

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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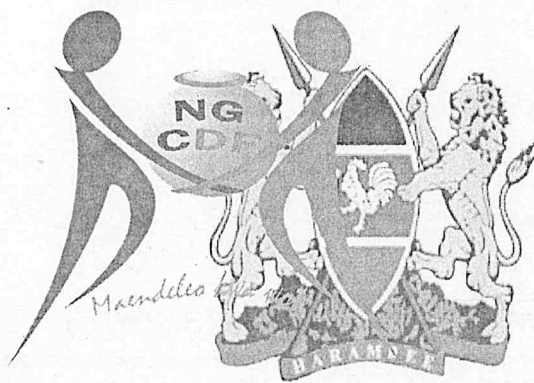
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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Table of Content
Page

| | |
|--|----|
| I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT | 2 |
| II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE | 5 |
| III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES | 9 |
| IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING | 11 |
| V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES | 14 |
| VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- KITUI CENTRAL CONSTITUENCY</i> | 15 |
| VII. STATEMENT OF RECEIPTS AND PAYMENTS | 16 |
| VIII. STATEMENT OF ASSETS AND LIABILITIES | 17 |
| IX. STATEMENT OF CASHFLOW | 18 |
| X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED | 19 |
| XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES | 20 |
| XII. SIGNIFICANT ACCOUNTING POLICIES | 24 |
| XIII. NOTES TO THE FINANCIAL STATEMENTS | 28 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY*

Reports and Financial Statements

For the year ended June 30, 2020

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

Core Values

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

(b) Key Management

The NGCDF KITUI CENTRAL 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 2020 and who had direct fiduciary responsibility were:

| No | Designation | Name |
|----|-----------------------|-----------------------------------|
| 1. | A.I.E holder | JOSEPHINE MUTUA |
| 2. | Sub-County Accountant | JUSTUS MUTUA |
| 3. | Chairman NGCDFC | BONIFACE KITHITA |
| 4. | Member NGCDFC | ROSE MBULA 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 CENTRAL 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 CENTRAL Constituency Headquarters

P.O. Box 732-90200

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

Near Deputy County Commissioners Office
Off Kwa Ngindu Road
Kitui

(f) NGCDF Kitui Central Constituency Contacts

Telephone: 0734909303
E-mail: cdfkituicentral@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF Kitui Central Constituency Bankers

National bank of Kenya
Account name:
Kitui Central constituency development fund.
Account number:01001052093400
Kitui Branch.

(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

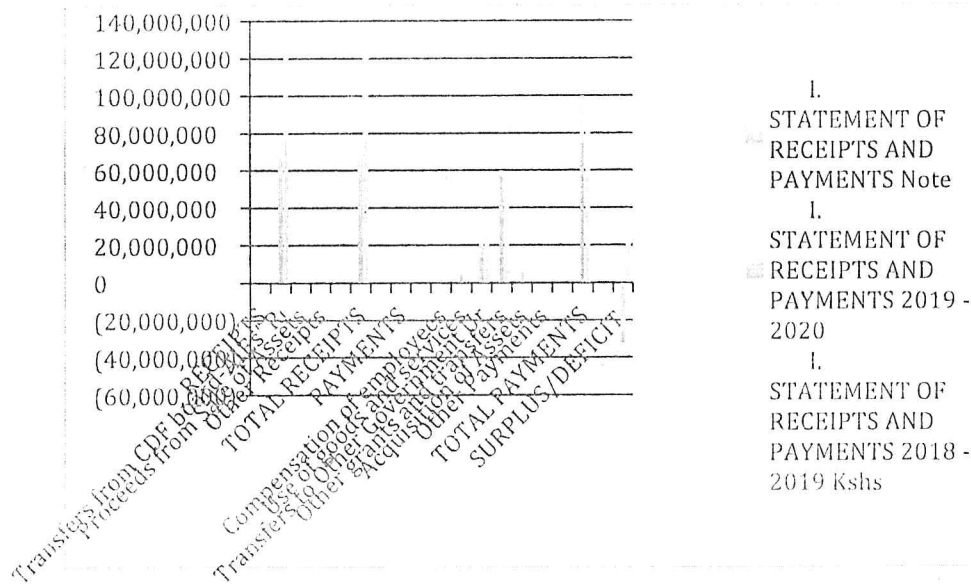
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2020**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

THE BUDGET PERFORMANCE IS GRAPHICALLY HIGHLIGHTED AS BELOW



I. STATEMENT OF RECEIPTS AND PAYMENTS Note

- RECEIPTS
- Transfers from CDF board-
- AIEs' Received
- Proceeds from Sale of Assets
- Other Receipts
- TOTAL RECEIPTS**
- PAYMENTS
- Transfers to other government departments
- Other payments
- TOTAL PAYMENTS**
- SURPLUS/DEFICIT**

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY***

**Reports and Financial Statements
For the year ended June 30, 2020**



Nyekini Primary School



Museve Primary School

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

Some of our Key achievements for this year were transforming most of our schools into modern institutions by lifting their faces by changing their roofs, flooring, fitting of modern windows and doors and repainting the schools as per the picture above of Museve Primary School.

We also constructed more classrooms for some of our schools, which had fewer classrooms given that there is need for more spacing in the learning institutions due to social distancing.

The budget performance for the year was fair despite the challenges witnessed globally associated with the Covid 19 pandemic, we received 50% of the funds for that year's budget.

When you look at the statement of receipts and expenditure you will notice that transfers to government bodies received less funding compared to other grants and payments.

However, despite the above challenges we are proud to report that all the funds received were fully disbursed to the respective projects and as at the closure of the financial year all the projects whose funds were disbursed were complete.

Some of the challenges we faced during project implementation was community being misinformed about what the NGCDF Act says about the management of the fund, the projects which we are required to fund and also their role in implementation and to counteract this we have embraced a culture of thorough capacity building of the community members that is the project management committees before and even during the implementation process

We also faced delayed disbursement of funds due to the global covid 19 situation, which also resulted in non-implementation of many projects at the closure of the financial year.

Sign 

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

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 NGCDF KITUI CENTRAL Constituency's 2018-2022 plan are to:

- ✓ To improve access to education
- ✓ To improve learning environment
- ✓ To improve access to clean water and sanitation in schools
- ✓ To improve the working and living conditions of security personnel in the Constituency
- ✓ To prevent environmental degradation
- ✓ To build and enhance the skills of youth through sports
- ✓ To increase access to ICT infrastructure
- ✓ To strive for organizational excellence

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:

| Constituen cy Program | Objective | Outcome | Indicator | Performance |
|-----------------------------|---|--|---|--|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary | - number of usable physical infrastructure build in primary, secondary, and tertiary institutions | In FY 19/20 - we increased number of renovated schools from 32 to 41 and number of bursary beneficiaries from 7300 to 9200 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

| | | institutions | - number of bursary beneficiaries at all levels | |
|-----------------|---|--|---|--|
| Security | To improve security in the constituenc y | Improved housing for the police force and improved offices for the administratio n offices | Number of Houses and offices constructed or renovated for the different central administration staff including the deputy county commissioner, chief, administration and regular police. | <ul style="list-style-type: none"> • 2 offices were constructed for chiefs, • 3 offices constructed for assistant chiefs, • 2 Administration Police lines, • 1 Deputy county commissione rs residence constructed. |
| Environmen t | To prevent environment al degradation | Improve sustainable and conserved environment through various conservation measures | Number of trees planted, sand dams constructed and water tanks supplied to various institutions to harvest water | NG-CDF facilitated tree planting in 15 different sites-14 schools, around 6 dams and two forests. Sand dams were constructed on four rivers. |

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – KITUI CENTRAL Constituency 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 -

NGCDF Kitui Central Anchors itself and aligns itself with the Country's development blue print as its termed as critical. Kenya's Vision 2030 emphasizes on macroeconomic stability; continuity in governance reforms; enhanced equity and wealth creation opportunities for the poor; infrastructure; energy; Science, Technology and Innovation (STI); land reform; human resources development; security as well as public sector reforms. Therefore the objectives of Kitui central NGCDF intends to create an enabling environment for enhanced equity and wealth creation opportunities for the poor, Science Technology and Innovation (STI) and human resources development. Projects to be implemented will lead to sustainable economic development while ensuring inclusivity. The vision, mission and core values echos the call for equity, transparency and sustainable development.

A. Vision

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

To be the most developed constituency in Kenya.

B. Mission

To transform Kitui Central Constituency into a democratic, developed constituency through prudent use of resources leading to socially, politically and economically empowered electorate.

A. Core Values

To realize the above vision and mission, certain guiding principles (core values) will be nurtured in the community. There will therefore be a great need for the following core values to be embodied in the community for prosperity.

- **Integrity and Transparency:** -To be accountable and devoid of corrupt practices in service delivery
- **Professionalism and quality:** - To ensure we uphold high performance standards and deliver the best while utilizing resources effectively
- **Teamwork:-** To encourage team spirit, collaboration and consultation as a way of maximizing the synergy of working together for improved service delivery
- **Communication:** To ensure smooth flow of information for both internal and external stakeholders
- **Commitment:-** To devote all our time to our duties and undertake to deal with customers without unnecessary delays
- **Inclusiveness:-** To ensure public participation in decision making by seeking, respecting and valuing opinions of interested stakeholders
- **Sustainability:-** To seek to uphold sustainable practices that ensure sustainable development.
- **Networking:** With other stakeholders.

2. Environmental performance

Kenya is one of the countries most affected by the disaster of climate change and Kitui Central Constituency is no exception. Erratic rainfall patterns, reduction of water quantity and quality, flooding, siltation of rivers, and dams, rising temperatures and frequent disease outbreaks are some of the effects of climate change in the Kitui Central constituency.

Environmental policy

-Disposing waste matter responsibly

- Comply with the set guidelines on waste disposal
- Planting of trees within the compound to deforestation
- Proper measures put in place to combat flooding.

Employee welfare

- Adherence to the employment act
- Job Adverts placed in the most strategic places and circulated widely.
- Interviews and hiring conducted transparently
- Terms and condition well stipulated in the job advert.
- Gender equality considered during hiring of staff
- The NGCDF has ensured a proper working environment to minimise risks and to ensure the safety of the employees.

3. Market place practices-

- a) Prequalification of firms for provision of goods and services is done on a yearly basis,
- b) Tenders are advertised widely to ensure a wide coverage and as stipulated in the NGCDF Act 2015 –procurement is done by the PMC and the Procurement Act is strictly adhered to -

c) Coordination of Implementation

The Project Management Committee (PMC) will be responsible for the implementation of the project. MP.

d) Framework for Monitoring and Evaluation

An Implementation Committee will be formed with members of the NGCDFC. The Implementation Committee will have the responsibility of monitoring activities and outputs/outcomes with a view of advising the NGCDFC on the Plan implementation status through written submissions.

The Plan will be evaluated quarterly, annually, and at the end of the plan period leading to the preparation of the following reports:

Quarterly Progress Report (QPR): This report will cover all the activities undertaken during each quarter showing constraints successes and outline the plans for the next quarter.

Annual Review Report (AR): An Annual Performance Review (ARR) will be carried out at the end of every year leading to the publication of an annual Constituency M&E Report. This report will provide information for the NGCDFC and management to address.

Terminal Review Report (TR): At the end of the five years, an external evaluation will be conducted by an external consultant. The end term evaluation will identify achievements

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY***

Reports and Financial Statements

For the year ended June 30, 2020

against performance indicators; constraints encountered during the plan period and make recommendations towards the development of the next strategic plan.

Community Engagements

- Public participation-this is done after every two years
- Meeting are held with the various community members to obtain projects for prioritization and implementation
- Capacity Building of PMC-This is done every year to sensitize the community on the project life cycle.

V. 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 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 Central 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, 2020. 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 Central 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, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kitui 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 Central 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 Constituency financial statements were approved and signed by the Accounting Officer on 24/07/2020 2020.



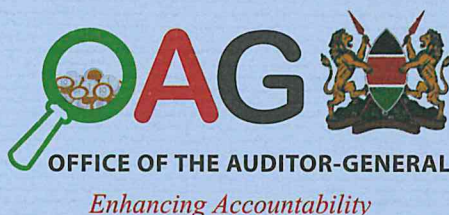
Fund Account Manager



Sub-County Accountant

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUI CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kitui Central Constituency set out on Pages 18 to 50, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kitui Central Constituency as at 30 June, 2020 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

1. Un Balanced Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents balance at end of the year amounting to Kshs.337,981 and as disclosed in the statement of assets and liabilities. However, the net decrease in cash and cash equivalents reflected in the statement of cashflows reflects an amount of Kshs.32,479,580 which is erroneous since the correct figure is Kshs.32,179,580 resulting to unexplained difference amounting to Kshs.300,000.

Consequently, the completeness and accuracy of the statement of cash flows could not be confirmed.

2. Unbalanced Statement of Assets and Liabilities

The statement of assets and liabilities as at 30 June, 2020 reflects net financial assets balance of Kshs.37,981 and a net financial position balance of Kshs.337,981 resulting to unexplained variance amounting to Kshs.300,000.

In the circumstances, the accuracy and completeness of the Fund's financial position as at 30 June, 2020 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 Central 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

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis amount of Kshs.170,185,285 and Kshs.100,817,561, respectively, resulting to an under-funding of Kshs.69,367,724 or 41% shortfall of the budget. Similarly, the Fund expended Kshs.100,479,580 against an approved budget of Kshs.170,185,285 resulting to an under-expenditure of Kshs.69,705,705 being 41% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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 of Conclusion

1. Project Implementation

As disclosed in Note 6 and Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.23,800,00 and Kshs.54,460,948 in respect of transfers to other Government units and other grants and transfers respectively. The following issues were noted: -

- i. As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.54,460,948 in respect of other grants and transfers. The expenditure includes a balance of Kshs.43,190,000 which was disbursed bursaries to Secondary Schools and Tertiary Institutions. The application forms lacked evidence of vetting by the National Government Constituencies Development Fund Committee and none of the forms had the official rubber stamp of the Fund. In addition, minutes of the Vetting Committee and the details of the successful and unsuccessful applicants were not provided for audit.
- ii. Review of the project implementation documents reflects that the Fund had budgeted for implementation of seventy-five (75) projects worth Kshs.86,747,948 during the year. However, only twenty-eight (28) projects with a total allocation amounting to Kshs.35,236,948 were completed while the remaining forty-seven (47) projects worth Kshs.51,511,000 not implemented.
- iii. As disclosed under Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other Government units amounting to Kshs.23,800,000 which includes transfers to Secondary Schools balance of Kshs.5,400,000. The Fund disbursed an amount of Kshs.1,700,000 to Project Management Committee (PMC) of St. Stephen Mutulukuni Secondary School for construction of a boys' dormitory. However, physical verification of the project which was carried out on 28 January, 2021 revealed that, five (5) flash doors worth Kshs.25,000 and (15) fifteen window seals worth Kshs.7,500 were not done. It was also noted that the drainage system for the bathrooms was poorly done and had only one outlet leading to pooling of water in the bathroom.
- iv. The Fund disbursed an amount of Kshs.1,500,000 to the Project Management Committee (PMC) of Kamandio Primary School for rehabilitation of seven (7) classrooms (roofing, shutters, plastering, painting and flooring). However, physical verification which was carried out on 28 January, 2021 revealed that only six (6) classrooms were renovated instead of seven (7) classrooms as per the approved project code list.

In addition, the plastering and flooring was poorly done and corridors to the classrooms were not done. Also, big cracks were observed on the floors while the window fasteners had already come off. Further, one classroom did not have a door and the Head Teacher explained that it fell off three (3) days after it was fixed which is indicative of poor workmanship. Despite these anomalies, the Contractor was paid in full including the retention money.

The Fund disbursed an amount of Kshs.1,200,000 to the Project Management Committee (PMC) of Katyethoka Primary School for rehabilitation of four (4) classrooms with the scope being; roofing, shutters, plastering, painting and flooring. However, physical verification of the project which was done on 28 January, 2021 revealed that flooring for two classrooms was poorly done as big potholes and cracks had developed. The painting works were also observed to be poorly done and it appeared like only one coat of paint was applied. Notwithstanding the anomalies, the contractor was paid in full and no retention money was deducted.

- v. The Fund disbursed an amount of Kshs.800,000 to the Project Management Committee (PMC) of Katia Primary School for rehabilitation of five (5) No. of classrooms. However, physical verification which was done on 28 January, 2021 revealed that; cracks had developed on the wall, the windows were of poor quality and the plastering was poorly done. This notwithstanding, the contractor was paid in full without deduction of retention money to guard against future defects and liabilities.
- vi. The Fund disbursed an amount of Kshs.1,300,000 to the Project Management Committee (PMC) of Mukuku Primary School for renovation of 5 No. classrooms and the contract was awarded at a sum of Kshs.1,235,000. However, it was noted that despite the contract agreement having been signed on 01 August, 2019, the contractor had commenced works earlier since a request for payment and accompanying invoice was submitted on 27 July, 2019. It was not clear how work was commenced before the contract award which is indicative of irregularities in procurement process.
- vii. During the year under review, an amount of Kshs.1,000,000 was disbursed to Kaumba Secondary School for the repair of a science laboratory. However, documents supporting the payments and procurement process such as; payment vouchers, request for quotations, evaluation report and award letter were not presented for audit. Further, requisition letter for funding from the school management was not provided for audit and it was therefore not clear how the need for the project was identified and prioritized.
- viii. The Fund disbursed an amount of Kshs.500,000 to Katia Primary School under emergency allocation for the construction of toilets at a contract sum of Kshs.480,000. However, audit reflects that the contractor was paid a total of Kshs.500,000 which was over the awarded contract sum. Further, physical verification of the project revealed that the Contractor did not install steel doors and eight other doors as stated in the Bills of Quantities. In addition, the letter requesting for funding from the School Management to National Government Constituencies Development Fund was dated 11 December, 2019 which was later than the date of approval by the NG-CDF Committee of 19 September, 2019. This implies that, approval for emergency funding was given before the emergency occurred.

No satisfactory explanation was provided by the Fund Management for the anomalies.

Consequently, value for money for the expenditure amounting to Kshs.23,800,00 and Kshs.54,460,948 in respect of transfers to other Government units and other grants and transfers respectively could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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 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 matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish 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 it monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

08 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020


**REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- KITUI CENTRAL
CONSTITUENCY**

VII. STATEMENT OF RECEIPTS AND PAYMENTS

| | Not e | 2019 - 2020 | 2018 - 2019 |
|-------------------------------------|----------|---------------------|--------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from NGCDF board | 1 | 68,000,000 | 120,420,186 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| | | | |
| TOTAL RECEIPTS | | 68,000,000 | 120,420,186 |
| | | | |
| PAYMENTS | | | |
| | | | |
| Compensation of employees | 4 | 2,445,200 | 2,792,020 |
| Use of goods and services | 5 | 7,813,432 | 9,724,677 |
| Transfers to Other Government Units | 6 | 23,800,000 | 31,600,000 |
| Other grants and transfers | 7 | 54,460,948 | 51,336,745 |
| Acquisition of Assets | 8 | 11,960,000 | - |
| Other Payments | 9 | - | - |
| | | - | - |
| TOTAL PAYMENTS | | 100,479,580 | 95,453,442 |
| | | | |
| SURPLUS/(DEFICIT) | | (32,479,580) | 24,966,744 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF KITUI CENTRAL Constituency financial statements were approved on 24/07 2020 and signed by:


Fund Account Manager
Name: JOSEPHINE MUTUA


National Sub-County Accountant
Name: JUSTUS MUTUA
ICPAK Member Number: 12228

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

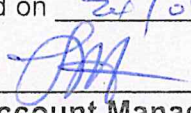
Reports and Financial Statements

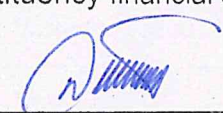
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2019-2020 | 2018-2019 |
|--|-----------|-------------------|-------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 337,981 | 32,817,561 |
| Cash Balances (cash at hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | 337,981 | 32,817,561 |
| Accounts Receivable | | | |
| Outstanding Imprests | 11 | - | - |
| TOTAL FINANCIAL ASSETS | | 337,981 | 32,817,561 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable | | | |
| Retention | 12A | 300,000 | - |
| Deposits (Gratuity) | 12B | - | - |
| TOTAL FINANCIAL LIABILITIES | | 300,000 | |
| NET FINANCIAL ASSETS | | 37,981 | 32,817,561 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 13 | 32,817,561 | 7,850,817 |
| Prior year adjustments | 14 | - | - |
| Surplus/Deficit for the year | | (32,479,580) | 24,966,744 |
| NET FINANCIAL POSITION | | 337,981 | 32,817,561 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI CENTRAL Constituency financial statements were approved on 24/05/2020 and signed by:


Fund Account Manager
Name: JOSEPHINE MUTUA


National Sub-County Accountant
Name: JUSTUS MUTUA
ICPAK Member Number: 12228

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUI
CENTRAL CONSTITUENCY**

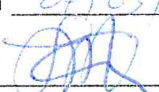
Reports and Financial Statements


For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

| | | 2019 - 2020 | 2018 - 2019 |
|---|-----------|-----------------------|--------------------------|
| | | Kshs | Kshs |
| Receipts for operating income | | | |
| Transfers from NGCDF Board | 1 | 68,000,000 | 120,420,186 |
| Other Receipts | 3 | - | - |
| Total receipts | | 68,000,000 | 120,420,186 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 2,445,200 | 2,792,020 |
| Use of goods and services | 5 | 7,813,432 | 9,724,677 |
| Transfers to Other Government Units | 6 | 23,800,000 | 31,600,000 |
| Other grants and transfers | 7 | 54,460,948 | 51,336,745 |
| Other Payments | 9 | - | - |
| Total payments | | 88,519,580 | 95,453,442 |
| Total Receipts Less Total Payments | | (20,519,580) | 24,966,744 |
| Adjusted for: | | | |
| Decrease/(Increase) in Accounts receivable: (outstanding imprest) | 15 | - | - |
| Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention) | 16 | 300,000 | - |
| Prior year adjustments | 14 | - | - |
| Net cash flow from operating activities | | (20,219,580) | 24,966,744 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 9 | 11,960,000 | - |
| Net cash flows from Investing Activities | | 11,960,000 | - |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (32,479,580) | 24,966,744 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 32,817,561 | 7,850,817 |
| Cash and cash equivalent at END of the year | | <u>337,981</u> | <u>32,817,561</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI CENTRAL Constituency financial statements were approved on 24/03/2020 and signed by:


Fund Account Manager
Name: JOSEPHINE MUTUA


National Sub-County Accountant
Name: JUSTUS MUTUA
ICPAK Member Number: 12228

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

| Receipt/Expense Item | Original Budget a | Adjustment s 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 | 137,367,724 | 32,817,561 | 170,185,285 | 100,817,561 | 69,367,724 | 59.2% |
| Proceeds from Sale of Assets | | | | | | |
| Other Receipts | | | | | | |
| TOTAL | 137,367,724 | 32,817,561 | 170,185,285 | 100,817,561 | 69,367,724 | 59.2% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 4,123,200 | 631,180 | 4,754,380 | 2,445,200 | 2,309,180 | 51.4% |
| Use of goods and services | 7,839,895 | 40,757 | 7,880,652 | 7,813,432 | 67,220 | 99.1% |
| Transfers to Other Government Units | 58,600,000 | 13,000,000 | 71,600,000 | 23,800,000 | 47,800,000 | 33.2% |
| Other grants and transfers | 63,404,629 | 10,285,624 | 73,690,253 | 54,460,948 | 19,229,305 | 73.9% |
| Acquisition of Assets | 3,400,000 | 8,860,000 | 12,260,000 | 11,960,000 | 300,000 | 97.6 % |
| Other Payments | - | - | - | - | - | - |
| TOTALS | 137,367,724 | 32,817,561 | 170,185,285 | 100,479,580 | 69,705,705 | |

- The budget utilization for Transfer to other government units was below 90% because the funds amounting to Kshs 47,800,000 had not been received from the NGCDF Board
- other grants and transfers was below 90% because Kshs 19,529,325 had not been received by the end of the financial year
- Compensation of employees was below 90% because the budget included gratuity for the employees which was not yet paid as the closure of the financial year because their contracts were not yet expired.
- Transfers from The NGCDF Board was below 90% because we had only received 50% of the allocation from the NGCDF Board.

The NGCDF-KITUI CENTRAL Constituency financial statements were approved on 24/03 2020 and signed by:




NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI CENTRAL CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2020

Fund Account Manager

Sub-County Accountant

NAME: JUSTUS MUTUA

Name: JOSEPHINE MUTUA

CPAK Member Number:12228

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme | Original Budget 2019/2020 Kshs | Adjustment s Kshs | Final Budget 2019/2020 Kshs | Actual on comparable basis 30/06/2020 Kshs | Budget utilization difference Kshs |
|---|--------------------------------------|-------------------------|-----------------------------------|---|--|
| 1.0 Administration and Recurrent | | | | | |
| 1.1 Compensation of employees | 4,123,200 | 631,180 | 4754380 | 2,445,200 | 2,309,180 |
| 1.2 Committee allowances | 2,700,000 | | 2,700,000 | 2,700,000 | 0 |
| 1.3 Use of goods and services | 1,018,863.28 | 40,757 | 1059620 | 1059620 | 0 |
| NGCDF office renovation | 2461160.14 | | 2461160.14 | 2461160.14 | 0 |
| 2.0 Monitoring and evaluation | | | | | |
| 2.1 Capacity building | 800,000 | - | 800,000 | 800,000 | 0 |
| 2.2 Committee allowances | 2,000,000 | | 2,000,000 | 2,000,000 | 0 |
| 2.3 Use of goods and services | 1,321,031.72 | | | | |
| 3.0 Emergency | | | | | |
| 3.1 Primary Schools | 2,500,000 | | 2,500,000 | 1,300,000 | 1,200,000 |
| 3.2 Secondary schools | 2,000,000 | | 2,000,000 | 1,700,000 | 300,000 |
| 3.3 Tertiary institutions | 698,241.38 | | 698,241.38 | | 698,241.38 |
| 3.4 Security projects | 2,000,000 | | 2,000,000 | 1,700,000 | 300,000 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI CENTRAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

| | | | | | | |
|--|------------------|---------------------|---------------------|----------------|-------------------|--|
| 4.0 Bursary and Social Security | | | | | | |
| 4.1 Primary Schools | | | | | | |
| 4.2 Secondary Schools | 35,000,000 | 1,248,820 | 36,248,820 | 35,000,000 | 1248820 | |
| 4.3 Tertiary Institutions | 3,280,000 | - | 3280000 | 1280000 | 2000000 | |
| 4.4 Universities | 6,000,000 | 785,000 | 6,785,000 | 4,478,322 | 2306678 | |
| 4.5 Social Security | 720,000 | 500,000 | 1,220,000 | 500,000 | 720,000 | |
| 5.0 Sports | 2,747,354 | 2,136,948.42 | 4,884,302.42 | 2136000 | 2748302.42 | |
| 5.1 other | | | | | | |
| 5.2Fencing Kitui central offices | 3,000,000 | 3,000,000 | 6,000,000 | 6,000,000 | 0 | |
| 5.3Motorvehicle | | 5,860,000 | 5,860,000 | 5,860,000 | 0 | |
| 6.0 Environment | 2,747,354 | | | | | |
| 6.1Nzeuu River sand | 450,000 | - | 450,000 | - | 450,000 | |
| 6.2Kalawa Primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 6.1Mutune Girls primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 6.2sooma primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 6.3mwanyani primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 7.2miambani primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 7.3nzaaya primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 6.1kwa mukasa primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 6.2Kyangunga primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 6.1ngumbwa primary school | 100,000 | - | 100,000 | - | 100,000 | |
| 6.2kangau primary school | 100,000 | - | 100,000 | - | 100,000 | |
| 6.3mwamba primary school | 100,000 | - | 100,000 | - | 100,000 | |
| 7.2mithongo primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 7.3musavi river sand dam | 497,354 | - | 497,354 | - | 497,354 | |
| 7.4museve primary school | 150,000 | - | 150,000 | - | 150,000 | |
| 7.3 Kanzi river sand dam | | 586,948 | 586,948 | 586,948 | 0 | |
| 7.3Mbooni river sand dam | | 600,000 | 600,000 | 600,000 | 0 | |
| 7.4Kyaka river sand dam | | 650,000 | 650,000 | 650,000 | 0 | |
| livovia ass chiefs office | 900,000 | | 900,000 | | 900,000 | |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -KITUI CENTRAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

| | | | | | |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Kaumba Chiefs office | | 800,000 | 800,000 | 800,000 | 0 |
| Nzaaya ass chiefs office | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Misewani ass chiefs office | 900,000 | | 900,000 | | 900,000 |
| Mwamba Primary School | | 900,000 | 900,000 | 900,000 | 0 |
| Nyekini Primary School | 1,700,000 | | 1,700,000 | | 1,700,000 |
| Umuu Primary School | 900,000 | | 900,000 | | 900,000 |
| Ngungi Primary School | 900,000 | | 900,000 | | 900,000 |
| Wanzua primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Kathungi Primary School | 600,000 | | 600,000 | | 600,000 |
| Kavuvoni primary School | 200,000 | | 200,000 | | 200,000 |
| Kisyoka Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Ngo'leni Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Katia Primary School | | 800,000 | 800,000 | 800,000 | 0 |
| Mwania Primary School | | 1,000,000 | 1,000,000 | 1,000,000 | 0 |
| Kwa Ukungu Primary School | | 1,200,000 | 1,200,000 | 1,200,000 | 0 |
| Mukuku primary School | | 1,300,000 | 1,300,000 | 1,300,000 | 0 |
| Nzaaya Primary School | | 1,300,000 | 1,300,000 | 1,300,000 | 0 |
| Kavuvoni primary School | | 1,000,000 | 1,000,000 | 1,000,000 | 0 |
| St Augustine Primary School | | 1,800,000 | 1,800,000 | 1,800,000 | 0 |
| Vinda Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Mutukya Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Kivuu Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Mwatuni Primary School | 1,200,000 | | 1,200,000 | | 1,200,000 |
| Mutendea Primary School | 800,000 | | 800,000 | | 800,000 |
| Katyethoka Primary School | 1,200,000 | | 1,200,000 | | 1,200,000 |
| Muslim Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Central Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Central Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Kathungu Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI CENTRAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

| | | | | | | |
|----------------------------------|--------------------|-------------------|--------------------|--------------------|-----------|-------------------|
| Nzunguni Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 | 1,500,000 |
| Nzukini Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 | 1,500,000 |
| Kikumini Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 | 1,500,000 |
| Kwa Nzou Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 | 1,500,000 |
| Kangundo Primary School | 1,200,000 | | 1,200,000 | | 1,200,000 | 1,200,000 |
| Kyambiti Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 | 1,500,000 |
| Kangalu Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 | 1,500,000 |
| Mulango Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 | 1,500,000 |
| Kilukuya Primary School | 1,500,000 | | 1,500,000 | | 1,500,000 | 1,500,000 |
| Kathukini Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 | 1,000,000 |
| SECONDARY SCHOOLS | | | | | | |
| St Pauls Ivaini Secondary School | | 1,000,000 | 1,000,000 | | 1,000,000 | 0 |
| Mathunzini Secondary School | | 1,700,000 | 1,700,000 | | 1,700,000 | 0 |
| Kabaa Secondary School | | 1,000,000 | 1,000,000 | | 1,000,000 | 0 |
| AICMiambani Secondary School | 2,400,000 | | 2,400,000 | | 2,400,000 | 2,400,000 |
| Mutulukuni Secondary School | 1,700,000 | | 1,700,000 | | 1,700,000 | 1,700,000 |
| TOTAL | 137,367,724 | 32,817,561 | 170,185,285 | 100,479,580 | | 69,705,705 |

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 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 CENTRAL 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.

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 2020, 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.

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 balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits 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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

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.

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. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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 2020.

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.

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY*

Reports and Financial Statements

For the year ended June 30, 2020

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

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2019-2020 | 2018-2019 |
|------------------|---|------------|-------------|
| | | Kshs | Kshs |
| NGCDF Board | | | 11,253,448 |
| AIE NO | 1 | | 55,040,876 |
| AIE NO | 1 | | 10,000,000 |
| AIE NO | 1 | | 14,000,000 |
| AIE NO | 1 | | 6,000,000 |
| | | | 11,000,000 |
| AIE NO. B 047482 | | 4,000,000 | 13,000,000 |
| AIE NO. B 041300 | | 18,000,000 | 125,862.10 |
| AIE NO. B 047720 | | 5,000,000 | |
| AIE NO. B 049297 | | 6,000,000 | |
| AIE NO. B 104322 | | 14,000,000 | |
| AIE NO. B 096578 | | 21,000,000 | |
| TOTAL | | 68,000,000 | 120,420,186 |

2. PROCEEDS FROM SALE OF ASSETS

| | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| | 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 | | |
| | | |
| Total | - | - |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

| | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Interest Received | | |
| Rents | | |
| Receipts from Sale of tender documents | | |
| Other Receipts Not Classified Elsewhere | | |
| | | |
| Total | | |

4. COMPENSATION OF EMPLOYEES

| | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Basic wages of temporary employees | 2,328,600 | 2,792,020 |
| NHIF | | |
| Pension and other social security contributions (Gratuity) | 76,200 | |
| Employer Contributions Compulsory national social security schemes | 40,400 | |
| Total | 2,445,200 | 2,792,020 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Committee Expenses | 6,049,000 | 5,956,313 |
| Utilities, supplies and services | 181,020 | 820,000 |
| Communication, supplies and services | 40,830 | 80,000 |
| Domestic travel and subsistence | 230,400 | 223,000 |
| Printing, advertising and information supplies & services | 65,000 | 275,000 |
| Fuel | 216,270 | 124,800 |
| Training expenses | - | 800,000 |
| Hospitality supplies and services | | |
| Bank charges | 34,130 | 8,700 |
| electricity | 17,852 | 6,367 |
| Office and general supplies and services | 498,930 | 866,000 |
| Other operating expenses | 332,500 | 328,497 |
| Routine maintenance – vehicles and other transport equipment | 54,500 | 86,000 |
| Routine maintenance – other assets | 93,000 | 150,000 |
| | | |
| Total | 7,813,432 | 9,724,677 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2019-2020 | 2018-2019 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Transfers to National Government entities | - | - |
| Transfers to primary schools (see attached list) | 18,400,000 | 22,250,000 |
| Transfers to secondary schools (see attached list) | 5,400,000 | 7,550,000 |
| Transfers to tertiary institutions (see attached list) | - | 1,800,000- |
| Transfers to health institutions (see attached list) | - | - |
| TOTAL | 23,800,000 | 31,600,000 |

7. OTHER GRANTS AND OTHER PAYMENTS

| | 2019-2020 | 2018-2019 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 38,872,000 | 33,398,245 |
| Bursary – tertiary institutions (see attached list) | 4,318,000 | 6,615,000 |
| Bursary – special schools (see attached list) | - | - |
| Social security benefit | 498,000 | - |
| Security projects (see attached list) | 2,100,000 | 7,300,000 |
| Sports projects (see attached list) | 2,136,000 | 227,700 |
| Environment projects (see attached list) | 1,836,948 | 525,800 |
| Emergency projects (see attached list) | 4,700,000 | 3,270,000 |
| | | |
| Total | 54,460,948 | 51,336,745 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

| | 2019-2020 | 2018-2019 |
|--|-------------------|-----------|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of masonry Perimeter wall around the NGCDF offices. | 5,700,000 | - |
| Refurbishment of Buildings | - | - |
| Purchase of Vehicles and Other Transport Equipment | 5,860,000 | - |
| 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 | 400,000 | - |
| Purchase of Specialised Plant, Equipment and Machinery | - | - |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | - | - |
| Acquisition of Land | - | - |
| Acquisition of Intangible Assets | - | - |
| Total | 11,960,000 | - |

9. OTHER PAYMENTS

| | 2019-2020 | 2018-2019 |
|----------------|-----------|-----------|
| | Kshs | Kshs |
| Strategic plan | - | - |
| ICT Hub | - | - |
| | | |
| | | |
| | | |
| | | |
| | - | - |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

| Name of Bank, Account No. & currency | 2019-2020 | 2018-2019 |
|---|----------------|-------------------|
| | Kshs | Kshs |
| Kitui Central CDF Account -01001052093400 | 337,981 | 32,817,561- |
| | | |
| | | |
| | | |
| Total | 337,981 | 32,871,561 |
| | | |
| 10B: CASH IN HAND | | |
| Location 1 | | |
| Location 2 | | |
| Location 3 | | |
| Other Locations (specify) | | |
| | | |
| Total | 337,981 | 32,817,561 |
| | | |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

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> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| <i>Name of Officer or Institution</i> | dd/mm/yy | - | - | - |
| Total | | | | - |

12A. RETENTION

| | 2019 - 2020 | 2018-2019 |
|--------------|--------------------|------------------|
| | Kshs | Kshs |
| Supplier 1 | 300,000 | |
| Supplier 2 | | |
| Supplier 3 | | |
| | | |
| Total | 300,000 | |

12B. GRATUITY DEPOSITS

| | 2019 - 2020 | 2018-2019 |
|--------------------|--------------------|------------------|
| | Kshs | Kshs |
| Name 1 | | |
| Name 2 | | |
| Name 3 | | |
| Add as appropriate | | |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

13. BALANCES BROUGHT FORWARD

| | 2019-2020 | 2018-2019 |
|---------------|-------------------|------------------|
| | Kshs | |
| Bank accounts | 32,817,561 | 7,850,817 |
| Cash in hand | | |
| Imprest | | |
| Total | 32,817,561 | 7,850,817 |

14. PRIOR YEAR ADJUSTMENTS

| | Balance b/f FY 2018/2019 as per Financial statements | Adjustment s | Adjusted Balance b/f FY 2018/2019 |
|---------------------------------|---|-----------------|---|
| Description of the error | Kshs | Kshs | Kshs |
| Bank account Balances | - | - | - |
| Cash in hand | - | - | - |
| Accounts Payables | - | - | - |
| Receivables | - | - | - |
| Others (<i>specify</i>) | - | - | - |
| | - | - | - |

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

| | 2019 - 2020 | 2018 - 2019 |
|---|-------------|-------------|
| | KShs | KShs |
| Outstanding Imprest as at 1 st July 2019 (A) | - | - |
| Imprest issued during the year (B) | - | - |
| Imprest surrendered during the Year (C) | - | - |
| Net changes in account receivables D= A+B-C | - | - |

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

| | 2019 - 2020 | 2018 - 2019 |
|--|-------------|-------------|
| | KShs | KShs |
| Deposit and Retentions as at 1 st July 2019 (A) | - | - |
| Deposit and Retentions held during the year (B) | 300,000 | - |
| Deposit and Retentions paid during the Year (C) | - | - |
| Net changes in account receivables D= A+B-C | 300,000 | - |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2019-2020 | 2018-2019 |
|-----------------------------|-----------|-----------|
| | Kshs | Kshs |
| Construction of buildings | - | - |
| Construction of civil works | - | - |
| Supply of goods | - | - |
| Supply of services | - | - |
| | - | - |

17.2: PENDING STAFF PAYABLES (See Annex 2)

| | 2019-2020 | 2018-2019 |
|------------------|-----------|-----------|
| | Kshs | Kshs |
| NGCDFC Staff | - | - |
| Others (specify) | - | - |
| | - | - |

17.3: UNUTILIZED FUND (See Annex 3)

| | 2019-2020 | 2018-2019 |
|---|------------|------------|
| | Kshs | Kshs |
| Compensation of employees | 2,309,180 | 631,180 |
| Use of goods and services | 67,220 | 40,756 |
| Amounts due to other Government entities (see attached list) | 47,800,000 | 13,000,000 |
| Amounts due to other grants and other transfers (see attached list) | 19,529,325 | 13,645,624 |
| Acquisition of assets | - | 5,500,000 |
| Others (specify) | - | - |
| | 69,705,705 | 32,817,561 |

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –KITUI
CENTRAL CONSTITUENCY*

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

| | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| | Kshs | Kshs |
| PMC account Balances (see attached list) | 2,057,200 | 1,152,407 |
| | | |
| | | |
| | | |
| | | |
| | 2,057,200 | 1,152,407 |

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2020 | 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 - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2020 | Comments |
|------------------------------|-----------|-----------------|-------------------------|---------------------|--------------------------|----------|
| Senior Management | | a | b | c | d=a-c | |
| 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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 3 – UNUTILIZED FUND

| Name | Brief Transaction Description | Outstanding Balance 2019/20 | Outstanding Balance 2018/19 | Comments |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Compensation of employees | | 2,309,180 | 631,180 | |
| Use of goods & services | | 67,220 | 40,756 | |
| Amounts due to other Government entities | | 47,800,000 | 13,000,000 | |
| Vinda Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |
| Mutukya Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |
| Kiviu Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |
| Mwatuni Primary School | School rehabilitation | 1,200,000 | | Awaiting funds disbursement |
| Mutendea Primary School | School rehabilitation | 800,000 | | Awaiting funds disbursement |
| Kayethoka Primary School | School rehabilitation | 1,200,000 | | Awaiting funds disbursement |
| Muslim Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |
| Central Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |
| Central Primary School | Construction of dormitory | 1,500,000 | | Awaiting funds disbursement |
| Kathungu Primary School | | 1,500,000 | | Awaiting funds disbursement |
| Nzunguni Primary School | Construction of one classroom | 1,500,000 | | Awaiting funds disbursement |
| Nzukini Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |
| Kikumini Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |
| Kwa Nzou Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI CENTRAL CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

| | | | |
|------------------------------|--------------------------------|-----------|-----------------------------|
| Kangundo Primary School | School rehabilitation | 1,200,000 | Awaiting funds disbursement |
| Kyambiti Primary School | School rehabilitation | 1,500,000 | Awaiting funds disbursement |
| Kangalu Primary School | School rehabilitation | 1,500,000 | Awaiting funds disbursement |
| Mulango Primary School | School rehabilitation | 1,500,000 | Awaiting funds disbursement |
| Kilukuya Primary School | School rehabilitation | 1,500,000 | Awaiting funds disbursement |
| Kathukini Primary School | School rehabilitation | 1,000,000 | Awaiting funds disbursement |
| AICMiambani Secondary School | Construction of laboratory | 2,400,000 | Awaiting funds disbursement |
| Mutulukuni Secondary School | Construction of dormitory | 1,700,000 | Awaiting funds disbursement |
| Nyekini Primary School | Construction of two classes | 1,700,000 | Awaiting funds disbursement |
| Umuu Primary School | Construction of one classroom | 900,000 | Awaiting funds disbursement |
| Ngungi Primary School | School rehabilitation | 900,000 | Awaiting funds disbursement |
| Wanzua primary School | School rehabilitation | 1,500,000 | Awaiting funds disbursement |
| Kathungi Primary School | School rehabilitation | 600,000 | Awaiting funds disbursement |
| Kavuvoni primary School | School rehabilitation | 200,000 | Awaiting funds disbursement |
| Kisyoka Primary School | School rehabilitation | 1,500,000 | Awaiting funds disbursement |
| Ngo'leni Primary School | School rehabilitation | 1,200,000 | Awaiting funds disbursement |
| Kwa Ukungu Sec School | Completion of laboratory | 1,000,000 | Awaiting funds disbursement |
| Muslim Sec School | Construction of two classrooms | 1,700,000 | Awaiting funds disbursement |
| Wii sec school | Construction of | 1,500,000 | Awaiting funds disbursement |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

| | dormitory | | | Awaiting funds disbursement |
|---|---|-----------|------------|-----------------------------|
| Kaliakakya Primary School | School rehabilitation | 1,500,000 | | Awaiting funds disbursement |
| Mbusyani Primary school | Construction of two classrooms | 1,700,000 | | Awaiting funds disbursement |
| Maviani Primary school | Construction of one classroom | 900,000 | | Awaiting funds disbursement |
| Amounts due to other grants and transfers | | | 13,645,624 | |
| 6.1Nzeu River sand | Construction of sand dam | 450,000 | | Awaiting funds disbursement |
| 6.2Kalawa Primary school | Purchase and installation of water tank | 150,000 | | Awaiting funds disbursement |
| 6.1Mutune Girls primary school | Purchase and installation of water tank | 150,000 | | Awaiting funds disbursement |
| 6.2sooma primary school | Purchase and installation of water tank | 150,000 | | Awaiting funds disbursement |
| 6.3mwanyani primary school | Purchase and installation of water tank | 150,000 | | Awaiting funds disbursement |
| 7.2miambani primary school | Purchase and installation of water tank | 150,000 | | Awaiting funds disbursement |
| 7.3nzaaya primary school | Purchase and installation of water tank | 150,000 | | Awaiting funds disbursement |
| 6.1kwa mukasa primary school | Purchase and installation of water tank | 150,000 | | Awaiting funds disbursement |
| 6.2Kyangunga primary school | Purchase and installation of water tank | 150,000 | | Awaiting funds disbursement |
| 6.1ngumbwa primary school | Purchase and installation of water tank | 100,000 | | Awaiting funds disbursement |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

| | | | |
|--|--|--------------|-----------------------------|
| 6.2kangau primary school | Purchase and installation of water tank | 100,000 | Awaiting funds disbursement |
| 6.3mwamba primary school | Purchase and installation of water tank | 100,000 | Awaiting funds disbursement |
| 7.2mithongo primary school | Purchase and installation of water tank | 150,000 | Awaiting funds disbursement |
| 7.3musavi river sand dam | Construction of sand dam | 497,354 | Awaiting funds disbursement |
| 7.4museve primary school sports | Purchase and installation of water tank tournament | 150,000 | Awaiting funds disbursement |
| NGCDF offices renovation | Office renovation | 2747354 | Awaiting funds disbursement |
| Social security benefits livovoa ass chiefs office | Paying NHIF construction of office | 2461160.14 | Awaiting funds disbursement |
| Emergency | For unforeseen events | 720,000 | Awaiting funds disbursement |
| Nzaaya ass chiefs office | construction of office | 900,000 | Awaiting funds disbursement |
| Misewani ass chiefs office | construction of office | 2,491,241.38 | Awaiting funds disbursement |
| Bursary | Payment of bursaries to the needy | 1,000,000 | Awaiting funds disbursement |
| ACQUISITION OF ASSET | | 900,000 | Awaiting funds disbursement |
| | | 5,555,498 | Awaiting funds disbursement |
| | | 5,500,000 | |
| TOTAL | | 69,705,705 | 32,817,561 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) 2018/19 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2019/20 |
|--|------------------------------------|----------------------------------|----------------------------------|--------------------------------|
| Land | | | | |
| Land, Buildings and structures | 3,600,000 | 5,700,000 | | 3,600,000 |
| Transport equipment | 3,087,000 | 5,860,000 | | 8,947,000 |
| Office equipment, furniture and fittings | 1,271,076 | | | 1,271,076 |
| ICT Equipment, Software and Other ICT Assets | 718,041 | 400,000 | | 1,118,041 |
| Other Machinery and Equipment | 600,000 | | | 600,000 |
| Heritage and cultural assets | | | | |
| Intangible assets | | | | |
| Total | 9,276,117 | 11,960,000 | | 21,236,117 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI
CENTRAL CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

| PMC | Bank | Account number | Bank Balance 2019/20 | Bank Balance 2018/19 |
|----------------------------------|--------|-----------------|----------------------------|----------------------------|
| Katyethokaa Mixed sec | NBK | 01022216251100 | | 79,013 |
| | NBK | 01022216161000 | | 16,375 |
| | NBK | 010222055006400 | | 1,004,250 |
| | NBK | 01022216144100 | | 52,171 |
| | COOP | 01139810412400 | | 580 |
| Mutukya Primary School | NBK | 01022226065400 | | |
| Museve Primary School | NBK | 01022216161000 | | |
| Vinda Primary School | NBK | 01024100682000 | | |
| Mutendea Primary School | SIDIAN | 01017030000215 | | |
| AIC Ngungi Primary School | SIDIAN | 01017030000375 | 700 | |
| Katyethoka Primary School | SIDIAN | 01017030000415 | 1,200,000 | |
| Kamandio Primary School | SIDIAN | 01017030000405 | 560 | |
| St Stephen Mutulukuni Sec School | SIDIAN | 01017030000385 | 856,000 | |
| | | | | |
| TOTAL | | | 2,057,260 | 1,152,407 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

| 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) | Reference No. on the external audit Report |
|--|--|---|--|-----------------------------------|--|
| EH/AUD/NG-CDF/KITUI C./2017-2018/13 | Cash and cash equivalent-stale cheques amounting to Kshs 238,000 were not reversed and replaced in the cash book | They were reversed and replaced | Josephine (FAM) | resolved | EH/AUD/NG-CDF/KITUI C./2017-2018/13 |
| EH/AUD/NG-CDF/KITUI C./2017-2018/13 | Receipts-an amount of kshs 11,379,310 had not been received at the end of the financial year in question | Amount received and programmes and activities were implemented as planned | Josephine (FAM) | resolved | EH/AUD/NG-CDF/KITUI C./2017-2018/13 |
| EH/AUD/NG-CDF/KITUI C./2017-2018/13 | Expenditure-The fund had not spent kshs 19,230,000 according to the summary statement of appropriation | -Some Funds amounting to Kshs 11,379,310 budgeted for that financial year had not been received as at the closure of the financial year in question however they were received later and spent as budgeted . -An amount of Kshs 5,500,000 was also meant for acquisition of a Motor vehicle for the constituency | Josephine (FAM) | resolved | EH/AUD/NG-CDF/KITUI C./2017-2018/13 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUI CENTRAL CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2020

| | | | | | |
|-------------------------------------|-------------------------------|---|-----------------|----------|-------------------------------------|
| EH/AUD/NG-CDF/KITUI C./2017-2018/13 | Project implementation status | and an approval to donate the old motor vehicle in order to procure a new one was being awaited from the NGCDF Board. | Josephine(FA M) | resolved | EH/AUD/NG-CDF/KITUI C./2017-2018/13 |
| EH/AUD/NG-CDF/KITUI C./2017-2018/13 | Strategic plan | The NGCDFC made a decision to use the list of the firms prequalified with them for consultancy services a reason why they raised the quotations whereby the prequalified firms applied and one of them won the tender | Josephine(FA M) | resolved | EH/AUD/NG-CDF/KITUI C./2017-2018/13 |
| EH/AUD/NG-CDF/KITUI C./2017-2018/13 | Training allowances | Boia Beach Resort is prequalified at the Kitui Central Sub county list of firms which offers training services | Josephine(FA M) | resolved | EH/AUD/NG-CDF/KITUI C./2017-2018/13 |

[Signature]

Fund Account Manager

[Signature]

Sub-County Accountant

NAME: JUSTUS MUTUA
CPAK Member Number:12228

Name: JOSEPHINE MUTUA