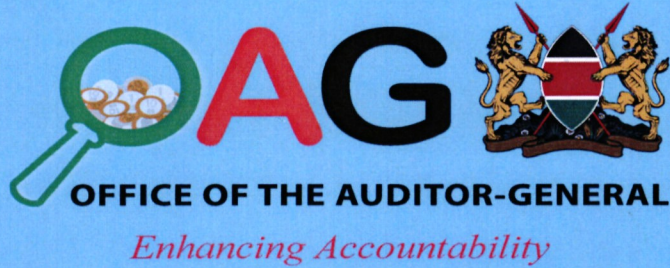


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY	
DATE: 26 JUL 2023	OAG
TABLED BY:	HON. NAOMI WAQO, MP
CLERK AT THE TABLE:	Deputy Majority Whip Finlay Mburu

PARLIAMENT OF KENYA LIBRARY

THE AUDITOR-GENERAL

ON

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

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



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



KITUI EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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I. Key Constituency Information and Management
(a) Background information

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

Mandate

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

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

Kitui East Constituency

National Government Constituencies Development Fund (NGCDF)

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

- 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 Kitui East 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

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

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

No	Designation	Name
1.	A.I.E holder	Anthony Munyao P
2.	Sub-County Accountant	Nicholas K.Mumo
3.	Chairlady NGCDFC	Joyce M. Mumo
4.	Member NGCDFC	Reinhard N.Munyoto

(d) Fiduciary Oversight Arrangements

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

(e) Kitui East Constituency NGCDF Headquarters

P.O. Box 1199-90200
Chuluni Market
Near Nzambani DCC's Office
Kitui Mutomo Road
Kitui, KENYA

(f) Kitui East Constituency NGCDF Contacts

Telephone: (254) 726464606
E-mail: cdfkituieast@.go.ke
Website: www.ngcdf.go.ke

(g) Kitui East Constituency NGCDF Bankers

Equity Bank (specify the constituency account banker details)

Branch-Kitui

0720261343213

P.o Box 1453-90200

Kitui

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

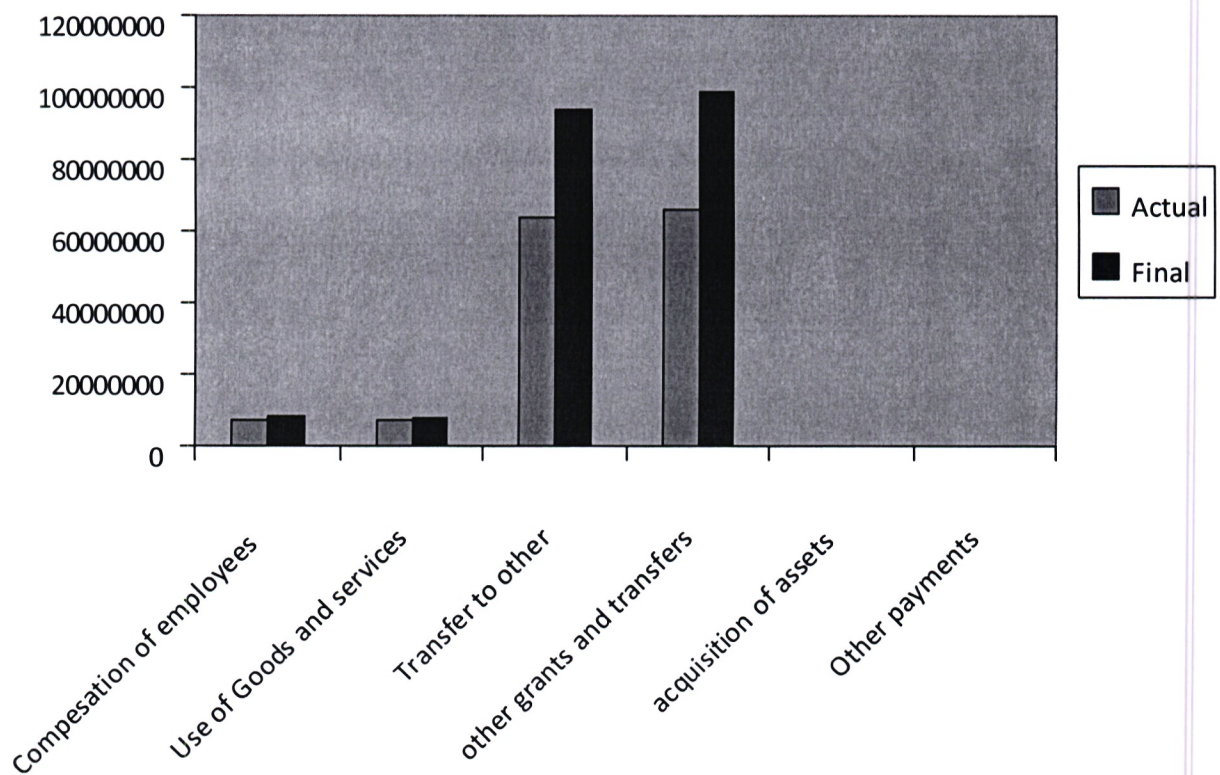
II. NG-CDF Chairlady's Report



Joyce Mueni Mumo-Chairlady Kitui East NG CDFC

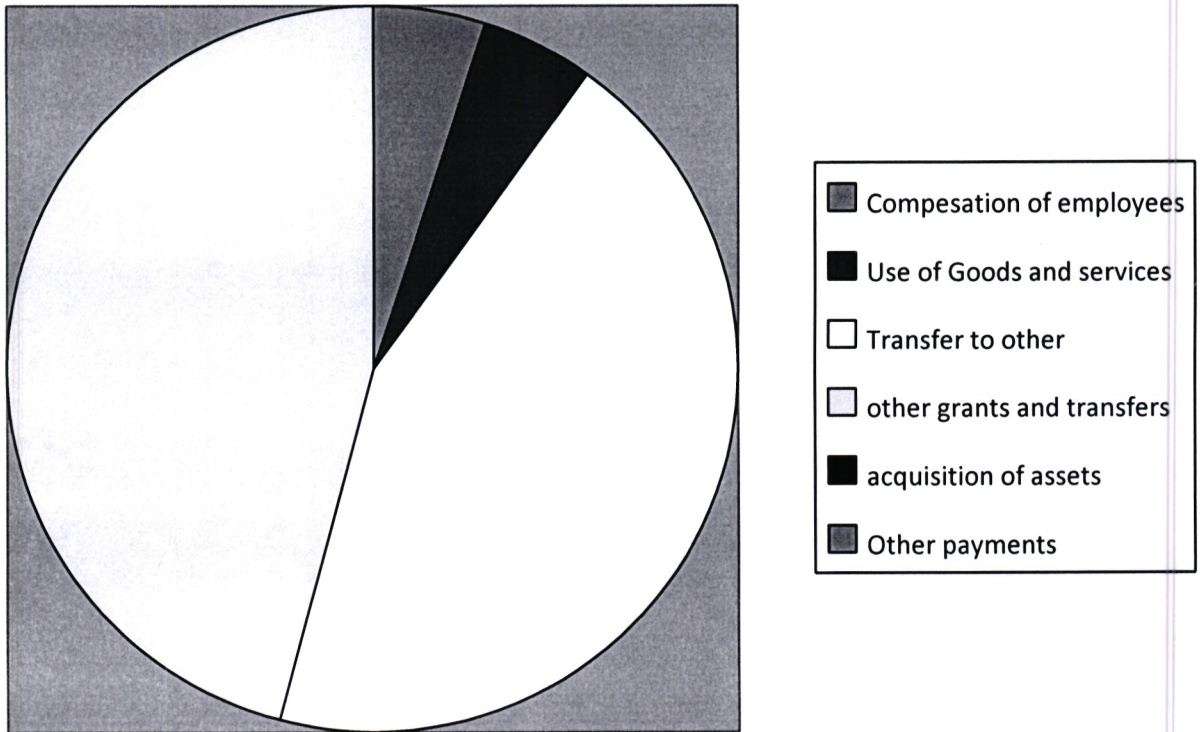
NGCDFC Kitui had a successful year after covid -19 pandemic which disrupted the flow of work during last financial year. The organisation was able to receive kshs.189, 677,758.30 as funding from the board during the financial year. Together with the balance brought forward of kshs.25,285,616.47 ,the organisation had an actual funds available totalling to kshs.214, 963,374.77 out of which we successfully utilized kshs.208, 809,234 which is 97.14 % utilization rate. As compared to the final budget, we were able to utilize almost our entire

Appropriation



budget.

Appropriation



The organisation encountered various challenges in the financial year 2021/2022 among them being poor workmanship by contractors citing inflation whereby the cost of hardware materials have escalated drastically hence resulting to poor work.

The NGCDFC has agreed to review/reconsider raising the BQ amount to cater for that. Another challenge we encountered was the time frame to complete a project was not adhered to by contractors more citing poor connectivity of roads since the projects widely spreadly in our vast constituency with poor road coverage. Through our able Member of parliament is liasing with KeRRA and County government to have the access roads done to ease implementation of the projects.

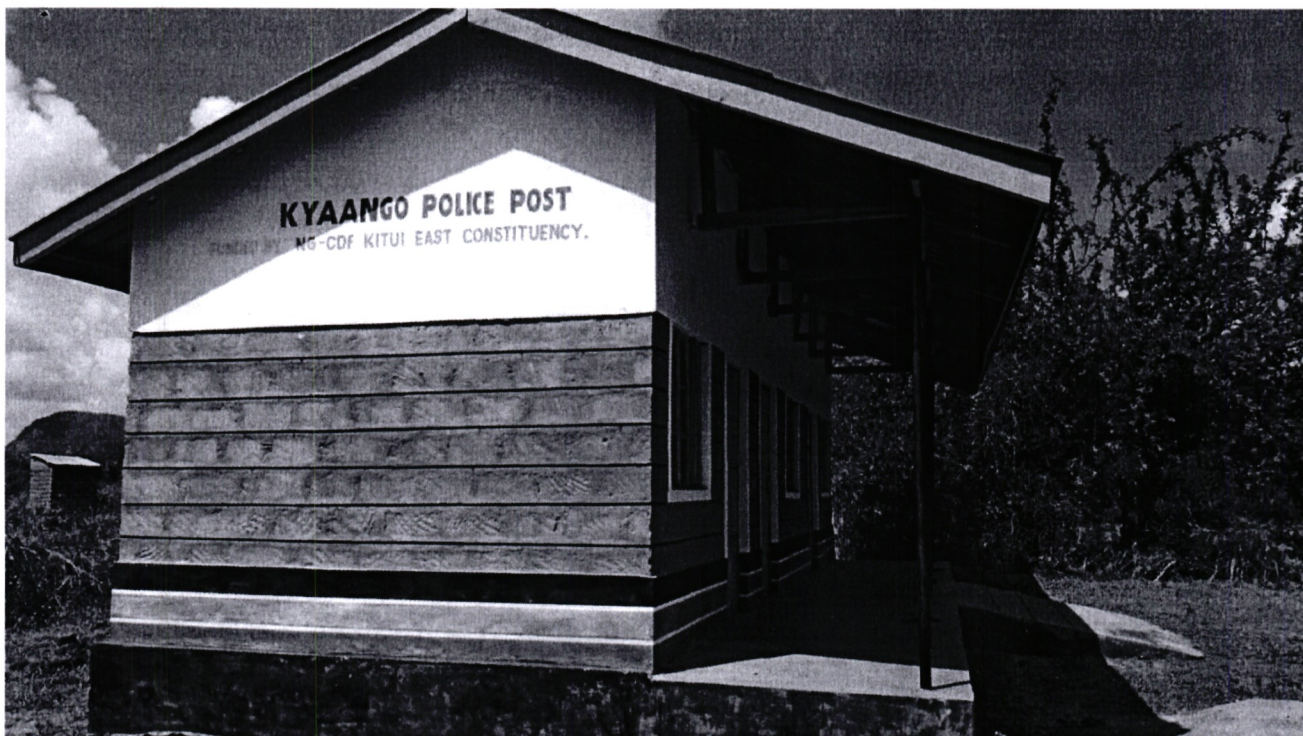
Further the organisation managed to implement more projects within the year some of which are shown below.

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



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



Joyce Mueni Mumo

.....

**Name JOYCE MUENI MUMO.
CHAIRLADY 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 *Kitui East Constituency 2018-2022* plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

Progress on attainment of Strategic development objectives

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

Constituency 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"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 21/22 we increased number of classrooms, dormitories, laboratories etc in the several schools/institutions - Bursary beneficiaries increased after we reallocated NHIF scheme to elderly people to cater for needy students in the constituency owing to harsh economic situation in the area and Kenya at large .
Security	To increase security in the constituency	Less crime in the area	Number of crimes reported, number of security projects	Security projects – police posts/stations have been

Kitui East Constituency

National Government Constituencies Development Fund (NGCDF)

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

			completed	build/implemented
Environment	To recover ecosystems, conserving biodiversity and the natural and cultural environment	Good human health, efficient material cycles free from dangerous substances	Low hospital visits by populace Increased forest cover Reduced rain running water	Planted more trees at school compounds
Sports	To develop skills and talents of our youth	Reduced idleness in our towns. Tapped talents in our youth	Emerging of new football clubs Music competitions and extravaganzas by youths	We Organised football competition within the constituency Supported teams with balls, nets
Emergency	To cater for unforeseen natural calamities.	Return to normalcy after getting aid	Renovation of classrooms blown by wind in both primary and secondary schools Sinking of new toilets after collapsing.	NG-CDFC acted upon majority of emergency cases reported although we were unable to do 100% of all cases due to limited funds allocated for the vote.

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile –

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

- a. **Education and Training:** KITUI EAST 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; KITUI EAST NG-CDF 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 KITUI EAST 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 KITUI EAST 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 KITUI EAST NG-CDF.*
- *KITUI EAST NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *KITUI EAST 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 KITUI EAST NGCDF supported projects.*

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kitui east 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-

KITUI EAST 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.

KITUI EAST 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-

KITUI EAST 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.

Kitui East Constituency

National Government Constituencies Development Fund (NGCDF)

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

Public Participation in Project Identification and Implementation and Monitoring

The KITUI EAST 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 KITUI EAST NG CDF Board in accordance with the Act.

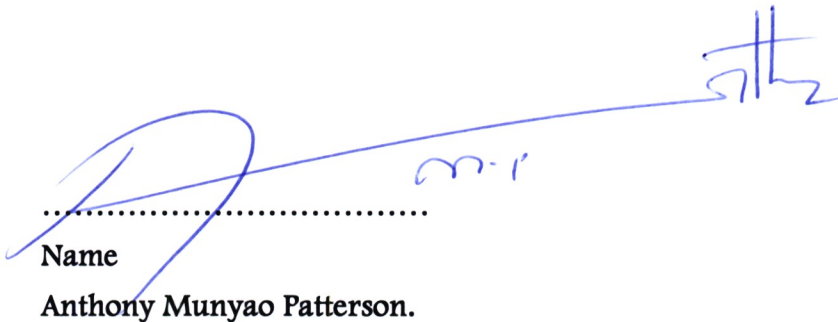
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



.....
Name
Anthony Munyao Patterson.

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 NG CDF-KITUI EAST 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 NG CDF-KITUI EAST 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 NG CDF- KITUI EAST Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NG CDF KITUI EAST 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.

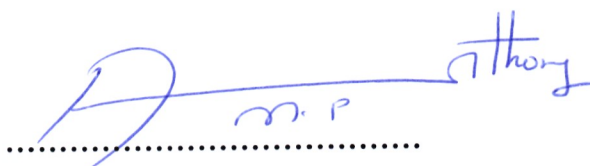
Approval of the financial statements

The NG CDF- KITUI EAST Constituency financial statements were approved and signed by the Accounting Officer on 20.9.2022.



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Name:

Chairman – NGCDF Committee

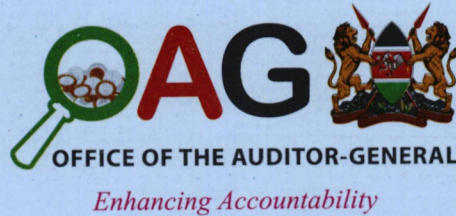


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Name:

Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kitui East Constituency set out on pages 1 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2022, the

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

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Receipts and Payments

The statement of receipts and payments reflects compensation of employees and use of goods and services amounts of Kshs.8,320,206 and Kshs.7,514,395 respectively. Included in Kshs.8,320,206 is Kshs.2,183,631 as disclosed in Note 4 to the financial statements for gratuity to contractual employees. However, the ledger reflects Kshs.1,913,716 for the same item resulting to an unexplained variance of Kshs.269,915.

Further, included in Kshs.7,514,395 is bank charges of Kshs.8,520 as disclosed in Note 5 to the financial statements. However, re-casting of schedules provided revealed an amount of Kshs.473,858 resulting to an unexplained variance of Kshs.465,338.

In the circumstances, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

2. Unsupported Expenditure

2.1 Water and Sewerage Charges

The statement of receipts and payments reflects use of goods and services amount of Kshs.7,514,395 which includes water and sewerage charges of Kshs.1,082,530 as disclosed in Note 5 to the financial statements. However, the payments were not supported by payment vouchers, water bills, invoices and acknowledgement receipts.

2.2 Environment Projects

Statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects environment projects expenditure of Kshs.2,741,778 for supply of seedlings to twenty-seven (27) institutions. However, the project files lacked distribution lists to beneficiaries, counter receipt vouchers and S3 cards/bin cards. In addition, payment vouchers were not supported with delivery notes, invoices and acknowledgement receipts.

In the circumstances, the propriety, accuracy and completeness of water and sewerage charges and environment projects expenditure of Kshs.1,082,530 and Kshs.2,741,778 respectively could not be confirmed.

3. Unconfirmed Bank Balance

The statement of assets and liabilities reflects bank balance of Kshs.6,154,142 as disclosed in Note 10A to the financial statements. Included in this balance are un-presented cheques amounting to Kshs.16,834,836 out of which Kshs.2,994,160 were stale cheques which have not been reversed in the cashbook. Further, Project Management Committee (PMC) bank balances of Kshs.529,799 were not supported by confirmation certificate of bank balances.

In the circumstances, the accuracy and completeness of bank balance of Kshs.6,154,142 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Audit Issues

The audit report for the previous financial year ended 30 June, 2021, raised several issues in regard to the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Un-Surrendered Closed PMC Account Balances

Annex 5 to the financial statements reflects Project Management Committees (PMC) balance of Kshs.529,799. The balance includes two (2) PMC accounts balances of Kshs.267,120 for projects indicated in the project implementation status report to be complete. However, the balances have not been surrendered to the main Constituency Fund bank account. This is contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

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

2. Lack of Segregation of Duties

During the year under review, it was observed that the monthly bank reconciliations for the operational bank account were prepared and verified by the Sub-County Accountant. Further, bank reconciliation statements for November 2021, December 2021, January 2022, February 2022, March 2022, April 2022 & May 2022 are all dated later than 10 of the subsequent month which does not comply with Section 90(1) of the Public Finance Management regulations, 2015.

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

3. Lack of Annual Procurement Plan

During the year under review, Management did not prepare a procurement plan that gives a detailed breakdown of goods, services and works, indicates schedule of the planned delivery, implementation or completion dates for all goods, works, or services required, indicates the estimated costs the appropriate procurement method. This was contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

4. Failure to Report Emergency Projects

Note 7 to the financial statements reflects emergency expenditure of Kshs.7,750,000. However, there was no evidence that the utilization of emergency reserve was reported to the Board. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

5. Irregularities in Projects Implementation

Statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to primary and secondary schools of Kshs.93,870,000. However, the following anomalies were noted;

- 5.1** The Kshs.93,870,000 includes Kshs.4,000,000 for purchase and fencing of four (4) acres of land for Kaliku Boys Secondary School and building works for expansion of the school. However, the School had not received the title deed. Further, expenditure of Kshs.2,500,000 for demolition of classrooms, walling and plastering was not supported by public works valuation certificates and measurements.
- 5.2** Included in Kshs.93,870,000 is Kshs.1,500,000 for renovation of three (3) classrooms at Ndunga Primary School. However, the method of procurement was not indicated and there was no evidence of appointments to the tender opening and awarding committees. In addition, tender advertisement, evaluation scoresheets for each committee member, professional opinion and notification to unsuccessful bidders were not provided for audit.
- 5.3** Further, included in Kshs.93,870,000 is Kshs.1,500,000 disbursed to Kyanika Primary School. However, the tender advertisement, evaluation scoresheets for each committee member, professional opinion and notification to unsuccessful bidders were not provided for audit.
- 5.4** In addition, included in Kshs.93,870,000 is Kshs.3,000,000 disbursed to Mutitu North Special School for construction of a 50-capacity dormitory. However, there was no evidence of appointments to the tender opening and awarding committees including criteria of awarding. Further, tender advertisement, evaluation scoresheets for each committee member, professional opinion, notification to unsuccessful bidders and acceptance letter were not provided for audit. In addition, payment certificates and measurements approved by professional works officer were not provided.

In the circumstances, Management was in breach of the law and value for money of Kshs.10,000,000 on the four (4) projects could not be confirmed.

6. Delay in Project Implementation

Review of the project implementation status report revealed two (2) projects worth Kshs.3,500,000 had not been completed as at the time of the audit in March, 2023. Further, an amount of Kshs.7,572,000 was budgeted for provision of National Health Insurance Fund to cover one thousand two hundred and sixty-two (1,262) vulnerable people was re-allocated to bursary. In addition, the budget execution by sectors and projects indicates eight (8) projects budgeted at Kshs.2,050,000 were not implemented.

In the circumstances, value for money on the planned projects could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Failure to Maintain an Imprest Register

Review of the monthly expenditure returns, payment vouchers and imprest warrants revealed that imprest of Kshs.5,218,000 was issued in the year under review to facilitate monitoring and evaluation. However, there was no evidence of maintenance of an imprest register. This is contrary to Regulation 93(4) of the Public Finance Management (National Government) Regulations, 2015 which states that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that—the applicant has been recorded in the imprest register including the amount applied for;

In the circumstances, the effectiveness of internal controls on recording and maintenance of imprest register could not be confirmed.

2. Irregular Staff Recruitment

Review of personnel records revealed that the accounts assistant II, information and communications technology officer, procurement assistance and security personnel positions were filled during the year under review. However, there was no evidence of competitive recruitment process since requisition from the user department, advertisement for the positions, application letters, shortlisting, register interviewees, score sheets and the minutes for the interviewers were not provided for audit. In addition, there was no organizational structure and approved staff establishment to guide on filling these positions.

In the circumstances, the effectiveness of internal controls on staff recruitment could not be confirmed.

3. Lack of a Disaster Recovery Plan

During the year under review Management had not established a disaster recovery plan/ business continuity plan. This implies that there are no measures in place to identify, prevent and mitigate disasters to ensure that operations are not interrupted.

In the circumstances, the effectiveness of risk management and business continuity could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 June, 2023

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

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

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	189,677,758	162,517,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	=	=
Total Receipts		189,677,758	162,517,724
Payments			
Compensation Of Employees	4	8,320,206	7,338,161
Use Of Goods and Services	5	7,514,395	7,159,014
Transfers To Other Government Units	6	93,870,000	63,900,000
Other Grants and Transfers	7	99,104,633	66,161,062
Acquisition Of Assets	8	-	-
Other Payments	9	=	=
Total Payments		208,809,234	144,558,237
Surplus/(Deficit)		<u>(19,131,476)</u>	<u>17,959,487</u>

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 _____ 2022 and signed by:

Fund Account Manager

Name:Anthony Munyao P.



**National Sub-County
Accountant**

**Name:Nicholas K. Mumo
ICPAK M/No:4562**



Chairlady NG-CDF Committee

Name:Joyce M. Mumo

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

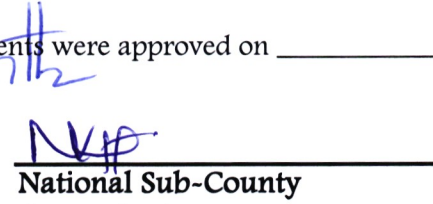
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	6,154,142	25,285,616
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		6,154,142	25,285,616
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		6,154,142	25,285,616
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		=	=
Net Financial Assets		<u>6,154,142</u>	<u>25,285,616</u>
Represented By			
Fund Balance B/Fwd	13	25,285,616	7,326,129
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(19,131,474)	17,959,487
Net Financial Position		<u>6,154,142</u>	<u>25,285,616</u>

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

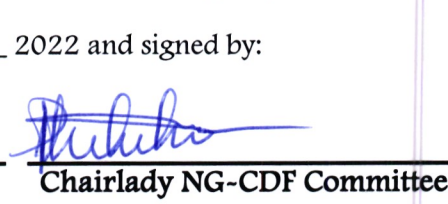
The Constituency financial statements were approved on _____ 2022 and signed by:


Fund Account Manager

Name: Anthony Munyao P.


National Sub-County
Accountant

Name: Nicholas K. Mumo
ICPAK M/No: 4562


Chairlady NG-CDF Committee

Name: Joyce M. Mumo

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

	Notes	2021 – 2021	2021 – 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	189,677,758	162,517,724
Other Receipts	3	=	=
Total Receipts		189,677,758	162,517,724
Payments			
Compensation Of Employees	4	8,320,206	7,338,161
Use Of Goods and Services	5	7,514,395	7,159,014
Transfers To Other Government Units	6	93,870,000	63,900,000
Other Grants and Transfers	7	99,104,633	66,161,062
Other Payments	9	-	-
Total Payments		(208,809,234)	(144,558,237)
Total Receipts Less Total Payments		(19,131,476.00)	
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	(-)
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(19,131,475)	17,959,487
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(-)	(-)
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(19,131,475)	17,959,487
Cash & Cash Equivalent At Start Of The Year	10	25,285,616.47	7,326,129
Cash & Cash Equivalent At End Of The Year	10	<u>6,154,141.54</u>	<u>25,285,616</u>

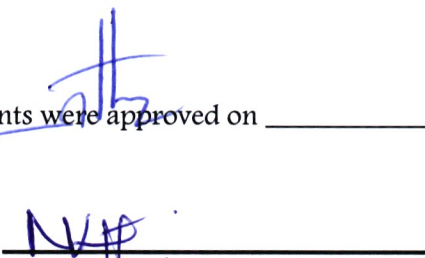
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on _____ 2022 and signed by:



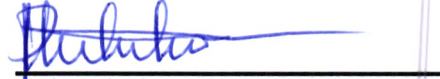
Fund Account Manager

Name: Anthony Muniyao P.



**National Sub-County
Accountant**

**Name: Nicholas K. Mumo
ICPAK M/No: 4562**



Chairlady NG-CDF Committee

Name: Joyce M. Mumo

**Kitui East 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 30th June 2022

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	c=a+b	d	e=c-d	f=d/c %
Receipts	2021/2022			2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	25,285,616	58,588,879	220,963,375	214,963,374	6,000,001	97.3%
Proceeds From Sale of Assets	-	-	-	0	-	-	0.0%
Other Receipts	-	-	-	0	-	-	
Totals Receipts	137,088,879	25,285,616	58,588,879	220,963,375	214,963,374	6,000,001	97.3%
Payments							
Compensation Of Employees	6,125,332.74	1,548,798	0	7,674,131	8,320,206	646,075.26	108.4%
Use Of Goods and Services	1,800,000	704,000	700,000	3,204,000	2,714,112	489,887.69	84.7%
Committee Allowances	4,412,666	988,020	1,596,301	6,996,988	4,800,283	2,196,705.21	
Transfers To Other Government Units	56,000,000	15,170,000	26,350,000	97,520,000	93,870,000	3,650,000	96.3%
Other Grants and Transfers	68,750,880	6,874,798	29,942,578	105,568,255	99,104,633	6,463,622.73	93.9%
Acquisition Of Assets	0	0	0	0	-	-	
Other Payments	0	0		0	-	-	
Totals	137,088,879	25,285,616	58,588,879	220,963,374	208,809,234	12,154,140	94.5%

****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 .**

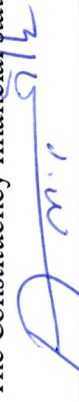
(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(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.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	12,154,141.00
Less undisbursed funds receivable from the Board as at 30 th June 2022	6,000,000.00
Add Accounts payable	6,154,141.00
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	6,154,141.00

The Constituency financial statements were approved on _____ 2022 and signed by:


Fund Account Manager


Chairlady NG-CDF Committee


National Sub-County Accountant

Name:Anthony Munyao P.

**Name:Nicholas K. Mumo
ICPAK M/No:4562**

Name:Joyce M. Mumo

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

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,125,333	1,548,798	-	7,674,131	8,320,206	(646,075)
1.2 Committee allowances	1,300,000.00	-	-	1,300,000	750,320	549,680
1.3 Use of goods and services	800,000.00	70,000	-	870,000	778,133	91,868
Totals	8,225,333	1,618,798	-	9,844,131	9,848,659	(4,528)
2.0 Monitoring and evaluation						
2.1 Capacity building	2,112,666	-	746,301	2,858,968	1,402,375	1,456,593
2.2 Committee allowances	1,000,000.00	988,020	850,000	2,838,020	2,647,588	190,432
2.3 Use of goods and services	1,000,000.00	634,000	700,000	2,334,000	1,935,980	398,020
Totals	4,112,666	1,622,020	2,296,301	8,030,988	5,985,943	2,045,045
3.0 Emergency						
		569,304		7,761,511	7,750,000	11,511
3.1 Primary Schools	7,192,207					
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
4.0 Bursary and Social Security						
4.1 Primary Schools						

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Secondary Schools	32,575,118	1,070,035	-	33,645,153	33,411,500	233,653
4.3 Tertiary Institutions	15,000,000.00	488,459	-	15,488,459	15,717,000	(228,541)
4.4 Universities						
4.5 Social Security						
Total	47,575,118	1,558,494	-	49,133,611	49,128,500	5,111
5.0 Sports						
5.1	2,741,778	-	2,742,578	5,484,355	5,484,355	
Total	2,741,778	-	2,742,578	5,484,355	5,484,355	0
6.0 Environment						
1 Kabati mixed secondary school	100,000.00	-	-	100,000.00	100,000	-
2 Kaliku boys secondary school	100,000.00	-	-	100,000.00	100,000	-
3 Kathamba primary school	100,000.00	-	-	100,000.00	100,000	-
4 Kathande secondary school	100,000.00	-	-	100,000.00	100,000	-
5 katikoni primary school	100,000.00	-	-	100,000.00	100,000	-
6 Kaumu mixed secondary school	100,000.00	-	-	100,000.00	100,000	-
7 Kawala secondary school	100,000.00	-	-	100,000.00	100,000	-
8 Kimangau mixed secondary school	100,000.00	-	-	100,000.00	100,000	-
9 Kiongwe mixed secondary	100,000.00	-	-	100,000.00	100,000	-
10 Kitanga primary school	100,000.00	-	-	100,000.00	100,000	-
11 Kyululu mixed secondary school	100,000.00	-	-	100,000.00	100,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12 Kyululu primary school	100,000.00	-	-	100,000.00	100,000	-
13 Kyukuni mixed sec school	100,000.00	-	-	100,000.00	100,000	-
14 Malatani mixed sec.school	100,000.00	-	-	100,000.00	100,000	-
15 Malatani primary school	100,000.00	-	-	100,000.00	100,000	-
16 Mangola primary school	100,000.00	-	-	100,000.00	100,000	-
17 Matia police post	100,000.00	-	-	100,000.00	100,000	-
18 Matia primary school	100,000.00	-	-	100,000.00	100,000	-
19 Mwitika boys secondary school	100,000.00	-	-	100,000.00	100,000	-
20 Mwitika primary school	100,000.00	-	-	100,000.00	100,000	-
21 Ngaaka yakwa m. sec.school	100,000.00	-	-	100,000.00	100,000	-
22 Ngaaka yakwa primary school	100,000.00	-	-	100,000.00	100,000	-
23 Kiongwe primary school	100,000.00	-	-	100,000.00	100,000	-
24 Kateke primary school	100,000.00	-	-	100,000.00	100,000	-
25 Ikuyuni primary school	100,000.00	-	-	100,000.00	100,000	-
26 Manzini primary school	100,000.00	-	-	100,000.00	100,000	-
27 Nzambani primary school	41,777.58	-	-	41,777.58	41,777.58	-
28 Mathulini primary school	100,000.00	-	-	100,000.00	100,000	-
Total	2,741,778	-	-	2,741,778	2,741,778	0
7.0 Primary Schools Projects (List all the Projects)						
1 Kyanika primary school	1,500,000.00	-	-	1,500,000.00	1,500,000	-
2 Nzilani primary school	1,500,000.00	-	-	1,500,000.00	1,500,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3 Kaliku primary school	1,000,000.00	-	-	1,000,000.00	1,000,000	-
4 Yoonye primary school	2,000,000.00	-	-	2,000,000	2,000,000	-
5 Kiini primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
6 Katundu primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
7 Muambani primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
8 Kataka primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
9 Kaluasi primary school	1,500,000.00	-	-	1,500,000	1,500,000	-
10 Katolongwe primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
11 Nzunguni primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
12 Ndulani primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
13 Itikie primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
14 Inyookoni primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
15 Nguuni primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
16 Nzookoni primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
17 Katikoni primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
18 Malembwa primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
19 Ithangathi primary school	2,000,000.00	-	-	2,000,000	2,000,000	-
20.Kongowea primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
21 Yawii primary school	1,500,000.00	-	-	1,500,000	1,000,000	500,000
22 Kisiuni primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
23 Ngaikini primary school	1,000,000.00	-	-	1,000,000	1,000,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
24 Mavulya primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
25 Kwa mailu primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
26 Syomba primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
27 Kamunyu primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
28 Ndovoini primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
29 Koi primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
30 AIC Yutiani primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
31 Kalungu primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
32 Kwa aombe primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
33 Mutuluni primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
34 Kanduti primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
35 Ndunga primary school	1,500,000.00	-	-	1,500,000	1,500,000	-
36 Kyuusiani primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
37 Manzini primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
38 Kilonzo primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
39 Mutitu North special school	3,500,000.00	-	-	3,500,000	3,500,000	-
40 Yamanza primary school	1,000,000.00	-	-	1,000,000	1,000,000	-
40 Kiini primary school	-	1,000,000	-	1,000,000	1,000,000	-
41 Malatani primary school	-	370,000.00	-	370,000	370,000	-
42 Malatani primary school	-	1,000,000.00	-	1,000,000	1,000,000	-
43 Masasini primary school	-	1,500,000.00	-	1,500,000	1,500,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
45 Kanguli primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
46 Kawala primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
47 Mbangulo primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
48 Nditime primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
49 Katitika primary school	-	-	250,000.00	250,000	250,000	-
50 Kinzeni primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
51 Kilanga primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
52 Katumbu primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
53 Kitivo primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
54 Kalwa primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
56 Mavulya primary school	-	-	350,000.00	350,000	350,000	-
57 Malembwa primary school	-	-	350,000.00	350,000	350,000	-
58 Kitakani primary school	-	-	1,000,000.00	1,000,000	1,000,000	-
59 Ivinga nzia primary school	-	-	500,000.00	500,000	500,000	-
60 Manyoeni primary school	-	-	500,000.00	500,000	-	500,000
61 Musiva primary school	-	-	300,000.00	300,000	-	300,000
62 Masikalini primary school		150,000.00		150,000		150,000
63Kaayo primary school		150,000.00		150,000		150,000
64 Matundu primary school		150,000.00		150,000		150,000
65 Matundu primary school		500,000.00		500,000		500,000
Totals	47,000,000	4,820,000	12,250,000	64,070,000	61,820,000	2,250,000

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.0 Secondary Schools Projects (List all the Projects)						
1 Nduluni secondary school	1,000,000.00	-	-	1,000,000	1,000,000	-
2 Kavalula secondary school	2,000,000.00	-	-	2,000,000	2,000,000	-
3 Kyanika secondary school	1,500,000.00	-	-	1,500,000	1,500,000	-
4 Manyoeni secondary school	1,000,000.00	-	-	1,000,000	1,000,000	-
5 Malatani secondary school	1,000,000.00	-	-	1,000,000	1,000,000	-
6 Kaliku boys secondary school	2,500,000.00	-	-	2,500,000	2,500,000	-
7 Kyanika secondary school	-	-	1,000,000	1,000,000	1,000,000	-
8 Kaliku boys secondary school	-	-	4,000,000	4,000,000	4,000,000	-
9 Voo secondary school	-	500,000	-	500,000	500,000	-
10 Voo secondary school	-	-	1,000,000	1,000,000	1,000,000	-
11 Voo secondary school	-	200,000.00	-	200,000	200,000	-
12 Thua secondary school	-	500,000.00	-	500,000	500,000	-
13 Thua secondary school	-	7,200,000.00	-	7,200,000	7,200,000	-
14 Kathande secondary school	-	-	500,000.00	500,000	500,000	-
15 Kithanake secondary school	-	250,000.00	-	250,000	250,000	-
16 Kiangini m. secondary school	-	400,000.00	-	400,000	400,000	-
17 Kyamatu secondary school	-	-	7,500,000.00	7,500,000	7,500,000	-
18 Mwitika boys sec.school	-	300,000.00	-	300,000	-	300,000
19 Mwitika boys sec.school	-	500,000.00	-	500,000	-	500,000
20 Mwitika boys sec school	-	500,000.00	-	500,000	-	500,000

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
21 Kamwiu secondary school	-	-	100,000	100,000	-	100,000
Totals	9,000,000	10,350,000	14,100,000	33,450,000	32,050,000	1,400,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1	-	-	-	-	-	-
9.2	-	-	-	-	-	-
9.3	-	-	-	-	-	-
9.4	-	-	-	-	-	-
10.0 Security Projects						
1 Endau police post	1,000,000.00	-	-	1,000,000	1,000,000	-
2 Kinakoni police post	1,000,000.00	-	-	1,000,000	1,000,000	-
3 Mutitu deputy county commissioner office	3,000,000.00	-	-	3,000,000	3,000,000	-
4 Mutitu deputy county commissioner office	500,000.00	-	-	500,000	500,000	-
5 Nzambani police station	1,000,000.00	-	-	1,000,000	1,000,000	-
6 Thua Assistant county commissioner office	500,000.000	-	-	500,000	500,000	-
7 Yulambu assistant chief office	500,000.00	-	-	500,000	500,000	-
8 Zombe police station	1,000,000.00	-	500,000	1,500,000	1,500,000	-
9 Kinakoni police post	-	2,000,000.00	1,000,000	1,000,000	1,000,000	-
10 Muttitu North DCC'S office	-	-	-	2,000,000	2,000,000	-
11 Muttitu DCC'S office	-	-	6,500,000.00	6,500,000	6,500,000	-
12 Zombe chief's office	-	1,000,000.00	-	1,000,000	1,000,000	-
13 Matia police post	-	-	1,000,000.00	1,000,000	1,000,000	-

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
14 Mutitu DCC'S office			6,500,000.00	6,500,000	6,500,000	
15 Ililuni police post	-	1,000,000.00	-	1,000,000	1,000,000	-
16 Voo ACC office	-	-	2,000,000.00	2,000,000	2,000,000	-
18 Mutitu ACC office	-	-	2,000,000.00	2,000,000	2,000,000	-
19 Waani assistant chief office	-	-	500,000.00	500,000	500,000	-
20 Ithumula police post	-	-	1,000,000.00	1,000,000	1,000,000	-
21 Twambui police post	-	500,000.00	-	500,000	500,000	-
22 Imuumba police post	-	-	200,000	200,000	-	200,000
Totals	8,500,000	4,500,000	21,200,000	34,200,000	34,000,000	200,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
12.0 Others						
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-
12.2 AIA	-	247,000	-	247,000	-	247,000
Funds pending approval**			6,000,000	6,000,000	-	6,000,000
Total		247,000	6,000,000	6247,000	-	6,247,000

XII. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-KITUI EAST 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.

2020)

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 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XIII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO B140811	7,500,000	
AIE NO B140957	33,000,000	
AIE NO B105391	34,000,000	
AIE NO B 105606	10,000,000	
AIE NO B 105823	22,000,000	
AIE NO B128567	6,000,000	
AIE NO B 128879	12,000,000	
AIE NO B 154077	16,000,000	
AIE NO B 164414	37,088,879	
AIE NO B 155971	12,088,879.30	
AIE NO B 104518		4,212,0000
AIE NO B 104622		22,000,000
AIE NO A 823651		29,655,724
AIE NO B 104882		12,450,000
AIE NO B 104890		2,200,000
AIE NO B 124571		9,000,000
AIE NO B 119518		8,500,000
AIE NO B 119908		12,000,000
AIE NO B 128150		6,900,000
AIE NO B 132206		6,000,000
AIE NO B 128462		7,000,000
AIE NO B 133874		13,000,000
AIE NO B 126168		7,000,000
AIE NO 126462		10,600,000
AIE NO 140606		12,000,000
TOTAL	189,677,758.30	162,517,724

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)		
Total	-	-

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	-	-
Total	-	-

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,071,570	3,287,311
Personal allowances paid as part of salary		
House Allowance	630,325	557,700
Transport Allowance	748,000	660,000
Leave allowance	52,000	56,000
Interns allowances	300,000	490,000
Gratuity to contractual employees	2,183,631	1,810,060
NHIF contribution	139,200	133,650
Employer Contributions Compulsory national social security schemes	195,480	343,440
Total	8,320,206	7,338,161

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	0	198,994
Electricity	49,313	35,600
Water & sewerage charges	1,082,530	220,000
Communication, supplies and services	68,000	-
Domestic travel and subsistence	850,000	-
Printing, advertising and information supplies & services	212,500	107,000
Rentals of produced assets	0	-
Training expenses	305,501	848,000
Hospitality supplies and services	288,799	2,783,000
Other committee expenses	1,538,443	606,000
Committee allowance	1,817,540	620,000
Insurance costs	0	-

Specialized materials and services	53,000	34,000
Office and general supplies and services	631,650	1,017,400
Other operating expenses	424,600	424,500
Bank service commission & charges	8,520	157,020
Sanitary & cleaning materials	144,500	
Routine maintenance – vehicles and other transport equipment	0	-
Routine maintenance – other assets	39,500	107,500
Total	7,514,395	7,159,014

Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools	61,820,000	33,600,000
Transfer To Secondary Schools	32,050,000	30,300,000
Transfers To Tertiary Institutions	-	-
Total	93,870,000	63,900,000

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools	33,411,500	22,829,030
Bursary – tertiary institutions	15,717,000	24,187,100
Bursary – special schools	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects	34,000,000	3,250,000
Sports projects	5,484,355	-
Environment projects	2,741,778	7,669,932
Emergency projects	7,750,000	8,225,000
Total	99,104,633	66,161,062

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	0	-
Construction of Buildings	0	-
Refurbishment of Buildings	0	-
Purchase of Vehicles and Other Transport Equipment	0	-
Purchase of Household Furniture and Institutional Equipment	0	-
Purchase of Office Furniture and General Equipment	0	-
Purchase of ICT Equipment, Software and Other ICT Assets	0	-
Purchase of Specialized Plant, Equipment and Machinery	0	-
Acquisition of Land	-	-
Total	0	0

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	0	0

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	6,154,141.54	25,285,616
<i>Equity Bank –Kitui Branch, Account No.0720261343213</i>	-	-
Total	6,154,141.54	25,285,616
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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

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

Notes to the Financial Statement Continued

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	0	-
Gratuity held during the year (B)	2,183,631	-
Gratuity paid during the Year (C)	2,183,631	-
Closing Gratuity as at 30 th June D= A+B-C	0	0

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	25,285,616.47	7,326,129
Cash in hand	0	-
Imprest	0	-
Total	25,285,616.47	7,326,129

[Provide short appropriate explanations as necessary]

14. Prior Year Adjustments

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

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

15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

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

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	0	-
Construction of civil works	0	-
Supply of goods	0	-
Supply of services	0	-
Total	0	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	0	-
Others (<i>specify</i>)	0	-
Total	0	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,550,630	122,062
Use of goods and services	489,888	4,374,416
Amounts due to other Government entities (see attached list)	3,650,000	43,870,000
Amounts due to other grants and other transfers (see attached list)	216,622	29,261,017
Acquisition of assets	247,000	6,247,000
Funds pending approval	6,000,000	-
Total	12,154,140	83,874,495

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	529,799.05	9,589,771.05
Total	529,799.05	9,589,771.05

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

**XIV. Annexes
Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.	-	-	-	-	
2.					
3.					
Sub-Total	-	-	-	-	
Construction of civil works					
4.					
5.					
6.					
Sub-Total	-	-	-	-	
Supply of goods					
7.					
8.					
9.					
Sub-Total	-	-	-	-	
Supply of services					
10.					
Sub-Total					
Grand Total	-	-	-	-	

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. Cyrus sila Kamuti	Records management officer	01.08.2017	0	
2. Joshua K.Muthoka	Clerk of works	01.04.2018	0	
3. Nelson K.Mulwa	Accounts clerk	01.04.2018	0	
4. Margaret Aphia Toma	Receptionist	01.04.2018	0	
5. Seif kula Mutania	Driver	01.04.2018	0	
6. Eunice Koki Mutua	Satellite office coordinator	01.04.2018	0	
7. Kivusyu Mung'oo	Security Personnel	01.04.2018	0	
8. Muli Mbungula	Security Personnel	01.04.2018	0	
9. Kiema Matwee	Office assistant	01.10.2020	0	
10. Muthui Kisovi	ICT Assistant officer	01.10.2020	0	
11. Isaac Mbiti Mwangangi	Cleaner	01.02.2020	0	
12. Kiema Mwenzwa	Procurement Assistant	01.10.2021	0	
13. Andrew Mulatya	Account Assistant	01.01.2022	0	
14. Tom M. Musembi	ICT officer	01.02.2022	0	
15. Erastus K. Kithii	Security personnel	01.11.2021	0	
Sub-Total			0	
Grand Total			0	

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,550,630	122,062	
Use of goods & services		489,888	4,374,416	
Amounts due to other Government entities				
Primary schools				
Yawii primary school		500,000		
Masikalini primary school		150,000		
Kaayo primary school		150,000		
Matundu primary school		150,000		
Matundu primary school		500,000		
Manyoeni primary school		500,000		
Musiva primary school		300,000		
Ivinga nzia primary school			500,000	
Kalwa primary school			1,000,000	
Kanguu primary school			1,000,000	
Katitika primary school			250,000	
Katumbu primary school			1,000,000	
Kawala primary school			1,000,000	
Kiini primary school			1,000,000	
Kilanga primary school			1,000,000	
Kinzeni primary school			1,000,000	
Kitakani primary school			1,000,000	
Kitivo primary school			1,000,000	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Malembwa primary school			350,000	
Manyoeni primary school			500,000	
Masasini primary school			1,500,000	
Mavulya primary school			350,000	
Mbangulo primary school			1,000,000	
Musiva primary school			300,000	
Nditime primary school			1,000,000	
Ndooni primary school			1,000,000	
Malatani primary school			1,000,000	
Malembwa primary school			300,000	
Kyanika child dev. centre			1,000,000	
Matundu primary school			500,000	
Kivaki primary school			800,000	
Malatani primary school			370,000	
Manyoeni primary school			300,000	
		2,250,000	20,020,000	
Secondary schools			23,850,000	
Mwitika boys secondary school		300,000		
Mwitika boys secondary school		500,000		
Mwitika boys secondary school		500,000		
Kamwuu secondary school		100,000		
Kamwuu secondary school			100,000	
Kathande secondary school			500,000	
Kyamatu secondary school			7,500,000	
Kyanika secondary school			1,000,000	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Mwitika boys secondary school			500,000	
Thua secondary school			500,000	
Kaliku boys secondary school			4,000,000	
Thua secondary school			7,200,000	
Mwitika boys secondary school			300,000	
Kithanake secondary school			250,000	
Mwitika boys secondary school			500,000	
Voo secondary school			500,000	
Voo secondary school			1,000,000	
		1,400,000	23,850,000	
Sub-Total		3,650,000	48,366,478	
Amounts due to other grants and other transfers				
Bursary		5,111	1,249,134	
Sports		0	2,742,578	
Emergency		11,511	569,304	
Security		200,000	24,700,000	
Sub-Total		216,622	29,261,017	
Acquisition of assets		6,247,000	6,247,000	
Others (specify)				
Sub-Total		6,247,000	6,247,000	
Funds pending approval			-	
Grand Total		12,154,140	83,874,495	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	6,400,000			6,400,000
Transport equipment	6,312,602			6,312,602
Office equipment, furniture and fittings	826,741			826,741
ICT Equipment, Software and Other ICT Assets	323,000			323,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	13,862,343			13,862,343

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

PMC	Bank	Account number	Bank Balance 2021/2022	Bank Balance 2020/2021
MALATANI PRIMARY SCHOOL	EQUITY	0720277630877	105.00	105.00
MASASINI PRIMARY SCHOOL	"	0720281267513	N.A	8,380.00
KIINI PRIMAARY SCHOOL	"	0720273829061	845.00	845.00
KANGULI PRIMARY SCHOOL	"	0720271158265	70.00	70.00
KAWALA PRIMARY SCHOOL	"	0720262788138	400.00	400.00
MBANGULO PRIMARY SCHOOL	"	0720269066460	30,185.00	30,185.00
NDITIME PRIMARY SCHOOL	"	0720264355214	575.00	575.00
KATITIKA PRIMARY SCHOOL	"	0720280341560	140.00	140.00
KINZENI PRIMARY SCHOOL	"	0720262701007	200.00	200.00
KILANGA PRIMARY SCHOOL	"	0720277618053	730.00	730.00
KATUMBU PRIMARY SCHOOL	"	0720268938578	30,060.00	30,060.00
KITIVO PRIMARY SCHOOL	"	0720281047877	N.A	170.00
MUTTITU NORTH SPECIAL SCHOOL	"	0720281996124	N.A	1,100.00
KANDUTI PRIMARY SCHOOL	"	0720269997902	15.00	15.00
MUAMBANI PRIMARY SCHOOL	"	1670268551487	75.00	75.00
NDOVOINI PRIMARY SCHOOL	"	0720264344824	1,641.00	1,641.00
KATAKA PRIMARY SCHOOL	"	0720268644246	49,995.00	49,995.00
INYOOKONI PRIMARY SCHOOL	"	0720264564738	19,530.00	19,530
ITIKIYE PRIMARY SCHOOL	"	0720282085046	N.A	219,760.00
YAWII PRIMARY SCHOOL	"	0720282002582	N.A	3,260.00
SYOMBYA PRIMARY SCHOOL	"	0720282197372	N.A	1,000.00

NDULANI PRIMARY SCHOOL	"	1670171272410	46.85	46.85
KALUNGU PRIMARY SCHOOL	"	0720262675653	543.00	543.00
KALWA PRIMARY SCHOOL	"	0720282018793	N.A	550.00
NDUNGA PRIMARY SCHOOL	"	0720268490464	15.00	15.00
YOONYE PRIMARY SCHOOL	"	0720271213343	1,090.00	1,090.00
MAVUYA PRIMARY SCHOOL	"	0720282321907	n.a	6,500.00
MALEMBWA PRIMARY SCHOOL	"	0720282323790	N.A	2,000.00
ITHANGATHI PRIMARY SCHOOL	"	0720268835411	101,185.00	101,185.00
NGAIKINI PRIMARY SCHOOL	"	0720282353053	N.A	10,000.00
KALUASI PRIMARY SCHOOL	"	0720270021121	64.00	12.00
KAMUNYU PRIMARY SCHOOL	"	0720265052032	553.00	553.00
KYANIKA (MOD)PRIMARY SCHOOL	"	0720263882139	135.00	135.00
NZUNGUNI PRIMARY SCHOOL	"	1670126876549	132.00	5.00
NZILANI PRIMARY SCHOOL	"	0720234516345	14.00	600.00
KATUNDU PRIMARY SCHOOL	"	0720262766707	30.00	30.00
KWA MAILU PRIMARY SCHOOL	"	0720271347310	150.00	150.00
NGUUNI PRIMARY SCHOOL	"	0720282608618	N.A	1,000.00
AIC YUUTIANI PRIMARY SCHOOL	"	0720270289485	2.65	2.65
NZOOKONI PRIMARY SCHOOL	"	0720282608455	N.A	1,000.00
KISIUNI PRIMARY SCHOOL	"	0720282608315	N.A	600.00
KWA AOMBE PRIMARY SCHOOL	"	0720262674507	11.00	11.00
KONGOWEA PRIMARY SCHOOL	"	0720264355813	470.00	470.00
KALIKU PRIMARY SCHOOL	"	0720270791079	1,680.00	1,680.00
KITAKANI PRIMARY SCHOOL	"	0720193034238	670.00	670.00
MUTULUNI PRIMARY SCHOOL	"	0720262645762	24.00	N/A
KATOLONGWE PRIMARY SCHOOL	"	0720282632317	N.A	1,400.00
YAMANZA PRIMARY SCHOOL	"	0720282632006	N.A	800.00

KATKONI PRIMARY SCHOOL	"	0720282631821	N.A	1,000.00
KOI PRIMARY SCHOOL	"	0720282632243	N.A	1,000.00
KILONZO PRIMARY SCHOOL	"	0720282664748	N.A	900.00
IVINGA NZIA PRIMARY SCHOOL	"	0720281264866	N.A	0.00
KYUSIANI PRIMARY SCHOOL	"	0720268444024	4.35	4.35
MANZINI PRIMARY SCHOOL	"	0720262840452	5.00	89.00
VOO SECONDARY SCHOOL	COOPERATIVE BANK	01141300630500	128.00	809,680.00
THUA SECONDARY SCHOOL	EQUITY	0720280246517	1,270.00	1,270.00
KYANIKA SECONDARY SCHOOL	"	0720281208907	N.A	490.00
KATHANDE SEC. SCHOOL	"	0720278544823	140.00	140.00
MALATANI SEC. SCHOOL	"	0720277753352	13,910.00	13,910.00
KITHANAKE SEC SCHOOL	"	1670279695533	950.00	950.00
KALIKU B SEC.SCHOOL	"	0720279820536	165,935.00	165,935.00
THUA SEC SCHOOL	"	0720280246517	1,270.00	1,270.00
KIANGINI M.SEC.SCHOOL	"	0720280633644	100.00	100.00
KAVALULA SEC. SCHOOL	"	0720282169203	N.A	620.00
NDULUNI SECONDARY SCHOOL	"	0720271855457	2,390.00	2,390.00
KALIKU BOYS SECONDARY SCHOOL	"	0720279820536	165,935.00	165,935.00
MANYOENI SECONDARY SCHOOL	"	0720282675858	N.A	1,000.00
KYAMATU SECONDARY SCHOOL	"	0720281327666	N.A	7,500,000
KITUI EAST NG CDF SPORTS	"	0720273325790	5,150.58	5,150.58
KITUI EAST NG CDF ENVIRONMENT	"	0720280499330	755.12	755.12
MUTITO NORTH DCC'S OFFICE	"	0720281065855	N.A	1,020.00
KINAKONI POLICE POST	"	1670280000563	700.00	700.00
MUTITU DCC'S OFFICE	"	0720281215633	N.A	149,067.00

ZOMBE CHIEFS OFFICE	"	0720280982966	1,140.00	1,140.00
MATIA POLICE POST	"	0720280249834	260.00	260.00
ILILUNI POLICE POST	"	0720280249834	260.00	260.00
VOO ACC OFFICE	"	1670181334768	N.A	50,280.00
ZOMBE POLICE STN	"	0720276513220	605.00	605.00
MUTITU ACC	"	0720274345672	24.00	101.00
WAANI ASST. CHIEF OFFICE	"	0720262378985	8.00	N/A
MUTITU DCC OFFICE	"	0720281215633	N.A	149,067.00
ITHUMULA POL.POST	"	0720281988022	N.A	600.00
TWAMBUI POL.STATION	"	0720271346956	3,130.00	3,130.00
KINAKONI POL.POST	"	1670280000563	700.00	700.00
ZOMBE POLICE STATION	"	0720282336551	N.A	1,000.00
THUA ASST.COUNTY COMMISSIONER	"	0720272356762	112.00	9.00
ENDAU POLICE POST	"	0720282563917	N.A	150.00
YULAMBU ASST.CHEIFS OFFICE	"	0720284567832	N.A	N.A
NZAMBANI POLICE STATION	"	0720282757668	N.A	2,000.00
KYAAANGO POLICE POST	"	0720278886495	477.50	477.50
MWALIMU MUTUA MAIYUKU SECONDARY SCHOOL	"	0720262379173	2,479.00	2,479.00
KAMUNYU PRIMARY SCHOOL	"	0720265052032	553.00	553.00
ST STEPHEN IMALE MIXED DAY SEC. SCHOOL	"	1670280898024	48,840.00	48,840.00
SYOU ASST CHIEF OFFICE	"	0720265364129	525.00	525.00
ZOMBE YOUTH OFFICE	"	0720281777218	N.A	1,000.00
AIC KWA AMUTEI SEC. SCHOOL	"	0720278770541	1,220.00	1,220.00
AIC KITHO SEC. SCHOOL	"	0720262697084	675.00	675.00
ITHUMULA PRIMARY SCHOOL	"	0720264500100	55.00	55.00

KYULULU MIXED D SEC. SCHOOL	"	0720278658340	480.00	480.00
SYOMBUKU PRI. SCHOOL	"	0720266691160	1,220.00	1,220.00
KAWALA PRIMARY SCHOOL	"	0720262788138	400.00	400.00
Total			529,799.05	9,589,771.05

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)
MH/KIEAST/NGCDF/2019/2020/ (21)	1. Presentation of the Financial Statements i. The table of contents is incomplete and it does not include the indexes for reports. ii. Inconsistencies were noted in page numbering whereby page numbers 14 to 17 have been skipped.	The table of contents has been corrected and the underlying issues put in order. The inconsistencies noted in the page numbers have been addressed and the skipped page numbers put in place	Resolved	

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)
MH/KIEAST/NGCDF/2019/2020/(21)	2. Inaccuracies in the Financial statements	The inaccuracies in the financial statement have been corrected and	Resolved	
MH/KIEAST/NGCDF/2019/2020/(21)	3. Understatement of the bank balances-stale cheques	The stale cheques have been reversed and re-issued	Resolved	
MH/KIEAST/NGCDF/2019/2020/(21)	4. Non-preparation of Trial balance	The trial balance has been prepared and attached to financial statement	Resolved	

Anthony Muniyao Patterson

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Name

Fund Account Manager.

