

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING NAIROBI	
DATE: 13 OCT 2021	
DAY: WED	
TABLED BY:	WALTER M. MURITHI
OF	
THAT AT THE TABLE:	SAMUEL KARANA

THE AUDITOR-GENERAL

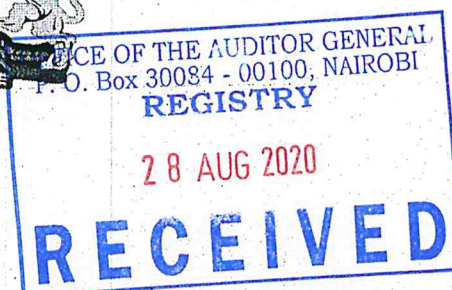
ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUI RURAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Revised Template 30th June 2019



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KITUI
RURAL CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

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Core Values

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

(b) Key Management

The NGCDF KITUI RURAL Constituency 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 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Paul MugweFAM
2.	Sub-County Accountant	David Njoka DA
3.	Chairman NGCDFC	Simon Muema Chair
4.	Member NGCDFC	Angeline Mutheu M. alternate signatory

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -KITUI RURAL Constituency. 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) NGCDF KITUI RURAL Constituency Headquarters

P.O. Box 1422- 90200
Esther House Building
Kwa Vonza

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(f) NGCDF KITUI RURAL Constituency Contacts

Telephone: (254)727 389 947
E-mail: ngcdfkituirural.go.ke
Website: www.go.ke

(g) NGCDF KITUI RURAL Constituency Bankers

Equity Bank
Kitui Town
P.O. Box
Kitui

(h) Independent Auditors

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

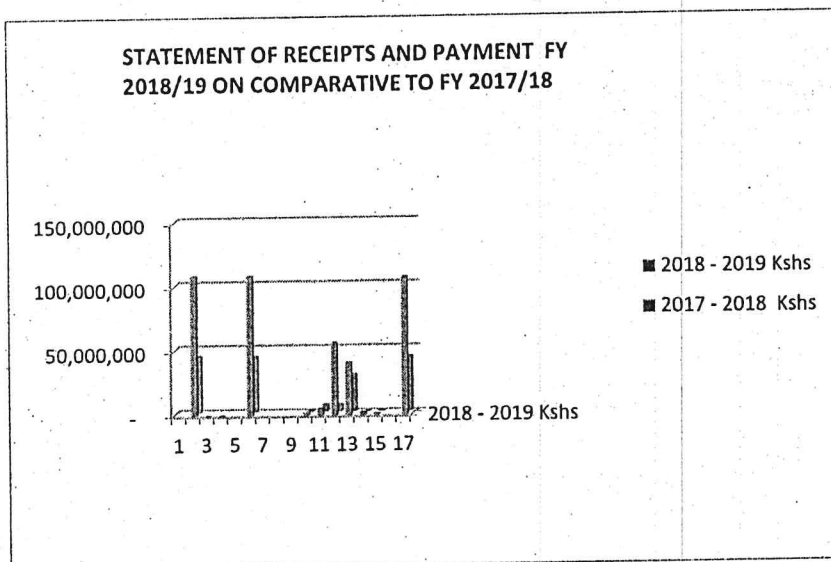
(i) Principal Legal Adviser

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

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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

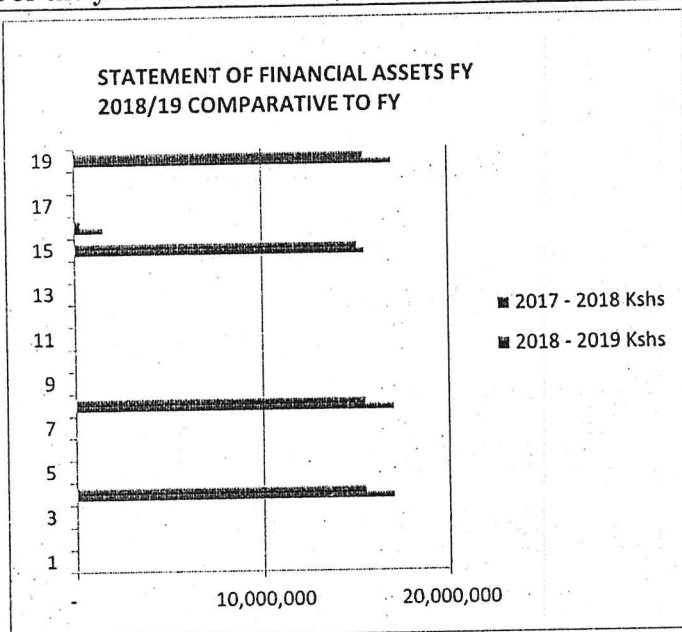
The Kitui Rural Constituency was allocated Ksh. 109,040,875.52 during the year and the below statement of receipts and payments represent the performance for the year of FY 2018/19 in comparative to FY 2017/18.



Key
1-(Surplus of FY 2017/2018)
2-(Deficient of FY 2018/2019)

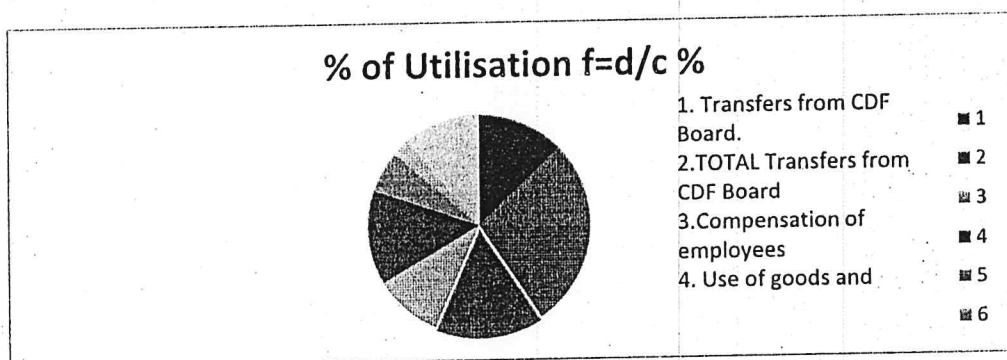
This is an indicator of a Better performed Year 2018/2019 Compared to 2017/2018.

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Mention in summary the budget performance against actual amounts for current year based on economic classification and programmes

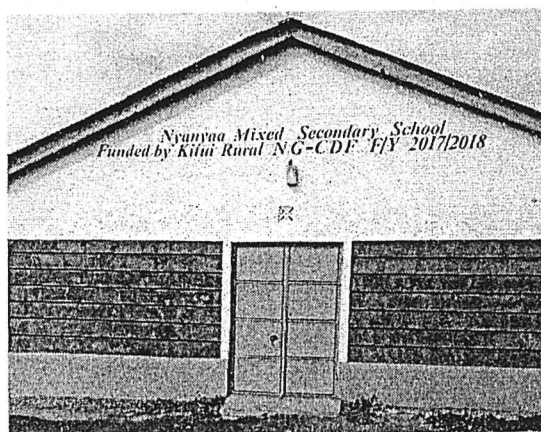
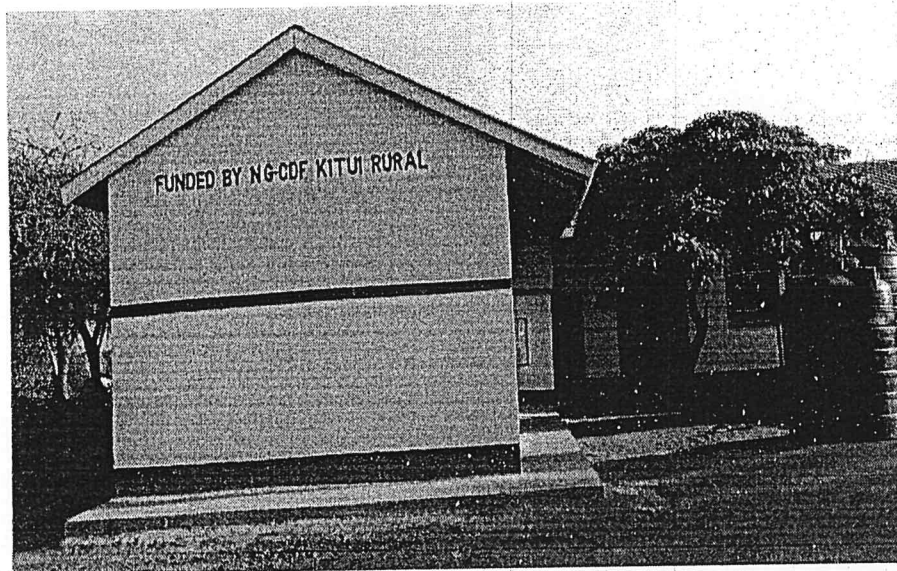
STATEMENT OF APPROPRIATION



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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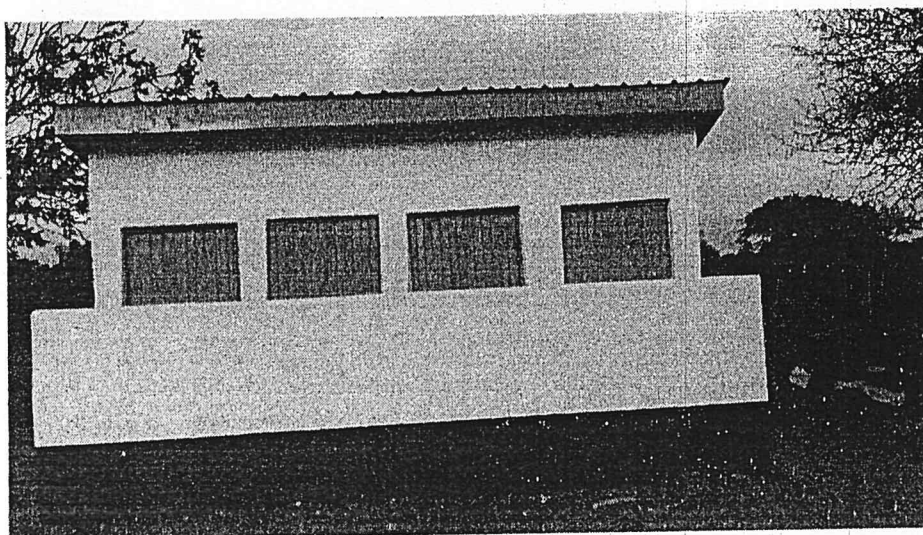
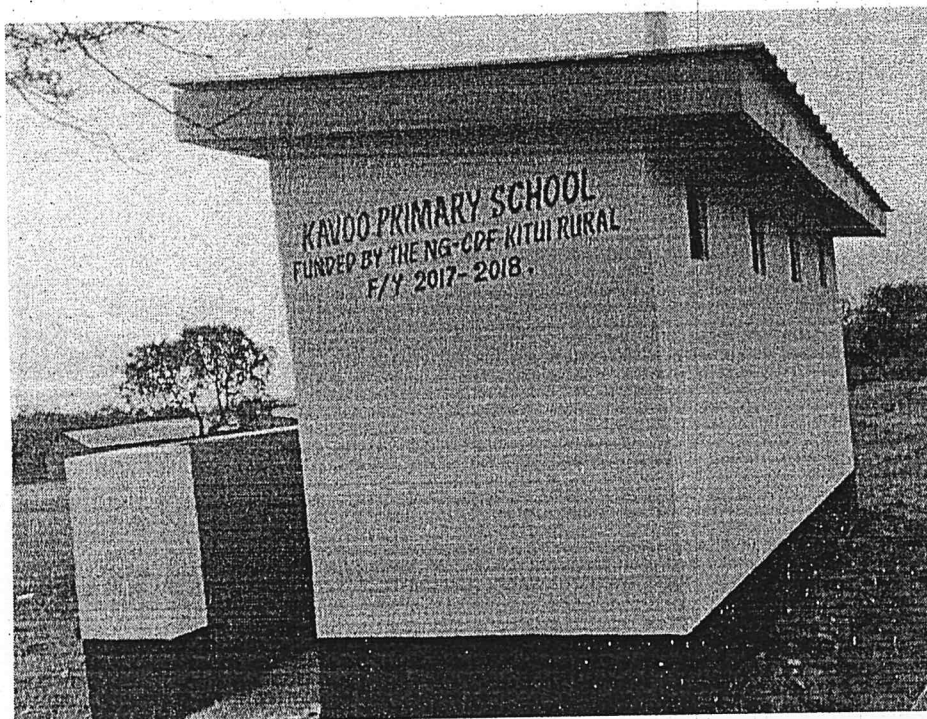
During the Report financial year the constituency implemented several projects in various sector, samples are good projects which implemented well.

FIG 1.1: The Nyanyaa mixed secondary school construction of a dormitory FY 2017/18 implemented in 2018/19



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FIG 2.1: Kavoo primary school construction of four door pit latrine FY 2017/18 implemented in 2018/19



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FIG 3.1: construction of Kanyonyoo police station FY 2017/18 implemented in 2018/19

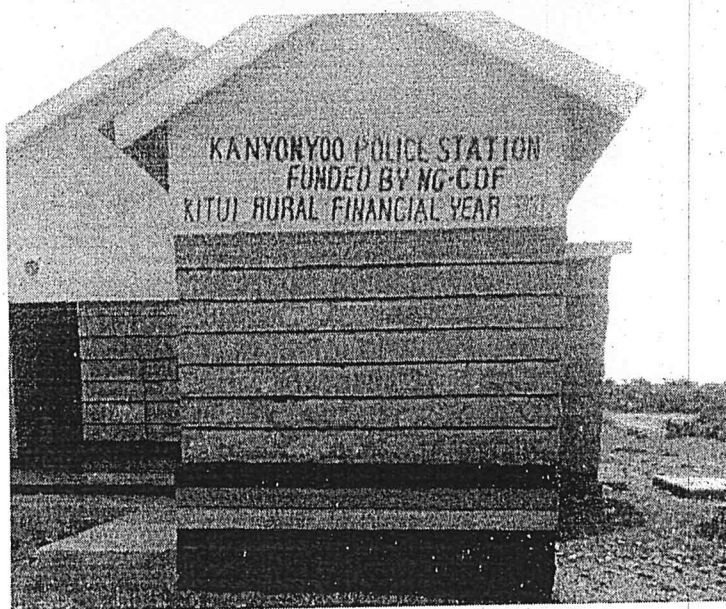
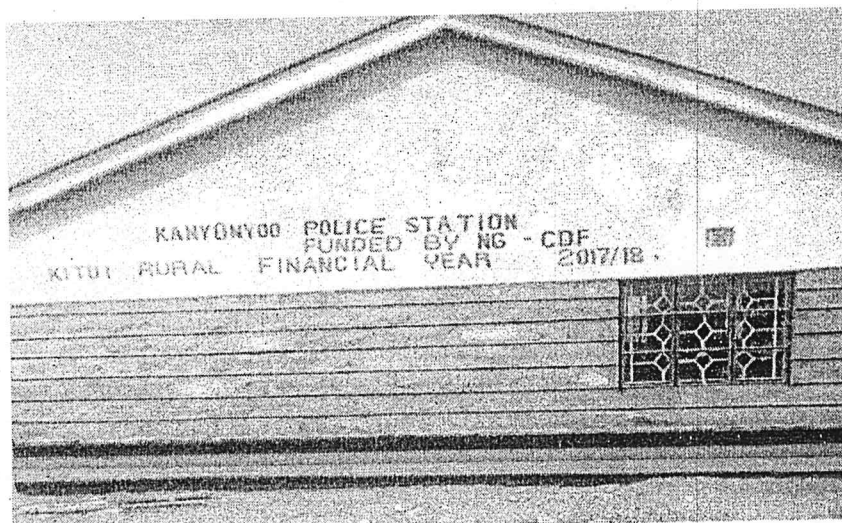


FIG 4.1: Construction of Maliku chief's office 2018/19

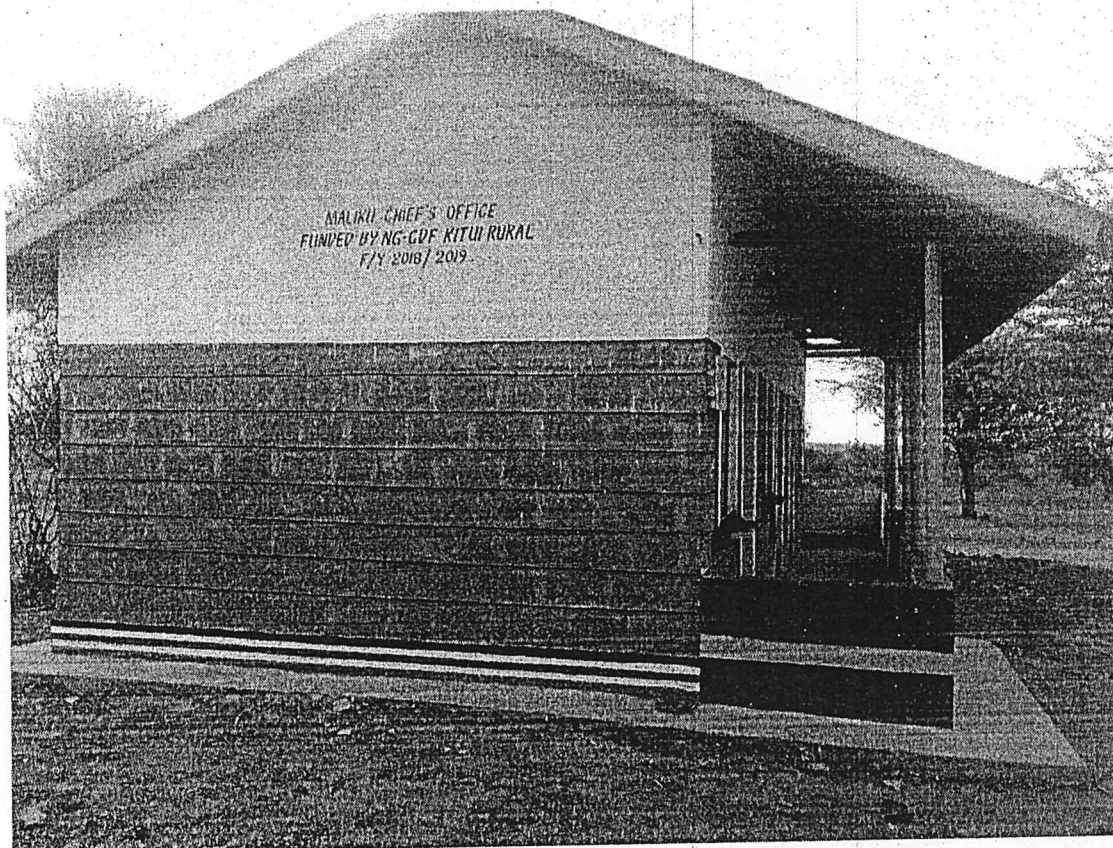
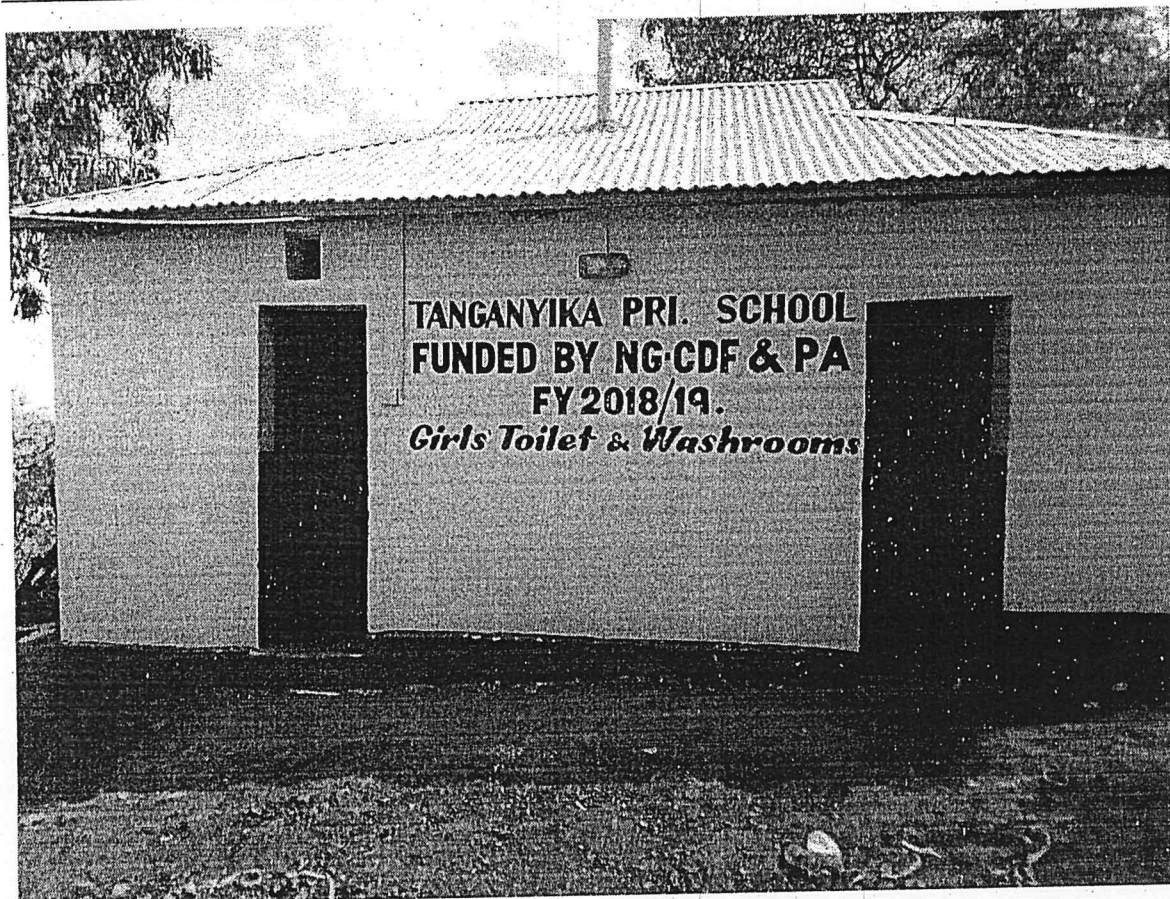


FIG 5.1: Tanganyika primary school construction of girls toilet & washrooms FY 2018/19

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EMERGING ISSUES RELATED TO THE ENTITY:

Late disbursement of Funds cause the project being implemented late.
Late Project proposal making, this is where the project proposal guidelines are sent way mid-financial year, which affect performance of the constituency.
Numerous projects in a single financial year; over 200 projects.

IMPLEMENTATION CHALLENGES

There has also been The staff turnover challenge i.e. Fund account managers transfers which results to time consumption in understanding the constituency environment with it operational challenges.

Sign

S. Muema Munyoki
CHAIRMAN NGCDF COMMITTEE

STATEMENT OF ENTITY 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

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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, 2019. 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 entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-KITUI RURAL Constituency further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

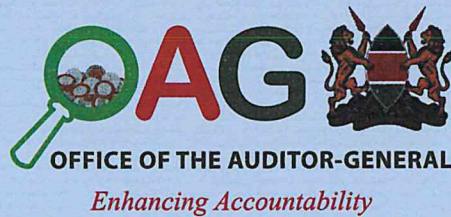
The NGCDF-KITUI RURAL Constituency financial statements were approved and signed by the Accounting Officer on 18/2/2020.


FUND ACCOUNT MANAGER
Name: Cynthia Robi
Date: _____ Sign: _____


Sub-County Accountant
Name: David M. Njoka
ICPAK Member Number: 17206

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-KITUI RURAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

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 15 to 50, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund-Kitui Rural Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Cash and Cash Equivalents

As disclosed in Note10A to the financial statements, the statement of assets and liabilities reflects bank balances of Kshs.16,990,291. The bank reconciliation statement presented in support of the balance reflected unrepresented cheques amounting to Kshs.6,080,218 out of which cheques amounting to Kshs.2,810,116 were stale and had

not been written back into the cash book. No explanation has been rendered why the beneficiaries did not present the cheques for payment.

In the circumstances, the accuracy, completeness and validity of the reported bank balance of Kshs.16,990,291 reflected in the statement of assets and liabilities as at 30 June, 2019 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.179,302,635 and Kshs.124,261,759 respectively resulting to an under-funding of Kshs.55,040,876 or 31% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.179,302,635 and Kshs.107,271,468 respectively resulting to an under expenditure of Kshs.72,031,166 or 40% of the budget.

The underfunding affected the planned activities and projects which may have impacted negatively on service delivery for the public.

2.0 Unrecovered Lost Funds

As previously reported, the Fund lost Kshs.970,000 through a stolen cheque No.003600 that was paid on 28 March, 2017. As a result, two (2) projects with a combined allocation of Kshs.900,000 were not implemented. Although management indicated the matter as having been reported to the police, no recovery had been made as of 30 June, 2019.

3.0 Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Lack of Public Participation in Project Identification

There was no evidence of the Constituent's participation in the projects currently under implementation over the last two (2) years. This is Contrary to the requirement of the constitution for involvement of the public in all decisions affecting them.

To the extent, the Management is in breach of the law.

2.0 Incomplete Projects

Review of the project implementation status report as of 30 June, 2019 indicated that one hundred and forty-one (141) projects with funding allocation totalling to Kshs.58,207,387 were incomplete with no satisfactory explanation being rendered for the slow implementation pace.

Consequently, it has not been possible to confirm if and when value for money will be realized from the incomplete projects with funding allocation of Kshs.58,207,387.

3.0 Unsatisfactory Implemented Projects

Four (4) projects with budget allocation totalling to Kshs.5,550,000 were sampled for physical verification during the month of March, 2020. Below are observations made against each of the projects: -

Project Beneficiary and Details	Cost (Kshs)	Observation
Usanga Primary School-Repair of a Classroom	150,000	Funds reallocated to construction of a staffroom, but had stalled at the roof level.
Mbitini Police Station-Construction of a Police Station	1,000,000	Project started in the year 2014, but had no ceiling, while flooring and electrical works were incomplete and the skirting was undone.
Mbitini Mixed Day Secondary School-Construction of a storied multipurpose hall	4,800,000	Project started in the year 2015, but substantial works were outstanding in

Project Beneficiary and Details	Cost (Kshs)	Observation
		spite of Kshs.4,800,000 having been paid.
Kisasi Secondary School- Completion of a dormitory	500,000	Funds diverted to completion of an ablution block.
Total	5,550,000	

No satisfactory explanations have been provided for the deficiencies in project implementation.

Consequently, I am unable to confirm if and when the constituents of Kitui Rural will realize value for money from the projects with a budget allocation of Kshs.5,550,000 for the year ended 30 June, 2019.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those charged with Governance

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

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

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

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

Those charged with Governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material

weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

17 September, 2021


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUI RURAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	108,784,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,784,483	43,405,172
PAYMENTS			
Compensation of employees	4	1,593,055	1,227,459
Use of goods and services	5	5,141,933	5,737,000
Transfers to Other Government Units	6	56,637,000	6,031,034
Other grants and transfers	7	41,003,206	28,852,000
Acquisition of Assets	8	2,000,000	-
Other Payments	9	896,274	1,195,032
TOTAL PAYMENTS		107,271,468	43,042,525
SURPLUS/(DEFICIT)		<u>1,513,015</u>	<u>362,647</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI RURAL Constituency financial statements were approved on 18/12/2020 and signed by:


Fund Account Manager
 Name: Cynthia Robi Sign:



Sub-County Accountant
 Name: David M. Njoka
 ICPAK Member Number: 17206


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUI RURAL CONSTITUENCY
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For the year ended June 30, 2019

IV. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	16,990,291	15,477,276
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		16,990,291	15,477,276
Current Receivables			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		16,990,291	15,477,276
FINANCIAL LIABILITIES			
Accounts Payable		0	0
Retention	12A	0	0
Gratuity	12B	0	0
TOTAL FINANCIAL LIABILITIES		0	0
NET FINANCIAL ASSETS		16,990,291	15,477,276
REPRESENTED BY			
Fund balance b/fwd	13	15,477,276	15,114,629
Surplus/Deficit for the year		1,513,015	362,647
Prior year adjustments	14	0	0
NET FINANCIAL POSITION		16,990,291	15,477,276

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI RURAL Constituency financial statements were approved on 18/3/2020 and signed by:


Fund Account Manager
Name: Cynthia Robi



Sub-County Accountant
Name: David M. Njoka
ICPAK Member Number: 17206


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUI RURAL CONSTITUENCY
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V. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	108,784,483.15	43,405,172.00
Other Receipts	3	0	0
Total receipts		108,784,483.15	43,405,172
Payments			
Compensation of Employees	4	1,593,055.07	1,227,459.00
Use of goods and services	5	5,141,933.35	5,737,000.00
Transfers to Other Government Units	6	56,637,000.00	6,031,034.10
Other grants and transfers	7	41,003,206.00	28,852,000.00
Other Payments	9	896,274.00	1,195,032.00
Total payments		105,271,468.42	43,042,525.10
Total Receipts Less Total Payments		3,513,014.73	362,646.90
Adjusted for:			
Outstanding imprest	11	0	0
Retention Payable	12A	0	0
Gratuity Payable	12B	0	0
Prior year adjustments	14	0	0
Net Adjustments		0	0
Net cash flow from operating activities		3,513,014.73	362,646.90
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	2,000,000.00	0
Net cash flows from Investing Activities		(2,000,000.00)	0
NET INCREASE IN CASH AND CASH EQUIVALENT		1,513,014.73	362,646.90
Cash and cash equivalent at BEGINNING of the year	13	15,477,276.08	15,114,629.18
Cash and cash equivalent at END of the year		<u>16,990,290.81</u>	<u>15,477,276.08</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI RURAL Constituency financial statements were approved on

18/3/2020 and signed by:

Fund Account Manager
Name: Cynthia Robi Sign:.....


Sub-County Accountant
Name: David M. Njoka
ICPAK Member Number: 17206

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

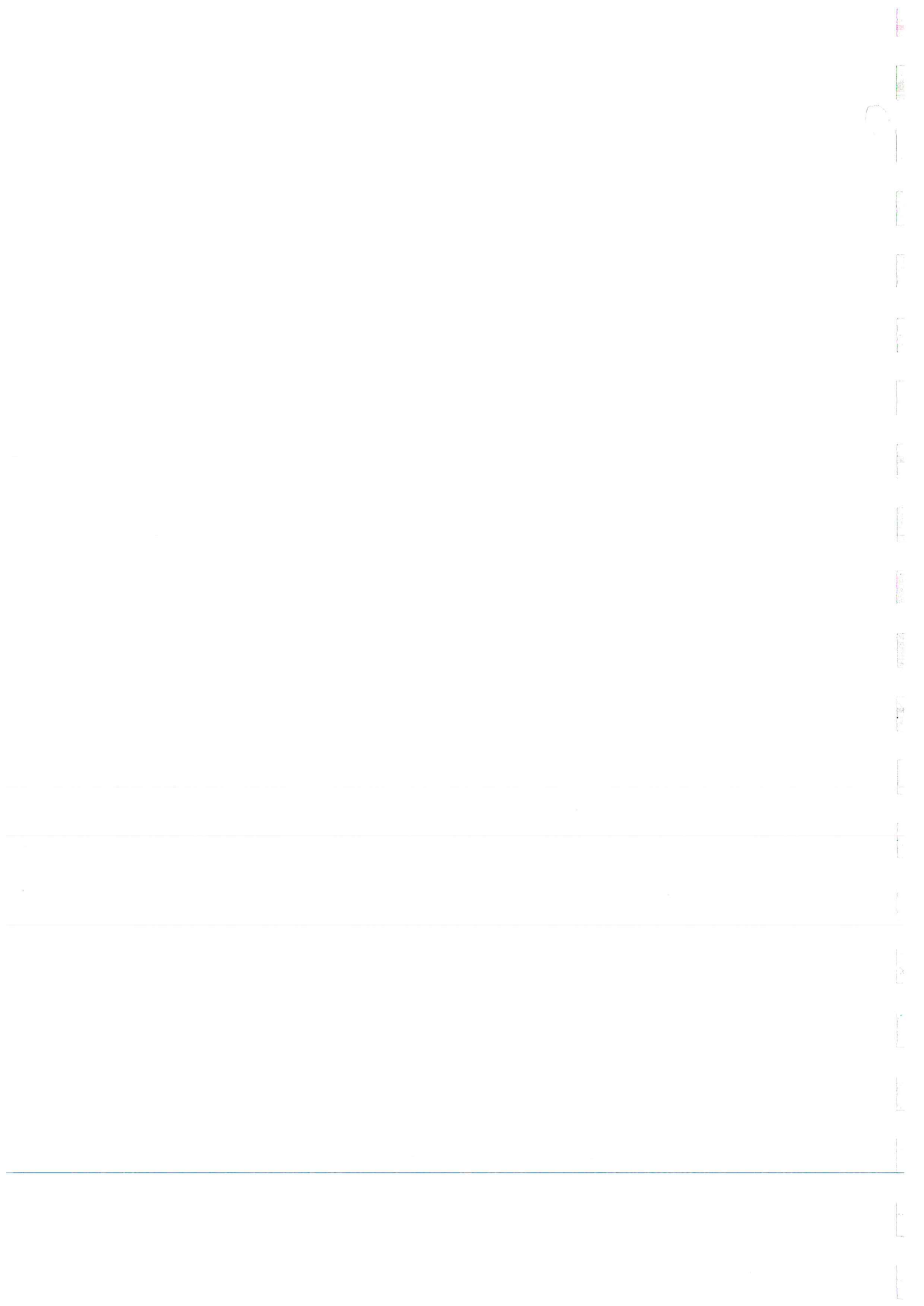
Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,875.52	70,261,759	179,302,635	124,261,759.23	55,040,876	69%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTAL	109,040,875.52	70,261,759	179,302,635	124,261,759.23	55,040,876	69%
PAYMENTS						
Compensation of Employees	1,728,000	193,301.00	1,921,301	1,593,055.07	328,246	83%
Use of goods and services	2,980,895	3,050,144	6,031,038	5,141,933.35	889,105	85.3%
Transfers to Other Government Units	49,601,000	54,906,536.89	104,507,537	56,637,000.00	47,870,537	54.2%
Other grants and transfers	46,420,981	7,770,398	54,191,379	41,003,206.00	13,188,173	75.7%
Acquisition of Assets	6,000,000	-	6,000,000	2,000,000.00	4,000,000	33.3%
Other Payments	2,310,000	4,341,379	6,651,379	896,274.00	5,755,105	13.5%
TOTAL	109,040,876	70,261,759	179,302,635	107,271,468.42	72,031,166	59.8%

(a) During the year, the constituency did not have AIA.

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

On Compensation of Employees 83% the Employee Budget had an addition of Funds from the previous year which is a rollover.
On Use of goods and services, 85.3% is due to the delayed disbursement of Projects Funds.

On Transfer to Other Government Units, 54.2% is due to the delayed disbursement of Projects Funds.
On Other grants and Transfer Payment 75.7% this is due to Education projects funds payments which were underway during the close of the financial year, however in the second week of the July, the projects were paid accordingly.
On Other payments, Use of goods and services we had 13.5% & 85.3% respectively due to Capacity building funds which were yet to be implemented; the implementation was passed on late July.




NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
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Overall Payment was at 59.8% due to education projects funds which had not been released for payment, and some projects which were awaiting reallocation approval.

Overall Payment was at 59.8% due to high Fund Account Managers turnover in the station

The NGCDF-KITUI RURAL Constituency financial statements were approved on 15/3/2020 and signed by:


Fund Account Manager
Name: Cynthia Robert
Kitui Rural Constituency
P.O. Box 1422, 90200, Kitui
Sign:



Sub-County Accountant
Name: David M. Njoka
ICPAK Member Number: 17206

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	1,728,000	535,647	2,263,647	1,593,055	670,592
1.2 Committee allowances	615,626	682,759	1,298,385	127,933	1,170,451
1.3 Use of goods and services	100,000	-	100,000	100,000	-
Employees' Salaries NHIF/NSSF	-	-	-	-	-
Sub-Total	2,443,626	1,218,405	3,662,032	1,820,988	1,841,043
2.0 Monitoring and evaluation					
2.1 Capacity building	2,141,379	1,747,193	3,888,572	2,788,000	1,100,572
2.2 Committee allowances	2,244,104	545,310	2,789,414	2,026,000	763,414
2.3 Use of goods and services	727,122	12,397	739,519	100,000	639,519
Sub-Total	5,112,605	2,304,900	7,417,505	4,914,000	2,503,505
3.0 Emergency					
3.1 Emergencies	3,174,730	-	6,870,409	6,282,000	588,409
Sub-Total	3,174,730	3,695,679	6,870,409	6,282,000	588,409
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	20,809,000	-	20,809,000	20,784,000	25,000
4.3 Tertiary Institutions	9,191,000	5,585,217	14,776,217	9,191,000	5,585,217
4.4 Special	-	-	-	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
4.5 Social Security	-	-	-	-	-
Sub-Total	30,000,000	5,585,217	35,585,217	29,975,000	5,610,217
5.0 Sports					
5.1 bal b/f		-	-	-	-
5.2 Kitui Rural Sports	1,736,206	-	1,736,206	1,736,206	-
Sub-Total	1,736,206	-	1,736,206	1,736,206	-
6.0 Environment					
6.1	36,206	-	36,206	-	36,206
6.2	-	-	-	-	-
Sub-Total	36,206	-	36,206	-	36,206
7.0 Primary Schools Projects (List all the Projects)		25,900,257			
Kaundu primary school	400,000	-	400,000	400,000	-
Mosa primary school	500,000	-	500,000	500,000	-
Kivuuni primary school	500,000	-	500,000	500,000	-
Kwa Kitungu primary school	500,000	-	500,000	500,000	-
Maito primary school	300,000	-	300,000	300,000	-
St. Michael Kithya pri sch	500,000	-	500,000	500,000	-
Kyunduan pri school	400,000	-	400,000	400,000	-
Musingi pri school	300,000	-	300,000	300,000	-
Nganyone pri sch	400,000	-	400,000	400,000	-
Makolongo pri sch	500,000	-	500,000	500,000	-
Kyamboo pri sch	300,000	-	300,000	300,000	-
Nthilani pri sch	400,000	-	400,000	400,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Kwa Kasau pri sch	500,000	-	500,000	500,000	-
Mamole pri sch	200,000	-	200,000	200,000	-
Wumu pri sch	500,000	-	500,000	500,000	-
Ilika pri sch	300,000	-	300,000	300,000	-
Ngakaani pri sch	500,000	-	500,000	500,000	-
Hon. Mutisya pri sch	400,000	-	400,000	400,000	-
Usenyo pri sch	400,000	-	400,000	400,000	-
Ngovu pri sch	300,000	-	300,000	300,000	-
Kavonge pri sch	300,000	-	300,000	300,000	-
Kavoo pri sch	300,000	-	300,000	300,000	-
Mukelenzuni pri sch	300,000	-	300,000	300,000	-
Misuuni pri sch	400,000	-	400,000	400,000	-
Maangani pri sch	431,000	-	431,000	431,000	-
Mumbe pri sch	500,000	-	500,000	500,000	-
Nzeveni pri sch	300,000	-	300,000	300,000	-
Ndunguni pri sch	380,000	-	380,000	380,000	-
Mbeetwani pri sch	150,000	-	150,000	150,000	-
Katangasua pri sch	350,000	-	350,000	350,000	-
Katumba pri sch	200,000	-	200,000	200,000	-
Usenyo pri sch	150,000	-	150,000	150,000	-
Ilovi pri sch	400,000	-	400,000	400,000	-
Nthongoni pri sch	350,000	-	350,000	350,000	-
St. Phips Ngulilu pri sch	500,000	-	500,000	500,000	-
Ndokeani pri sch	500,000	-	500,000	500,000	-
Mwinzengi pri sch	500,000	-	500,000	500,000	-
Kitamaa pri sch	500,000	-	500,000	500,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Wingoo pri sch	400,000	-	400,000	400,000	-
Itulani pri sch	400,000	-	400,000	400,000	-
Ituki pri sch	300,000	-	300,000	300,000	-
Kwa Vonza pri sch	400,000	-	400,000	400,000	-
Katansasua pri sch	500,000	-	500,000	500,000	-
Kilinyaa pri sch	1,500,000	-	1,500,000	1,500,000	-
Kangala pri sch	300,000	-	300,000	300,000	-
Kavisuni pri sch	300,000	-	300,000	300,000	-
Ngiluni pri	500,000	-	500,000	500,000	-
Utawala pri sch	300,000	-	300,000	300,000	-
Masoka pri sch	300,000	-	300,000	300,000	-
Kyamusiwi pri sch	300,000	-	300,000	300,000	-
Kanyongonyo pri sch	500,000	-	500,000	500,000	-
Usanga pri sch	150,000	-	150,000	150,000	-
Muselele pri sch	300,000	-	300,000	300,000	-
Yovovo pri sch	400,000	-	400,000	400,000	-
Kitungati pri sch	500,000	-	500,000	500,000	-
Kilamba pri sch	200,000	-	200,000	200,000	-
Muvyani pri sch	270,000	-	270,000	270,000	-
Kithiani pri sch	300,000	-	300,000	300,000	-
Wayani pri sch	500,000	-	500,000	500,000	-
Katotehi central pri	300,000	-	300,000	300,000	-
Mukundi pri sch	400,000	-	400,000	400,000	-
Yamunyu pri sch	500,000	-	500,000	500,000	-
Mavindini pri sch	100,000	-	100,000	100,000	-
Muvitha pri sch	500,000	-	500,000	500,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Kikuuni pri sch	500,000	-	500,000	500,000	-
Maliku pri sch	500,000	-	500,000	500,000	-
Syuasini pri sch	300,000	-	300,000	300,000	-
Kimuuni pri sch	300,000	-	300,000	300,000	-
Nguuni pri sch	300,000	-	300,000	300,000	-
Ilovi pri sch	500,000	-	500,000	500,000	-
Nthongoni pri sch	500,000	-	500,000	500,000	-
Maiyuni pri sch	500,000	-	500,000	500,000	-
Isoya pri sch	500,000	-	500,000	500,000	-
Malimbani pri sch	500,000	-	500,000	500,000	-
Maliku pri sch	600,000	-	600,000	600,000	-
Ikave pri sch	500,000	-	500,000	500,000	-
Muluti pri sch	500,000	-	500,000	500,000	-
Katumba pri sch	700,000	-	700,000	700,000	-
Kyuluni pri sch	500,000	-	500,000	500,000	-
Kwa kutu pri sch	500,000	-	500,000	500,000	-
Kyenze pri sch	500,000	-	500,000	500,000	-
Kisasi pri sch	600,000	-	600,000	600,000	-
Kyainya pri sch	500,000	-	500,000	500,000	-
Kathemboni pri sch	500,000	-	500,000	500,000	-
Kang'aatu pri sch	500,000	-	500,000	500,000	-
Kitooneo pri sch	600,000	-	600,000	600,000	-
Masimba pri sch	400,000	-	400,000	400,000	-
Malatani pri sch	500,000	-	500,000	500,000	-
Kimani pri sch	300,000	-	300,000	300,000	-
Kwa kutu pri sch	300,000	-	300,000	300,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Ikota Mwithe pri sch	500,000	-	500,000	500,000	-
Kamulu pri sch	500,000	-	500,000	500,000	-
Kalala pri sch	300,000	-	300,000	300,000	-
Ngangani pri sch	500,000	-	500,000	500,000	-
Waivumbu pri sch	300,000	-	300,000	300,000	-
Sub-Total	39,531,000	25,900,257	39,531,000	39,531,000	-
8.0 Secondary Schools Projects (List all the Projects)		15,739,257			
Mukameri mixed sec school	500,000	-	500,000	500,000	-
Kathome Mixed sec sch	500,000	-	500,000	500,000	-
Matu mixed Day sec sch	500,000	-	500,000	500,000	-
Kavumbuni Mixed sec sch	300,000	-	300,000	300,000	-
Maangani Mixed sec sch	500,000	-	500,000	500,000	-
Sacred hart of Jesus Kanyongonyo	500,000	-	500,000	500,000	-
Kisasi Mixed Sec sch	600,000	-	600,000	600,000	-
Nguuni mixed sec sch	500,000	-	500,000	500,000	-
Kyaithani sec sch	300,000	-	300,000	300,000	-
Nyanyaa mixed sec sch	500,000	-	500,000	500,000	-
St. Augustine Kanyangi sec sch	1,000,000	-	1,000,000	1,000,000	-
Mwakini mixed sec sch	200,000	-	200,000	200,000	-
Sub county Education office Kwa Vonza	370,000	-	370,000	370,000	-
Kisasi mixed sec sch	1,000,000	-	1,000,000	1,000,000	-
Kisasi sec sch	500,000	-	500,000	500,000	-
Mbitini mixed sec sch	1,500,000	-	1,500,000	1,500,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Mamole sec sch	1,000,000	-	1,000,000	1,000,000	-
Sub county Education Kwa Vonza	336,000	-	336,000	336,000	-
Mbitini zone Education office	800,000	-	800,000	800,000	-
Katwala mixed sec sch	500,000	-	500,000	500,000	-
Ikave mixed sec sch	500,000	-	500,000	500,000	-
Mbitini complex high	300,000	-	300,000	300,000	-
Hon. Charles Nyamai sec sch	500,000	-	500,000	500,000	-
Kimuuni mixed sec sch	500,000	-	500,000	500,000	-
Kanzau sec sch	300,000	-	300,000	300,000	-
Hon. Charles Mixed Sec Kasevi	500,000	-	500,000	500,000	-
Ilika mixed sec sch	600,000	-	600,000	600,000	-
Masimba mixed sec sch	500,000	-	500,000	500,000	-
Kavisuni sec sch	500,000	-	500,000	500,000	-
Sub-Total	17,106,000	15,739,257	32,845,257	17,106,000	15,739,257
9.0 Tertiary institutions Projects (List all the Projects)					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Sub-Total	0	0	0	0	0
10.0 Security Projects					
Yatta HQs & AP line	600,000	11,613,077	600,000	600,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI RURAL CONSTITUENCY
Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Kavisuni chief's office	300,000	-	300,000	300,000	-
Mbitini police station security	500,000	-	500,000	500,000	-
Kavasya chief's office	300,000	-	300,000	300,000	-
Kanyongonyo chief's office	150,000	-	150,000	150,000	-
Kalatine chief's office	300,000	-	300,000	300,000	-
Nthongoni chief's office	300,000	-	300,000	300,000	-
Ungaatu sub location	60,000	-	60,000	60,000	-
Maliku chief's camp	600,000	-	600,000	600,000	-
Sub-Total	3,010,000	11,613,077	14,623,077	3,010,000	11,613,077
11.0 Acquisition of assets					
LAND	2,000,000	4,000,000	6,000,000	2,000,000	-
Sub-Total	2,000,000	4,000,000	6,000,000	2,000,000	4,000,000
12.0 Others					
Strategic Plan	2,100,000	204,968	2,304,968	896,274	1,408,694
					-
					-
Sub-Total	2,100,000	204,968	2,304,968	896,274	1,408,694
GRAND TOTAL	109,040,876	70,261,759	179,302,635	107,271,468	72,031,167

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI
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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the 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.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balance is held at Equity Bank Kitui Branch.

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements.

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 2019.

14. Errors

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

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
A855880	1		5,500,000.00
A892854	2		37,905,172.00
B005345	1	54,784,483.15	
B030258	2	10,000,000.00	
B030457	3	14,000,000.00	
B006403	4	6,000,000.00	
B 047090	5	24,000,000.00	
TOTAL		108,784,483.15	43,405,172.00

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

		2018-2019	2017-2018
		Kshs	Kshs
Basic wages of contractual employees		1,139,586	1,227,459.00
Employer Contribution NHIF , NSSF		453,469	0
Personal allowances paid as part of salary		-	-
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Gratuity – paid	1	-	-
- accrued	2	-	-
Other personnel payments		-	-
Total		1,593,055	1,227,459.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs.	Kshs
Committee Expenses	1,847,000	3,547,000.00
Utilities, supplies and services	26,934	140,000.00
Communication, supplies and services	107,999	115,400.00
Domestic travel and subsistence	-	152,000.00
Printing, advertising and information supplies & services	-	286,500.00
Rentals of produced assets	-	-
Training expenses	-	-
Committee Allowance	1,928,000	-
Other Allowance Expenses	-	489,000.00
Hospitality supplies and services	-	-
Insurance costs	-	310,300.00
Specialized materials and services	-	-
Fuel ,oil & lubricants	-	341,800.00
Office and general supplies and services	1,232,000	-
Other operating expenses	-	355,000.00
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	5,141,933	5,737,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	39,531,000	5,331,034.10
Transfers to secondary schools (see attached list)	17,106,000	700,000.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	56,637,000	6,031,034.10

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	20,784,000.00	18,360,000.00
Bursary – tertiary institutions (see attached list)	9,191,000.00	6,403,000.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	1,929,000.00
Security projects (see attached list)	3,010,000.00	900,000.00
Sports projects (see attached list)	1,736,206.00	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	6,282,000.00	1,260,000.00
NGCDF Office/PWO Office	-	-
Total	41,003,206.00	28,852,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	<u>2018-2019</u>	<u>2017-2018</u>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	2,000,000.00	-
Acquisition of Intangible Assets	-	-
Total	2,000,000	0

9. OTHER PAYMENTS

	<u>2018-2019</u>	<u>2017-2018</u>
	Kshs	Kshs
Strategic plan	896,274	1,195,032.00
ICT Hub	0	0
	896,274	1,195,032

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

	2018-2019	2017-2018
<i>EQUITY –KITUI BR. - 0720261934286</i>		
	Kshs	Kshs
	16,990,290.81	15,477,276.00
<i>Name of Bank, Account No.</i>	0	0
<i>Name of Bank, Account No.</i>	0	0
<i>Name of Bank, Account No.</i>		
Total	16,990,290.81	15,477,276
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	N/A	0	0	0
Total				0

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
	0	0
	0	0
	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	0	0
Name 2	0	0
Name 3	0	0
Add as appropriate		
Total	0	0

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI
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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	15,477,276.08	15,114,629.18
Cash in hand	0	0
Imprest	0	0
	<hr/>	
	15,477,276.08	15,114,629.18
	8	
Total	<hr/> <hr/>	
<i>[Provide short appropriate explanations as necessary]</i>		

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts (Reversed stale Cheque not replaced)	0	0
Cash in hand	0	0
Imprest	0	0
	<hr/>	
Total	0	0
	<hr/>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	<u>0</u>	<u>0</u>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	0	0
Others (<i>specify</i>)	0	0
	<u>0</u>	<u>0</u>

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	0	193,301.00
Use of goods and services	0	2,367,385.00
Amounts due to other Government entities (see attached list)	0	33,831,000.00
Amounts due to other grants and other transfers (see attached list)	0	34,370,064.00
Bursaries	0	0
Acquisition of assets	0	0
Others (<i>specify</i>)	0	0
	<u>0</u>	<u>70,761,750</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	8,935,133.90	0
	<u>8,935,133.90</u>	<u>0</u>

NATIONAL GOVERNMENT ENTITY - (NG-CDF KITUI RURAL)
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	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.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT ENTITY - (NG-CDF KITUI RURAL)
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT ENTITY - (NG-CDF KITUI RURAL)
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of Employees		670,592	193,301	
Use of Goods & Services		1,127,212	2,367,385	
Committee Expense		2,505,424	-	
Amounts due to other Government entities		-	33,831,000	
Sub-Total		4,303,228	36,391,686	
Amounts due to other grants and other transfers		-	34,370,064	
ICT Hubs		-	-	
Bursaries		25,183	-	
Sub-Total		25,183	34,370,064	
Sub-Total			70,761,750	
Acquisition of assets				
Others (specify)				
Sub-Total		-	-	
Grand Total		4,328,411	70,761,750	

NATIONAL GOVERNMENT ENTITY - (NG-CDF KITUI RURAL)
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Motor Cycle KAU 766H	345,506.00	-	-	345,506.00
Motor Vehicle –Toyota Land cruiser	5,910,000.00	-	-	5,910,000.00
Stapler	900.00	-	-	900.00
Paper Punch	900.00	-	-	900.00
Calculator	1,250.00	-	-	1,250.00
Refrigerator	33,000.00	-	-	33,000.00
4-Way Workstation 4016	76,443.00	-	-	76,443.00
High Back Fabric Blue Office/Conference Chairs WN9	187,036.00	-	-	187,036.00
Floor Carpet 8"X11'	6,000.00	-	-	6,000.00
Office Executive Desk 1.8	69,606.00	-	-	69,606.00
Executive High Back Leather office chair8078	32,830.00	-	-	32,830.00
Executive Office Visitors chairs 800V	17,069.00	-	-	17,069.00
Office Leather Sofa set-619(3,2,1) Black	114,264.00	-	-	114,264.00
Reception Set (Table-ID1280,SIDE TABLE 1045,FIXED)	68,956.00	-	-	68,956.00
Glass Coffee Table-NVA 265	19,702.00	-	-	19,702.00
18-Seater Modular Conference Table (Table ID 1480)	123,859.00	-	-	123,859.00
Assorted Curtains and Window Nets (sets)	60,000.00	-	-	60,000.00

NATIONAL GOVERNMENT ENTITY - (NG-CDF KITUI RURAL)
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Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Artificial Flowers	1,000.00	-	-	1,000.00
Extension cables	3,200.00	-	-	3,200.00
Pencil Holder	200.00	-	-	200.00
Water Glasses	1,800.00	-	-	1,800.00
Water Jar	1,500.00	-	-	1,500.00
Serving Tray	600.00	-	-	600.00
Tea Mug	2,500.00	-	-	2,500.00
Dell Laptops window 7 pro	120,000.00	-	-	120,000.00
Epson color printer L210 (inkjet) three in one	34,000.00	-	-	34,000.00
Kyocera HP Copier with scanner	98,000.00	-	-	98,000.00
Samsung note 4 Tab	52,000.00	-	-	52,000.00
HP Desktop 18.5 Monitor window 7 pro	61,000.00	-	-	61,000.00
Office Generator	100,750.00	-	-	100,750.00
Riso EZ201E	-	-	-	175,000.00
Desk top (CPU CZC00697D3)	-	-	-	-
Monitor (CNC950Q93S)	-	-	-	-
Printer (CNCJG43827)	-	-	-	-
UPS (S/NO. 40084260905)	-	-	-	-

NATIONAL GOVERNMENT ENTITY - (NG-CDF KITUI RURAL)

Reports and Financial Statements

For the year ended June 30, 2019(Kshs)

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Scanner (CN2CAVH00Z)	-	-	-	-
cash save box	-	-	-	-
air conditioner fan	-	-	-	-
laptop mac book pro computer	-	-	-	-
Office Land Property 2627	-	2,000,000.00	-	2,000,000.00
table	-	-	-	2,500.00
Gas cylinder	-	-	-	4,500.00
Total	7,543,871.00	2,000,000.00	0	9,725,871.00

NATIONAL GOVERNMENT ENTITY - (NG-CDF KITUI RURAL)
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For the year ended June 30, 2019 (Kshs)

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance	Bank Balance
			2018/19	2017/18
HON. CHARLES MIXED -KASEVI	EQUITY –KITUI BRANCH	0720278864307	500,000.00	
IINA MIXED DAY SEC SCHOOL	EQUITY –KITUI BRANCH	0720264079698	118,425.00	
IKAVE PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720278912601	499,939.75	
IKOTAMWITHE PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720164076582	752.45	
ILIKA MIXED SEC SCHOOL	EQUITY –KITUI BRANCH	0720278984650	603,275.75	
ISOVYA PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720270785906	500,295.00	
KANGAATU PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720270786909	500,006.75	
KANYANGI PRI SCHOOL	EQUITY –KITUI BRANCH	0720164370505	530.00	
KANZAU SEC SCHOOL	EQUITY –KITUI BRANCH	0720278612818	126,760.00	
KATHEMBONI PRI SCHOOL	EQUITY –KITUI BRANCH	0720278908672	200,920.00	
KATUMBA PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720277984074	700,125.00	
KAVUMBU PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720279064254	-	
KAW'ONGO PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720270930907	2,360.00	
KIIMANI PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720274034728	300,000.00	
KILAMBA PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720278766131	3,715.00	
KILIKO PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720278515882	37.50	
KILUMYA PRI SCHOOL	EQUITY –KITUI BRANCH	0720166001206	84.60	
KIMUUNI PRI SCHOOL	EQUITY –KITUI BRANCH	0720270793259	2,630.00	
KISASI PRI SCHOOL	EQUITY –KITUI BRANCH	0720166047596	-	
KISAYANI PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720278853185	-	
KITOONEO PRI SCHOOL	EQUITY –KITUI BRANCH	0720278923892	600,010.00	
KITUKUNI PRIMARY SCHOOL	EQUITY –KITUI BRANCH	0720162394011	25.00	
KITUNGATI MIXED SEC SCHOOL	EQUITY –KITUI BRANCH	0720263803617	1,741.00	
KWA KASAU PRI SCHOOL	EQUITY –KITUI BRANCH	0720270928891	501,415.00	
KWA KUTU PRI SCHOOL	EQUITY –KITUI BRANCH	0720278902148	800,000.00	

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KWA KYEE PRI SCHOOL	EQUITY -KITUI BRANCH	0720278930243	10,502.90	
KYAINYA PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720199694814	68.35	
KYENZE PRI SCHOOL	EQUITY -KITUI BRANCH	0720270735808	500,560.00	
KYUASINI PRI SCHOOL	EQUITY -KITUI BRANCH	0720278862861	-	
KYULUNI PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720278948538	255,860.00	
LOWER YATTA GIRLS' SEC SCHOOL	EQUITY -KITUI BRANCH	0720279077124	-	
MAKUKANI PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720278854563	160.00	
MALATANI PRI SCHOOL	EQUITY -KITUI BRANCH	0720278863578	500,090.00	
MALIKU CHIEFS CAMP	EQUITY -KITUI BRANCH	0720278885989	600,000.00	
MALIKU PRI SCHOOL	EQUITY -KITUI BRANCH	0720277827586	1,099,760.00	
MASAANI MIXED DAY SEC SCHOOL	EQUITY -KITUI BRANCH	0720261705958	1,505.25	
MASIMBA MIXED DAY SEC SCH	EQUITY -KITUI BRANCH	0720160492510	517,077.20	
MASIMBA PRI SCHOOL	EQUITY -KITUI BRANCH	0720278923819	400,004.30	
MATULANI PRI SCHOOL	EQUITY -KITUI BRANCH	0720270825136	500,000.00	
MBITINI PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720263768682	690.00	
MBITINI ZONE EDUCATION OFFICE	EQUITY -KITUI BRANCH	0720277914665	1,880.00	
MIKUYUNI PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720278834039	70.00	
MUSINGI PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720277747977	1,285.20	
NGILUNI PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720166032497	280.00	
NGUUNI ASST CHIEFS CAMP	EQUITY -KITUI BRANCH	0720279027854	-	
NGUUNI MIXED SEC SCHOOL	EQUITY -KITUI BRANCH	0720277511077	3,090.00	
NTHONGONI PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720270917856	585,290.00	
ST. PAUL'S KWA VONZA SEC SCHOOL	EQUITY -KITUI BRANCH	0720264085201	2,044.65	
TANGANYIKA MIXED SEC SCHOOL	EQUITY -KITUI BRANCH	0720197369296	-	
THOME PRI SCHOOL	EQUITY -KITUI BRANCH	0720278052371	27.50	
ULUNGU PRIMARY SCHOOL	EQUITY -KITUI BRANCH	0720270794036	560.00	
			8,935,133.9 0	



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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
1.0	Bursary funds		Resolved on Certificate	5days	30 days
2.1	Stale cheques		Resolved on Certificate	5days	30 days
2.2	Lost cash		Resolved on Certificate	5days	30 days
3.0	Committee expenses		Resolved on Certificate	5days	30 days
4.0	Unsupported fuel expenditure				
5.0	Other grants and other payments				

