

REPUBLIC OF KENYA



**REPORT**

THE NATIONAL ASSEMBLY  
DATE: 08 AUG 2023  
TUESDAY  
Tabled BY: Hon Owen Bayo, MP.  
Deputy Leader, majority  
Anne Shubuko

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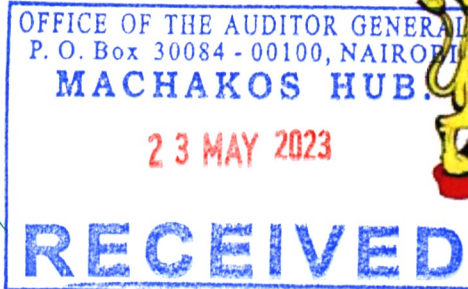
**THE AUDITOR-GENERAL**

**ON**

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

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

*Revised Template 30<sup>th</sup> June 2022*



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**KAITI CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

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

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

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## **I. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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

## *Kaiti Constituency*

### **National Government Constituencies Development Fund (NGCDF)**

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

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

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	<b>Josefridah M K ameti</b>
2.	Sub-County Accountant	<b>Gregory Mwaniki</b>
3.	Chairman NGCDFC	<b>Japheth M Nyalita</b>
4.	Member NGCDFC	N/A

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 1-90301  
Okia  
MAKUENI

**(f) NG-CDF KAITI Constituency Contacts**

Telephone: (254) 0720 792 224  
E-mail: [dmaluki@cdf.go.ke](mailto:dmaluki@cdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) NG-CDF KAITI Constituency Bankers**

Kenya Commercial Bank  
WOTE BRANCH  
*A/C No:- 1105347109*  
P.O BOX 269-90300

**(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

*Kaiti Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
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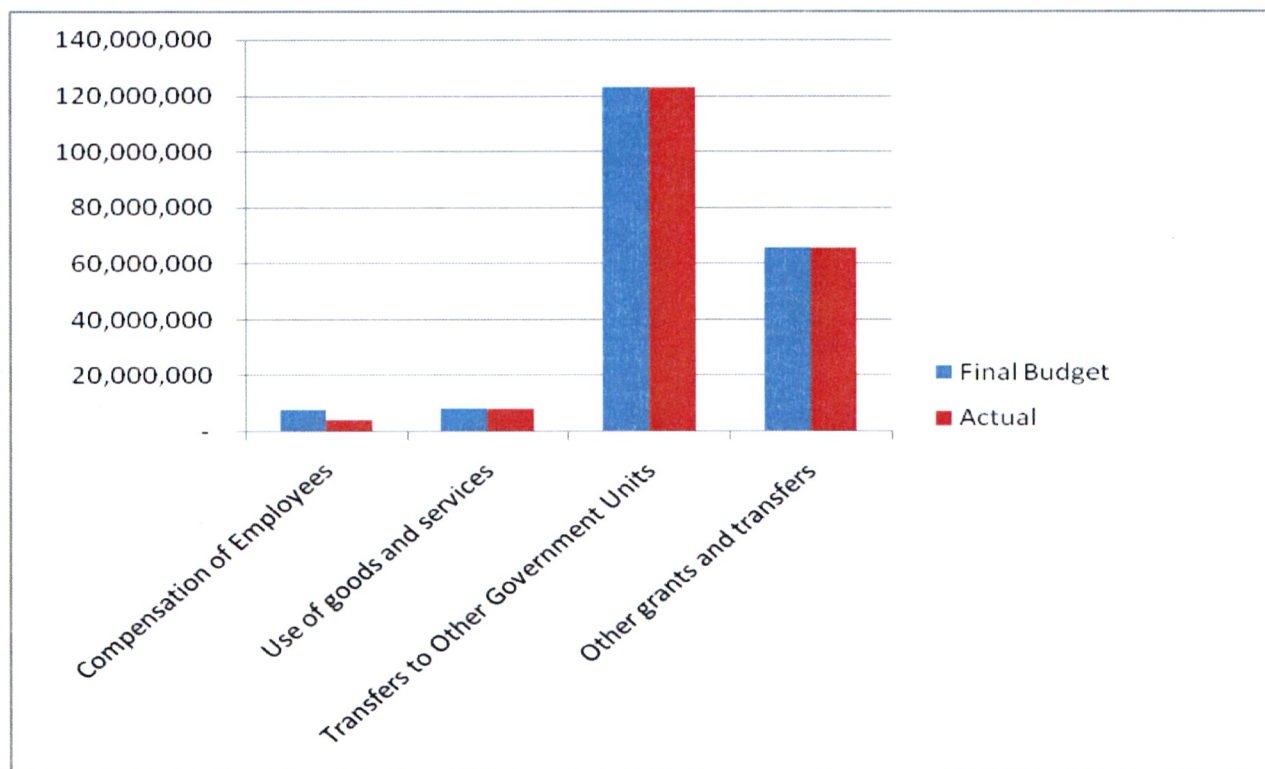
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**II. NG-CDFC Chairman's Report**



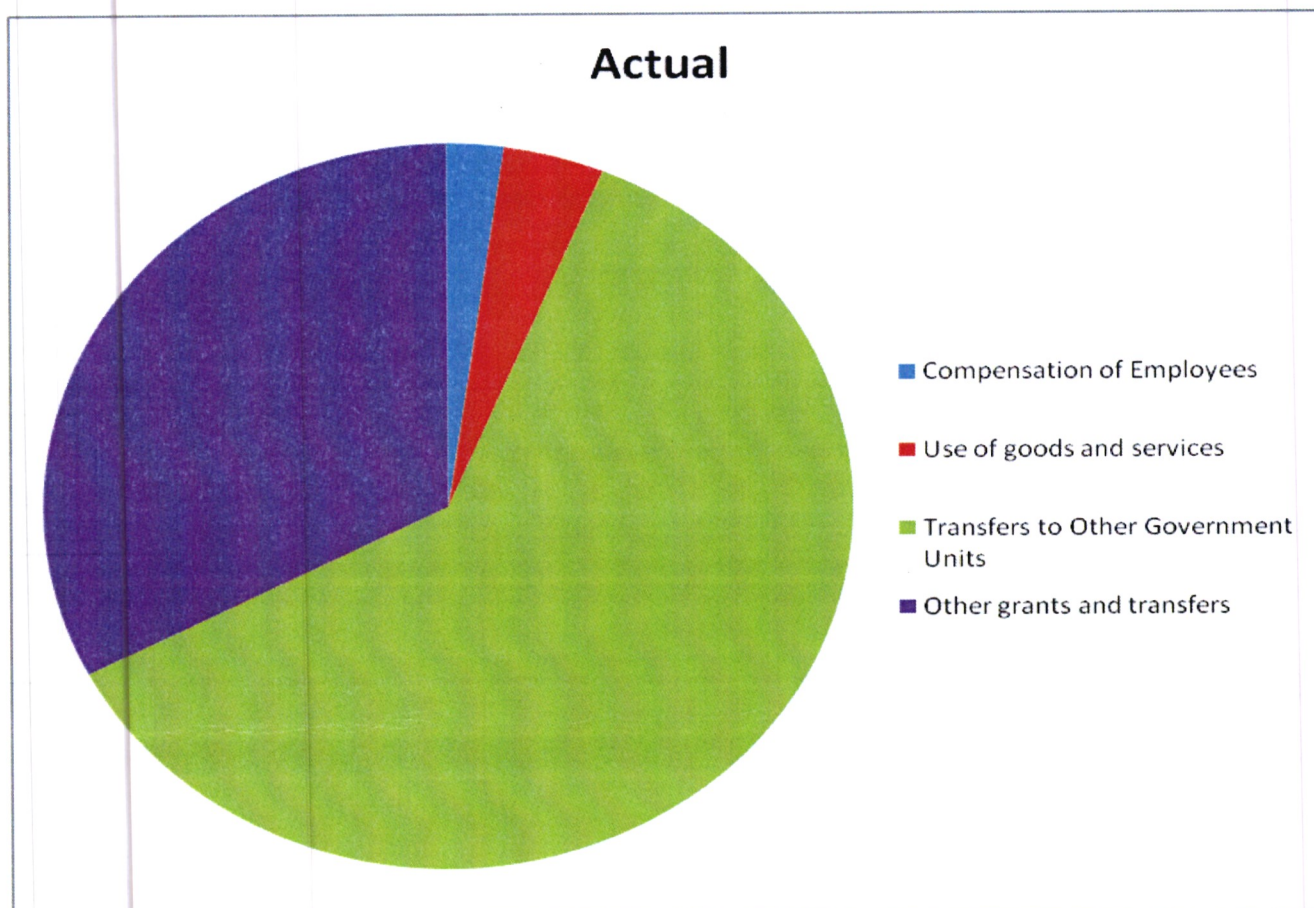
Photo of the NG-CDFC Chairperson Mr. Japheth M. Nyalita

**SIMPLE BAR GRAP OF BUDGET AGAINST ACTUAL PERFORMANCE**



<b>Expense item</b>	<b>Final Budget</b>	<b>Actual</b>
Compensation of Employees	7,698,339	4,553,567
Use of goods and services	8,156,670	8,156,670
Transfers to Other Government Units	123,056,949	123,056,949
Other grants and transfers	65,495,654	65,495,654

**SIMPLE PIE CHART OF ACTUAL PERFORMANCE OF THE CONSTITUENCY**



Expense item	Actual
Compensation of Employees	4,553,567
Use of goods and services	8,156,670
Transfers to Other Government Units	123,056,949
Other grants and transfers	65,495,654

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

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I have sampled a photo of the projects that were implemented during the financial year as shown below



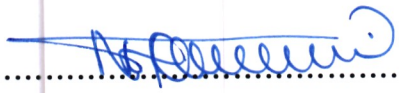
*Figure 1 IUANI PRIMARY SCHOOL*

**EMERGING ISSUES RELATED TO KAITI NG-CDF**

- i. The budget performance against the actual amounts corresponded quite well. The variances are very negligible and have been caused by the current economic inflation rate.
- ii. The frequent change of the cost of the materials given during the budgeting period and funding time bring the shortfalls. The shortfalls are occasioned by failure to implement some projects by the project management committee (PMC'S).
- iii. There has been little savings which arise from some projects being awarded below the budgeted figure during the procurement process by the PMC's
- iv. There have been some variances with the actuals due to the strict commitment to the budgeted figure by the NG---CDFC.
- v. Kaiti NG-CDFC has been able to train the project management committees (the PMC's) widely on procurement procedures which has enabled us to perform quite well. Efforts have been put in massive monitoring and evaluation exercise which has shown clear transparency and accounting in the implementation process to the side of project management committee (PMC's). Capacity building to the NG-CDF board members has significantly contributed a big deal in our achievements.

**IMPLEMENTATION CHALLENGES**

1. Failure of PMC to adhere to the procurement procedures with preference to engaging local fundi's. This has been addressed through continuous training and also making sure that payments are authorized by FAM.
2. Delay of funds from treasury. This can be looked upon by ensuring that funds are released in time to avoid backlog of the projects.

  
.....  
Name **JAPHETH NYALIA**  
**CHAIRMAN NGCDF COMMITTEE**

### III. 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 NG-CDF KAITI Constituency's 2018-2022 plans are to: In underscoring the above, the key development objectives of NGCDFC-KAITI Constituency's 2018-2022 plan included but not limited to;

#### **Strategic Area One: Education**

- Objective: Become a national model for education by improving schools' infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.
- Initiative: Develop and enhance schools' infrastructure to enhance facilities and provide conducive learning environment for children.
- Initiative: Enhance and develop social programmes that support education within the constituency.

#### **Strategic Area Two: Environment**

- Objective: Improve access to clean water and a more sustainable and conserved environment in Kaiti through natural resources conservation initiatives
- Initiative: Initiate and enhance conservation programs within the constituency
- Initiative: Water and Sanitation: To ensure water sustainability in the Constituency

#### **Strategic Area Three: Security**

- Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure
- Initiative: Improving infrastructure and service delivery

#### **Strategic Area Four: Sports**

- Objective: Empower and develop youth and special groups to reduce dependence and spur economic growth through sports
- Initiative: Develop and empower youth and special groups through sports.

#### **Strategic Area Five: Information Communication and Technology (ICT)**

- Objective: Enhance access to information and technology by Kaiti residents and use ICT to enhance service delivery and spurring development.
- Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

#### **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:

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Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary's beneficiaries at all levels</li> </ul>	In FY 21/22 we increased number of classrooms from 80 to 90, dormitories from 32 to 34, laboratories from 20 to 21 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased From 18 to 24  Number of assistant chiefs' offices increased from 14 to 16  Number of police lines increased from 7 to 8
Environment	Conserved environment through natural resources conservation initiatives	Environment conservation  Equip schools and public facilities with sanitation	Number of drifts  Number of sanitation facilities built in primary and secondary  Number of trees	Number increased from 9 to 12  Number of sanitation facilities increased from 23 to 26
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through Sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 13 to 15

*Kaiti Constituency*  
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Emergency	To cater for unforeseen occurrences in the constituency during the financial year	Enhanced smooth running of operations.	Number of primary School of pit latrines sunk due to heavy rainfalls have been constructed by the emergency programme	Number of pit latrines have increased from 12 to 15
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#### IV. Environmental and Sustainability Reporting

Kaiti 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 Kaiti NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kaiti 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**

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to 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. Kaiti 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

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

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

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

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

**Public Awareness**

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

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

.....*JMK*.....  
**Name: Josefridah M Kameti**  
**FAM**

continually build on their skills and knowledge. Kaiti 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-**

KAITI 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-**

KAITI 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.

**V. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the NGCDF- Kaiti 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- Kaiti 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- Kaiti 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.


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

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The Accounting Officer in charge of the NGCDF Kaiti 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- Kaiti Constituency financial statements were approved and signed by the Accounting Officer on 22<sup>nd</sup> May 2022

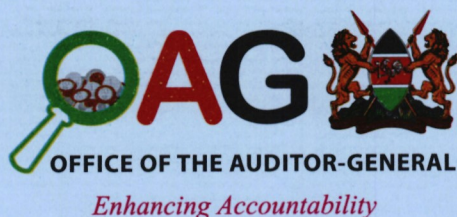
  
.....  
Name: JAPHETH NYALITA

**Chairman – NGCDF Committee**

  
.....  
Name: Josefridah M Kameti

**Finance Account Manager**

# REPUBLIC OF KENYA



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P.O. Box 30084-00100  
NAIROBI

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

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for 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

#### **Adverse Opinion**

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kaiti Constituency set out on pages 1 to 44, which

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

comprise 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, because of the significance of the matters described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kaiti 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 do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

## **Basis for Adverse Opinion**

### **1. Inaccuracies in the Retention Balance**

The statement of assets and liabilities and as disclosed in Note 12A to the financial statements reflects Nil retention balance. However, review of records reflects retention balance of Kshs.1,621,969 in respect of consultancy services resulting to an unexplained variance of Kshs.1,621,969.

In the circumstances, the accuracy and completeness of the Nil retention balance could not be confirmed.

### **2. Inaccuracies in the Compensation of Employees Expenditure**

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employees amounting to Kshs.4,553,567. However, monthly payrolls reflected employees total cost of Kshs.4,800,380, resulting to an unexplained variance of Kshs.246,813.

In the circumstances, the accuracy and completeness of compensation of employees amounting to Kshs.4,553,567 could not be confirmed.

### **3. Doubtful Purchase and Delivery of Desktop Computers and Laptops**

#### **3.1 Supply of Four Desktop Computers and Three Laptops**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects use of goods and services amount of Kshs.8,156,670. Included in the expenditure is an amount of Kshs.3,044,250 in respect of utilities, supplies and services. During the year under review, a Company was paid an amount of Kshs.545,000 for supply of four (4) desktop computers and three (3) laptops. However, the items procured were not included in the annual procurement plan, contrary to Section 45 (3)(a)

of the of the Public Procurement and Asset Disposal Act, 2015. Although inspection and acceptance committee report showed that the assets were received and were of good quality, physical verification of the items revealed that they were not in store and could not be traced in any of the offices. Further, the items had not been recognized as additions in the asset register.

### **3.2 Purchase of Four Desktop Computers, Two Laptops and Four Uninterrupted Power Supply**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amount of Kshs.65,495,654 which includes an amount of Kshs.7,449,650 in respect of Emergency projects. Out of this amount, Kshs.660,000 was reallocated for purchase of four (4) desktop computers, two (2) laptops and four (4) uninterrupted power supply (UPS) without the Board approval contrary to Regulation 25 (2) of the National Government Constituencies Fund Regulations, 2016 which states that a Constituency Committee shall not incur expenditure unless such expenditure is supported by an approved work plan, a procurement plan and a budget. Further, a firm was awarded and paid an amount of Kshs.660,000 for supply of four (4) desktop computers, two (2) laptops and four (4) uninterrupted power supply (UPS). Physical verification of the items revealed that they were not in store and could not be traced in any of the offices. Further, the items had not been recognized as additions in the asset register.

In the circumstances, the regularity, accuracy, existence, completeness and ownership of the assets could not be confirmed.

### **4. Misallocation of Expenditure**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.8,156,670 in respect of use of goods and services which includes Kshs.3,044,250 and Kshs.770,300 under utilities, supplies and services and training expenses respectively. However, an amount of Kshs.1,999,250 and Kshs.672,000 for purchase of three thousand six hundred and thirty-five (3,635) branded reflector jackets and committee allowances respectively were wrongly charged to utilities, supplies and services and training expenses respectively.

In the circumstances, the accuracy and completeness of the use of goods and services amounting to Kshs.3,814,550 could not be confirmed.

### **5. Irregular Payment of Allowances**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amount of Kshs.65,495,654. Included in the amount is Kshs.12,966,000 being payment for social security programmes (NHIF). However, examination of the payment vouchers provided for audit review revealed that out of the amount, Kshs.12,928,000 was irregularly paid to the National Government Constituency Development Fund Committee Chairman and Fund Manager as imprests for paying doubtful allowances for bursary verification within the wards, capacity building of Project Management Committees (PMCs) and allowances for distribution of cheques within the wards and did not relate to social security programmes.

Further, seven (7) security projects with a budget of Kshs.5,000,000 were irregularly reallocated and issued as imprests to the National Government Constituency Development Fund Committee Chairman and Fund Manager as per the support schedules provided for audit review amounting to Kshs.5,230,000. No explanation was provided for the anomaly.

In the circumstances, the regularity, accuracy and completeness of the other grants and transfers amounting to Kshs.18,158,000 could not be confirmed.

## **6. Irregular Payment of Imprests**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.123,056,949 in respect of transfer to other Government units. However, analysis of the bank statements for the main account revealed that payments amounting to Kshs.81,341,700 were made out of the main account to three (3) officers namely; Fund Manager, National Government Constituency Development Fund Committee Chairman and District Treasury Cashier amounting to Kshs.34,844,700, Kshs.31,736,000 and Kshs.14,761,000, respectively resulting to 66% of the funds irregularly spent. Further, it was not clear why these payments were made to the individuals, and the basis for payment of District Treasury Cashier considering he was not a signatory to the main account.

In the circumstances, the regularity, accuracy and completeness of imprest issued during the year amounting to Kshs.81,341,700 could not be confirmed.

## **7. Irregular Issuance of Bursaries**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amount of Kshs.65,495,654. Included in the transfers is an amount of Kshs.23,998,450 and Kshs.10,339,990 in respect of bursary to secondary and tertiary institutions, respectively. However, verification of payment vouchers relating to bursary issuance reflects an amount of Kshs.43,526,050 disbursed to secondary and tertiary institutions resulting to an unexplained variance of Kshs.9,187,610. Further, the approved budget amounted to Kshs.34,272,220, resulting to unapproved over expenditure of Kshs.9,253,830.

In addition, a driving school received bursaries amounting to Kshs.8,922,400. However, supporting schedules reflects an amount of Kshs.5,100,000 resulting to an unexplained variance of Kshs.3,822,400. Further, it was not clear how the beneficiaries were selected since there was no criteria for selecting beneficiaries in the minutes of National Government Constituency Development Fund Committee (NGCDFC) attached on the payment voucher, there was no acknowledgement of receipt of the amount from the institution, and no evidence that the beneficiaries attended the driving lessons. In addition, allowances amounting to Kshs.8,240,000 were irregularly paid for distribution of bursary cheques and bursary verification and were not supported by reports.

In the circumstances, the accuracy, completeness and regularity of other grants and transfers amounting to Kshs.34,338,440 could not be confirmed. Further, the amount of

Kshs.8,922,400 paid to the driving school could not be confirmed as a proper charge to public funds.

#### **8. Inaccuracies in the Cash and Cash Equivalents Balance**

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects cash and cash equivalents balance of Kshs.4,201,672. However, the bank reconciliation statement for the month of June, 2022 includes unrepresented cheques amounting to Kshs.10,599,472 out of which cheques worth Kshs.1,250,439 had become stale and had not been written back in the cashbook. Most of the cheques were for bursary payments, and this may imply that needy students who were intended to benefit from the payments did not receive them.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.4,201,672 could not be confirmed.

#### **9. Inaccuracies in the Summary of Fixed Assets**

Annex 4 to the financial statements on summary of fixed assets reflects total assets balance of Kshs.28,716,020. However, the fixed assets register reflects a balance of Kshs.23,590,489 resulting to an unexplained variance of Kshs.5,125,531. Further, additions of new computers amounting to Kshs.545,000 had not been updated both in the fixed asset register and in the summary of fixed assets.

In the circumstances, the existence, accuracy and completeness the total assets balance of Kshs.28,716,020 could not be confirmed.

#### **10. Unconfirmed and Unaccounted for PMC Account Balances**

Review of the budget execution by sectors and projects reflects a budget of Kshs.205,464,512 out of which an amount of Kshs.134,082,063 was budgeted for ninety-nine (99) projects. However, Project Management Committees (PMCs) account balances for the ninety-eight (98) projects could not be confirmed as the PMC bank statements and the certificates of bank balances were not provided for verification.

In the circumstances, the accuracy, existence and accuracy of PMC account balances for ninety-nine (99) projects with a budget amount of Kshs.134,082,063 was 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 - Kaiti 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 Adverse 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**

### **Unresolved Prior Year's Matters**

In the audit report of the previous year, several matters were raised. However, Management has not resolved and disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management had not provided satisfactory explanation for the delay in resolving the issues.

In the circumstances, the issues remain unresolved.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matters described in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Failure to Report Emergency Projects to the Board**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.65,495,654 which includes Kshs.7,449,650 for emergency projects. However, no evidence was provided to show that the Fund's Management had reported the execution of emergency projects to the Board within thirty (30) days of the occurrence of the emergency. This is contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

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

#### **2. Non-Implementation of Budgeted for Projects**

##### **2.1. Transfers to Primary and Secondary Schools**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to primary schools' amount of Kshs.43,825,577 which

includes twenty-three (23) Primary Schools projects with a budget of Kshs.18,398,677. However, analysis of cashbook revealed that funds for only six (6) primary schools' projects amounting to Kshs.8,198,677 were transferred to PMC projects accounts for projects implementation.

Further, Note 6 to the financial statements reflects transfers to secondary schools amounting to Kshs.27,500,000 which includes twelve (12) secondary schools' projects budget amount of Kshs.16,000,000. However, review of cashbook revealed that only an amount of Kshs.1,800,000 in support of two (2) secondary schools' projects were transferred to PMC accounts for the projects' implementation.

## **2.2. Transfers to Tertiary Institutions**

The approved project code list for tertiary institutions had a project for Kilala Education Office whose activities included renovation of 2-roomed office, re-roofing, flooring, installation of doors and windows and painting. However, the audit revealed that this project was not implemented during the year under review.

Further, the project for construction of Kenya Medical Training College, Kilungu Campus was approved. Activities to be carried out included construction of eight (8) classrooms amounting to Kshs.9,600,000 and 5-roomed administration block at Kshs.15,400,000 to completion. The tender evaluation report indicated that available budget was Kshs.65,000,000. However, the approved budget was an amount of Kshs.25,000,000. The Management awarded the tender at a contract price of Kshs.61,375,136 far beyond the project approved budget amount of Kshs.25,000,000. Further, the contract documents were not provided for audit.

In addition, the Management had engaged the services of a consultant at the rate of 5% of total contract price without a budget. This resulted to partial payment of Kshs.1,500,000 of the consultancy invoice amount of Kshs.2,491,830. The Management has not explained the source of the unbudgeted for funds. This is contrary to Regulation 25 (2) of the National Government Constituencies Development Regulations, 2016 which states that a Constituency Committee shall not incur expenditure unless such expenditure is supported by an approved work plan, a procurement plan and a budget.

Further, physical verification of the project during the month of March, 2023 revealed that the scope had changed, and six blocks had been constructed with complete foundation and outer walls were at windows level. The project had been abandoned and the contractor had left the site.

In the circumstances, the value for money invested in the projects could not be confirmed. Further, the Management was in breach of the law.

## **3. Failure to Submit Bank Reconciliation Statements to The National Treasury**

Review of the bank reconciliation statements for the financial year under review revealed that bank reconciliations were not submitted to The National Treasury and a copy to the

Auditor -General as required under Regulation 90(1) of Public Finance Management (National Government) Regulations, 2015.

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

#### **4. Lack of Procurement Plan**

During the year under review the Management did not have a procurement plan to support the projects that were undertaken, the ongoing and the completed ones. This is contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

#### **5. Lack of Bursary Sub Committee**

Review of bursary administration records revealed that there was no bursary sub-committee for effective and efficient administration of education bursary schemes, mock examination and continuous assessment tests. Further, the officer in charge of education in the Sub County was not involved in bursary issues. This is contrary to Constituencies Development Fund Board Circular reference VOL1/111 dated 13 September, 2010 which requires that Constituency Development Fund Committee bursary subcommittee be constituted and to co-opt two members, one who must be the area education officer or representative of the Ministry of Education.

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

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, because of the significance of the matters described in the Basis for Adverse Opinion and Basis for Conclusion Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using applicable basis of accounting unless 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 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal 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 controls 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

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

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

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

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



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

**Nairobi**


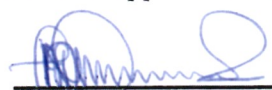

**05 July, 2023**

VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021-2022	2020-2021
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	182,177,758	161,367,722
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>182,177,758</b>	<b>161,367,722</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,553,567	5,221,842
Use of goods and services	5	8,156,670	7,891,750
Transfers to Other Government Units	6	123,056,949	6,600,000
Other grants and transfers	7	65,495,654	125,051,501
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>201,262,840</b>	<b>144,765,093</b>
<b>SURPLUS/DEFICIT</b>		<b>(19,085,082)</b>	<b>16,602,629</b>

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 22<sup>nd</sup> May 2022 and signed by:

		
<b>Fund Account Manager</b>	<b>National Sub-County Accountant</b>	<b>Chairman NG-CDF Committee</b>
Name: JOSEPHINA KAMEI	Name: Gregory M. MUMMILLI ICPAK M/No: 12330-	Name: JAPHET NYALITA

**VIII. Statement of Assets and Liabilities As At 30<sup>th</sup> June, 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	4,201,672	23,286,754
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>4,201,672</b>	<b>23,286,754</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,201,672</b>	<b>23,286,754</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>4,201,672</b>	<b>23,286,754</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	23,286,754	4,508,725
Prior year adjustments	14	-	2,175,400
Surplus/Deficit for the year		(19,085,082)	16,602,629
<b>NET FINANCIAL POSITION</b>		<b>4,201,672</b>	<b>23,286,754</b>

*Kaiti Constituency*


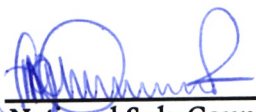
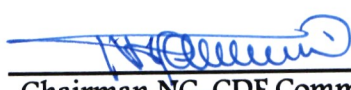
**National Government Constituencies Development Fund (NGCDF)**

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

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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 22<sup>nd</sup> May 2023 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: JOSEFILIO KAMEI	Name: GREGORY TOMMUNGI ICPAK M/No: 12536-	Name: JAPHETH NYALIA

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

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	182,177,758	161,367,722
Other Receipts	3	-	-
		<b>182,177,758</b>	<b>161,367,722</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,553,567	5,221,842
Use of goods and services	5	8,156,670	7,891,750
Transfers to Other Government Units	6	123,056,949	6,600,000
Other grants and transfers	7	65,495,654	125,051,501
Other Payments	9	-	-
		<b>201,262,840</b>	<b>144,765,093</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	2,175,400
<b>Net Adjustments</b>		-	2,175,400
<b>Net cash flow from operating activities</b>		<b>(19,085,082)</b>	<b>18,778,029</b>

*Kaiti Constituency*


*National Government Constituencies Development Fund (NGCDF)*

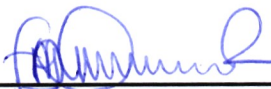
*Annual Report and Financial Statements for The Year Ended June 30, 2022*


<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(19,085,082)</b>	<b>18,778,029</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>23,286,754</b>	<b>4,508,725</b>
<b>Cash and cash equivalent at END of the year</b>		<b>4,201,672</b>	<b>23,286,754</b>
		0	(0)

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 22<sup>nd</sup> May 2022 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: JOSEFRIDA KAMETI

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: Gregory Mwaniki  
ICPAK M/No: 12536

  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name: JAPHETH NYALIRA

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

**X. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022**

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>			<b>Previous years Outstanding Disbursements</b>				
Transfers from NG-CDF Board	137,088,879	23,286,754	45,088,880	205,464,513	205,464,512	1	
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>23,286,754</b>	<b>45,088,880</b>	<b>205,464,513</b>	<b>205,464,512</b>	<b>1</b>	<b>100.0%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4,548,346		3,149,993	7,698,339	4,553,567	3,144,772	59.1%
Use of goods and services	7,789,651		367,019	8,156,670	8,156,670	-	100.0%
Transfers to Other Government Units	63,600,000		59,456,949	123,056,949	123,056,949	0	100.0%
Other grants and transfers	61,150,882		4,344,772	65,495,654	65,495,654	-	100.0%

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

Acquisition of Assets				0	-	-	
Other Payments	0	1,056,900	1,056,900	1,056,900	-	1,056,900	0.0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>23,286,754</b>	<b>68,375,633</b>	<b>205,464,512</b>	<b>201,262,840</b>	<b>4,201,672</b>	<b>98.0%</b>

*\*\*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 .*

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

*(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]*

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

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	4,201,672
Less undisbursed funds receivable from the Board as at 30th June 2022	1
	4,201,671
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0

*Kaifi Constituency*

*National Government Constituencies Development Fund (NGCDF)  
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Cash and Cash Equivalents at the end of the FY 2021/2022	4,201,671
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The Constituency financial statements were approved on 22<sup>nd</sup> MAY 2023 and signed by:

JM#  
Fund Account Manager

Name: JOSEFALON KASNETI



National Sub-County Accountant

Name: GREGORY M. MWANIKI  
ICPAK M/No: 12536 -



Chairman NG-CDF Committee

Name: JAPHETH NTALIYA

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**X. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e) = c-d	% of Utilisati on(f=d /c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,533,946.1		3,149,995	7,683,941	4,553,567	3,130,374	59
1.2 Committee allowances	758,400			758,400	758,400	-	100
1.3 Use of goods and services	2,932,984.6		367,019	3,300,004	3,300,004	(0)	100
<b>Total</b>			<b>3,517,014</b>	<b>3,517,014</b>			-
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,368,665.7			1,368,666	1,368,666	-	100
2.2 Committee allowances	744,000			744,000	744,000	-	100
2.3 Use of goods and services	2,000,000			2,000,000	2,000,000	-	100
<b>Total</b>			<b>-</b>	<b>4,112,666</b>	<b>4,112,666</b>	<b>-</b>	<b>100</b>
<b>3.0 Emergency</b>							

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3.1 Primary Schools	192,207.00				192,207				
3.2 Secondary schools	5,000,000.00				5,000,000				
3.3 Tertiary institutions					-				
3.4 Security projects	2,000,000.00			-	2,000,000				
3.5 Unutilised					-				
<b>Total</b>					-		<b>7,449,650</b>		
<b>4.0 Bursary and Social Security</b>									
4.1 Secondary Schools	24,000,000.00				24,000,000		23,998,450		100
4.2 Tertiary Institutions	10,272,219.82				10,272,220		10,339,990		101
4.3 Social Security	13,146,000				13,146,000		12,966,000		99
4.4 Special Needs					-		-		
<b>Total</b>				-	-				
<b>5.0 Sports</b>									
Sports	2,741,777.59				2,741,778		2,790,150		102
5.1					-				
<b>Total</b>					-				
<b>6.0 Environment</b>									
Yathonza	800,000.00				800,000		997,913		125

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sand dam										
Ikumba sand dam	800,000.00			800,000		800,000		800,000	-	100
Kyangonye sand dam	800,000.00			800,000		800,000		800,000	-	100
				-		-		-	-	
				-		-		-	-	
<b>Total</b>	-	-	-	-	-	-	-	-	-	
<b>7.0 Primary Schools Projects</b>										
Munyuni Primary School		600,000		600,000		600,000		600,000	-	100
Musalala Primary School		600,000		600,000		600,000		600,000	-	100
Mutanda Primary School		500,000		500,000		500,000		500,000	-	100
Muthini Primary School		600,000		600,000		600,000		600,000	-	100
Mutungu Primary School		600,000		600,000		600,000		600,000	-	100
Muusini Primary School		700,000		700,000		700,000		700,000	-	100
Mwea Primary School		700,000		700,000		700,000		700,000	-	100
Ngiluni		600,000		600,000		600,000		600,000	-	100

*Kaiti Constituency*

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Primary School				600,000				-		
Nthimbani Primary School			800,000	800,000				800,000		100
Thomeanduu Primary School			500,000	500,000				500,000		100
Tusunini Primary School			500,000	500,000				500,000		100
Watema Primary School			500,000	500,000				500,000		100
Wautu Primary School			600,000	600,000				600,000		100
Yathonza Primary School			400,000	400,000				400,000		100
matangi primary school			400,000	400,000				400,000		100
matwiku primary school			400,000	400,000				400,000		100
ACK kaiti primary school			500,000	500,000				500,000		100
engavu primary school			600,000	600,000				600,000		100
isovya primary			600,000	600,000				600,000		100









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School									
Kyau Secondary School			1,000,000	1,000,000	1,000,000	-		100	
Kyumu Secondary School			2,000,000	2,000,000	1,000,000	-		50	
Musalala Secondary School			1,000,000	1,000,000	1,000,000	-		100	
Mutulani Secondary School			800,000	800,000	800,000	-		100	
AckUkia Girls Secondary School	2,400,000			2,400,000	2,400,000	-		100	
AckUtaati Secondary School	600,000			600,000	600,000	-		100	
AicMwaanise condary School	2,200,000			2,200,000	2,200,000	-		100	
Engavu Secondary School	1,200,000			1,200,000	1,200,000	-		100	
Ikalyoni Secondary School	1,200,000			1,200,000	1,200,000	-		100	
Kinyuani Secondary School	1,200,000			1,200,000	1,200,000	-		100	
Kyamuoso	1,200,000				1,200,000			100	

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Secondary School				1,200,000				-	
Ndolo Secondary School	1,200,000			1,200,000				1,200,000	100
Nguluni Secondary School	1,200,000			1,200,000				1,200,000	100
St Francis Kiuukuni Secondary School	1,200,000			1,200,000				1,200,000	100
St. PaulsKyamut hei Secondary School	1,200,000			1,200,000				1,200,000	100
Thomeandu Boys Secondary School	1,200,000			1,200,000				1,200,000	100
<b>SUB TOTAL</b>				-				-	
<b>EDUCATION (TERTIARY INSTITUTION PROJECTS</b>									
KMTC Kilungu Campus	25,000,000			50,000,000	25,000,000			50,000,000	100
<b>SUB TOTAL</b>				-				-	





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

		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
<b>PAYMENTS</b>						
Compensation of Employees	4,548,346	-	3,149,993	7,698,339	4,553,567	3,144,772
Use of goods and services	7,789,651	-	367,019	8,156,670	8,156,670	(0)
Transfers to Other Government Units	63,600,000	23,286,754	59,456,949	123,056,949	123,056,949	-
Other grants and transfers	61,150,882	-	4,344,772	65,495,654	65,495,654	-
Acquisition of Assets	-	-	-	-	-	-
Other payments	-	-	1,056,900	1,056,900	-	1,056,900
<b>UNALLOCATED FUND</b>						
<b>TOTAL</b>	<b>137,088,879</b>	<b>23,286,754</b>	<b>68,375,633</b>	<b>205,464,512</b>	<b>201,262,840</b>	<b>4,201,672</b>

(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-Kaiti 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.

***Significant Accounting Policies continued***

**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 1<sup>st</sup> July 2021 to 30<sup>th</sup> 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 30<sup>th</sup> 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.

**XII. Notes to the Financial Statements****1. Transfers from NGCDF Board**

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board AIE NO		
B096957		15,000,000
B104608		19,000,000
A823525		23,120,368
B124530		9,000,000
B124845		12,247,354
B124957		8,500,000
B119812		12,000,000
B132158		6,000,000
B128414		7,000,000
B128102		6,900,000
B138826		12,000,000
B126121		7,000,000
B126411		11,600,000
B140557		12,000,000
155950	12,088,879.30	
154027	15,000,000.00	
140906	33,000,000.00	
105448	44,000,000.00	
128518	5,000,000.00	
128830	12,000,000.00	
164470	20,000,000.00	
895008	19,088,879.00	
105782	22,000,000.00	
	<b>182,177,758.30</b>	<b>161,367,722</b>

**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)	-	-
<b>Total</b>	-	-

**3. Other Receipts**

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-

## Notes To the Financial Statements (Continued)

## 4. Compensation Of Employees

<b>4 COMPENSATION OF EMPLOYEES</b>			
<b>Description</b>		<b>2021-2022</b>	<b>2020 - 2021</b>
		<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries		3,594,768.00	4,734,047
<b>Personal allowances paid as part of salary</b>			
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Gratuity-contractual employees		930,799.00	463,395
Employer Contributions Compulsory national social security schemes		28,000.00	24,400
<b>TOTAL</b>		<b>4,553,567.00</b>	<b>5,221,842</b>

## 5. Use Of Goods and Services

<b>5 USE OF GOODS AND SERVICES</b>			
<b>Description</b>		<b>2021-2022</b>	<b>2020 - 2021</b>
		<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		3,044,250.00	0
Electricity		-	0
Water & sewerage charges		-	-
Office rent			
Communication, supplies and services			0
Domestic travel and subsistence			0
Printing, advertising and information supplies & services		-	1,579,800
Rentals of produced assets			
Training expenses		770,300.00	
Hospitality supplies and services			0
Other committee expenses		4,342,120.00	0

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Committee allowance			1,520,000
Insurance costs			
Specialised materials and services			
Office and general supplies and services			3,675,156
Fuel , oil & lubricants			1,000,000
Other operating expenses			0
Bank service commission and charges			116,794
Other Operating Expenses		-	-
Security operations			
Routine maintenance - vehicles and other transport equipment			0
Routine maintenance- other assets			
<b>TOTAL</b>		<b>8,156,670.00</b>	<b>7,891,750</b>

## Notes To The Financial Statements (Continued)

## 6. Transfer To Other Government Units

Description		2021-2022	2020 - 2021
		Kshs	Kshs
Transfers to Primary Schools		43,825,577.00	5,100,000
Transfers to Secondary Schools		27,500,000.00	1,500,000
Transfers to Tertiary Institutions		51,731,372.00	
<b>TOTAL</b>		<b>123,056,949.00</b>	<b>6,600,000</b>

## 7. Other Grants and Other transfers

Description		2021-2022	2020 - 2021
		Kshs	Kshs
Bursary - Secondary ( see attached list)		23,998,450.00	74,006,855
Bursary -Tertiary ( see attached list)		10,339,990.00	23,658,102
Bursary- Special Schools			-
Mocks & CAT ( see attached list)		-	-
Social Security programmes (NHIF)		12,966,000.00	13,103,000
Security Projects ( see attached list)		5,230,000.00	-
Sports Projects ( see attached list)		2,790,150.00	3,263,544
Environment Projects ( see attached list)		2,721,414.00	2,180,000
Emergency Projects ( see attached list)		7,449,650.00	8,840,000
<b>TOTAL</b>		<b>65,495,654.00</b>	<b>125,051,501</b>

## 8. Acquisition Of Assets

<b>Non Financial Assets</b>		2021-2022	2020 - 2021
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings		-	-
Refurbishment of Buildings		-	-
Purchase of Vehicles 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 and General Equipment		-	-
Purchase of computers ,printers and other IT equipments		-	-
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			
<b>TOTAL</b>		-	<b>0</b>

*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>Kenya Commercial Bank, WOTE Branch . Kaiti NG-CDF</i>	<i>A/C no.1105347109</i>	<b>4,201,672.45</b>	<b>23,286,754.15</b>
		-	
		-	-
<b>TOTAL</b>		<b>4,201,672.45</b>	<b>23,286,754</b>

**11: Outstanding Imprests**

Name of Officer or	Date Imprest	Amount	Amount	Balance
--------------------	--------------	--------	--------	---------

<i>Institution</i>	<i>Taken</i>	<i>Taken</i>	<i>Surrendered</i>	
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	-	-	-	-
<i>Name of Officer</i>	-	-	-	-

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

**Notes to the Financial Statement Continued**

**12A. Retention**

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	0	-
Retention held during the year (B)	930,799.00	-
Retention paid during the Year (C)	930,799.00	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	0	-

*[Provide short appropriate explanations as necessary.]*

**12B. Gratuity**

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

*[Provide short appropriate explanations as necessary]*

**13. Balances Brought Forward**

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	23,286,754.15	4,508,725
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>23,286,754.15</b>	<b>4,508,725</b>

[Provide short appropriate explanations as necessary]

#### 14. Prior Year Adjustments

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

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

#### 15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
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 <sup>st</sup> 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	-	-

*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	991,830	-
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
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
Total	-	-

## 17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	3,144,772	
Use of goods and services	-	
Amounts due to other Government entities (see attached list)	-	<b>62,565,625</b>
Amounts due to other grants and other transfers (see attached list)	1,056,900	<b>3,634,609</b>
Acquisition of assets	-	
Funds pending approval	-	0
Total	-	
	<b>4,201,672</b>	<b>66,200,234</b>

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	26371.2	3474.44
Total		

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**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	
<b>Construction of buildings</b>					
1. JKUAT	2,500,000	4/02/2021	1,508,170	991,830	
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
Sub-Total					
<b>Grand Total</b>	2,500,000		1,508,170	991,830	

**Annex 2 - Analysis of Pending Staff Payables**

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Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance		Comments
		2021/2022	2020/2021	
		3,144,772		
Compensation of employees				
Use of goods & services		-		
Amounts due to other Government entities		-	62,565,625	
			3,634,609	
	Sub-Total			
Amounts due to other grants and other transfers		1,056,900		
	Sub-Total			
Acquisition of assets				
Others ( <i>specify</i> )				
	Sub-Total			
Funds pending approval				

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Grand Total	4,201,672	66,200,234

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**Annex 4 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs) 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	0			0
Buildings and structures	6,100,000			6,100,000
Transport equipment	4,343,000			4,343,000
Office equipment, furniture and fittings	0	-		0
ICT Equipment, Software and Other ICT Assets	267,500			267,500
Other Machinery and Equipment	18,005,520			18,005,520
Heritage and cultural assets	0			0
Intangible assets	0			0
<b>Total</b>	<b>28,716,020</b>	<b>0</b>	<b>0</b>	<b>28,716,020</b>

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

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NO.	PMC NAME	Account number	Bank	Bank Balance 2021/22	Bank Balance 2020/21
	<b>PMC</b>				
1	Munyuni Primary School	670264815863	EQUITY	2700	2700
2	Musalala Primary School	111112878	KCB	1480	1480
3	Mutanda Primary School		EQUITY	1882.5	1882.5
4	Muthini Primary School		KCB	808.5	808.5
5	Mutungu Primary School		EQUITY	143.35	143.35
6	Muusini Primary School	1123057826	KCB		
7	Mwea Primary School	670162395272	EQUITY	995	995
8	AckUkia Girls Secondary School	1116382725	KCB	580	580
9	AckUtaati Secondary School	1199685682	KCB	915	915
10	AicMwaanisecondary School	670299738020	EQUITY	769.5	769.5
11	Engavu Secondary School	1134016646	KCB	1797.5	1797.5
12	Ikalyoni Secondary School	670194570278	EQUITY	2295	2295
13	Kinyuani Secondary School	1113061782	KCB	4216.85	4216.85
14	Kyamuoso Secondary School	1167489020	KCB	6097.5	6097.5
15	Ndolo Secondary School	1116340542	KCB	990	990
16	Nguluni Secondary School	299789457	KCB	353	353
17	St Francis Kiuukumi Secondary School	1164840673	KCB	347.5	347.5
	<b>TOTAL</b>			26371.2	3474.44

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**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	Unsupported project Expenditures Projects were implemented without involvement of sub-county works office in designing, preparing the bill of quantities, supervision and inspection of the projects. The audit could not confirm if the projects meet the standard requirements.	Project files are now available for verification	Resolved	
2		Public works officer was used to prepare all the bill of quantities and issuing of completion certificates for projects. These certificates are available in the office for verification.	Resolved	

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Name : Josefridah M Kameti .....

Fund Account Manager.