	-	600,000.00	-	600,000.00
Mateta Primary School	850,000.00	-	850,000.00	-	850,000.00
Mavalo Primary School	800,000.00	-	800,000.00	-	800,000.00
Mbavae Primary School	500,000.00	-	500,000.00	500,000.00	-
Mikuyu Mikya Primary School	1,400,000.00	-	1,400,000.00	-	1,400,000.00
Mithiikwani Primary School	500,000.00	-	500,000.00	500,000.00	-
Muthamo Secondary School	500,000.00	-	500,000.00	-	500,000.00
Muthi Primary School	300,000.00	-	300,000.00	-	300,000.00
Mutonguni Primary School	700,000.00	-	700,000.00	700,000.00	-
Mutulu Primary School (Mutonguni)	500,000.00	-	500,000.00	-	500,000.00
Mwaani DEB Primary School	900,000.00	-	900,000.00	900,000.00	-
Mwangya Primary School	800,000.00	-	800,000.00	-	800,000.00
Ndiuni Primary School	700,000.00	-	700,000.00	-	700,000.00
Ngengekani Primary School	600,000.00	-	600,000.00	-	600,000.00
Ngesu Primary School	500,000.00	-	500,000.00	500,000.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Ngomango Primary School	800,000.00	-	800,000.00	800,000.00	-
Nzinia Primary School	500,000.00	-	500,000.00	500,000.00	-
St. Mary's Kavole Primary School	900,000.00	-	900,000.00	-	900,000.00
Uttoo Primary School	700,000.00	-	700,000.00	700,000.00	-
Uvaani Primary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Syomuitu Pri. School	-	500,000.00	500,000.00	500,000.00	-
Komu Pri. School	-	600,000.00	600,000.00	600,000.00	-
Syokithumbi Pri. School	-	600,000.00	600,000.00	600,000.00	-
Muthamo Sec. School	-	600,000.00	600,000.00	600,000.00	-
St. Marys- Kavole Pri. School	-	300,000.00	300,000.00	300,000.00	-
Ngong'u Pri. School	-	700,000.00	700,000.00	700,000.00	-
Kalindilo Pri. School	-	800,000.00	800,000.00	800,000.00	-
Kithuiani Pri. School	-	800,000.00	800,000.00	800,000.00	-
Kyondoni Pri. School	-	800,000.00	800,000.00	800,000.00	-
Kakumi Pri. School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Malatani Pri. School	-	1,000,000.00	1,000,000.00	1,000,000.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Matinyani Boys Secondary School	2,000,000.00		2,000,000.00	-	2,000,000.00
Mikuyu Mikya Mixed Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00
Nzakame Secondary School	850,000.00		850,000.00	850,000.00	-
St. Augustine Kasakini Secondary School	1,500,000.00		1,500,000.00	1,500,000.00	-
St. Benedicts Kwa Mutonga Secondary School	500,000.00		500,000.00	-	500,000.00
St. Michael Kavumbu Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00
St. Patricks Kalindilo Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00
Utoo Mixed Day Secondary School	2,000,000.00		2,000,000.00	-	2,000,000.00
Yalatani Secondary School	900,000.00		900,000.00	900,000.00	-
Muthale Girls Sec. School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Ngegekani Sec. School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
St. Francis of Assisi Sec. School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
St. Johns- Kwa Mulungu Sec.	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Kasue Sec. School	-	2,000,000.00	2,000,000.00	2,000,000.00	-
9.0 Tertiary institutions Projects (List all the Projects)					

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kauwi Resource Centre	200,000.00	-	200,000.00	200,000.00	-
9.2					
9.3					
9.4					
10.0 Security Projects					
Iiani Assistant Chief's Office	200,000.00		200,000.00	200,000.00	-
Kakeani Chief's Office	500,000.00		500,000.00	500,000.00	-
Kalia Assistant Chief's office	200,000.00		200,000.00	200,000.00	-
Kalimbevo Assistant Chief's Office	200,000.00		200,000.00	-	200,000.00
Kangii Assistant Chief's Office	500,000.00		500,000.00	500,000.00	-
Kangondi Assistant Chief's Office	300,000.00		300,000.00	-	300,000.00
Katheka Assistant Chief's Office	1,000,000.00		1,000,000.00	1,000,000.00	-
Katheuni Assistant Chief's Office	200,000.00		200,000.00	200,000.00	-
Kiseveni Assistant Chief's Office	200,000.00		200,000.00	-	200,000.00
Kithuiani Assistant Chief's Office	200,000.00		200,000.00	-	200,000.00
Kithumula Chief's Office	1,200,000.00		1,200,000.00	-	1,200,000.00
Kitui West Deputy County Commissioner's Office	800,000.00		800,000.00	800,000.00	-
Kombu Police Post	3,000,000.00			-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

Reports and Financial Statements

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kwa Mutonga Chief's Office	500,000.00		500,000.00	500,000.00	3,000,000.00
Matinyani Police Headquarters	500,000.00		500,000.00	-	500,000.00
Musosya Assistant Chief's Office	600,000.00		600,000.00	600,000.00	-
Mutunguni Police Station	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Nzakame Assistant Chief's Office	200,000.00	-	200,000.00	200,000.00	-
Kwa Mutonga Police Station	-	3,000,000.00	3,000,000.00	3,000,000.00	-
Syokithumbi Chief's office	-	1,000,000.00	1,000,000.00	1,000,000.00	-
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	533,313.00	--	533,313.00		533,313.00
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment	-	3,400,000.00	3,400,000.00	3,400,000.00	-
11.4 Purchase of computers					
11.5 Purchase of land					
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub	-	4,677,027.00	4,677,027.00	4,677,027.00	-
12.2 Matching Facility	5,000,000.00		5,000,000.00	-	5,000,000.00
AIA	-	173,000.00	173,000.00	-	173,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – MIUI WESI CONSTITUENCY

**Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
TOTAL	137,367,724.14	66,526,904.33	203,894,628.47	129,992,809.40	73,901,819.07

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
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XI. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits 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 NG-CDF-KITUI WEST 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.

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 30th 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.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

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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 NG-CDF Act, 2015.

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 1st July 2019 to 30th 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 30th 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 (NG-CDF) – KITUI WEST CONSTITUENCY

**Reports and Financial Statements
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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NG-CDF Board			
2017-2018/B005346	1		54,784,483
2018-2019/B030259	2		10,000,000.00
2018-2019/B030458	3		13,000,000.00
2018-2019/B006404			6,000,000.00
2018-2019/A699143			11,000,000.00
2018-2019/B047016			14,000,000.00
AIE NO B041086	1	55,040,875.50	
AIE NO B047486	2	4,000,000.00	
AIE NO B041488	3	20,000,000.00	
AIE NO B049333		14,000,000.00	
AIE NO B047940		6,000,000.00	
AIE NO B104357		24,000,000.00	
TOTAL		123,040,876	108,784,483

2. PROCEEDS FROM SALE OF ASSETS

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST 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	-	-
Rents	-	-
Receipts from Sale of tender documents	39,000	131,000
Other Receipts Not Classified Elsewhere	-	-
Total	39,000	131,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,046,915	1,875,209
Personal allowances paid as part of salary	497,700	297,600
Wages to Casual Employees	58,700	43,400
Pension and other social security contributions (Gratuity)	754,645	51,384
Employer Contributions Compulsory national social security schemes	80,640	42,960
Total	3,438,600	2,310,553

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI
WEST CONSTITUENCY**
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,824,700	2,514,200
Utilities, supplies and services	71,360	66,312
Communication, supplies and services	125,000	105,000
Domestic travel and subsistence	445,075	408,800
Printing, advertising and information supplies & services	696,072	-
Rentals of produced assets	-	-
Training expenses	583,900	1,026,500
Hospitality supplies and services	438,789	311,660
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	961,007	1,007,160
Fuel, Oil & Lubricants	503,964	534,900
Other operating expenses-Bank Charges	22,200	21,740
Routine maintenance – vehicles and other transport equipment	487,447	145,646
Routine maintenance – other assets	-	80,400
Total	7,159,514	6,222,318

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	27,355,393	28,350,000
Transfers to secondary schools (see attached list)	28,350,000	35,686,207
Transfers to tertiary institutions (see attached list)	200,000	-
Transfers to health institutions (see attached list)		
TOTAL	55,905,393	64,036,207

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	27,653,737	5,765,447
Bursary – tertiary institutions (see attached list)	13,511,215	5,030,262
Bursary – special schools (see attached list)	321,900	40,000
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	8,700,000	14,416,349
Sports projects (see attached list)	2,180,818	1,736,207
Environment projects (see attached list)	2,180,818	1,736,207
Emergency projects (see attached list)	5,540,815	7,649,990
Total	60,089,303	36,374,464

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

Reports and Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	5,000,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	1,885,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	1,115,000	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	3,000,000	5,000,000

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	3,200,00
Kwa Mutonga Social Hall	-	800,000
Website	400,000	-
	400,000	4,000,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

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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>Kitui West NG-CDF, Equity Bank, Kitui, Account No.0720262084328</i>	5,114,438	11,447,029
Total	5,114,438	11,447,029
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

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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>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
Total				-

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
	-	-
Total	-	-

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Hastings Mutemi	128,117	-
Justus K. Mungali	84,983	-
Abed Kasusya	128,117	-
Edah Kiteme	84,500	-
Stella Mumo	95,106	-
Joseph Ukuno	29,760	-
Antony Makau	29,760	-
Total	580,343	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	11,447,029	20,475,085
Cash in hand		
Imprest		
Total	11,447,029	20,475,085

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 – 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	4,500,771	-
Imprest surrendered during the Year (C)	4,500,771	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	754,645	-
Deposit and Retentions paid during the Year (C)	174,302	-
Net changes in account receivables D= A+B-C	580,343	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

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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	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	660,000	-
	660,000	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NG-CDFC Staff	-	-
Others (<i>Gratuity</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	3,188,993	2,972,537
Use of goods and services	4,333,163	2,784,638
Amounts due to other Government entities (see attached list)	28,950,000	19,700,000
Amounts due to other grants and other transfers (see attached list)	31,723,350	32,819,702
Acquisition of assets	533,313	3,000,000
Others	5,000,000	5,077,027
AIA	173,000	
	73,901,819	66,353,904

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI
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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)	43,636,809.43	50,056,177.37
	43,636,809.43	50,056,177.37

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY
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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	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10. Training of Boda boda riders	1,590,000	30/08/2019	930,000	660,000	
11.					
12.					
Sub-Total	1,590,000		930,000	660,000	
Grand Total	1,590,000		930,000	660,000	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY
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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	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (Specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		3,188,993	2,972,536	
Use of goods & services		4,333,163	2,784,638	
Amounts due to other Government entities				
AIC Kivani Primary School		700,000.00	-	
Emivea Primary School		500,000.00	-	
Kangii Primary School		800,000.00	-	
Kangondi Primary School		700,000.00	-	
Kaumoni Primary School		500,000.00	-	
Kavumbu Primary School		500,000.00	-	
Kilimu Primary School		500,000.00	-	
Kithumula Primary School		200,000.00	-	
Kyeni Pry School		1,000,000.00	--	
Kyunduani Primary School		800,000.00	-	
Maseki Primary School		700,000.00	-	
Maselele Primary School		600,000.00	-	
Mateta Primary School		850,000.00	-	
Mavalo Primary School		800,000.00	-	
Mikuyu Mikya Primary School		1,400,000.00		
Muthamo Secondary School		500,000.00	--	
Muthi Primary School		300,000.00	-	
Mutulul Primary School (Mutonguni)		500,000.00	-	
Mwangya Primary School		800,000.00	-	
Ndiuni Primary School		700,000.00	-	
Ngegekani Primary School		600,000.00	-	
St. Mary's Kavole Primary School		900,000.00	-	
Emivea Secondary School		800,000.00	-	
Katheka Secondary School		2,500,000.00	-	
Kiamani Secondary School		1,000,000.00		
Kitamwiki Secondary School		700,000.00	-	
Kivani Secondary School		500,000.00	-	

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Matinyani Boys Secondary School		2,000,000.00	-	
Mikuyu Mikya Mixed Secondary School		1,000,000.00	-	
St. Benedicts Kwa Mutonga Secondary School		500,000.00	-	
St. Michael Kavumbu Secondary School		1,000,000.00	-	
St. Patricks Kalindilo Secondary School		1,000,000.00	-	
Utoo Mixed Day Secondary School		2,000,000.00	-	
Syomuitu Pri. School		-	500,000.00	
Komu Pri. School		-	600,000.00	
Syokithumbi Pri. School		-	600,000.00	
Muthamo Sec. School		-	600,000.00	
St. Marys- Kavole Pri. School		-	300,000.00	
Ngong'u Pri. School		-	700,000.00	
Kalindilo Pri. School		-	800,000.00	
Kithuani Pri. School		-	800,000.00	
Kyondoni Pri. School		-	800,000.00	
Kakumi Pri. School		--	1,000,000.00	
Malatani Pri. School		-	1,000,000.00	
Muthale Pri. School		-	1,000,000.00	
Nguuni Pri. School		-	1,000,000.00	
Muthale Girls Sec. School		-	1,000,000.00	
Ngegekani Sec. School		-	1,000,000.00	
Kwa Mutonga Police Station		-	3,000,000.00	Project implemented under other grants
St. Francis of Assisi Sec. School		-	1,000,000.00	
St. Johns- Kwa Mulungu Sec.		-	1,000,000.00	
Syokithumbi Chiefs office		-	1,000,000.00	Project implemented under other grants
Kasue Sec. School		-	2,000,000.00	
Sub-Total		36,472,156	25,457,174	
Amounts due to other grants and other transfers				
Emergency		2,854,360.81	32,819,702	
Bursary Sec. School		1,325,621.03	1,196,934.47	
Bursary Tertiary Institutions		14,448,660.90	16,260,258.01	
Environment		2,747,354.48	11,000,872.90	
Sports		2,747,354.48	-	
			2,180,818	

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Security		7,600,000	-	
Kifeeti River Sand Dam		-	726,939	
Makuue River Sand am		-	726,939	
Mavallo River Sand Dam		-	726,940	
Sub-Total		31,723,350	32,819,702	
Sub-Total		68,195,506	58,276,877	
Acquisition of assets (Motor Cycle)		533,313	-	
Office Furnishing		3,000,000		
Others (<i>specify</i>)-Matching facility with RREC		5,000,000	5,077,027	
Website		-	400,000	
CIH		-	4,677,027	Reallocated to transfer to Gvt Entities
AIA		173,000		
Sub-Total		5,706,313	8,077,027	
Grand Total		73,901,819	66,353,904	

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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
Land	-	-	-	-
Buildings and structures	15,007,468	-	-	15,007,468
Transport equipment	6,700,653	-	-	6,700,653
Office equipment, furniture and fittings	1,291,700	1,877,500	-	3,169,200
ICT Equipment, Software and Other ICT Assets	1,473,181	1,115,000	233,972	2,354,209
Other Machinery and Equipment	600,300	7,500	13,300	594,500
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	25,073,302	3,000,000	247,272	27,826,030

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
AIC Kiuwani Primary School	Equity Bank Ltd	0720272298706	49,852.50	100,035.00
AIC Makolo Primary School	Co-Operative Bank	01139303686900	1,201,052.50	952.50
Emivia Primary School	National Bank Of Kenya	01024128680700	-	100.00
Iiani Pri. School	National Bank Of Kenya	01024117899600 0	4,785.00	4,785.00
Iiani Sec. School	Equity Bank Ltd	0720261924848	4,060.00	4,060.00
Ivulya Muu Pri. School	Equity Bank Ltd	0720263880351	1,312.00	951,732.00
Kakeani Chief's Office	Equity Bank Ltd	0720271699288	488,480.55	0.55
Kakumi Pri. School	National Bank Of Kenya	01024117809500	52,203.40	781.00
Kalia Primary School	KCB	1258107430	56,787.00	1,000,075.00
Kalimani Primary School	Equity Bank Ltd	0720271771436	2,650.00	2,650.00
Kalinditi Primary School	National Bank Of Kenya	01024100620500	1,255.00	1,255.00
Kaluni Primary School	National Bank Of Kenya	01024128609600	1,048.00	1,300,160.00
Kangungi Ass. Chiefs Office	Equity Bank Ltd	0720278947398	4,868.15	200,058.15
Kangungi Primary School	Equity Bank Ltd	0720266577103	2,252.00	2,252.00
Kasakini Primary School	Equity Bank Ltd	0720162485434	180.95	180.95
Kasue Primary School	National Bank Of Kenya	01024100619200	11,280.00	11,280.00
Kathiani Pri. School	Equity Bank Ltd	0720266594159	1,065.00	1,065.00
Kathivo Primary School	Equity Bank Ltd	0720266872482	125,154.63	1,203,849.00
Kathuma Pri. School	National Bank Of Kenya	01024117827200	4,620.00	4,620.00
Kauwi Resource Centre	KCB	1178956377	117,585.00	1,685.25
Kavoo Pri. School	National Bank Of Kenya	01024117804000	10,565.00	10,565.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kilimu Pri. School	National Bank Of Kenya	01024128692600	1,030.00	-
Kiseveni Pri. School	Equity Bank Ltd	0720263618863	667.00	667.00
Kitamwiki Primary School	Equity Bank Ltd	0720270553334	240.70	170,700.70
Kithuiani Primary School	KCB	1210615096	42,522.00	535.00
Kithumula Primary School	Equity Bank Ltd	0720271468490	13,045.00	13,045.00
Kitui West Environment PMC	Co-operative Bank	1141303239200	520,166.00	520,166.00
Kitui West NG-CDF Office Construction PMC	Equity Bank Ltd	0720272284375	464,659.02	596,891.27
Kitui West Sports PMC	Equity Bank Ltd	0720264789324	514.98	1,366,715.98
Kitunduni Sec. School	National Bank Of Kenya	01285069381900	14,347.00	24,347.00
Kivulu Primary School	Equity Bank Ltd	0720268442233	185.00	185.00
Komu Pri. School	Equity Bank Ltd	0720273326585	318,345.50	31,155.50
Kwa Kitui Pri. School	KCB	1178401804	179,287.00	311,086.00
Kwa Mukoo Pri. School	National Bank Of Kenya	01022206718800	1,345.00	-
Kwa Mumo Assistant Chief's Office	Equity Bank Ltd	0720271682942	60.00	60.00
Kwa Mumo Pri. School	Equity Bank Ltd	0720266564351	702,185.00	2,185.00
Kwa Mutonga AP Line	Co-Operative Bank	01141304793600	375.00	375.00
Kwa Mutonga Police	Equity Bank Ltd	0720272165972	660,947.00	227,816.00
Kwa Mutonga Primary School	Equity Bank Ltd	0720266840973	1,239.00	1,239.00
Kwa Mwambi Pri. School	Equity Bank Ltd	0720271463553	55,263.00	35.00
Kwa Ndila Primary School	Equity Bank Ltd	0720271471358	107.20	106.80
Kwa Nyingi Primary School	Equity Bank Ltd	0720271475275	9.00	9.00
Kyaani Ap-Line	Equity Bank Ltd	0720271771765	2,380.30	2,380.30

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kyambevo Pri. School	Equity Bank Ltd	0720267134930	9,992.00	1,110,227.00
Kyamutimba Primary School	Equity Bank Ltd	0720271487039	760.00	760.00
Kyeng'e Primary School	Equity Bank Ltd	0720270060591	20.00	20.00
Kyeni Primary School	National Bank Of Kenya	01024132044600	654.00	654.00
Kyondoni Ap-Line	Equity Bank Ltd	0720271501684	1,350.00	200,427.00
Kyondoni Primary School	Equity Bank Ltd	0720266791438	123.00	343.00
Maaini Pri. School	Equity Bank Ltd	0720266850107	21,640.00	21,640.00
Mangelu Primary School	National Bank Of Kenya	01024117833700	1,286.00	1,286.00
Manzi Itumo Pri. School	Equity Bank Ltd	0720264382305	10,080.00	10,080.00
Maselele Primary School	Equity Bank Ltd	0720272223413	6,195.00	6,195.00
Matinga Pri. School	National Bank Of Kenya	01024128679800	230.00	250.00
Matinyani AP-Line	Equity Bank Ltd	0720272300081	50.00	50.00
Matinyani DEB Primary School	Equity Bank Ltd	0720269970286	7.00	7.00
Matinyani Police Headquarters	Equity Bank Ltd	0720271611245	1,937.25	242,819.75
Mavalo Primary School	National Bank Of Kenya	01024132031700	111,203.00	1,000,430.00
Mbuini Primary School	Equity Bank Ltd	0720266680975	18,005.00	801,935.00
Mikuyu Mikya Primary School	Equity Bank Ltd	0720267148948	6,633.00	303,223.00
Misyini Primary School	National Bank Of Kenya	01024128692900	119,240.00	119,240.00
Mithiikwani Pri. School	Equity Bank Ltd	0720277982814	518,254.50	18,254.00
Mithiikwani Sec. School	KCB	1148058915	6,163.00	6,163.00
Mumbuni Pri. School	KCB	1178476480	3,315.00	95,890.00
Muthale Primary School	National Bank Of Kenya	01024117829800	400.00	6,360.00
Muthi Primary School	Equity Bank Ltd	0720262235179	49,983.00	49,983.00

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mutini Pri. School	National Bank Of Kenya	01024117800900	88.23	88.23
Mwaani Primary School	Equity Bank Ltd	0720272734869	857,325.00	1,545.00
Mwangya Primary School	Equity Bank Ltd	0720266838732	145.00	145.00
Mwatate Pri. School	Equity Bank Ltd	072026655210	822,628.00	22,628.00
Ndiuni Primary School	Equity Bank Ltd	0720271461312	2,141.00	2,141.00
Ndiuni Primary School- Mithumu Water line	Equity Bank Ltd	0720272150341	1,980.00	1,980.00
Ngengekani Primary School	KCB	1200029771	1,120.00	1,120.00
Nzemeli Pri. School	Equity Bank Ltd	0720266578066	4,710.00	52,330.00
Nzinia Primary School	Equity Bank Ltd	0720271458879	501,490.00	1,490.00
Sangala Primary School	Co-Operative Bank	01139304888500	4,862.00	4,862.50
St. Mary's Kavole Primary School	Co-Operative Bank	01139304794800	134,296.00	1,276.50
St. Patricks Kalindilo Secondary School	National Bank Of Kenya	01020100625400	5,767.00	174,246.80
St. Peters Ngengekani sec. School	Equity Bank Ltd	0720271507722	52,856.00	52,222.00
St. Philips Mutini Sec. School	National Bank Of Kenya	01025117817900	6,601.00	1,389,101.00
Syokithumbi Primary School	Equity Bank Ltd	0720272986610	102.00	3,792.00
Ukuni Primary School	National Bank Of Kenya	01024117802900	360.00	360.00
Utoo Sec. School	KCB	1166461343	3,615.00	6,305.00
Ilako Mututa Sec. School	Equity Bank Ltd	0720269067354	1,953,930.55	70,650.55
Kalimbevo Ass. Chiefs Office	Equity Bank Ltd	0720277807449	3,512.00	89,161.00
Kalimbevo Primary School	Equity Bank Ltd	0720278860801	144,266.65	200,399.15
Kangii mixed Secondary School	Equity Bank Ltd	0720261706671	47,202.50	1,000,482.50
Kangii Primary School	Equity Bank Ltd	0720271495924	1,557.00	1,557.00
Kangungi Mixed Sec. School	KCB	1257154737	193,859.00	600,395.00

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kasaini Chiefs Office	Equity Bank Ltd	0720278883438	66,635.00	1,100,000.00
Kasakini Ass. Chiefs Office	Equity Bank Ltd	0720277708637	3,329.50	3,329.50
Kataa Primary School	National Bank Of Kenya	01281068414500	-	700,526.00
Katheka Pri. School	Equity Bank Ltd	0720266577515	221.00	55,101.00
Katheuni Ass. Chiefs Office	Equity Bank Ltd	0720277679798	200,410.00	110,090.00
Katheuni Primary School	Equity Bank Ltd	0720263616886	54,588.00	54,588.00
Katheuni Sec. School	Family Bank	072000027217	1,004,852.00	52,482.20
Kauma Primary School	equity Bank Ltd	0720277412584	477.50	477.50
Kavonge Primary School	Equity Bank Ltd	0720278943535	12,707.50	900,027.50
Kavumbu Primary School	Co-Operative Bank	01139811001400	3,845.00	1,000,000.00
Kiamani Primary School	Equity Bank Ltd	0720266621282	40.00	1,002,160.00
Kikanga Primary School	National Bank Of Kenya	01024128664600	824.00	1,000,695.00
Kiseveni Ass. Chiefs Office	Equity Bank Ltd	0720277701723	3,460.00	111,260.00
Kitamwiki Sec. School	Equity Bank Ltd	0720261745160	2,342.50	2,342.50
Kithuiani Ass. Chief Office	Equity Bank Ltd	0720277813750	227.50	1,054,387.50
Kithumula Ass. Chief Office	Equity Bank Ltd	0720278916490	2,290.00	300,000.00
Kithumula Sec. School	Equity Bank Ltd	0720262238009	2,620,465.50	98,542.50
Kithunzi Primary School	National Bank Of Kenya	01022211385100	555.00	555.00
Kitui West AP-Line	Equity Bank Ltd	0720272303207	707.00	707.00
Kitui West Environment PMC	Equity Bank Ltd	0720278214035	492.80	111,142.65
Kitumbi Pri. School	Equity Bank Ltd	0720277735637	22,507.50	22,707.50
Kiumoni Pri. School	Equity Bank Ltd	0720278942633	64,807.00	1,000,000.00
Kivani Sec. Sch	Equity Bank Ltd	0720261712416	250,354.00	1,257,274.00

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kunikila Primary School	Equity Bank Ltd	0720277441184	89,030.50	904,050.50
Kutha Primary School	Equity Bank Ltd	0720266554360	1,925.00	800,005.00
Kwa Kitisa Pri. School	Equity Bank Ltd	0720273623849	69,553.20	700,000.00
Kwa Mutonga Social Hall	Equity Bank Ltd	0720278596806	480.00	76,600.00
Kwa Mwambi Sec. School	Equity Bank Ltd	0720261733639	1,000,520.50	47,080.50
Kwa Nondo Pri. School	Equity Bank Ltd	0720278938920	92,104.50	1,200,007.50
Kwa Silu Primary School	KCB	1179528026	3,275.00	33,055.00
Kyaani Girls Sec. School	KCB	1184521565	1,995.00	1,995.00
Kyambiwa Primary School	KCB	1257672924	1,399.00	701,000.00
Kyambusya Pri. School	Equity Bank Ltd	0720271486688	199,805.00	200,045.00
Kyeni Mixed Day Sec. School	Equity Bank Ltd	0720278873588	2,670.00	355,679.80
Kyondoni Girls' Sec. School	National Bank Of Kenya	01022204441600	2,001,630.00	1,750.00
Kyondoni Mixed Sec. School	Equity Bank Ltd	0720261802255	341,552.40	3,001,624.00
Malatani Primary School	Equity Bank Ltd	0720266695927	53,132.50	179,140.00
Malukwete Pri. Sch	Equity Bank Ltd	0720266617928	1,990.00	636,460.00
Manzi Itumo Sec. School	Equity Bank Ltd	0720277543432	700,744.35	190,419.35
Matinyani Boys' Sec. School	Co-Operative Bank	01139304683700	20,085.00	52,673.00
Mikuyu Mikya Secondary School	Equity Bank Ltd	0720261907383	6,828.50	149,388.50
Miwongoni Pri. School	KCB	1258199726	3,566.00	600,500.00
Musengo Primary School	national Bank Of Kenya	01024100620600	356.00	356.00
Musengo Secondary School	National Bank Of Kenya	01025123066900	3,145.00	6,901,565.00
Mutanda Primary School	Equity Bank Ltd	0720278885805	30.00	500,000.00
Muthamo Sec. Sch	Equity Bank Ltd	0720277783520	425.89	1,119,390.89

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mutonguni Chiefs Office	Equity Bank Ltd	0720278513495	11,016.40	68,868.40
Mutonguni Girls Sec. School	Equity Bank Ltd	0720261721677	250,179.75	465,321.75
Mutulu AP-Line	Equity Bank Ltd	0720277836155	116,984.50	188,294.50
Mutulu Sec. School	equity Bank Ltd	0720277716163	104,351.90	48,291.90
Ndolos Police Station	Equity Bank Ltd	0720278944706	1,754,899.00	3,066,349.00
Ngomango Pri School	Equity Bank Ltd	0720278944306	800,880.00	200,000.00
Ngongu Primary School	National Bank Of Kenya	01022216410400	5,375.00	200,275.00
Ngunguuni Primary School	Equity Bank Ltd	0720266579462	6,915.00	200,000.00
Nyuani Primary School	Equity Bank Ltd	0720266565162	91.40	250,000.00
Nzakame Ass. Chiefs Office	co-Operative Bank	01134810724700	200,775.00	120,275.00
Nzinia Assistant Chief's Office	Equity Bank Ltd	0720271476099	21,275.00	560,365.00
St. Benedict Kwa Mutonga Sec. School	Equity Bank Ltd	0720277839317	46,860.00	47,040.00
St. Michael Kavumbu Sec. Sch	National Bank Of Kenya	01025123048100	1,870.00	103,995.00
Syomuitu Pri. School	Equity Bank Ltd	0720266700183	1,470.00	500.00
Tulia School for the Mentally	Equity Bank Ltd	0720278706750	2,997.50	200,227.50
Yalatani Sec. School	Equity Bank Ltd	0720261980956	947,007.50	94,927.00
Kitui West DCCs Office	Co-Operative Bank	01141810526200	804,250.00	-
Kyaani Primary School	Co-Operative Bank	01139811307000	1,001,020.00	-
Muthale Girls Sec. School	Co-Operative Bank	01139304757800	117,041.00	-
Iiani Ass. Chief Office	Equity Bank Ltd	0720264394266	168,335.00	-
Kakumuti Primary School	Equity Bank Ltd	0720279815779	700,000.00	-
Kalia Ass. Chief Office	Equity Bank Ltd	0720264354786	200,175.00	-
Kalindilo Primary School	Equity Bank Ltd	0720278947119	- 95.25	-

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kangii Ass. Chief Office	Equity Bank Ltd	0720279706234	500,000.00	-
Kasue Sec. School	Equity Bank Ltd	0720279105551	136,784.30	-
Katheka Ass. Chiefs Office	Equity Bank Ltd	0720279689102	37,039.00	-
Kauma Boys Sec. School	Equity Bank Ltd	0720279650270	2,498,985.00	-
Kauwi Primary School	Equity Bank Ltd	0720279706212	700,000.00	-
Kiatine Primary School	Equity Bank Ltd	0720279791743	1,000,000.00	-
Kiteeti River Sand Dam	Equity Bank Ltd	0720279870520	727036.5	-
Kitui West SCDE office	Equity Bank Ltd	0720279693685	100,000.00	-
Kiukuni Primary School	Equity Bank Ltd	0720266580101	160,080.00	-
Kombu Primary School	Equity Bank Ltd	0720266696721	700,305.00	-
Kwa Mulungu Primary School	Equity Bank Ltd	0720279714711	600,000.00	-
Kwa Musyimi Primary School	Equity Bank Ltd	0720279006584	4,790.00	-
Kwa Mutonga Chiefs Office	Equity Bank Ltd	0720279818237	700,000.00	-
Kwa Ndonga Primary School	Equity Bank Ltd	0720279620884	39.40	-
Makuue River Sand Dam	Equity Bank Ltd	0720279835753	726939	-
Maseki Primary School	Equity Bank Ltd	0720279675675	201,030.00	-
Mavalo River Sand Dam	Equity Bank Ltd	0720279875376	726,940.00	-
Mbavae Primary School	Equity Bank Ltd	0720279691239	500,000.00	-
Musosya Ass. Chief Office	Equity Bank Ltd	0720279665269	600,007.50	-
Mutanda Mixed Sec. Sch	Equity Bank Ltd	0720279253843	77,428.00	-
Mutonguni Primary School	Equity Bank Ltd	0720279652359	700,037.50	-
Ngesu Primary School	Equity Bank Ltd	0720279805180	479,960.00	-
Nguuni Primary School	Equity Bank Ltd	0720266572906	75.00	-

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Nzakame Sec. School	Equity Bank Ltd	0720279628617	852,500.00	-
St. Augustine Kasakini Sec. Sch	Equity Bank Ltd	0720279804686	1,500,000.00	-
Syokithumbi Chiefs Office	Equity Bank Ltd	0720269970048	157,701.35	-
Utoo Primary School	Equity Bank Ltd	0720271259673	9,464.00	-
Uvaani Primary School	Equity Bank Ltd	0720279661760	75,737.50	-
Katutu Girls Sec. School	Family Bank	072000037830	98,840.20	-
Kakeani Primary School	National Bank Of Kenya	01024117898100	1,011,945.00	-
Kakeani Sec. School	National Bank Of Kenya	01022217594000	68,927.50	-
Kivani DEB Primary School	National Bank Of Kenya	01024128679300	1,002,115.00	2,235.00
St. Francis of Assisi Sec. School	National Bank Of Kenya	2153385300	695.68	-
St. Johns Kwa Mulungu Sec. School	National Bank Of Kenya	0025123077000	71,676.00	-
Mbavae Primary School	National Bank Of Kenya	01022216014800	5,767.00	201,000.00
Kakumuti Primary School	National Bank Of Kenya	01024117806900	-	445.00
Maseki Primary School	National Bank Of Kenya	01024100620400	-	950.00
TOTAL			43,636,809.43	50,056,177.37

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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)
1.1	<p>Exceeded Limits on Emergency Expenditure</p> <p>During the year under review, the Fund spent a total of Kshs.7,649,990 on emergency projects which represents 7% of the total allocated funds. This was in contravention of section 12 (1) of The Constituency Development Fund Act,2015 which requires emergency reserve expenditure to be 5% of the allocated funds.</p> <p>Consequently, the Fund management exceeded the set limits on emergency projects</p>	<p>In the Financial Year 2017/2018, Kitui West NG-CDF had unutilized emergency fund to the tune of Kshs. 3,107,931.03 which was carried forward to 2018/2019 financial year. Out of the balance, Kshs. 1,400,000 related to unutilized emergency funds for 2016/2017 financial year which Kitui West NG-CDF had requested for reallocation approval from the NG-CDF Board to</p>	<p>Nicholas N. Kimanzi (FAM)</p>	<p>Resolved</p>	<p>30th June, 2020</p>

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	<p>Issue / Observations from Auditor</p> <p>expenditure.</p>	<p>Construct a classroom at Mwaani Primary School and Kwa Kitisya Primary Schools at a cost of Kshs. 700,000 each, a request which was eventually approved by the NG-CDF Board vide Authority Letter Ref: NG-CDF BOARD/KITUI WEST/VOL 2/17 dated 4th June, 2018. In the Financial year 2018/2019, Kitui West was allocated Kshs. 5,738,993.45 to Emergency vote being 5% of the total allocation to NG-CDF Board. The Office spent Ksh. 7,649,990 on emergency projects during the year</p>			

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		yielding a Balance of (2019/2020 F/Y) Kshs. <u>1,196,934.00</u>			
1.2	<p>Non-Qualifying Projects</p> <p>A review of projects implementation records showed that three (3) projects with a combined cost of Kshs.1,200,000 were funded from emergency reserve but did not qualify as emergencies based on the criteria set in Section 8(3) of the National Government Constituencies Development Fund Act, 2015</p>	<p>(i) Kshs. 700,000 allocated to Kwa Kitisya Primary School for Construction of a classroom was a reallocation of unspent emergency fund approved by the NG-CDF Board vide Authority Letter Ref: NG-CDF BOARD/KITUI WEST/VOL 2/17 dated 4th June, 2018. (Appendix 1.1).</p> <p>(ii) Kshs. 300,000 was allocated to Kithumula Assistant Chiefs office for its completion. The structure had been initiated by the</p>	Nicholas N. Kimanzi (FAM)	Resolved	30 th June 2020

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		<p>community. The chief and the Assistant chief in Kithumula Location had no offices and were both working at rented shops in the shopping centre. The project had stalled and developed some cracks on the walls. This prompted Kitui West NG-CDF Committee to approve the use of emergency funds to complete the office so as to bring security services closer to the people and prevent further deterioration of the stalled structure.</p> <p>(iii) Kshs. 200,000 was</p>			

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	Issue / Observations from Auditor	<p>Management comments</p> <p>allocated to Kyondoni AP-Line for construction of a pit Latrine. The only latrine available then belonged to the dispensary and was in a deplorable condition, posing a great danger to the users. The latrine has since collapsed and it is no longer in use. Furthermore, at that time the latrine was serving three departments namely; AP Line, Dispensary, Chiefs Office and members of public from the adjacent shopping centre. In this regard, the facility available was not able to serve such number of users thus the</p>			

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1.	<p>Construction of an Administration Block in Ndolo's Police Station</p> <p>During the year under audit, the Constituency Development Fund spent a total of Kshs.14,416,349 on security projects. Included in this amount is Kshs.3,066,349 disbursed for construction of an administration block in Ndolos Police Station comprising of, OCS office, report office, crime office, armory, 2 cells and toilets. However, a site inspection carried out in February, 2020 revealed that the project was still at foundation level with little</p>	<p>need for the emergency intervention.</p> <p>Kshs.3,066,349 was allocated to Ndolos Police Station for Construction of a Police Station Administration Block (OCS Office, Report Office, Crime office, Armory, 2 cells & toilets) in the financial year 2018/2019. However, the funds were committed in the books of account on 25th April, 2019 immediately on receipt of the A/E. The funds were transferred to the PMC bank account on 21st June 2019 after the PMC provided the requisite</p>	<p>Nicholas N. Kimanzi (FAM)</p>	<p>Resolved</p>	<p>30th June 2020</p>

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	<p>activities more than seven months after the end of 2018/2019 Financial year. No plausible explanation was given for failure to implement the project since all the allocated funds had been disbursed</p>	<p>The project documents. The procurement process for the project commenced immediately culminating in the signing of contract on 24th September, 2019.</p> <p>The contractor was then handed over the site but the project was halted immediately after the PMC realized that the foundation works had omitted internal partitioning. On scrutinizing the initial BQ, it was discovered that some major items had been omitted. The two Parties met and agreed that an additional bill of quantities with the extra omitted works be prepared by the Sub-County Works Officer and be presented to the parties for adoption before the contractor resumed the work. The Additional Bill of</p>			

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2.	<p>Failure to Brand Implemented Projects</p> <p>During the project verification exercise, it was noted that some projects were not branded to show that they were implemented by the NG-CDF and also lacked sign posts.</p>	<p>Quantities was presented to the parties on 21st January, 2020 and was adopted for implementation. The contractor was then cleared to go back to the site and resume work. Currently the contractor is on site</p> <p>The projects at Kwa Kitisya Primary School were still on going at the time of Audit. The contractor was however instructed to brand the projects accordingly which he did.</p> <p>The Project at Mikuyu Mikya Primary School at the time of audit verification was still ongoing and the PMC has been directed to brand the project accordingly once it is</p>	Nicholas N. Kimanzi (FAM)	Resolved	30 th June 2020

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3.	<p>Poor Floor Paint Works on Projects</p> <p>During a field verification exercise done in February, 2020 it was observed that four projects constructed at a total cost of Kshs.2,750,00 had faded or worn out floor paints only a few months after their completion with one case where the floor paint had faded even before the project was completed</p>	<p>completed. The Project was subsequently completed and duly branded.</p> <p>Kyaani Girls Secondary School PMC has been advised to ensure that the branding is done. The Project has since been branded</p>	Nicholas N. Kimanzi (FAM)	Resolved	30 th June 2020
1	<p>Procurement without Users Requisition</p> <p>During the year under review, the Fund spent a total of</p>	<p>In Kitui west NG-CDF, the Fund Account Manager's Office is the main user department while the rest</p>	Nicholas N. Kimanzi (FAM)	Resolved	30 th June 2020

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	<p>Kshs.6,222,318 on use of goods and services which included Kshs.1,007,160 incurred on office general supplies and services. This amount further includes Kshs.235,230 paid to Telema General Merchants of for supply of office stationery which was not supported with a user's requisition. Procurement of goods without a requisition from the users means that it is not possible to ascertain if the expenditure was need driven and if value for money was realized from the same</p>	<p>are auxiliary to his/her office. When need for stationery arose the FAM prepared a list of required items and gave out requests for quotations to the interested bidders/suppliers. Going forward, all the departments shall be required to prepare list of their requirements, forward the same to the office administrator who would compile a full list for requisition</p>		Resolved	
2.	Bank Reconciliation - Lack of Check and Balances	The preparation, supervision, checking and	Nicholas N. Kimanzi (FAM)	Resolved	30 th June 2020

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	<p>Review of cash and bank records of the Company revealed that although bank reconciliation statements for the NG-CDF bank account were prepared on monthly basis, there was no evidence of checks and balances in the process. The bank reconciliation statements indicated the District Accountant as the reviewer but did not show who was the preparer.</p> <p>Lack of check and balances in the bank reconciliation statements means there is lack of independent review and errors therein could go unnoticed.</p> <p>The audit was conducted in accordance with ISSAI 1315 and</p>	<p>review of Bank Reconciliation Statements for NG-CDF is the mandate of the Sub-County Accountant. Kitui West Sub-County National Treasury is understaffed and currently the office is being manned by a single Accountant. Secondly, on its part, Kitui West NG-CDF office reviews all the bank reconciliation Statements for any discrepancies that may arise, only that the current Bank Reconciliation Statement template does not have the provision for Accounting Officer's</p>			

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	<p>ISSAI 1330. 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.</p>	<p>signature. Going forward, the Sub-county Accountant has committed himself to customizing the template to allow the FAM to authenticate and own the statement</p>			