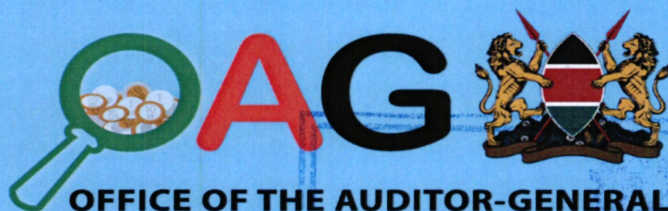


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

DATE: 20 JUL 2023

DAY:

WED

TABLED
BY:

OF

HON. NAOMI WAGU, MP
Deputy Majority Whip
Finlay's Member

PARLIAMENT
OF KENYA
LIBRARY

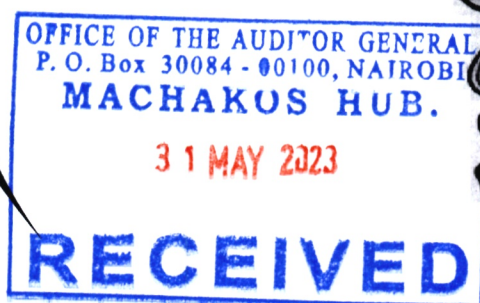
THE AUDITOR-GENERAL

ON

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

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





KITUI RURAL 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)

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

To be a prosperous constituency with a vibrant sustainable economy, whose people enjoy equity and high quality of life.

Mission

To initiate projects and institutionalize a sustainable development process in a transparent and all-inclusive way

Core Values

1. **Transparency and accountability** – The NG-CDFC is open to scrutiny and commits to account for and take full responsibility of all decisions.
2. **Advocacy and public participation of** - We involve citizens in making decisions about programmes we fund
3. **Timeliness and Excellence**– The NG-CDFC commits to do proposals and implement projects within the budgetary cycles
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.
6. **Efficiency and effectiveness** – The NG-CDFC Commits to deploy all the resources equitably across the constituency as prioritized

***Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
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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 Rural Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Ezekiel K. Mwangangi
2.	Sub-County Accountant	Alex Tinega
3.	Chairman NGCDFC	Simon M.Munyoki

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1422- 90200
NG-CDF office Building
Kwa Vonza
KITUI

(f) Kitui Rural Constituency NGCDF Contacts

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

(g) Kitui Rural Constituency NGCDF Bankers

Equity Bank

A/C NO 0720261934286

Kitui Town

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC Chairman's Report



MUEMA MUNYOKI

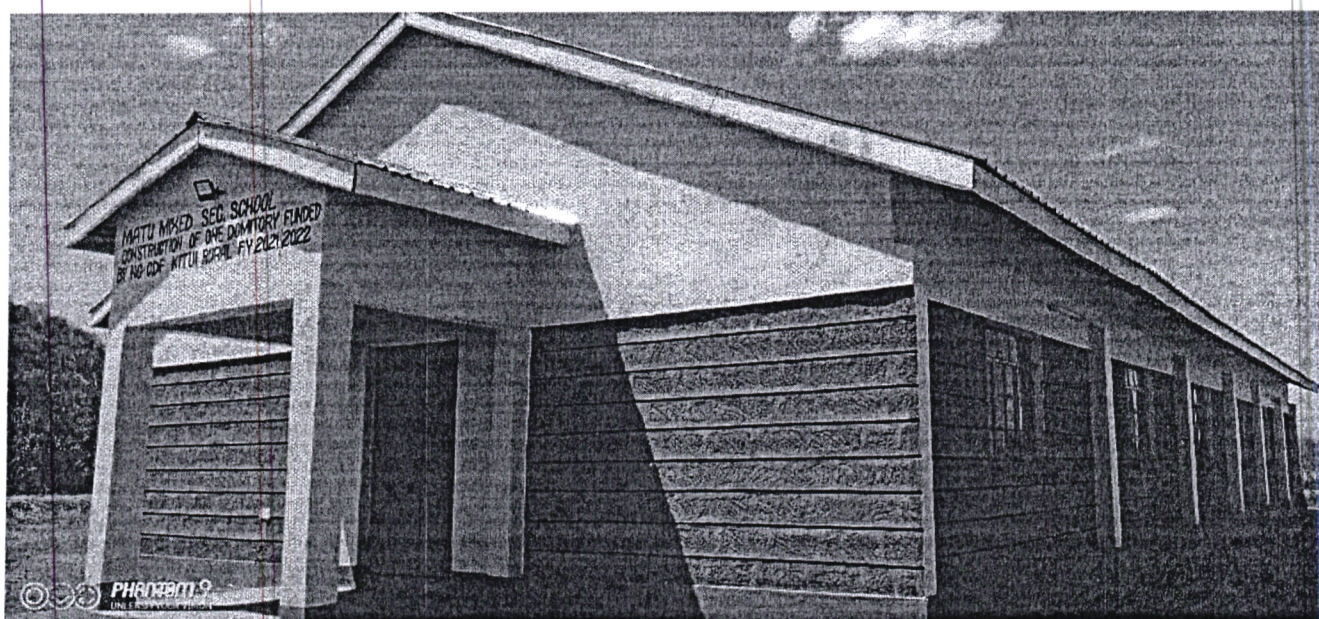
Kitui Rural Constituency is an electoral Constituency in Kenya. It is one of the Eight Constituencies of Kitui County in the Former Eastern Province. The Constituency was established for the 2013 elections and was hived from Kitui Central Constituency and Kitui West Constituency. It has its headquarters in Kwavonza Town. Agriculture is the main economic activities where farmers practice small scale farming by growing of maize, wheat, beans and cowpeas; farmers also practise bee keeping although not in large scale, retail and wholesale trade also play a major role in the growth of the economy of the Constituency. The Committee has always dedicated time to ensure prudent management of resources received from the NG-CDF Board within the four wards of the Constituency. Since inception the committee has completed several development projects that are geared towards infrastructural development, wealth creation and fight against poverty within the constituency.

During the financial year 2021/22 Kitui Rural Constituency NG-CDF was able to utilise almost 100% of the allocated resources during the year. At the closure of the financial year the constituency had unutilised funds amounting to Ksh 1,291,158 representing only two projects totalling Ksh 1,100,158 and an amount of A.I.A of Ksh 191,000. The implementation has been satisfactory despite a few challenges

KEY ACHIEVEMENTS

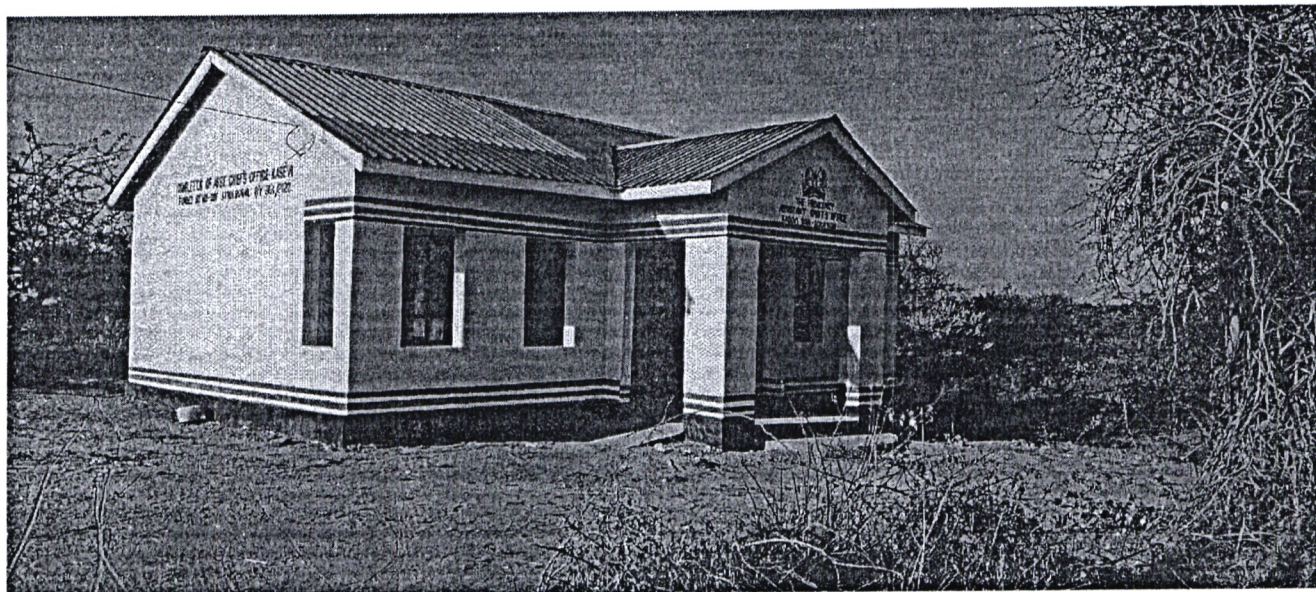
During the Financial year 2021/2022 Kitui Rural Ng-CDF moved to its own office and the staff are enjoying a good working Environment, shifting from a rented premises was a great milestone to the constituency, we have also put up new facilities like new classrooms, laboratories, administration blocks in the education sector, the constituency has also renovated a number of classrooms and this has helped create a conducive environment for students/learners and also the teachers, security has also improved to a great extent by construction of new police posts, offices for the local Administration bring government services closer to the people, students have also benefited a lot through the bursary kit. We have also managed to issue sports equipment to promote sports activities in the Constituency, Environment activities have also not been left out, schools have benefitted with tanks for water harvesting and also planting of trees to conserve the Environment.

PHOTOS OF PROJECTS

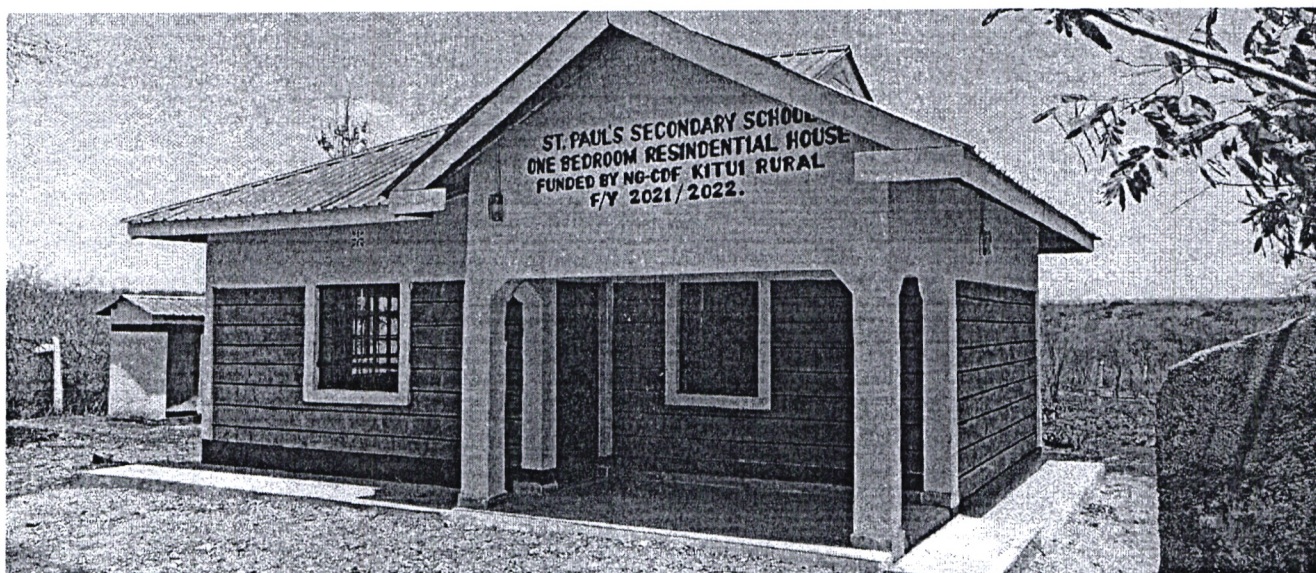


MATU MIXED SECONDARY SCHOOL DORMITORY

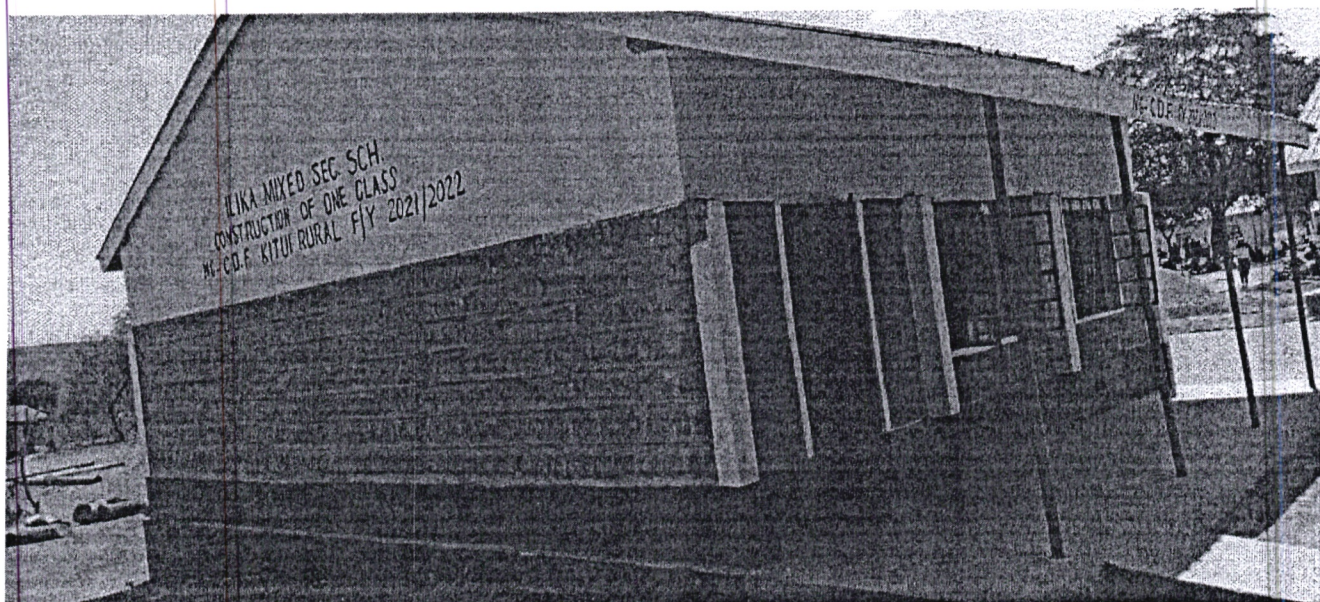
*Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*



KASEVI ASSISTANT CHIEF'S OFFICE



ST. PAUL'S SECONDARY SCHOOL PRINCIPAL'S RESIDENTIAL HOUSE



ILIKA MIXED SECONDARY SCHOOL CLASSROOM



MBITINI COMPLEX SECONDARY SCHOOL SCIENCE LABORATORY



MAKUKANI PRIMARY SCHOOL CLASSROOM

EMERGING ISSUES

Like any other government department, the NG-CDF Kitui Rural Constituency has also faced some of the emerging issues, the spread of Corona virus which almost paralysed the economy worldwide reducing movement of goods and people hence affecting the operations of almost all government departments, this led to slow growth of the economy affecting the collection of revenue by the government and hence slowing the release of funds on time which imparted negatively on the overall performance ; increase in bursary uptake by students joining institutions of higher learning and the hard economic times affecting many families and also the volatile atmosphere attributed by the electioneering period have had a negative impact on the operations of the funds. The Board has also introduced performance contracting which will help in improved performance of the NG-CDFC to a great extent.

IMPLEMENTATION CHALLENGES

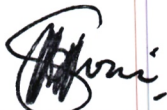
Political influence from the local leaders to some extent has become a challenge in the allocation of resources within the constituency such influence could affect the fair distribution of resources to the project Management Committees; procurement process still poses a great challenge to the committee. We shall continuously endeavour to train and Build PMC's capacity in order to appreciate the laws and regulations governing management of public funds.

APPRECIATION

Let me recognise the CDF BOARD, Office of the Auditor General, The Area Member of parliament, all district Heads, CDFC Members and all other stake holders who have stood with us all along.

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

Finally, I would like to appreciate the contribution and individual dedication of our members of staff towards our success.



**SIMON M. MUNYOKI
CHAIRMAN NGCDF COMMITTEE**

III. Statement of Performance against Predetermined Objectives for FY2021/22

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of *Kitui Rural Constituency 2018-2022* plan are to:

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

Progress on attainment of Strategic development objectives

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

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	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of	In FY 21/22 -we increased number of classrooms, dormitories, laboratories from 30 to 40 - Bursary beneficiaries at all levels also increased as universities 3,800 and secondary

Kitui Rural Constituency
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			bursary's beneficiaries at all levels	10,500
Security	To provide security to all constituents by improving police posts and chiefs camp	Develop the infrastructure in the national security administration to enhance service delivery	Number of usable physical infrastructure built at sub county levels locations , sub locations and police stations	Number of Ass County Commissioners office increased from 6 to 10 Number of Chiefs offices increased from 5 to 7 Number of Ass Chiefs offices increased 5 to 6 and 4 Number of Police stations renovated
Environment	Increased no. of water harvest tanks constructed	Availability of water in learning institution	Clean leaning environment	Schools encouraged to have water harvesting tanks to harvest rain water
Sports	To encourage economic activities of residents for self –sufficiency and empowerment	Reduced dependency and spur economic growth through sports and other related activities	Number of youth groups benefiting from the sports activities	Number of youth groups benefiting increased from 60 to 80
Disaster Management	Increase in employability of the youth	Impacted citizens on disaster management	Trained NGCDFC Staffs and Fund Manager	PMC sensitization Training on project implementation to consider alternative exit in case of emergency.

IV. Environmental and Sustainability Reporting

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities though the constituency was able to use the accumulated funds for the previous year and undertake one sports tournament which was a great success.

2. Environmental performance

Environment policy and Action Plan

Protection of the Environment in which we live is very key to us, care for the same is also one of our key responsibilities.

Our Environment Policy.

In this policy Kitui Rural NG-CDF commits to:

- Comply with the relevant government legislations , regulations and approved codes of practice
- In our budgeting process we factor projects that's can be used to conserve our Environment
- Protecting the Environment by striving to prevent and minimise our contribution to pollution of land , air and water
- Managing and disposing of wastage in a responsible manner
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.

Our Environment Action Plan

The committee has identified four impact areas in which as an office we have direct or indirect impact on the Environment and developed approaches on how we can manage or reduce these impacts.

a) Conservation of energy and resources

- Harness water harvesting
- Invested in available energy saving technologies and devices within our existing premises
- Reduction on use of paper and use of electronic means in communication

b) Environment protection and conservation

- Encouraged planting of indigenous trees within the constituency to improve forest cover and prevent soil erosion.
- Construction of culverts and gabions to prevent soil erosion

c) Pollution control and waste management

- Recycling of all paper
- Proper disposal of human waste through construction of pit latrines , septic tanks and soak pits

d) Capacity Building

- Community awareness on good conservation practices
- Regular communication on behavioural changes

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kitui Rural 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 Rural NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

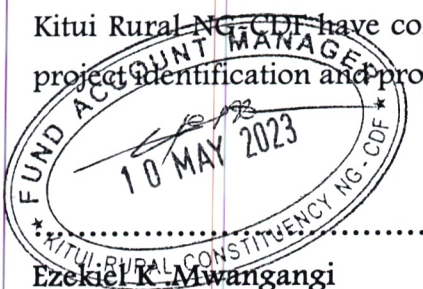
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

Kitui Rural NGCDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



Ezekiel K. Mwangangi

FUND ACCOUNT MANAGER

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Kitui Rural Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kitui Rural Constituency financial statements were approved and signed by the Accounting Officer on _____ 2022.



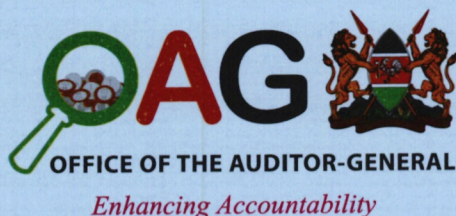
.....
Name: Simon M Munyoki
Chairman – NGCDF Committee



.....
Name: Ezekiel K Mwangangi
Fund Account Manager

REPUBLIC OF KENYA

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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 RURAL 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, gazetted 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 Control, 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 National Government Constituencies Development Fund - Kitui Rural Constituency set out on pages 1 to 53,

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

which comprise the statement of assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts 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 National Government Constituencies Development Fund - Kitui Rural Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracy in Compensation of Employees

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects a balance of Kshs.3,957,202 in respect to compensation of employees which includes transport allowance of Kshs.1,672,684. However, review of records in support of transport allowance revealed that the expenditure was irregularly charged to employee compensation instead of use of goods and services.

In the circumstances, the accuracy of the compensation of employee balance of Kshs.3,957,202 for the year ended 30 June, 2022 could not be confirmed.

2. Unsupported Project Management Committee (PMC) Bank Account Balances

Note 17.4 and Annex 5 to the financial statements reflects PMC bank account balances totalling to Kshs.29,638,981 for ninety-one (91) accounts. However, Annex 5 to the financial statements reflected Nil closing balances for eighty-five (85) out of ninety-one (91) PMC bank accounts which had balances totalling to Kshs.40,795,684 at the beginning of the year. In addition, certificates of balances for PMC bank accounts with nil closing balances were not provided for audit.

In the circumstances, the accuracy and completeness of PMC bank account balances of Kshs.29,638,981 as at 30 June, 2022 could not be confirmed.

3. Wrongly Charged Expenditure in Other Grants and Transfers

The statement of receipts and payments and as disclosed under Note 7 to the financial statements reflects other grants and transfers totalling to Kshs.89,706,017 which includes bursary to Secondary schools and Tertiary institutions of Kshs.47,305,168 and Kshs.27,908,674 respectively. However, review of supporting documents revealed that payments totalling Kshs.1,688,500 was charged to wrong project account under Bursary.

In addition, the expenditure included use of goods and services totalling to Kshs.910,000 wrongly classified as bursary disbursements.

In the circumstances, accuracy of other grants and transfers amount of Kshs.89,706,017 for the year ended 30 June, 2022 could not be confirmed.

4. Unsupported Sports Expenditure

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amount of Kshs.89,706,017 which includes sports activities expenditure of Kshs.3,400,000 which further includes imprest surrender amount of Kshs.1,871,000. However, review of the supporting documents revealed that some acknowledgement receipts did not have official school stamp, dates and reference numbers and the purpose of payments in some receipts was indicated as tuition which is not related to the sports activities.

In the circumstances, the accuracy of sports expenditure amount of Kshs.1,871,000 for the year ended 30 June, 2022 could not be confirmed.

5. Unsupported Fuel Expenditure

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects Kshs.14,069,184 in respect to use of goods and services which includes fuel, oil and lubricants expenditure of Kshs.600,000. However, supporting documentation including supplier statements and fuel register were not provided for audit review.

In the circumstances, the completeness and accuracy of fuel, oil and lubricants amount of Kshs.14,069,184 could not be confirmed.

6. Unsupported Transfers to Other Government Units

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfer to other government units of Kshs.78,150,000, which includes transfers to primary and secondary schools of Kshs.58,700,000 and Kshs.19,450,000 respectively. However, the transfers were not adequately supported with approved bills of quantities and work plans.

In the circumstances, the accuracy and completeness Kshs.78,150,00 incurred on transfer to other government units could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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 Matter

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, and 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. Projects Implementation Status

1.1 Matulani Primary School

The Fund Management awarded a contract for construction of 80 student capacity dormitory to completion at a contract sum of Kshs.1,800,000. However, physical verification of the project done on 9 March, 2023 revealed that the project was completed in January, 2023 but had not been used and there were visible cracks on the walls and floor.

1.2 Kyunduan Primary School

The Fund Management awarded a contract for construction of one (1) classroom to completion at a contract sum of Kshs.1,000,000. However, physical verification of the project done on 9 March, 2023 revealed that the project was complete but had not been use and the project was not commissioned.

1.3 Masaani Mixed Secondary School

The Fund Management awarded a contract for construction of one hundred and fifty (150) capacity girl's dormitory to completion at a contract sum of Kshs.2,500,000. However,

physical verification of the project done on 9 March, 2023 revealed that the project was completed but had not been used, there were visible cracks on the walls and floor and the door frame in one of the bathroom doors detached from the wall.

In the circumstances, the value for money invested in the projects could not be confirmed.

2. Irregular Bursary Disbursements

Review of the subcommittee expenditure documents revealed that Kshs.89,706,017 was issued as bursary to secondary schools and tertiary Institutions. However Vetting Committee minutes showing award and rejection of applications were not provided for audit to confirm whether bursary applicants were vetted. This is contrary to Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which stipulates that a Constituency Committee shall vet all persons proposed to receive support in accordance with guidelines issued by the Board. In addition, schedule of bursary disbursements totalling Kshs.993,000 did not include student admission numbers. Further, students classes or year in respective institutions of learning were also not indicated in bursary schedules.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 3000 and 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, and based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance/Qualified Opinion] section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of a Risk Management Policy and Disaster Recovery Plan

During the year under audit Management did not have a risk management policy, strategies, and risk register to mitigate against risk. This is in contravention of Section 165 of the Public Finance Management (National Government) Regulations 2015 which states that the Accounting Officer shall ensure that the National Government entity

develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the circumstances, existence of an effective risk management measures could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 July, 2023

Kitui Rural 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	181,277,758	162,767,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	78,000
Total Receipts		181,277,758	162,845,724
Payments			
Compensation Of Employees	4	3,957,202	2,241,695
Use Of Goods and Services	5	14,069,184	11,868,423
Transfers To Other Government Units	6	78,150,000	102,261,503
Other Grants and Transfers	7	89,706,017	28,808,304
Acquisition Of Assets	8	425,520	21,133,513
Other Payments	9	-	-
Total Payments		186,307,923	166,313,438
Surplus/(Deficit)		(5,030,165)	(3,467,714)

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: Ezekiel K Mwangangi

National Sub-County Accountant
Name: Alex Tinega
ICPAK M/No: 17472

Chairman NG-CDF Committee
Name: Simon M Munyoki

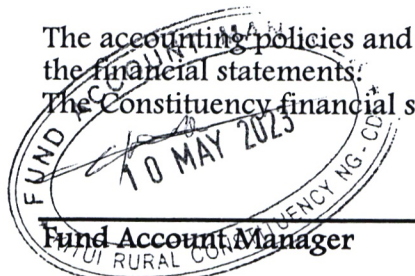
Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
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VIII. Statement of Assets and Liabilities As At 30th June, 2022

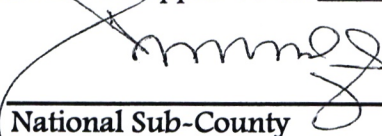
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	1,291,158	6,321,323
Cash Balances (Cash at Hand)	10B		
Total Cash and Cash Equivalents		1,291,158	6,321,323
Accounts Receivable			
Outstanding Imprests	11		
Total Financial Assets		1,291,158	6,321,323
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A		
Gratuity	12B		
Total Financial Liabilities			
Net Financial Assets		1,291,158	6,321,323
Represented By			
Fund Balance B/Fwd	13	6,321,323	9,786,837
Prior Year Adjustments	14		2,200
Surplus/Deficit for The Year		(5,030,165)	(3,467,714)
Net Financial Position		1,291,158	6,321,323

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: Ezekiel K Mwangangi


National Sub-County Accountant

Name: Alex Tinega
ICPAK M/No: 17472


Chairman NG-CDF Committee

Name: Simon M. Munyoki

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

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	181,277,758	162,767,724
Other Receipts	3	-	78,000
Total Receipts		181,277,758	162,845,724
Payments			
Compensation Of Employees	4	3,957,202	2,241,695
Use Of Goods and Services	5	14,069,184	11,868,423
Transfers To Other Government Units	6	78,150,000	102,261,503
Other Grants and Transfers	7	89,706,017	28,808,304
Other Payments	9	-	-
Total Payments		185,882,403	145,179,925
Total Receipts Less Total Payments			
Adjusted For:		-	-
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	2,200
Net Cash Flow from Operating Activities		(4,604,645)	17,667,999
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(425,520)	(21,133,513)
Net Cash Flows from Investing Activities		(425,520)	(21,133,513)
Net Increase In Cash And Cash Equivalent		(5,030,165)	(3,465,514)

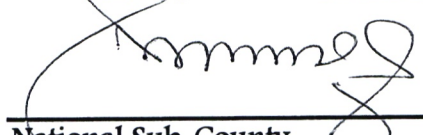
Kitui Rural Constituency
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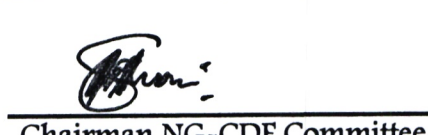
Cash & Cash Equivalent At Start Of The Year	13	6,321,323	9,786,837
Cash & Cash Equivalent At End Of The Year	10	1,291,158	6,321,323

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: Ezekiel K Mwangangi


National Sub-County Accountant
Name: Alex Tinega
ICPAK M/No: 17472


Chairman NG-CDF Committee
Name: Simon M. Munyoki

Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	6,321,323	44,188,879	187,599,081	187,599,081	-	
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts							
TOTAL RECEIPTS	137,088,879	6,321,323	44,188,879	187,599,081	187,599,081		100.0%
PAYMENTS							
Compensation of Employees	2,625,332	1,332,027	1	3,957,360	3,957,202	158	100%
Use of goods and services	9,712,666	2,156,518	2,200,000	14,069,184	14,069,184	-	100%
Transfers to Other Government Units	78,150,000	800,000		78,950,000	78,150,000	800,000	99.0%
Other grants and transfers	46,600,881	1,416,258	41,988,878	90,006,017	89,706,017	300,000	99.7%
Acquisition of Assets		425,520		425,520	425,520	-	100.0%
Others				0			
Allocation awaiting approval	0	191000		191,000		191,000	0.0%
TOTAL	137,088,879	6,321,323	44,188,879	187,599,081	186,307,923	1,291,158	99.3%

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

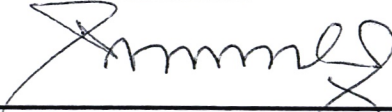
***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

(The changes between original balance and the final budget is as a result of opening cash book balance of Ksh 6,321,323 and Ksh 44,188,879 being funds for the year not yet disbursed at the close of the financial)

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	1,291,158
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
	1,291,158
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2021/2022	1,291,158

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


 Fund Account Manager
 Name: Ezekiel K. Mwangangi


 National Sub-County Accountant
 Name: Alex Tinega
 ICPAK M/No: 17472


 Chairman NG-CDF Committee
 Name: Simon M. Munyoki

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

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

Programme/Sub-programme	Original Budget 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			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,625,332	1,332,027	1	3,957,360	3,957,202	158
1.2 Committee allowances	3,100,000	2,156,518		5,256,518	5,256,518	-
1.3 Use of goods and services	2,500,000			2,500,000	2,500,000	-
2.0 Monitoring and evaluation						
2.1 Capacity building	2,300,000	2,300,000	2,200,000	4,500,000	4,500,000	-
2.2 Committee allowances	1,000,000	1,000,000		1,000,000	1,000,000	-
2.3 Use of goods and services	812,666	812,666		812,666	812,666	-
3.0 Emergency						
3.1 Primary Schools	7,192,207	1,116,258	733,710	9,042,175	9,042,175	-
3.2 Secondary schools				-		-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
3.3 Tertiary institutions						
3.4 Security projects						
4.0 Bursary And Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	25,050,000	25,050,000	22,255,168	47,305,168	47,305,168	
4.3 Tertiary Institutions	11,908,674	11,908,674	16,000,000	27,908,674	27,908,674	-
4.4 Universities				-		-
4.5 Special Needs			300,000	300,000	300,000	
5.0 Sports						
5.1	700,000		2,700,000	3,400,000	3,400,000	
5.2						
5.3						
6.0 Environment						
6.1						
6.2						
6.3						

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

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			
7.0 Primary Schools Projects (List All The Projects)						
7.1 Wumu Primary School	600,000			600,000	600,000	
7.2 Kyuluni Primary Sch	1,000,000			1,000,000	1,000,000	
7.3 Maito Primary Sch	1,500,000			1,500,000	1,500,000	
7.4 Kyaithani Primary Sch	750,000			750,000	750,000	
7.5kalivini Primary Sch	600,000			600,000	600,000	
7.6 Muselele Primary Sch	900,000			900,000	900,000	
7.8mbitini Primary Sch	1,000,000			1,000,000	1,000,000	
7.9 Nzeveni Primary Sch	750,000			750,000	750,000	
7.10 Kyamboo Primary Sch	500,000			500,000	500,000	
7.11 Kwavonza Primary Sch	600,000			600,000	600,000	
7.12 Tanganyika Primary Sch	1,000,000			1,000,000	1,000,000	
7.13 Ulungu Primary Sch	1,000,000			1,000,000	1,000,000	

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

Programme/Sub-programme	Original Budget	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			
	2021/2022					
7.14 Maliku Primary Sch	800,000			800,000	800,000	
7.15 Kilivi Primary Sch	500,000			500,000	500,000	
7.16 Kilivi Primary Sch	500,000			500,000	500,000	
7.18 Ngangani Primary Sch	800,000			800,000	800,000	
7.19 Wingoo Primary Sch	1,050,000			1,050,000	1,050,000	
7.20 Kivuuni Primary Sch	1,500,000			1,500,000	1,500,000	
7.21 Ngiluni Primary Sch	600,000			600,000	600,000	
7.22 Kitungate Primary Sch	500,000			500,000	500,000	
7.23 Katumba Primary Sch	750,000			750,000	750,000	
7.25 Kisavi Primary Sch	1,000,000			1,000,000	1,000,000	
7.26 Utawala Primary Sch	1,200,000			1,200,000	1,200,000	
7.27 Yovovo Primary Sch	600,000			600,000	600,000	
7.28 Kitamaa Primary Sch	750,000			750,000	750,000	

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

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			
7.29 Kitamaa Primary Sch	600,000			600,000	600,000	
7.30 Kavoo Primay Sch	750,000			750,000	750,000	
7.31 Malimbaniprimary Sch	300,000			300,000	300,000	
7.32 Mavindini Primary School	600,000			600,000	600,000	
7.34kwa Kutu Primary Sch	600,000			600,000	600,000	
7.35wayani Primary Sch	900,000			900,000	900,000	
7.36st. Micheal Katothya Primary Sch	850,000			850,000	850,000	
7.37 Ung'aatu Primary Sch.	750,000			750,000	750,000	
7.38 Mwiwe Primary Sch.	750,000			750,000	750,000	
7.39 Kavasya Primary School	750,000			750,000	750,000	
7.40 Ituki Primary School	750,000			750,000	750,000	
7.41 Kavonge Primary Sch.	1,500,000			1,500,000	1,500,000	
7.42 Matulani Primary School	1,800,000			1,800,000	1,800,000	

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

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			
7.42kisayani Primary Sch.	700,000			700,000	700,000	
7.43 Nthilani Primary Sch.	750,000			750,000	750,000	
7.44 Kalima Primary Sch	600,000			600,000	600,000	
7.45 Konza Primary Sch	700,000			700,000	700,000	
7.46 Kiimani Primary Sch	500,000			500,000	500,000	
7.47 Kavumbu Primary Sch	640,000			640,000	640,000	
7.48 Kalulini Primary Sch	600,000			600,000	600,000	
7.49 Malimbani Primary Sch	500,000			500,000	500,000	
7.50 Muvyani Primary Sch	700,000			700,000	700,000	
7.51 Kangala Primary Sch	600,000			600,000	600,000	
7.52 Mukundi Primary Sch	500,000			500,000	500,000	
7.53 Ilovi Primary Sch	1,000,000			1,000,000	1,000,000	
7.54 Ngovu Primary Sch	600,000			600,000	600,000	

Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
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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			
7.56 Mbetwani Primary Sch	600,000			600,000	600,000	
7.57 Makukani Primary Sch	1,000,000			1,000,000	1,000,000	
7.58 Kathome Primary Sch	600,000			600,000	600,000	
7.59 Maiyuni Primary Sch	500,000			500,000	500,000	
7.60 Hon. Mutisya Primary Sch	300,000			300,000	300,000	
7.61 Waivumbu Primary Sch	750,000			750,000	750,000	
7.62 Ikota Mwithe Pri Sch	600,000			600,000	600,000	
7.63 Mbitini Pri Sch	600,000			600,000	600,000	
7.64 Kamanyi Pri Sch	600,000			600,000	600,000	
7.65 Kitooneo Pri Sch	800,000			800,000	800,000	
7.66 Kitooneo Pri Sch	700,000			700,000	700,000	
7.67 Kyunduanu Pri Sch	500,000			500,000	500,000	
7.68 Kyunduanu Pri Sch	500,000			500,000	500,000	

Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
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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			
7.69 Kiimani Pri Sch	500,000			500,000	500,000	
7.70 Kavumbu Pri Sch	360,000			360,000	360,000	
7.71 Maiyuni Pri Sch	500,000			500,000	500,000	
7.72 Malimbani Pri Sch	500,000			500,000	500,000	
7.73 Mukundi Pri Sch	500,000			500,000	500,000	
7.74 Mbitini Primary Sch	150,000			150,000	150,000	
7.75 Kwakilya Pri Sch	800,000			800,000	800,000	
7.76 Kwakilya Pri Sch	700,000			700,000	700,000	
7.77 Musingi Pri Sch	300,000			300,000	300,000	
7.78 Ngakaani Pri Sch	850,000			850,000	850,000	
7.79 Ngakaani Pri Sch	650,000			650,000	650,000	
7.80 Kwa Kasau Pri Sch	500,000			500,000	500,000	
7.81 Kyunduanu Pri Sch	500,000			500,000	500,000	

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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			
7.82 Kyunduanu Pri Sch	500,000			500,000	500,000	
7.84 Ndokeani Pri Sch	600,000			600,000	600,000	
7.85 Ndokeani Pri Sch	400,000			400,000	400,000	
7.86 Kangaatu Pri Sch	700,000			700,000	700,000	
7.87 Kangaatu Pri Sch	300,000			300,000	300,000	
7.89 Kyenze Pri Sch	300,000			300,000	300,000	
7.90 Iviani Pri Sch	750,000			750,000	750,000	
7.91 Iviani Pri Sch	250,000			250,000	250,000	
7.92 Koundu Primary				800,000		800,000
8.0 Secondary Schools Projects (List All The Projects)						
8.1 Ituki Mixed Secondary Sch	1,000,000			1,000,000	1,000,000	
8.2 Ngiluni Secondary Sch	500,000			500,000	500,000	

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.3 Mbitini Complex Mixed Secondary	2,500,000			2,500,000	2,500,000	
8.4 Kiyuuni Mixed Secondary	700,000			700,000	700,000	
8.5 Kyaitihani Mixed Secondary	500,000			500,000	500,000	
8.6 St. Paul Kwavonza Secondary Sch.	1,500,000			1,500,000	1,500,000	
8.7 Kalulini Mixed Secondary Sch.	800,000			800,000	800,000	
8.8 Kavisuni Mixed Secondary	700,000			700,000	700,000	
8.9 Kanyangi Boys Secondary	500,000			500,000	500,000.	
8.10 Iiani Mixed Secondary	450,000			450,000	450,000	
8.11 Mbitini Mixed Secondary Sch	700,000			700,000.	700,000	
8.12 Kawongo Mixed Secondary Sch	3,600,000			3,600,000	3,600,000	
8.13 Matu Mixed Secsch	900,000			900,000	900,000	
8.14 Matu Mixed Secsch	900,000			900,000	900,000	
8.15 Matu Mixed Secsch	700,000			700,000	700,000	

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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			
8.17 Ilika Mixed Sec Sch	600,000			600,000	600,000	
8.18 Ilika Mixed Sec Sch	400,000			400,000	400,000	
8.19 Masaani Mixed Sec Sch	850,000.00			850,000	850,000	
8.20 Masaani Mixed Sec Sch	850,000			850,000	850,000	
8.21 Masaani Mixed Sec Sch	800,000			800,000.	800,000	
9.0 Tertiary Institutions Projects (List All The Projects)						
9.1						
9.2						
9.3						
9.4						
10.0 Security Projects						
10.1 Mukameni Ass. Chief	300,000			300,000	300,000	
10.2 Kanzau Ass. Chief	300,000			300,000	300,000	

Kitui Rural Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
10.3 Nyanyaa Ass. Chief	500,000			500,000	500,000	
10.4 Nzambia Chief's Office	400,000			400,000	400,000	
10.5 Kanyongonyo Ap Line	250,000			250,000	250,000	
10.6 Ilika Ap Line		300,000		300,000		300,000
11.0 Acquisition Of Assets						
11.1 Motor Vehicles (Including Motorbikes)						
11.2 Construction Of CDF Office		425,520		425,520	425,520	-
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						
Funds Pending Approval(A.I.A)		191,000		191,000		191,000

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

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			
Total	137,088,879	6,321,323	44,188,878	187,599,081	186,307,923	1,291,158

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kitui Rural Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

a) Recognition of Receipts

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

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 30 June 2021 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.

Kitui Rural Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B 005108		500,000
AIE NO. B 030184		18,000,000
AIE NO. B 030428		21,000,000
AIE NO. B 006370		30,367,724
AIE NO. B 042761		9,000,000
AIE NO. B 047007		10,000,000
AIE NO. B 041083		6,900,000
AIE NO. B 047450		13,000,000
AIE NO. B 041290		7,000,000
AIE NO. B 047710		6,000,000
AIE NO. B 049297		13,000,000
AIE NO. B 104322		6,000,000
AIE NO. B 096578		10,000,000
AIE NO .B140607		12,000,000
AIE NO. B140958	33,000,000	
AIE NO. B105479	44,000,000	
AIE NO. B 105824	23,800,000	
AIE NO. B128569	5,000,000	
AIE NO. B 154078	15,000,000	
AIE NO. B128880	14,000,000	
AIE NO. B164415	31,688,879	
AIE NO. B155972	11,188,879	
AIE NO.B 155853	3,600,000	
Total	181,277,758	162,767,724

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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	0	0

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	0	0

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Notes to the Financial Statements (Continued)

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,513,275	1,344,624
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	1,672,684	-
Leave allowance	-	-
Gratuity to contractual employees	524,521	870,471
Employer Contributions Compulsory national social security schemes	246,722	26,600
Total	3,957,202	2,241,695

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	3,676,980	3,800,000
Utilities, supplies and services	31,000	84,110
Electricity	3,500	10,000
Communication, supplies and services , postage	9,450	-
Domestic travel and subsistence	454,300	762,600
Printing, advertising and information supplies & services	304,500	-
Rentals of produced assets		
Training expenses	5,126,000	1,750,600
Hospitality supplies and services		0
Other committee expenses	3,427,000	3,156,750
Committee allowance		
Insurance costs	139,164	
Specialized materials and services	-	

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Office and general supplies and services	212,160	0
Other operating expenses		1,400,000
Bank Charges	19,560	22,170
Routine maintenance – vehicles and other transport equipment	65,570	482,193
Fuel and lubricants	600,000	400,000
Total	14,069,184	11,868,423

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	58,700,000	57,350,000
Transfers To Secondary Schools (See Attached List)	19,450,000	44,911,503
Transfers To Tertiary Institutions (See Attached List)	-	
Total	78,150,000	102,261,503

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	47,305,168	10,123,100
Bursary – tertiary institutions (see attached list)	27,908,674	3,815,000
Bursary – special schools (see attached list)	300,000	0
Mock & CAT (see attached list)	-	0
Social Security programmes (NHIF)	-	0
Security projects (see attached list)	1,750,000	3,650,000
Sports projects (see attached list)	3,400,000	0
Environment projects (see attached list)	-	0
Emergency projects (see attached list)	9,042,175	11,220,204
Total	89,706,017	28,808,304

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8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings	425,520	20,033,513.00
Purchase of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialized Plant, Equipment and Machinery		
Acquisition of Land		1,100,000
Total	425,520	21,133,513

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	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)	1,291,158	6,321,323
<i>Name Of Bank, Account No. 0720261934286</i>		
Total		
10 B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total	1,291,158	6,321,323
<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>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>				
<i>Name of Officer</i>				
<i>Name of Officer</i>				
<i>Name of Officer</i>				
<i>Name of Officer</i>				
<i>Name of Officer</i>				
<i>Total</i>				0

[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)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 th June D= A+B-C	0	0

12B. Gratuity

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

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13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	6,321,323	9,786,837
Cash in hand		
Imprest		
Total	6,321,323	9,786,837

14. Prior Year Adjustments

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
Changes in Account Receivables E= D-A	0	0

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Changes in Accounts Payable E= D-E	0	0

Kitui Rural Constituency
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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	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

17.2: Pending Staff Payables (See Annex 2)

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

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	158	1,530,456
Use of goods and services		4,839,601
Amounts due to other Government entities (see attached list)	800,000	1
Amounts due to other grants and other transfers (see attached list)	300,000	43,489,003
Acquisition of assets		425,520
Others (Specify)		32,420
Funds pending approval	191,000	191,000
Total	1,291,158	50,508,001

Kitui Rural Constituency

National Government Constituencies Development Fund (NGCDF)

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

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	29,638,981.00	40,795,684.54
Total	29,638,981.00	40,795,684.54

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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
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

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		158	1,530,456	
Use of goods & services		-	4,839,601	
Amounts due to other Government entities				
Secondary School Projects			1	
Primary School Projects (Koundu Primary)		800,000		
Sub-Total			6,370,058	
Amounts due to other grants and other transfers				
Emergencies			902,003	
Bursaries secondary			23,587,000	
Bursary Tertiary			16,000,000	
Bursary Special			300,000	
Sports			2,700,000	
Security Projects (Ilika AP Line)		300,000		
			43,489,003	
Acquisition of assets			425,520	
Others			32,420	
Sub-Total				

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Funds pending approval(A.I .A)		191,000	191,000	
Grand Total		1,291,158	50,508,001	

Annex 4 – Summary of Fixed Asset Register

Asset Class	Historical Cost 6/1 (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	3,100,000			
Buildings and structures	20,033,513	425,520		20,459,033
Transport equipment	6,255,506			
Office equipment, furniture and fittings	1,470,365			
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	30,859,384	425,520		31,284,904

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Ikota Mwithe Primary	Equity Bank	720279718686	64,340	
Ilovi Primary	Equity Bank	720278350531	146,992.60	
Ituki Primary	Equity Bank	720277787104	766,577	763,143.16
Iviani Primary	Equity Bank	720270821025	1,001,132.50	
Kalima Primary	Equity Bank	720279209223	62,294.00	
Kalivini Primary	Equity Bank	720282089099	659.00	
Kalulini Primary	Equity Bank	720270775648	600,900.00	
Kamanyi Primary	Equity Bank	720280795557	97,969.00	53,193.00
Kangaatu Primary	Equity Bank	720270786909	97,969.00	
Kangala Primary	Equity Bank	1670282097059	419,527.50	
Kathome Primary	Equity Bank	720280846428	88,908.00	
Katothya Primary	Equity Bank	720164136290	1,709.65	
Katumba Primary	Equity Bank	720277984074	1,585.00	
Kavasya Primary	Equity Bank	720280043854	409,052.50	
Kavonge Primary	Equity Bank	720270897501	24,120.00	
Kavoo Primary	Equity Bank	720297600880	101,401.10	
Kavumbu Primary	Equity Bank	720279064254	155,260.50	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kiimani Primary	Equity Bank	720274034728	1,003,890.00	
Kilivi Primary	Equity Bank	720269668937	999,649.55	
Kisavi Primary	Equity Bank	720278894798	112,405.25	
Kisayani Primary	Equity Bank	720270819181	623.00	
Kitamaa Primary	Equity Bank	720270775189	1,212.00	40,786.00
Kitooneo Primary	Equity Bank	720278923892	930,308.50	
Kitungate Primary	Equity Bank	720264080491	2,015.00	
Kivuuni Primary	Equity Bank	720271001389	151,310.00	
Konza Primary	Equity Bank	720278756545	70,420.00	
Kwa Kasau Primary	Equity Bank	720270928891	503,675.00	
Kwa Kilya Primary	Equity Bank	720282063965	221,490.00	
Kwa Kutu Primary	Equity Bank	720278902148	61,270.00	
Kwa Vonza Primary	Equity Bank	720278049117	6,668.50	
Kyaithani Primary	Equity Bank	720278915643	80,627.50	
Kyuluni Primary	Equity Bank	720278948538	1,649.00	
Kyunduani Primary-Kanyongonyo	Equity Bank	720277796180	1,590,504.10	
Kyunduani Primary-Kalulini	Equity Bank	720282739649	0.00	
Maito Primary	Equity Bank	720270779676	153,861.00	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Maiyuni Primary	Equity Bank	720270825136	1,004,580.00	
Makukani Primary	Equity Bank	720278854563	1,022,170.00	
Maliku Primary	Equity Bank	720277827586	899.00	
Malimbani Primary	Equity Bank	720278924139	1,001,774.90	
Matulani Primary	Equity Bank	720278902606	230,938.00	
Mavindini Primary	Equity Bank	720270788251	2,026.00	
Mbetwani Primary	Equity Bank	720278655493	62,867.10	
Mbitini Primary	Equity Bank	720263768682	110,298.26	125,644.00
Mbitini Primary-Kanyonyoo	Equity Bank	720271004773	137.50	
Mukundi Primary	Equity Bank	270807546	1,000,915.00	
Muselele Primary	Equity Bank	720278151410	2,447.00	
Musingi Primary	Equity Bank	720277747977	302,725.20	
Muvyani Primary	Equity Bank	720278680820	3,550.00	
Mwiwe Primary	Equity Bank	720264080733	78,649.95	
Ndokeani Primary	Equity Bank	720277510315	1,000,162.50	
Ngakaani Primary	Equity Bank	720278666506	264,226.00	
Ngangani Primary	Equity Bank	720270794258	3,750.00	
Ngiluni Primary	Equity Bank	720279009389	4,480.89	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Ngovu Primary	Equity Bank	720278049366	62,025.50	
Nzeveni Primary	Equity Bank	720278049612	102,134.25	
Tanganyika Primary	Equity Bank	720163802337	121,807.60	
Thilani Primary School	Equity Bank	720279938201	480,000.00	
Ulungu Primary	Equity Bank	720270794036	31,057.00	
Ungaatu Primary	Equity Bank	720278563466	76,796.00	
Utawala Primary	Equity Bank	720282638062	178,079.70	
Waivumbu Primary	Equity Bank	720199712561	560.00	
Wayani Primary	Equity Bank	720271148081	2,935.00	
Wingoo Primary	Equity Bank	720270575971	1,074.30	
Wumu Primary	Equity Bank	720278150545	2,133.55	
Yovovo Primary	Equity Bank	720270787510	770.00	
Hon. Mutisya Primary	Equity Bank	720163800721	45,929.90	
Kyamboo Primary	Equity Bank	720270735782	42,715.85	
Kyenze Primary	Equity Bank	720270735808	301,200.00	
Kyuasini Primary	Equity Bank	720278862861	301,640.00	
Ilika Secondary	Equity Bank	720278984650	1,001,125.75	16,125.75
Kavisuni Mixed Secondary	Equity Bank	720278981585	457,510.00	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Masaani Mixed Secondary	Equity Bank	720261705958	2,500,725.25	
Matu Mixed Secondary	Equity Bank	720262338780	2,500,455.00	
Mbitini Complex High School	Equity Bank	720282008117	2,000.00	
St. Paul Kwa Vonza Secondary	Equity Bank	720264085201	1,051,091	
Iiani Mixed Secondary	Equity Bank	720264079698	57,022.00	
Kalulini Mixed Secondary	Equity Bank	720279044885	1,072,850.00	
Kanyangi Boys Secondary	Equity Bank	720276009301	499,474.3	
Kivuuni Mixed Secondary	Equity Bank	720279020027	28	
Kyaithani Mixed Secondary	Equity Bank	720261754519	8,705	
Mbitini Mixed Secondary	Equity Bank	720262196680	279,422.50	
Ngiluni Secondary	Equity Bank	720278504270	5,606.00	
Nyanyaa Ass Chiefs Office	Equity Bank	720282064574	529.00	
Nzambia Chiefs Office	Equity Bank	720282190664	175,000	
Kanyongonyo Ap Line	Equity Bank	720270055942	250,800	
Ndwila Primary School	Equity Bank	720282491125	300,500	
Kanzau Ass Chiefs Office	Equity Bank	720282557424	30,222.5	
Mukameni Ass Chiefs Office	Equity Bank	720282203944	30,396.55	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Hon. Mutisya Primary School	Equity Bank	0720163800721		1,001,879.90
Hon. Mwalika Ipc Kamulu	Equity Bank	0720279066241		118,757.50
Hon.Charles Nyamai Muvitha Sec	Equity Bank	0720261708368		85,558. 50
Iiani Primary School	Equity Bank	0720264107091		0.00
Ikave Mixed Secondary School	Equity Bank	0720278547915		2,531,030.50
Isovy Primary School	Equity Bank	0720270785906		147,415.00
Ituki Mixed Secondary School	Equity Bank	0720279122585	1,055.70	559,086.55
Kalala Primary School	Equity Bank	0720279107785		101,459.55
Kalatine Mixed Secondary School	Equity Bank	0720279309091		500,355.00
Kalatine Primary School	Equity Bank	0720264066700		1,024.9 0
Kanyonyoo Primary School	Equity Bank	0720279322132		1,020,480.50
Kanzau Mixed Secondary School	Equity Bank	0720278612818		2,500,234.00
Kanzauwu Ap Line	Equity Bank	0720270857610		251,340.00
Kathome Primary School	Equity Bank	0720280846428		94.00
Katwala Chiefs Office	Equity Bank	0720279022260		462,400.00

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Katwala Mixed Secondary School	Equity Bank	0720278351852		153,365.00
Katwala Primary School	Equity Bank	0720271345099		3,641.50
Kavasya Primary School	Equity Bank	0720280043854		2,555.50
Kavumbuni Mixed Secondary School	Equity Bank	0720277821597		235,323.96
Kavumbuni Primary School	Equity Bank	0720270787071		2,009,570.00
Kawongo Ap Line	Equity Bank	0720279090148		64,925.00
Kawongo Mixed Secondary School.	Equity Bank	0720280860102		1,000,000.00
Kikuuni Primary School	Equity Bank	0720270779095		244.55
Kilevi Mixed Secondary School	Equity Bank	0720278734898		1,290.00
Kilevi Primary School	Equity Bank	0720280361252		157,137.30
Kilinyaa Mixed Secondary School	Equity Bank	0720278218303		101,389.30
Kilisa Primary School	Equity Bank	0720270819181		500,234.35
Kimuuni Mixed Secondary School	Equity Bank	0720277454271		123,546.00
Kimuuni Primary School	Equity Bank	0720270793259		800,480.00
Kisasi Mixed Secondary School	Equity Bank	0720262021815		6,403.5

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
				0
Kisasi Primary School	Equity Bank	0720278889890		20,426.10
Kisauni Primary School	Equity Bank	0720280849783		520,050.00
Kiseuni Mixed Secondary School	Equity Bank	0720278854672		178,610.50
Kithiani Primary School	Equity Bank	0720270802902		195,895.00
Kitukuni Primary School	Equity Bank	0720279059436		174,925.00
Kitungate Primary School	Equity Bank	0720264080491		801,496.10
Kivunga Primary School	Equity Bank	0720270855839		39.50
Kivuuni Mixed Secondary School	Equity Bank	0720279020027		95,969.50
Konza Primary School	Equity Bank	0720278756545		280.00
Kwa Kilui Mixed. Secondary School	Equity Bank	0720278982379		1,825,430.05
Kwa Kitungu Primary School	Equity Bank	0720271650155		1,075.00
Kwa Vonza Chief Office	Equity Bank	0720271423294		86,059.00
Kyamboo Primary School	Equity Bank	0720270735782		80.00
Kyamungi Primary School	Equity Bank	0720162527601		2,095.00

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kyandwia Primary School	Equity Bank	0720270927026		1,000,036.10
Kyoani Primary School	Equity Bank	0720272310041		1,566,415.00
Kyosini Primary School	Equity Bank	0720280842045		1,999,550.00
Maaangani Primary School	Equity Bank	0720278146956		252,412.15
Makolongo Primary School	Equity Bank	0720277809221		100,153.67
Makusya Chiefs Office	Equity Bank	0720280821840		283,310.00
Maliku Girls Secondary School	Equity Bank	0720279989861		1,895.00
Mamole Mixed Secondary School	Equity Bank	0720278048554		90,841.50
Mandongoi Mixed Secondary School	Equity Bank	0720279336224		858,119.50
Manzini Primary School	Equity Bank	0720264092251		127,406.50
Masaani Primary School	Equity Bank	0720280780942		119,850.00
Masoka Primary School	Equity Bank	0720270792650		100,441.65
Mavindini Primary School	Equity Bank	0720270788251		1,540.00
Mavindini Secondary School	Equity Bank	0720263896899		2,500,155.00
Mbananga Primary School	Equity Bank	0720279040546		1,000,007.50

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Mbitini Chiefs Office	Equity Bank	0720279331407		76,546.00
Mbitini Education Office	Equity Bank	0720277914665		158,085.00
Mbusyani Chief Camp	Equity Bank	0720267624931		61,518.65
Misuuni Primary School	Equity Bank	0720277837812		157,915.70
Mosa Secondary School	Equity Bank	0720279316685		2,031,120.00
Mukelenzuni Pri Sch	Equity Bank	0720278522454		180,992.50
Muluti Primary School	Equity Bank	0720270778806		829,614.90
Mumbe Primary School	Equity Bank	0720271424009		500,170.00
Muusini Primary School	Equity Bank	0720280786165		181,472.00
Mwaani Primary School	Equity Bank	0720280747249		119,347.00
Mwinzengi Primary School	Equity Bank	0720278532931		221,953.95
Ndunguni Primary School	Equity Bank	0720199832043		0.00
Ngamyone Primary School	Equity Bank	0720277792562		390.00
Ngangani Secondary School	Equity Bank	0720262201400		683.50
Ngiluni Primary School	Equity Bank	0720279009389		153,306.50
Ngomoni Asst. Chief Office	Equity Bank	0720281029600		0.00

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Ngomoni Primary School	Equity Bank	0720280815683		59,108.00
Nguuni Asst. Chief	Equity Bank	0720279027854		497.50
Nguuni Mixed Secondary School	Equity Bank	0720277511077		58,379.00
Nguuni Primary School	Equity Bank	0720278945221		131,573.70
Nyanyaa Mixed Secondary School	Equity Bank	0720277512497		2,101,530.00
Nzambia Secondary School	Equity Bank	0720199638432		2,507,001.10
Sacred Heartt Of Jesus Secondary School	Equity Bank	0720279237846		42,752.50
Sekea Primary School	Equity Bank	0720280044605		13,391.50
St. Lukes Yatta Boys Secondary School	Equity Bank	0720281018843		0.00
St.Augustine Kanyangi Girls Sec School	Equity Bank	0720279758570		205,956.00
St.James Matulani Secondary School	Equity Bank	0720280838135		700,000.00
Syomunyu Primary School	Equity Bank	0720280820328		360,391.00
Syuasini Primary School	Equity Bank	0720279024427		104,586.00
Thome Primary School	Equity Bank	0720278052371		303,697.50
Usanga Primary School	Equity Bank	0720264085834		189,026.95
Kaoundu Primary School	Equity Bank	0720278458788	15,023.95	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kawongo Mixed Secondary School	Equity Bank	0720282252650	1,620,007.50	
			29,,638,981. 00	40,795,685

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Bursary Funds	Document supporting the expenditures provided to the auditors	Not Resolved	30 days
2.1	Stale Cheques not reversed in cash book	Cheques have been reversed in cash book	Resolved	
2.2	Lost Funds	The case is in court pending determination	Not resolved	3 Months
3.0	Committee Expenses	The unsupported expenditure has been provided	Not Resolved	30 days
4.0	Unsupported fuel expenditure	Documents presented to auditors for review	Not Resolved	30 days
5.0	Other Grants and transfers	Financial statement has been amended to reflect the correct position	Not Resolved	30 days
1.0	Bursary Funds	Document supporting the expenditures	Not Resolved	30 days

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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)
		provided to the auditors		
2.1	Stale Cheques not reversed in cash book	Cheques have been reversed in cash book	Resolved	



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Ezekiel K Mwangangi
 Fund Account Manager.

