

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY

DATE: 10 AUG 2023

OF BY: *Titus*
Hon Owen Bayo, MP
Deputy leader, majority party

CLERK AT THE TABLE: *Westmade chebet*

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – KATHIANI CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2022**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.
26 JUL 2023
RECEIVED



Revised Template 30th June 2022



KATHIANI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

***Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

Table of Contents

	Page
I. Key Constituency Information and Management.....	iii
II. NG-CDFC Chairman’s Report	vii
III. Statement Of Performance Against Predetermined Objectives for FY2021/22	ix
IV. Environmental and Sustainability Reporting.....	xi
V. Statement Of Management Responsibilities	xv
VI. Report Of the Independent Auditors On The NGCDF- xx Constituency	xvii
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022.....	1
VIII. Statement Of Assets and Liabilities As At 30 th June, 2022	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022.....	3
X. Summary Statement of Appropriation for The Year Ended 30 th June 2022.....	4
X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022.....	6
XI. Significant Accounting Policies.....	13
XII. Notes To the Financial Statements	19

I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

***Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

- 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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

***Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Aurelia M. Nyika
2.	Sub-County Accountant	Everlyne O. Omung'ala
3.	Chairman NGCDFC	Philip Ndolo
4.	Member NGCDFC	Agnes Muasya

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kathiani Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) Kathiani Constituency NGCDF Headquarters

P.O. Box 144-90105
DCC's Building, Kathiani Sub-County
Kathiani, KENYA

(f) Kathiani Constituency NGCDF Contacts

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

***Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

(g) Kathiani Constituency NGCDF Bankers

Co Operative Bank
Account Number 01141563295800
Athi River Branch
P.O Box 321
Athi River Branch

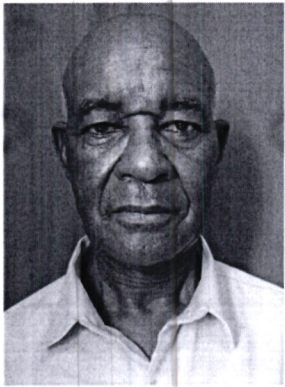
(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report



Philip Ndolo -Chairman

Kathiani NG-CDF was allocated KSh.137,088,879 in the financial year 2021/2022. All this allocation had been received in total by the end of the financial year ended 30th June 2022. We also received Ksh.74,688,879 being balance from the financial year 2020/2021. A total of Ksh. 211,777,758 was received from the NG-CDF Board during the financial year 2021-2022. An amount of Ksh. 84,000 was also available from Appropriation-In-Aid. Thus, the total available funds during the year 2021/2022 being Ksh. 233,616,500. Out of this, Kathiani NG-CDF expended a total of Ksh. 196,818,665; the balance of Ksh. 36,797,834 will be utilized accordingly. Some of projects implemented during the year include the following.

Kathiani NG-CDF Office Block



Kikombi Secondary School Administration Block

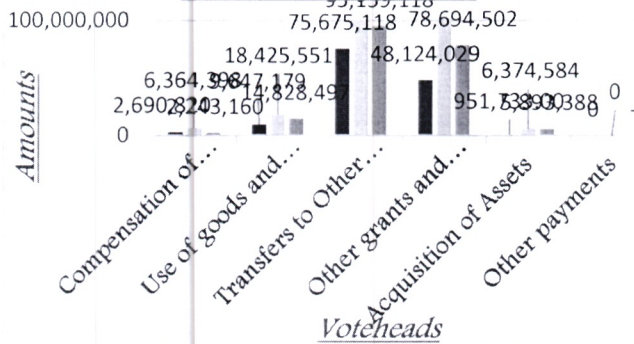


Wutini Primary School 6-door pit latrines

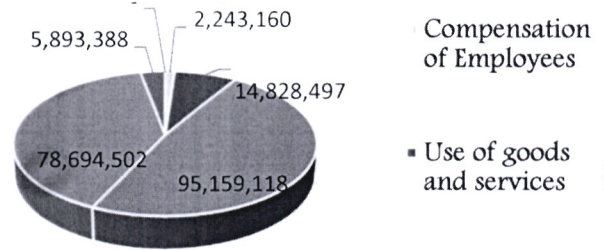


Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

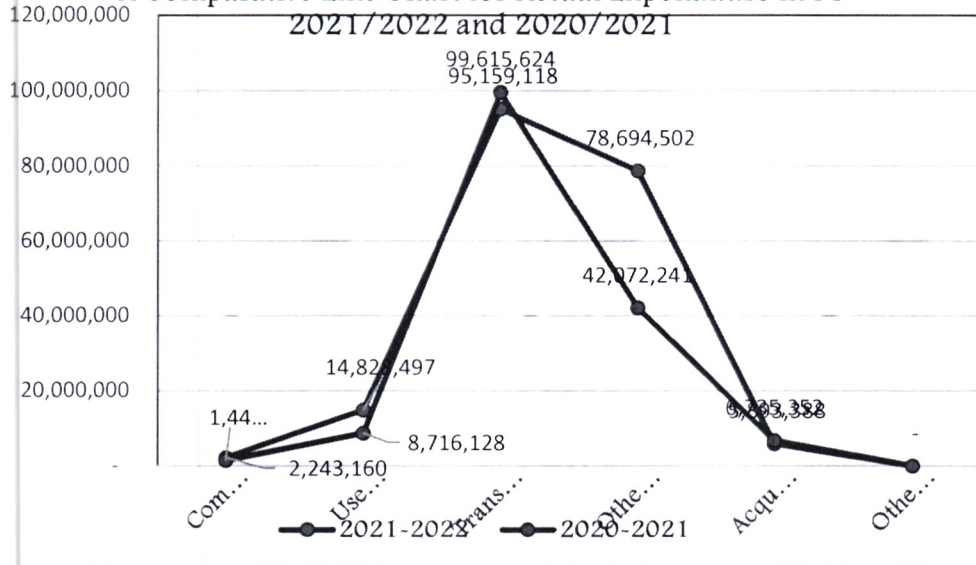
Bar Chart Showing Original Budget, Adjusted Budget and Actual Expenditure



Pie Chart Showing Actual Expenditure Per Votehead



A Comparative Line Chart for Actual Expenditure in FY 2021/2022 and 2020/2021



(Handwritten signature)

PHILIP NDOLO
CHAIRMAN NGCDF COMMITTEE

***Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

I. Statement of Performance Against Predetermined Objectives for FY2021/22

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 *Kathiani Constituency 2018-2022* plan are to:

- a) Primary School projects: construction, renovation of classrooms and office blocks
- b) Secondary school's infrastructure: construct and equip classrooms, dining halls, dormitories, administration blocks and libraries
- c) Sports activities for youth: levelling of playgrounds and purchase of equipment, balls, uniforms
- d) Planting tree seedlings of indigenous and fruit trees
- e) Payment of bursary to needy students in secondary and colleges/universities

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	<p>In FY 20/21 -28 primary schools and 27 secondary schools were funded to improve their learning infrastructure including classrooms, dormitories and laboratories</p> <p>- Bursary beneficiaries at all levels were over 7000</p>

Kathiani Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Security	To have security services at every ward	Increased access to security services at walking distance	- number of police posts build	5 Police posts and 7 Assistant Chiefs offices were funded to improve their infrastructure
Disaster Management	To be prepared for handling emergent events	Ability to handle unplanned events	- number of projects/ events handled	7 toilets done

II. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Kathiani NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Kathiani NG-CDF has under the provision of environment been funding ground levelling in schools to enable pupils have playing fields soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kathiani constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

Kathiani NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

***Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

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

Public Awareness

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

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



Aurelia M. Nyika
Fund Account Manager

III. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Kathiani 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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kathiani Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kathiani Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

***Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

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

Approval of the financial statements

The NGCDF- Kathiani Constituency financial statements were approved and signed by the Accounting Officer on 25th July 2023

.....

Name: Philip Ndolo

Chairman – NGCDF Committee

.....

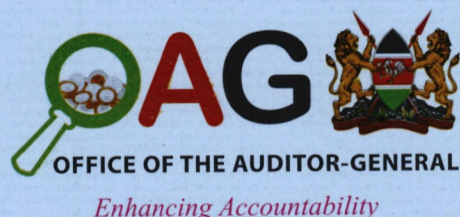
Name: Aurelia M. Nyika

Fund Account Manager



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KATHIANI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kathiani Constituency set out on pages 1 to 42,

*Report of the Auditor-General on National Government Constituencies Development Fund - Kathiani Constituency
for the year ended 30 June, 2022*

which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kathiani Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10A to the financial statements reflects cash and cash equivalents balance of Kshs.36,797,834. However, the bank reconciliation statement for the month of June, 2022 shows unrepresented cheques totalling to Kshs.2,274,492. Further, the unrepresented cheques include stale cheques amounting to Kshs.1,241,911 which had not been written back to the cashbook. The stale cheques include bursary disbursements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.36,797,834 could not be confirmed.

2. Unsupported Expenditure in Use of Goods and Services

The financial statements reflects Kshs.14,828,497 in respect to use of goods and services as disclosed in Note 5. Included in this expenditure is an amount of Kshs.5,716,700 paid as committee allowances. However, the audit revealed that payment vouchers amounting to Kshs.2,829,402 were not supported.

In the circumstances, the accuracy and validity of the Kshs.2,829,402 expenditure could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budget and Budgetary Performance

The summary statement of appropriation reflects a receipt and expenditure budget of Kshs.211,777,738 and Kshs.233,616,500 respectively. However, the Fund spent Kshs.196,818,665 against the approved budget resulting to an underperformance of Kshs.36,797,834,182 or 15% of the budget. Further, the Fund's budget was unbalanced contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that the budget shall be balanced

The under expenditure affected the implementation of the planned activities and programs and impacted negatively on service delivery to the public.

2. Unresolved Prior Year's Audit issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. The Management has however, not resolved the issues or given explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Report Emergency Projects to NGCDF Board

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers of Kshs.78,694,502. Included in this amount is Kshs.11,842,207 in respect of emergency projects. However, there was no evidence presented for audit review to show that the Fund had reported any emergency project to the NG-CDF Board within 30 days of the occurrence of Emergency, as

stipulated in Regulation 20(2) of the National Government Constituency Development Fund Regulations, 2016.

In the circumstances, Management was in breach of the law.

2. Lack of Criteria for Bursary Disbursement

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.78,694,502 relating to other grants and other transfers. Included in the expenditure is Kshs.19,076,500 expended on bursaries to tertiary institutions in support of various learners. However, the criteria for selection of beneficiaries was not outlined. Further, the audit review revealed that a driving school received a total of Kshs.8,922,400 as bursary for provision of driving lessons while the support schedules provided shows that the Fund sent Kshs.5,100,000 to the provider resulting to unexplained difference of Kshs.3,822,400. In addition, the driving school did not acknowledge receipt of payments nor provide proof that the beneficiaries attended the driving lessons.

In the circumstances, value for money on the expenditure of Kshs.78,694,502 may not have been realised.

3. Unsurrendered PMC Balances

The financial statements reflects a balance of Kshs.49,524,397 in respect of funds held by various Project Management Committees as disclosed in Annex 5. However, the amount includes Kshs.639,079 relating to balances held by various Project Management Committee accounts after the projects were completed but the same was not surrendered to the Fund main bank account contrary to Section 12(8) of the National Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

In the circumstances, Management was in breach of the law.

4. Failure to Submit Bank Reconciliation Statements

Review of the bank reconciliation statements for the financial year under review revealed that there was no evidence to confirm that bank reconciliations are submitted to The National Treasury and a copy circulated to Auditor-General as required under Section 90. (1) of Public Finance Management (National Government) Regulations 2015.

In the circumstances, Management was in breach of the law.

5. Lack of an Approved Annual Procurement Plan

The financial statements reflects Kshs.95,159,118 as transfer to other Government units as disclosed in Note 6 in respect of various projects to be executed during the year in primary and secondary schools. However, the Fund did not prepare and approve a procurement plan for the financial year 2021/2022. This was contrary to Section 45(3)(a) of the Public Procurement and Assets Disposal Act, 2015 which states that all

procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan

In the circumstances, Management was in breach of the law.

6. Delayed Projects Implementation

Review of project implementation status report and field visits during the month of March, 2023 revealed that the Fund had two (2) projects allocated Kshs.1,900,000 that had not started and forty-three (43) projects with an allocation of Kshs.76,541,777.58 which were on going with various stages of implementation. Further, ten (10) projects were marked as awaiting funds yet the same had been released to their respective Project Management Committees.

In the circumstances, the public may not have realized value for money from the projects.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis of Conclusion

1. Lack of Controls on Maintenance of Bank Reconciliation Statements

Review of the Fund monthly bank reconciliations for the operational bank account revealed that they were prepared by the Sub County Accountant but were not reviewed by a responsible officer as an internal control.

In the circumstances, the effectiveness of the internal controls in cash management could not be confirmed.

2. Lack of an Information and Communications Technology (ICT) Officer

Review of the Fund's staff establishment revealed that there was no employee with knowledge on information and communications technology. In the absence of such an

officer the entity's ICT and equipment's may not be properly utilized, maintained and regularly upgraded.

In the circumstances, the effective management of the ICT infrastructure could not be confirmed.

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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intentions 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 manner.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 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

03 August, 2023


Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

V. Statement of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	211,777,758	131,767,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	84,000	87,000
TOTAL RECEIPTS		211,861,758	131,854,724
PAYMENTS			
Compensation of employees	4	2,243,160	1,442,560
Use of goods and services	5	14,828,497	8,716,128
Transfers to Other Government Units	6	95,159,118	99,615,624
Other grants and transfers	7	78,694,502	42,072,241
Acquisition of Assets	8	5,893,388	6,735,352
Other Payments	9	-	-
TOTAL PAYMENTS		196,818,665	158,581,905
SURPLUS/DEFICIT		15,043,093	(26,727,181)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 25th July 2023 and signed by:


Fund Account Manager


Name: Aurelia Nyika


National Sub-County

Accountant

Name: Evelyn O. Omungála

ICPAK M/No: 6987


Chairman NG-CDF Committee

Name: Philip Ndolo




Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

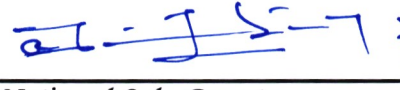
VI. Statement of Assets and Liabilities As At 30th June, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	36,797,834	21,754,741
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		36,797,834	21,754,741
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		36,797,834	21,754,741
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B		
NET FINANCIAL ASSETS		36,797,834	21,754,741
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	21,754,741	47,449,002
Prior year adjustments	14		-
Surplus/Deficit for the year		15,043,093	(26,727,180)
NET FINANCIAL POSITION		36,797,834	21,754,741

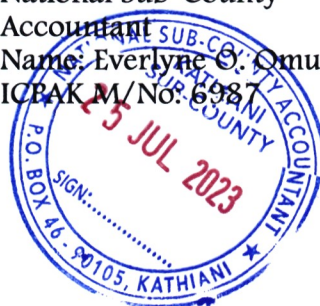
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 25th July 2023 and signed by:


Fund Account Manager
 Name: Aurelia Nyika
 P.O. Box 144 - 90105, KATHIANI


National Sub-County Accountant
 Name: Everlyne O. Omungála
 ICPAK M/No: 6987


Chairman NG-CDF Committee
 Name: Philip Ndolo



Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

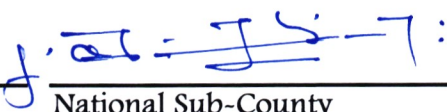
VII. Statement of Cash Flows for the Year Ended 30th June 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	211,777,758	131,767,724
Other Receipts	3	84,000	87,000
		211,861,758	131,854,724
Payments for operating activities			
Compensation of Employees	4	2,243,160	1,442,560
Use of goods and services	5	14,828,497	8,716,128
Transfers to Other Government Units	6	95,159,118	99,615,624
Other grants and transfers	7	78,694,502	42,072,241
Other Payments	9	-	-
		190,925,277	151,846,553
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	1,032,920
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		20,936,481	(18,958,900)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(5,893,388)	(6,735,352)
Net cash flows from Investing Activities		(5,893,388)	(6,735,352)
NET INCREASE IN CASH AND CASH EQUIVALENT		15,043,093	(25,694,261)
Cash and cash equivalent at BEGINNING of the year	10	21,754,741	47,449,002
Cash and cash equivalent at END of the year		36,797,834	21,754,741

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 25th July 2022 and signed by:


Fund Account Manager
Name: Aurelia Nyika


National Sub-County
Accountant
Name: Everlyne O. Omungala
ICPAK M/No: 6985


Chairman NG-CDF Committee
Name: Philip Ndolo



Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

VIII. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	74,688,879	211,777,758	211,777,758	-	100%
Proceeds from Sale of Assets			-	-	-	0%
Other Receipts		84,000	84,000	84,000	-	100%
TOTAL RECEIPTS	137,088,879	74,772,879	211,861,758	211,861,758	-	100%
PAYMENTS						
Compensation of Employees	2,690,820		6,364,398	2,243,160	4,121,238	35%
Use of goods and services	9,647,179		18,425,551	14,828,497	3,597,054	80%
Transfers to Other Government Units	75,675,118	20,593,140	100,148,198	95,159,118	4,989,081	95%
Other grants and transfers	48,124,029	54,179,739	102,303,768	78,694,502	23,609,266	77%
Acquisition of Assets	951,733		6,374,584	5,893,388	481,196	92%
Other Payments			-	-	-	0%
TOTAL	137,088,879	74,772,879	233,616,500	196,818,665	36,797,834	84%

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

****Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.
Explanatory Notes.**

- i. Receipts presented 100% since all allocated funds had been received from NG-CDF Board
- ii. Compensation of employees had a 35% utilization because of gratuity to staff that has not been paid out as it's paid at the end of the contract period.
- iii. Use of goods had a 80% utilization since most of the activities had been undertaken
- iv. Transfers to other government entities had a utilization difference of 95%. Most of transfers to PMC accounts had been completed
- v. Other grants and transfers had a utilization difference of 77% and remaining transfers will be done accordingly.
- vi. Acquisition of assets had a utilization difference of 92%. Balances will be utilized as planned.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	36,797,834
Less undisbursed funds receivable from the Board as at 30th June 2022	-
Add Accounts payable	36,797,834
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021-2022	36,797,834

The Constituency financial statements were approved on 25th July 2023 and signed by:

ADD

 National Sub-County Accountant

Fund Account Manager
 National Sub-County Accountant
 Chairman NG-CDF Committee

Name: Aurelia Nyika
 Name: Philip Ndolo



**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2021/ 2022	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
1.0 Administration and Recurrent								
1.1 Compensation of employees	2,690,820		3,673,578		6,364,398	2,243,160	4,121,238	35%
1.2 Committee allowances	3,500,000		2,557,472		6,057,472	5,716,700	340,772	94%
1.3 Use of goods and services	2,034,513		1,705,052		3,739,565	3,113,960	625,605	83%
Total	8,225,333		7,936,102	-	16,161,435	11,073,820	5,087,615	69%
2.0 Monitoring and evaluation								
2.1 Capacity building	1,700,000		900,906		2,600,906	1,503,895	1,097,011	58%
2.2 Committee allowances	2,000,000		3,189,326		5,189,326	4,245,961	943,365	82%
2.3 Use of goods and services	412,666		425,616		838,282	247,981	590,301	30%
Total	4,112,666		4,515,848	-	8,628,514	5,997,837	2,630,677	70%
3.0 Emergency								
3.1 Primary Schools				5,462,207	5,462,207	5,462,207	-	100%
3.2 Secondary schools					-	-	-	0%

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Katulya primary school		2,100,000		2,100,000	2,100,000	0	100%
Katulya primary school			2,400,000	2,400,000	2,400,000	0	100%
Kikombi primary school			2,744,000	2,744,000	2,744,000	0	100%
Kitamulu primary school			1,200,000	1,200,000	1,200,000	0	0%
Kitunguini primary school		46,046.00	259,140	305,186	305,186	0	100%
Komarock primary school			1,000,000	1,000,000	1,000,000	0	100%
Kwa Ngegi Primary school		700,000		700,000	700,000	0	100%
Imilini Primary School	1,000,000			1,000,000	1,000,000	0	100%
Isooni Primary School	700,000			700,000	700,000	0	100%
Isyukoni Primary School	3,700,000			3,700,000	3,700,000	0	100%
Ithaeni Primary School	875,117			875,117	875,118	0	100%
Iveti Primary School	300,000			300,000	300,000	0	100%
Kalikya Primary School	600,000			600,000	600,000	0	100%
Kalunga Primary School	1,000,000			1,000,000	1,000,000	0	100%
Kauti Primary School	600,000			600,000	600,000	0	100%
Kitengei Primary School	800,000			800,000	800,000	0	100%
Kituli Primary School	700,000			700,000	700,000	0	100%
Kwanzimbi Primary School	400,000			400,000	400,000	0	100%
Kwale Primary School	2,500,000			2,500,000	2,500,000	0	100%

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Kwamuunda Primary School	900,000			900,000	900,000	0	100%
Lumbwa Primary School	1,350,000			1,350,000	1,350,000	0	100%
Mangaani Primary School	800,000			800,000	800,000	0	100%
Misuuni Primary School	2,400,000			2,400,000	2,400,000	0	100%
Mutondoni Primary School	700,000			700,000	700,000	0	100%
Mwanga Primary School	350,000			350,000	194,815	155,186	56%
Ngeleni Primary School	400,000			400,000	400,000	0	100%
Nthunguni Primary School	1,550,000			1,550,000	1,550,000	0	100%
Nzaikoni Primary School	450,000			450,000	450,000	0	100%
Wandathe Primary School	2,750,000			2,750,000	1,650,000	1,100,000	60%
Total	24,825,117	3,879,941	7,603,140	36,308,198	33,819,118	2,489,080	93%
8.0 Secondary Schools Projects							
Kaani lion girls secondary school			4,000,000	4,000,000	4,000,000	0	100%
Kathuni secondary school			990,000	990,000	990,000	0	100%
Kathuni secondary school			1,000,000	1,000,000	1,000,000	0	100%
Kathuni secondary school			1,500,000	1,500,000	1,500,000	0	100%
Kituvu secondary school			3,000,000	3,000,000	3,000,000	0	100%
Mbee secondary school			1,000,000	1,000,000	1,000,000	1,000,000	0%
Mbuuni secondary school			500,000	500,000	500,000	0	100%

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Ngoleni secondary school				1,000,000	1,000,000	1,000,000	0	100%
Ikoleni Secondary School	600,000			600,000	600,000	600,000	0	100%
Imilini Secondary School	6,250,000			6,250,000	6,250,000	6,250,000	0	100%
Kaewa Secondary School	2,000,000			2,000,000	2,000,000	2,000,000	0	100%
Kaiani Secondary School	2,000,000			2,000,000	500,000	1,500,000	0	25%
Kalikyia Secondary School	4,300,000			4,300,000	4,300,000	4,300,000	0	100%
Kaliluni Girls Secondary School	1,000,000			1,000,000	1,000,000	1,000,000	0	100%
Kathiani Girls Secondary School	850,000			850,000	850,000	850,000	0	100%
Kauti Secondary School	4,300,000			4,300,000	4,300,000	4,300,000	0	100%
Kikombi Secondary School	5,300,000			5,300,000	5,300,000	5,300,000	0	100%
Kingongoi Secondary School	4,300,000			4,300,000	4,300,000	4,300,000	0	100%
Kwa Ngengi Secondary School	700,000			700,000	700,000	700,000	0	100%
Mbee Secondary School	3,000,000			3,000,000	3,000,000	3,000,000	0	100%
Mbuuni Secondary School	1,700,000			1,700,000	1,700,000	1,700,000	0	100%
Mitaboni Boys Secondary School	3,800,000			3,800,000	3,800,000	3,800,000	1,000,000	100%
Rev. Kitonyi Memorial Secondary School	3,200,000			3,200,000	3,700,000	3,700,000	-500,000	116%
St. Benedict Kituli Secondary School	1,250,000			1,250,000	1,250,000	1,250,000	0	100%
Thimu Secondary School	5,300,000			5,300,000	4,800,000	4,800,000	500,000	91%
Ngiini Secondary School	1,000,000			1,000,000	1,000,000	1,000,000	0	100%

***Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

Total	50,850,000	-	12,990,000	63,840,000	61,340,000	3,500,000	96%
9.0 Tertiary institutions Projects							
9.1	-	-	-	-	-	-	0%
Total	-	-	-	-	-	-	0%
10.0 Security Projects							
Kathiani police			2,000,000	2,000,000		2,000,000	0%
Kenol security post			1,000,000	1,000,000	1,000,000	0	100%
Kithia assisstant chief office			500,000	500,000	500,000	0	100%
Lita assistant chief office			500,000	500,000	500,000	0	100%
Lita assistant chief office			500,000	500,000	500,000	0	100%
Mitaboni police post			1,000,000	1,000,000	1,000,000	0	100%
Mitaboni police post			989,373	989,373	989,373	0	100%
Miumbuni chiefs office			500,000	500,000	500,000	0	100%
Muonyweni security post			1,000,000	1,000,000	1,000,000	0	100%
Mutitu security post			1,000,000	1,000,000		1,000,000	0%
Ngoleni assistant chiefs office			500,000	500,000	500,000	0	100%
Thinu security post			1,000,000	1,000,000		1,000,000	0%
Iveti Chiefs office	250,000			250,000	250,000	0	100%
Kaani Police Post	1,300,000			1,300,000	1,300,000	0	100%
Kaiani Assistant Chiefs Office	250,000			250,000	250,000	0	100%

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Kalunga Assistant Chiefs Office	250,000			250,000	250,000	0	100%
Mathunya Assistant Chiefs Office	1,000,000			1,000,000	1,000,000		0%
Ngũni Assistant Chiefs Office	500,000			500,000	500,000		0%
Total	3,550,000	-	10,489,373	14,039,373	8,539,373	5,500,000	61%
11.0 Acquisition of assets							
11.1 Motor Vehicles				-			
11.2 Construction of CDF office	951,733	5,422,851	-	6,374,584	5,893,388	481,196	92%
11.3 Purchase of furniture and equipment				-			0%
11.4 Purchase of computers				-			0%
Total	951,733	5,422,851	-	6,374,584	5,893,388	481,196	92%
12.0 Other payments							
12.1	-	-	-	-			0%
Total	-	-	-	-	-	-	0%
13.0 unallocated fund							0%
Unapproved projects							0%
AIA				-			0%
PMC savings							0%
Total	-	-	-	-	-	-	0%
	137,088,879	21,754,742	74,772,879	233,616,499	196,818,665	36,797,834	84%

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Ya 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.

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the entity at the end of the financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020 - 2021
	Kshs	Kshs
AIE NO.		69,367,724
AIE NO. B21543		9,000,000
AIE NO. B 24974		8,500,000
AIE NO. B 119829		13,000,000
AIE NO. B 128119		6,900,000
AIE NO. B 128431		6,000,000
AIE NO. B 132175		6000000
AIE NO. B 138843		13000000
AIE NO. B126138	7,000,000	
AIE NO. B126430	10,600,000	
AIE NO. B140574	12,000,000	
AIE NO. B105334	33,000,000	
AIE NO. B105627	34,000,000	
AIE NO. B105711	16,000,000	
AIE NO. B128535	17,000,000	
AIE NO. B128846	14,000,000	
AIE NO. B154044	15,000,000	
AIE NO. B164486	18,000,000	
AIE NO. B155842	23,088,879	
AIE NO. B155958	12,088,879	
TOTAL	211,777,758	131,767,724

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	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	-	-
Others (specify)	-	-
Total	-	-

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

3. Other Receipts

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents		
Receipts from Sale of Tender Documents	84,000	87,000
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere (specify)		
TOTAL	84,000	87,000

4. Compensation Of Employees

Description	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,187,000	1,373,440
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity-contractual employees		
Employer Contributions Compulsory national social security schemes	56,160	69,120
TOTAL	2,243,160	1,442,560

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes To the Financial Statements (Continued)

5. Use Of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services		750,000
Electricity	42,909	0
Water & sewerage charges	5,780	-
Office rent		
Communication, supplies and services	9,450	0
Domestic travel and subsistence	100,000	0
Printing, advertising and information supplies & services	89,842	0
Rentals of produced assets		
Training expenses	1,503,895	2,320,400
Hospitality supplies and services	2,039,722	2,609,000
Other committee expenses	4,245,961	1,103,000
Committee allowance	5,716,700	0
Insurance costs		
Specialized materials and services		
Office and general supplies and services	276,280	1,933,728
Fuel , oil & lubricants		0
Other operating expenses		0
Bank service commission and charges	114,460	0
Other Operating Expenses	300,000	-
Security operations		
Routine maintenance - vehicles and other transport equipment	383,498	0
Routine maintenance- other assets		
TOTAL	14,828,497	8,716,128

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to Primary Schools	33,819,118	45,833,235
Transfers to Secondary Schools	61,340,000	53,782,389
Transfers to Tertiary Institutions		
TOTAL	95,159,118	99,615,624

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes To The Financial Statements (Continued)

7. Other Grants and Other transfers

Description	2021-2022	2020-2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	33,110,600	19,827,700
Bursary -Tertiary (see attached list)	19,076,500	13,856,300
Bursary- Special Schools		
Mocks & CAT (see attached list)		
Social Security programmes (NHIF)		
Security Projects (see attached list)	8,539,373	2,500,000
Sports Projects (see attached list)	5,485,778	2,740,000
Environment Projects (see attached list)	640,045	-
Emergency Projects (see attached list)	11,842,207	3,148,241
TOTAL	78,694,502	42,072,241

8. Acquisition Of Assets

Non-Financial Assets	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	5,893,388	6,735,352
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and General Equipment	-	-
Purchase of computers ,printers and other IT equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	5,893,388	6,735,352

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
<i>Cooperative Bank, Athiriver Branch</i>	<i>A/C no. 01141563295800</i>	36,797,834	21,754,741
TOTAL		36,797,834	21,754,741
10B: CASH IN HAND)			
		2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes to the Financial Statement Continued

11: Outstanding Imprests

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

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

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	1,032,920	636,740
Gratuity held during the year (B)	563,580	396,180
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	1,596,500	1,032,920

[Provide short appropriate explanations as necessary]

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

13. Balances Brought Forward

	2021-2022	2020-2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	21,754,742	48,481,922
Cash in hand	-	-
Imprest	-	-
TOTAL	21,754,742	48,481,922

[Provide short appropriate explanations as necessary]

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021- 2022	2020- 2021
	Kshs	Kshs
Gratuity	1,943,390	121,520
	1,943,390	121,520

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	4,121,238	3,673,578
Use of goods and services	3,597,054	8,778,372
Amounts due to other Government entities (see attached list)	4,989,081	24,667,895
Amounts due to other grants and other transfers (see attached list)	23,609,266	54,029,739
Acquisition of assets	481,196	5,422,851
Others (<i>specify</i>)	-	-
Funds pending approval	-	150,000
Total	36,797,834	96,722,435

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

17.4: PMC account balances (See Annex 5)

	2021-2022	2020- 2021
	Kshs	Kshs
PMC account balances (see attached list)	49,524,397	14,080,905
Total	49,524,397	14,080,905

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Annexes
Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding Balance 2022	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.					
Sub-Total					
Grand Total					

*Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2022	Comments
DOWSON KIMILU			230,020	
ESTHER KALJA			722,920	
RICHARD KITWEE			427,180	
SHADRACK NZUKI			343,170	
MARY MUTUA			68,200	
DERRICK MWAKA			151,900	
Sub-Total			1,943,390	
Grand Total			1,943,390	

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/ 21	Comments
Compensation of employees	These are basic wages of contractual employees, basic wages of casual labor, employer contribution to NSSF and gratuity to contractual employees	4,121,238	3,673,578	
Use of goods & services	These are utilities, supplies and services, hospitality supplies and services, other committee allowances, fuel, oil and other lubricants	3,597,054	8,778,372	

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Amounts due to other Government entities	These are amounts due to primary schools, secondary schools and tertiary institutions , some which had not been received from the board	4,989,081	24,667,895	
Sub-Total		12,707,372	37,119,845	
Amounts due to other grants and other transfers	These are amounts due to Emergency grants, Bursary, sports and security projects , some which had not been received from the board	23,609,266	54,029,739	
Sub-Total		23,609,266	54,029,739	
Acquisition of assets		481,196	5,422,851	

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f/f (Kshs)		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs)	
	2020/21	2021/22			2021/22	
Land	-	-	-	-	-	-
Buildings and structures	6,735,352	6,735,352	-	-	6,735,352	
Transport equipment	4,000,000	4,000,000	951,733	-	4,951,733	
Office equipment, furniture and fittings	587,924	587,924	-	-	587,924	
ICT Equipment, Software and Other ICT Assets	1,069,480	1,069,480	1,200,000	-	2,269,480	
Other Machinery and Equipment	-	-	-	-	-	
Heritage and cultural assets	-	-	-	-	-	
Intangible assets	-	-	-	-	-	
Total		12,392,756	2,151,733	-	14,544,489	

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Annex 5 –PMC Bank Balances As At 30th June 2022

S/N	PMC	Bank	Account number	Bank Balance	
				2021/22	2020/21
1	IKOLENI SECONDARY SCHOOL	CO-OPERATIVE BANK	01139276456900	2,700	
2	IMILINI PRIMARY SCHOOL	CO-OPERATIVE BANK	01141655791600	1,000,000	
3	IMILINI SECONDARY SCHOOL	CO-OPERATIVE BANK	01141655749800	1,032,995	
4	ISOONI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139550368800	5,472	
5	ISYUKONI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139071228401	1,000	140,083
6	ITHAENI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139550367900	102	51,587
7	IVETI CHIEFS OFFICE	CO-OPERATIVE BANK	01141655795100	250,025	
8	IVETI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139549576000	425,724	
9	Kaani Lions Girls Secondary	CO-OPERATIVE BANK	01139549533700	1,913,154	8,893
10	KAANI POLICE POST	CO-OPERATIVE BANK	01141655791200	1,300,000	
11	Kaewa Primary SCHOOL	CO-OPERATIVE BANK	01139550370000	-	8,738
12	KAEWA SECONDARY SCHOOL	CO-OPERATIVE BANK	01139550983800	2,003,236	
13	KAIANI ASSISTANT CHIEFS OFFICE	CO-OPERATIVE BANK	01141655767700	188,974	
14	KAIANI SECONDARY SCHOOL	CO-OPERATIVE BANK	01139550990300	-	4,317,412
15	KAIANI SECONDARY SCHOOL	CO-OPERATIVE BANK	01141655759400	64,485	
16	KALIKYA PRIMARY SCHOOL	CO-OPERATIVE BANK	01139549569200	7,099	

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

17	KALLUNI GIRLS SECONDARY SCHOOL	CO-OPERATIVE BANK	01139749383400	1,002,407	1,853
18	KALUNGA ASSISTANTS CHIEFS OFFICE	CO-OPERATIVE BANK	01141655762400	58,260	
19	KALUNGA PRIMARY SCHOOL	CO-OPERATIVE BANK	01139549582500	55,670	121,710
20	Kathalani Police Post	CO-OPERATIVE BANK	01141550154100	-	502,631
21	KATHIANI ASSISTANT CHIEFS OFFICE	CO-OPERATIVE BANK	01141655674900	25,685	
22	KATHIANI GIRLS SECONDARY SCHOOL	CO-OPERATIVE BANK	01141854557300	3,972,615	2,000,000
23	KATHIANI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139550120100	1,002,770	
24	KATHUNI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139072596701	1,098	
25	KATHUNI SECONDARY SCHOOL	CO-OPERATIVE BANK	01139549133900	21,276	
26	KATULYA PRIMARY SCHOOL	CO-OPERATIVE BANK	01139549598200	1,465,534	
27	KAUTI PRIMARY SCHOOL	CO-OPERATIVE BANK	01141655760100	69,819	
28	KAUTI SECONDARY SCHOOL	CO-OPERATIVE BANK	01141276116900	4,140	
29	Kikata Primary SCHOOL	CO-OPERATIVE BANK	01139550286200		2,203
30	Kikombi Primary SCHOOL	CO-OPERATIVE BANK	01139072621201	37,858	102,310
31	KIKOMBI SECONDARY SCHOOL	CO-OPERATIVE BANK	01141655749700	68,315	
32	KINGONGOI SECONDARY SCHOOL	CO-OPERATIVE BANK	01139550116300	4,301,505	
33	Kitengei Primary SCHOOL	CO-OPERATIVE BANK	01139550846800		6,975
34	KITHIA ASSISTANT CHIEFS OFFICE	CO-OPERATIVE BANK	01141655674900	25,685	
35	KITHUNGUINI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139549596200	1,141,589	

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

36	KITULI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139549600300	119,003	225,512
37	KITULINI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139748205900		507,425
38	KITUVU SECONDARY SCHOOL	CO-OPERATIVE BANK	01139276332900	1,000	
39	KOMAROCK PRIMARY SCHOOL	CO-OPERATIVE BANK	01141071975900	1,000	
40	Kwa Ngenge Primary SCHOOL	CO-OPERATIVE BANK	01139550120400		1,183
41	Kwa Ngenge Secondary SCHOOL	CO-OPERATIVE BANK	01139276273600	1,000	901,513
42	KWA NZIMBI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139072624101	34,933	1,006,593
43	KWALE PRIMARY SCHOOL	CO-OPERATIVE BANK	01139549561700	291,372	
44	KWAMUUNDA PRIMARY SCHOOL	CO-OPERATIVE BANK	01139550821200	902,808	
45	Kya Mwee Primary SCHOOL	CO-OPERATIVE BANK	01139748991200		1,090
46	Kyuluni Primary SCHOOL	CO-OPERATIVE BANK	01139550370500		1,000,424
47	LITA ASSISTANT CHIEFS OFFICE	CO-OPERATIVE BANK	01141655676100	221,308	
48	LUMBWA PRIMARY SCHOOL	CO-OPERATIVE BANK	01139550366900	1,355,313	233,263
49	Lumbwa secondary SCHOOL	CO-OPERATIVE BANK	01139550624600		1,109
50	Makumbini Primary SCHOOL	CO-OPERATIVE BANK	01135000838600		56,000
51	MANGAANI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139072506001	203,693	214,613
52	MBEE HIGH SCHOOL	CO-OPERATIVE BANK	01139550003200	3,001,276	
53	Mbee Primary SCHOOL	CO-OPERATIVE BANK	01139550286300		63,736
54	Mbuuni Primary SCHOOL	CO-OPERATIVE BANK	01139072623302		701,212

Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

55	MBUUNI SECONDARY SCHOOL	CO-OPERATIVE BANK	01141033448700	2,198,975	
56	MISUUNI PRIMARY SCHOOL	CO-OPERATIVE BANK	01141550715800	2,224,462	
57	MITABONI BOYS SCONDARY SCHOOL	CO-OPERATIVE BANK	01141749165200	2,915,712	
58	MITABONI POLICE POST	CO-OPERATIVE BANK	01141655674700	992,238	
59	Mivandoni Primary SCHOOL	CO-OPERATIVE BANK	01139550120200		1,005,300
60	Mukanyi Primary SCHOOL	CO-OPERATIVE BANK	01139549702500		607,237
61	MUONYWENI SECURITY POST	CO-OPERATIVE BANK	01141748266100	1,001,549	
62	MUTONDONI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139276532900	700	21,788
63	Ngeleli Primary SCHOOL	CO-OPERATIVE BANK	01139550370100	68,533	150,283
64	NGIINI SECONDARY SCHOOL	CO-OPERATIVE BANK	01139550110000	120,783	
65	NGOLENI SECONDARY SCHOOL	CO-OPERATIVE BANK	01139549557300	1,003,883	
66	NGOLENI ASSISTANT CHIEFS OFFICE	CO-OPERATIVE BANK	01141655678600	48,335	
67	Ngeleli Security Post	CO-OPERATIVE BANK	01141748264400		975
68	NTHUNGUNI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139550894000	1,550,249	
69	NZAIKONI PRIMARY SCHOOL	CO-OPERATIVE BANK	01139550369400	7,243	1,603
70	REV. KITONYI MEMORIAL SECONDARY SCHOOL	CO-OPERATIVE BANK	01139748980700	2,660,520	
71	ST. BENEDICT KITULI SECONDARY SCHOOL	CO-OPERATIVE BANK	01139277645001	679,053	
72	THINU SECONDARY SCHOOL	CO-OPERATIVE BANK	01139550813200	4,806,250	
73	WANDATHE PRIMARY SCHOOL	CO-OPERATIVE BANK	01139550369600	1,664,023	

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

74	Wutini Primary	01139550894900			13,650
	Total			49,524,397	14,080,905

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

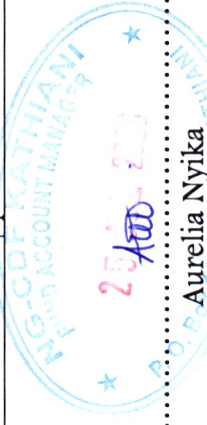
Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1 Presentation and Disclosure	Anomalies on Table of contents 1. Page numbering 2. Gratuity 3. missing page no on cash flow	The financial statements have been updated on the issues raised.	Resolved	N/A
1.2 Error in Fund Balances	Fund Balance wrongly reflected	The figures have been updated as per audited FS for financial year 2019/2020.	Resolved	N/A
1.3 Misstated Opening balances	Variances in various opening balances	The opening balances have been corrected to state the correct position.	Resolved	N/A
1.4 Statement of Appropriation	Unexplained variance on assets and liabilities	The statement of assets and liabilities for FY 2020/2021 has been reviewed and corrected.	Resolved	N/A
1.6 Misclassification of Acquisition of assets	Inaccuracy on acquisition of assets balance	The balances have been corrected	Resolved	N/A
Other Matter 1. Budget and Budgetary Controls	Under Funding and Failure to utilize available funds	There was delayed funding from the NG-CDF Board and therefore the funds were	Resolved	N/A

**Kathiani Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		not available for utilization.		
2. Delayed Project Implementation	Delayed projects completion	The projects that had not started are as a result of delayed funding and have since received funding and are complete and in use	Resolved	N/A
3. Lack Of a Risk Management Policy	No approved risk management plan	The Board has a Risk Management Policy plan	Resolved	N/A



 A. R. Aurelia Nyika
 Fund Account Manager.