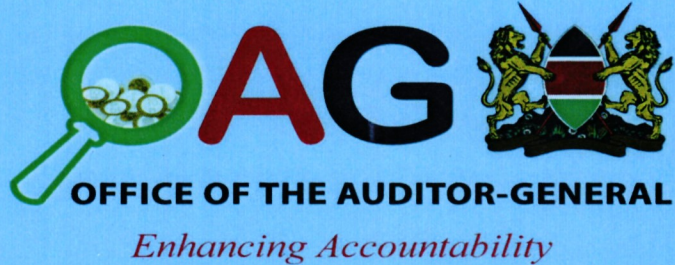


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY PARLIAMENT BUILDING NAIROBI	
DATE: 23 NOV 2022	DAY: TUESDAY
TABLED BY:	LOM
CLERK-AT THE-TABLE:	Moses Lemuna

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.
22 AUG 2022
RECEIVED

Revised Template 30th June 2021




KITUI EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

 THE NATIONAL ASSEMBLY	
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

a) Background information

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

Mandate

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

- Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- 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;
- 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;
- Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- 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;
- 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;
- 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;
- Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- 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
- Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness**– we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity

in the service of the people

5.Sustainable development – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

b)Key Management

The KITUI EAST Constituency NGCDF day-to-day management is under the following key organs:

National Government Constituencies Development Fund Board (NGCDFB)
National Government Constituency Development Fund Committee (NGCDFC)

c)Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Anthony Munyao P.
2.	Sub-County Accountant	Nicholus K. Mumo
3.	Chairman NGCDFC	Edward Kitheka
4.	Member NGCDFC	Reinhard N.Munyoto

d)Fiduciary Oversight Arrangements

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

e)KITUI EAST Constituency NGCDF Headquarters

P.O. Box 1199-90200
Chuluni Market
Near Nzamabani DCCs Office
Kitui Mutomo road
KITUI, KENYA

f)KITUI EAST Constituency NGCDF Contacts

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

g)KITUI EAST Constituency NGCDF Bankers

EQUITY Bank (specify the constituency account banker details)
KITUI BRANCH
P.o Box-1199
KITUI

h)Independent Auditors

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

i)Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT



EDWARD KITHEKA- CDFC CHAIRMAN

It gives me great pleasure to thank the people of Kitui East Constituency for giving me the Opportunity to serve them in this transformative, people driven and Nation building position. It is great with great joy that I present to you the unaudited accounts and collaborative annual report for the year ended 30th June, 2021.

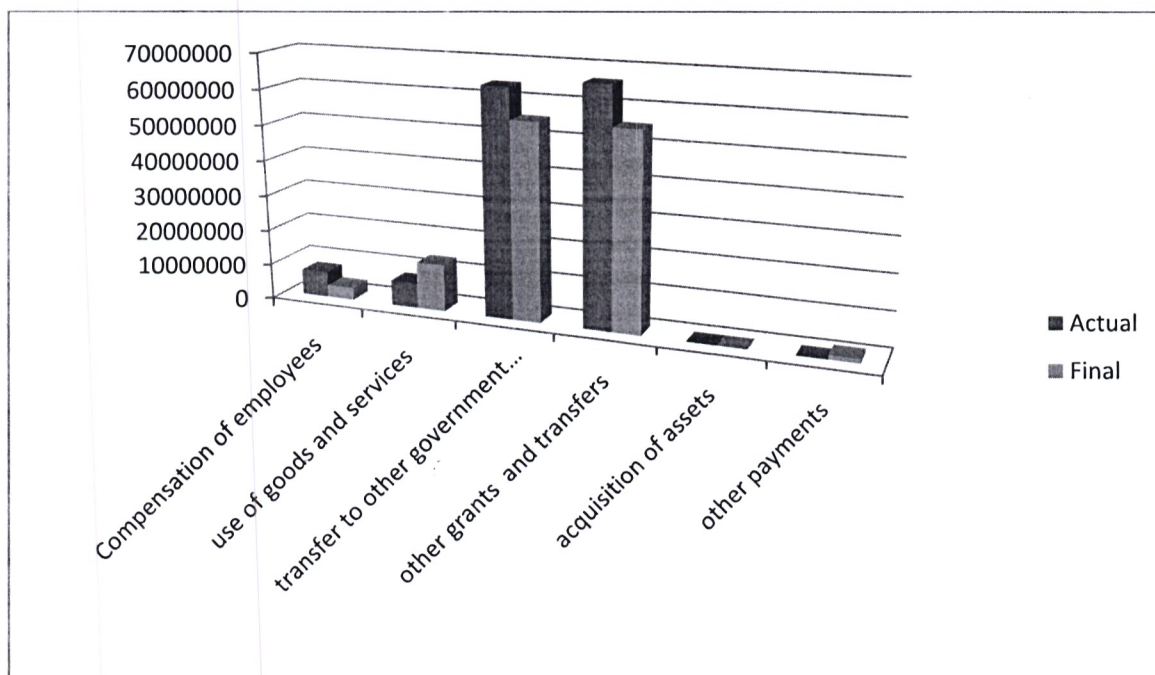
We have developed a Strategic Plan 2018- 2022. This strategic plan is a formalized road map that describes how NGCDF Kitui East Constituency will execute its mandate for the period 2018-2022. This road map indicates where the Constituency is, where it is going, and how it will get there. The plan has been developed to guide Kitui East NG-CDF's operations in line with

NG-CDF Act 2015 and the subsequent amendments in 2016 from whence it derives its mandate. Other legal, policy instruments considered during the development of the strategic plan includes: Kitui County Integrated Development Plan, NG-CDF Board Strategic Plan, Kenya Vision 2030, Sustainable Development Goals (SDGs), The President's Big Four Agenda, Medium Term Plan (MTP) III, and the Constitution of Kenya 2010 (COK). The

plan captures the aspirations of the Kitui East Constituents and presents the same in actionable form. It provides a baseline and status report of the thematic areas covered by NG-CDF as mandated by the NG-CDF Act 2015 and subsequent amendments in 2016. The plan establishes the gaps and the needs of the constituents to be addressed.

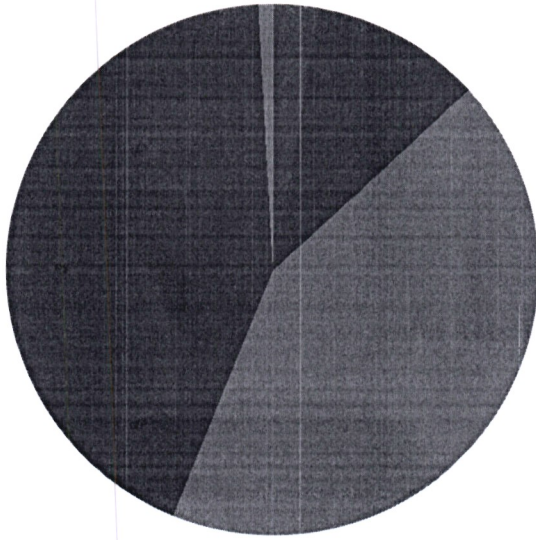
The traditional role and mandate of CDF as expressed in the CDF Act 2003 (repealed), were reviewed and re-enacted in the NG-CDF Act 2015 and subsequent amendment in 2016. According to the NG-CDF Act 2015, the NG-CDF funds are to be used in projects falling within the function of the National Government under the constitution; Education, Security, Environment, Youth empowerment and Information Communication and Technology (ICT). The projects should be community based to ensure the benefits are available to a widespread cross-section of the constituents. The spirit and tenets of devolution is also enshrined in NG-CDF and People participation in project identification and implementation is mandatory. The projects are implemented by the people through the project Management Committees (PMCs).

We are guided by a budget proposal in the implementation of our project. At the moment we are implementing projects falling in budget proposal FY 2019/20 and 2020/2021.



Below is a pie chart showing the actual expenditure based on economic classification

Actual



- compensation of employees
- use of goods and services
- transfers to other government units
- other grants and transfers
- acquisition of assets
- other payments

The following sample photos portray the projects that were achieved in the just ended FY 20/21;







Signature 
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 *KITUI EAST Constituency 2018-2022* plan are to:

- i. To improve school performance in national examinations as well as retention and transitioning to higher levels of learning
- ii. To improve the social security standards in the constituency
- iii. To empower youth, women and persons with disabilities in government devolved funds as well as general development in the constituency
- iv. To improve infrastructure and technology within the constituency
- v. To improve security in the Constituency
- vi. Increasing marketing and value addition initiatives

Progress on attainment of Strategic development objectives

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

CONSTITUENCY PROGRAM	OUTCOME	OUTCOME	INDICATOR	PERFORMANCE
1.Education	To improve access to education and training	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- Increased number of students accessing education - Increased number of schools with adequate facilities and equipment - Improved performance	In FY 20/21 -we increased number of useable classrooms by 66 through renovations and constructed 14 new ones for students and added new secondary 2 schools and 1 tertiary institution 3000 students

			in national examinations - Increased number of schools with adequate sanitation facilities	benefited from Bursary
2.Security	To improve the working and living conditions of security personnel in the Constituency	Increase and Improve the conditions of police stations within the constituency	- Increased number of housing units and offices for security personnel	In FY 2020/21 we worked on completion of 3 Chief's offices and fenced other two offices
3.Environment	To promote environmental conservation in the Constituency	Increase in knowledge, skills and passion for sustainable environment practices	- Increased number of institutions with adequate sanitation facilities and water storage facilities and increase afforestation	In FY 2020/21 we invested in water harvesting program in 30 schools by providing 10,000 litres water tanks, water harvesting gutters for hygiene and improved sanitation
4.Sports	To build and enhance youth skills through sports interventions	Promotion of youth initiatives in building and nurturing their talents and skills in sports	- Increased sports activities through annual sports tournaments, Building more facilities in schools, provision of equipment and sports kits	In FY 2020/21 we rehabilitated two kaluasi primary Sports fields by grading, compacting and putting up a drainage system
5.Disaster management	To establish risk register for the constituency	Reduction in Risk Levels/Increased Risk and disaster preparedness	- Improved Constituency Internal Control System - Reduced	In the FY 2020/21 We improved internal control system through checks an Strengthening

			<p>level of complaints; resolved past cases and reduced reporting of present cases</p> <ul style="list-style-type: none"> - Securing the services of a security firm 	<p>corporate governance by inculcating a culture of best practices on NG-CDF mandate</p> <p>Installed fire extinguishers and bought sanitizers, face masks, thermos-guns, detergents, fumigation chemicals and water tanks for fight against COVID19 global pandemic</p> <p>Maintained an open door policy of feedback and respecting criticism while taking corrective measures and drawing valuable lessons learnt from reported complaints</p>
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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

a.) **Education and Training:** KITUI EAST NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

b) **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

c) **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

d) **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents. Public Youth barazaare conducted in the whole constituency to sensitize youth on sports activities like, football volleyball etc.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a

reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kitui East constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

KITUI EAST NGCDF Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings. KITUI EAST NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

V.STATEMENT OF MANAGEMENT RESPONSIBILITIES

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


The Accounting Officer in charge of the NGCDF-KITUI EAST Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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 EAST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- KITUI EAST Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

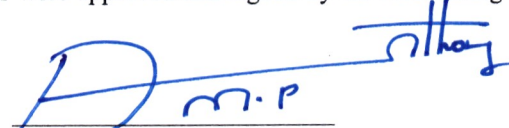
The Accounting Officer in charge of the NGCDF KITUI EAST Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used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

Approval of the financial statements

The NGCDF, KITUI EAST Constituency financial statements were approved and signed by the Accounting Officer on 15/9/2021 2021.



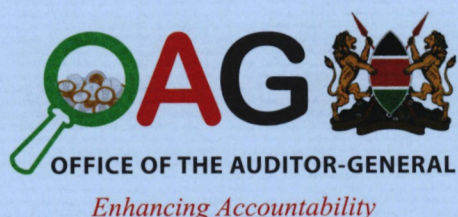
Chairman NGCDF Committee
Name:
EDWARD KITHEKA



Fund Account Manager
Name:
ANTHONY MUNYAO P.

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT CONSTITUENCIES FUND - KITUI EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kitui East Constituency set out on pages 19 to 54,

Report of the Auditor-General on the National Government Constituencies Development Fund - Kitui East Constituency for the year ended 30 June, 2021

which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kitui East Constituency as at 30 June, 2021, 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 Opinion

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation for the year ended 30 June, 2021 reflects receipts budget and actual amounts on comparable basis of Kshs.228,432,732 and Kshs.169,843,853 respectively, resulting in an underfunding of Kshs.58,588,879 or 26% of the budget. Similarly, the Fund spent an amount of Kshs.144,558,237 against the approved budget of Kshs.228,432,732 resulting to an under-expenditure of Kshs.83,874,495 or 37% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the *Report on Financial Statements*, *Report on Lawfulness and Effectiveness in Use of Public*

Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved some of the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Incomplete Classroom at Kalalani Secondary School

The statement of receipts and payments and Note 6 to the financial statements reflects transfers to other government units amount of Kshs.63,900,000 as at 30 June, 2021. The expenditure includes transfers to secondary schools of Kshs.30,300,000 which further includes the amount of Kshs.1,000,000 incurred on construction of one classroom at Kalalani Secondary School. However, physical inspection of the project carried out on 29 April, 2022 revealed that the classroom floor was not done as per the contract specifications.

In the circumstances, value for money on the expenditure of Kshs.1,000,000 incurred on the project for the year ended 30 June, 2021 could not be confirmed.

2. Delay in Completion of Projects

Review of the project implementation status report as at 30 June, 2021 revealed that a total of Kshs.137,088,879 was allocated for implementation of ninety-four (94) projects. Further, the report indicated that eighty-six (86) projects, or 91%, worth Kshs.122,888,879 were completed and put to use. However, a total of four (4) projects worth Kshs.9,200,000 were on-going while the remaining four (4) projects with an allocation of Kshs.5,000,000 had not commenced. No explanation was provided for the delay in completion of the projects.

In the circumstances, value for money may not have been realized for the amount of Kshs.14,200,000 incurred on the delayed projects for the year ended 30 June, 2021.

3. Irregular Procurement of Projects

The statement of receipts and payments and Note 6 to the financial statements reflects transfers to other government units of Kshs.63,900,000 as at 30 June, 2021. However, review of procurement documents revealed that nine (9) projects worth Kshs.20,000,000 were awarded to contractors without considering the signed professional opinion(s) from the head of procurement function. This is contrary to Section 84(1) of the Public

Procurement and Asset Disposal Act, 2015 which provides for the signed professional opinion.

In the circumstances, the regularity of the expenditure of Kshs.20,000,000 incurred on the projects could not be confirmed.

4. Non-Compliance to the Public Sector Accounting Standards Board Reporting Requirements

Review of the financial statements for the year ended 30 June, 2021 presented for audit revealed that page 22 was repeated twice while page 33 of the financial statements is missing. Further, the headings are not indicated on the pages of the financial statements as prescribed by the recommended reporting template.

In the circumstances, the financial statements did not comply with the reporting template of the Public Sector Accounting Standard Board.

5. Construction of a Pit Latrine at Mwitika Primary School

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers expenditure of Kshs.66,161,062 as at 30 June, 2021. The expenditure includes emergency projects of Kshs.8,225,000 which further includes the amount of Kshs.1,400,000 which was allocated for the construction of an eight (8) door pit latrine at Mwitika Primary School. However, physical inspection of the project carried out on 29 April, 2022 revealed that a five (5) door toilet was constructed by the contractor instead of the eight (8) door facility as per the specifications in the bill of quantities. Further, the project was not branded.

In the circumstances, the propriety and value for money from the expenditure of Kshs.1,400,000 incurred on the project 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 overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

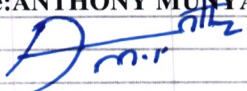
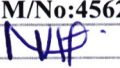

Nairobi

23 September, 2022

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	162,517,724	113,390,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	40,000
TOTAL RECEIPTS		162,517,724	113,430,876
PAYMENTS			
Compensation of employees	4	7,338,161	3,486,082
Use of goods and services	5	7,159,014	13,336,644
Transfers to Other Government Units	6	63,900,000	55,191,871
Other grants and transfers	7	66,161,062	55,217,793
Acquisition of Assets	8	-	-
Other Payments	9	-	1,160,000
TOTAL PAYMENTS		144,558,237	128,392,390
SURPLUS/DEFICIT		17,959,487	(14,961,514)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI EAST Constituency financial statements were approved on 15/9/2021 and signed by:

Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: ANTHONY MUNYAO	Name: CPA NICHOLAS MUMO	Name: EDWARD KITHEKA
	ICPAK M/No: 4562 	

VIII. STATEMENT OF ASSETS AND LIABILITIES				
		Note	2020 - 2021	2019 - 2020
			Kshs	Kshs
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances (as per the cash book)		10A	25,285,616	7,326,129
Cash Balances (cash at hand)		10B	-	-
Total Cash and Cash Equivalents			25,285,616	7,326,129
Accounts Receivable				
Outstanding Imprests		11	-	-
TOTAL FINANCIAL ASSETS			25,285,616	7,326,129
FINANCIAL LIABILITIES				
Accounts Payable (Deposits)				
Retention		12A	-	-
Gratuity		12B	-	-
NET FINANCIAL SSETS			25,285,616	7,326,129
REPRESENTED BY				
Fund balance b/fwd 1st July...			7,326,129	22,287,643
Prior year adjustments		14	-	
Surplus/Deficit for the year			17,959,487	(14,961,514)
NET FINANCIAL POSITION			25,285,616	7,326,129

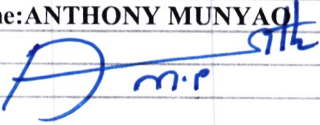
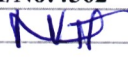

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI EAST Constituency financial statements were approved on 15/9/2021 and signed by:

Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: ANTHONY MUNYAO	Name: CPA NICHOLAS MUMO	Name: EDWARD KITHEKA
<i>Anthony M.P.</i>	ICPAK M/No:4562 <i>NM</i>	<i>Edward Kitheka</i>

IX.STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	162,517,724	113,390,876
Other Receipts	3	-	40,000
		162,517,724	113,430,876
Payments for operating activities			
Compensation of Employees	4	7,338,161	3,486,082
Use of goods and services	5	7,159,014	13,336,644
Transfers to Other Government Units	6	63,900,000	55,191,871
Other grants and transfers	7	66,161,062	55,217,793
Other Payments	9	-	1,160,000
		144,558,237	128,392,390
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		17,959,487	(14,961,514)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		17,959,487	(14,961,514)
Cash and cash equivalent at BEGINNING of the year	10	7,326,129	22,287,643
Cash and cash equivalent at END of the year		25,285,616	7,326,129

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUI EAST Constituency financial statements were approved on 15/9/2021 and signed by:

Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: ANTHONY MUNYAO	Name: CPA NICHOLAS MUMO	Name: EDWARD KITHEKA
	 ICPAK M/No:4562	

X.SUMMARY STATEMENT OF APPROPRIATION

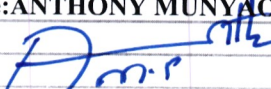
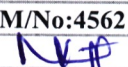

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	7,326,129	84,017,724	228,432,732	169,843,853	58,588,879	0.74
Proceeds from Sale of Assets				-	-	-	-
Other Receipts				-	-	-	#DIV/0!
TOTAL RECEIPTS	137,088,879	7,326,129	84,017,724	228,432,732	169,843,853	58,588,879	0.74
PAYMENTS							
Compensation of Employees	5,387,956	1,950,205	122,062	7,460,223	7,338,161	122,062	0.98
Use of goods and services	6,953,643	1,388,756	3,191,031	11,533,430	7,159,014	4,374,416	0.62
Transfers to Other Government Units	50,350,000	1,200,000	56,220,000	107,770,000	63,900,000	43,870,000	0.59
Other grants and transfers	74,397,280	2,540,168	18,484,631	95,422,079	66,161,062	29,261,017	0.69
Acquisition of Assets	-	247,000	6,000,000	6,247,000	-	6,247,000	-
Other Payments	-		-	-	-	-	#DIV/0!
TOTAL	137,088,879.31	7,326,128.68	84,017,724.00	228,432,731.99	144,558,237.05	83,874,494.94	0.63

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

The underutilization in the various sectors i.e. use of goods and services, transfers of government and other entities and acquisition of assets was due to the delayed disbursements of funds from the NG CDF Board. As at the end of the year Kitui East constituency had not received Ksh.58,588,879 from the Board thus underutilization in most sectors.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	83,874,494.94
Less undisbursed funds receivable from the Board as at 30th June 2021	58,588,879.31
	25,285,615.63
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/21	25,285,615.63

The NGCDF-KITUI EAST Constituency financial statements were approved on 15/9/ 2021 and signed by:

Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: ANTHONY MUNYAO	Name: CPA NICHOLAS MUMO	Name: EDWARD KITHEKA
	ICPAK M/No: 4562 	

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	5,387,956	1,950,205	122,062	7,460,223	7,338,161	122,062	1
1.2 Committee allowances	2,039,777	-	-	2,039,777	1,767,000	272,777	87
1.3 Use of goods and services	800,000	388,887	-	1,188,887	1,352,212	(163,325)	114
Total	8,227,733	2,339,092	122,062	10,688,887	10,457,373	231,514	98
2.0 Monitoring and evaluation							
2.1 Capacity building	2,113,866	729,424	1,070,576	3,913,866	822,800	3,091,066	21
2.2 Committee allowances	1,000,000	270,445	1,600,000	2,870,445	1,697,000	1,173,445	59
2.3 Use of goods and services	1,000,000		520,455	1,520,455	1,520,000	455	100
Total	4,113,866	999,869	3,191,031	8,304,766	4,039,800	4,264,966	
3.0 Emergency							
3.1 Primary Schools							#DIV/0!
3.2 Secondary schools							
3.3 Tertiary institutions							

KIONGWE MIXED SECONDARY SCHOOL	100,000	-	-	100,000	100,000	-	100
KITANGA PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
KYULULU MIXED SECONDARY SCHOOL	100,000	-	-	100,000	100,000	-	100
KYULULU PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
KYUKUNI M. SEC. SCHOOL	100,000	-	-	100,000	100,000	-	100
MALATANI M. SECONDARY SCHOOL	100,000	-	-	100,000	100,000	-	100
MALATANI PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
MANGOLA PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
MATIA POLICE POST	100,000	-	-	100,000	100,000	-	100
MATIA PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
MWITIKA BOYS SECONDARY SCHOOL	100,000	-	-	100,000	100,000	-	100
MWITIKA PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
NGAACA YAKWA MIXED SEC. SCHOOL	100,000	-	-	100,000	100,000	-	100
NGAACA YAKWA PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
NGUMBWA PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
NGUNGI CHIEFS OFFICE	42,578	-	-	42,578	42,578	-	100
NGUNGI SECONDARY SCHOOL	100,000	-	-	100,000	100,000	-	100
NZILANI PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
NZOOKONI PRIMARY SCHOOL	100,000	-	-	100,000	100,000	-	100
YIKU SECONDARY SCHOOL	100,000	-	-	100,000	100,000	-	100
KWA NGWENZE SAND DAM	-	-	686,839	686,839	686,839	-	100

NGELANI KWA NZEKA SAND DAM	-	686,839	686,839	686,839	-	100
KAKAME SAND DAM	-	686,839	686,839	686,839	-	100
KATIKONI NYETHAU SAND DAM	-	686,839	686,839	686,839	-	100
KWA KINGELE SAND DAM	-	700,000	700,000	700,000	-	100
IYOVE SAND DAM	-	700,000	700,000	700,000	-	100
MATHINI SAND DAM	-	780,000	780,000	780,000	-	100
Total	2,742,578	4,927,556	7,669,934	7,669,934	-	100
7.0 Primary Schools Projects						
ITUUSYA PRIMARY SCHOOL	1,000,000	-	1,000,000	1,000,000	-	100
IVINGA NZIA PRIMARY SCHOOL	500,000	-	500,000	-	500,000	-
KALALANI PRIMARY SCHOOL	1,500,000	-	1,500,000	1,500,000	-	100
KALWA PRIMARY SCHOOL	1,000,000	-	1,000,000	-	1,000,000	-
KANGULI PRIMARY SCHOOL	1,000,000	-	1,000,000	-	1,000,000	-
KANGU PRIMARY SCHOOL	1,500,000	-	1,500,000	1,500,000	-	100
KASUNGUNI PRIMARY SCHOOL	2,000,000	-	2,000,000	2,000,000	-	100
KATITKA PRIMARY SCHOOL	250,000	-	250,000	-	250,000	-
KATUMBU PRIMARY SCHOOL	1,000,000	-	1,000,000	-	1,000,000	-
KAWALA PRIMARY SCHOOL	1,000,000	-	1,000,000	-	1,000,000	-
KIINI PRIMARY SCHOOL	1,000,000	-	1,000,000	-	1,000,000	-
KILANGA PRIMARY SCHOOL	1,000,000	-	1,000,000	-	1,000,000	-
KINZENI PRIMARY SCHOOL	1,000,000	-	1,000,000	-	1,000,000	-

KITAKANI PRIMARY SCHOOL	1,000,000		-	1,000,000	-	1,000,000	-
KITIVO PRIMKARY SCHOOL	1,000,000		-	1,000,000	-	1,000,000	-
KYAANGO PRIMARY SCHOOL	1,000,000		-	1,000,000	1,000,000	-	100
KYAMATU PRIMARY SCHOOL	1,500,000		-	1,500,000	1,500,000	-	100
MAKONGO PRIMARY SCHOOL	1,500,000		-	1,500,000	1,500,000	-	100
MALATANI PRIMARY SCHOOL	1,000,000		-	1,000,000	1,000,000	-	100
MALEMBWA PRIMARYB SCHOOL	350,000		-	350,000	-	350,000	-
MANYOENI PRIMARY SCHOOL	500,000		-	500,000	-	500,000	-
MASASINI PRIMARY SCHOOL	1,500,000		-	1,500,000	-	1,500,000	-
MALUVYA PRIMARY SCHOOL	350,000		-	350,000	-	350,000	-
MBANGULO PRIMARY SCHOOKL	1,000,000		-	1,000,000	-	1,000,000	-
MUSIVA PRIMARY SCHOOL	300,000		-	300,000	-	300,000	-
NDITIME PRIMARY SCHOOL	1,000,000		-	1,000,000	-	1,000,000	-
NDOONI PRIMARY SCHOOL	1,000,000		-	1,000,000	-	1,000,000	-
NGUNGI PRIMARY SCHOOL	2,000,000		-	2,000,000	2,000,000	-	100
ZOMBE PRIMARY SCHOOL	1,500,000		-	1,500,000	1,500,000	-	100
IMALE PRIMARY SCHOOL		-	1,500,000	1,500,000	1,500,000	-	100
MITAANI PRIMARY SCHOOL		1,000,000	-	1,000,000	1,000,000	-	100
MALATANI PRIMARY SCHOOL			1,000,000	1,000,000	-	1,000,000	-
KYANGENI PRIMARY SCHOOL			1,000,000	1,000,000	1,000,000	-	100
MAKUTANO PRIMARY SHOOOL			1,000,000	1,000,000	1,000,000	-	100

KATITIKA PRIMARY SCHOOL				200,000	200,000	200,000	200,000	-		100
MALEMBWA PRIMARY SCHOOL				300,000	300,000	-	300,000	300,000		-
KYANIKA CHILD DEVELOPMENT CENTRE				1,000,000	1,000,000	-	1,000,000	1,000,000		-
MATUNDU PRIMARY SCHOOL				500,000	500,000	-	500,000	500,000		-
KIVAKI PRIMARY SCHOOL				800,000	800,000	-	800,000	800,000		-
MALATANI PRIMARY SCHOOL				370,000	370,000	-	370,000	370,000		-
MANYOENI PRIMARY SCHOOL				300,000	300,000	-	300,000	300,000		-
WANAMBA PRIMARY SCHOOL			200,000	-	200,000	200,000	-	-		100
MATIA PRIMARY SCHOOL				800,000	800,000	800,000	-	-		100
MATIA PRIMARY SCHOOL				600,000	600,000	600,000	-	-		100
MATIA PRIMARY SCHOOL				800,000	800,000	800,000	-	-		100
IKISAYA PRIMARY SCHOOL				3,000,000	3,000,000	3,000,000	-	-		100
KALUASI PRIMARY SCHOOL				3,000,000	3,000,000	3,000,000	-	-		100
MASUNGU PRIMARY SCHOOL				3,000,000	3,000,000	3,000,000	-	-		100
MAKUKA PRIMARY SCHOOL				3,000,000	3,000,000	3,000,000	-	-		100
Total				22,170,000	53,620,000	33,600,000	20,020,000	63		
8.0 Secondary Schools Projects										
IITHANGATHI GIRLS SECONDARY SCHOOL				-	2,500,000	2,500,000	-	-		100
KAMWIU SECONDARY SCHOOL				-	100,000	-	100,000	-		-
KANDUTI SECONDARY SCHOOL				-	500,000	500,000	-	-		100
KATHANDE SECONDARY SCHOOL				-	500,000	-	500,000	-		-

KATHUA SECONDARY SCHOOL	1,000,000	-	1,000,000	1,000,000	-	100
KAUMU SECONDARY SCHOOL	1,000,000	-	1,000,000	1,000,000	-	100
KYAMATU SECONDARY SCHOOL	7,500,000	-	7,500,000	-	7,500,000	-
KYANIKA SECONDARY SCHOOL	1,000,000	-	1,000,000	-	1,000,000	-
MANYOENI SECONDARY SCHOOL	1,000,000	-	1,000,000	1,000,000	-	100
MWITIKA BOYS SECONDARY SCHOOL	500,000	-	500,000	-	500,000	-
THUA SECONDARY SCHOOL	500,000	-	500,000	-	500,000	-
KALIKU BOYS SECONDARY SCHOOL	4,000,000	-	4,000,000	-	4,000,000	-
THUA SECONDARY SCHOOL		7,200,000	7,200,000	-	7,200,000	-
NZILANI SECONDARY SCHOOL		1,000,000	1,000,000	1,000,000	-	100
NGUNGI SECONDARY SCHOOL		900,000	900,000	900,000	-	100
KIKUU SECONDARY SCHOOL		1,000,000	1,000,000	1,000,000	-	100
MANYOENI SECONDARY SCHOOL		1,000,000	1,000,000	1,000,000	-	100
KAKAME SECONDARY SCHOOL		1,000,000	1,000,000	1,000,000	-	100
TWAMBUI SECONDARY SCHOOL		1,000,000	1,000,000	1,000,000	-	100
KATUMBI SECONDARY SCHOOL		1,000,000	1,000,000	1,000,000	-	100
KYUUKUNI M. SEC. SCHOOL		1,000,000	1,000,000	1,000,000	-	100
MASKALINI SECONDARY SCHOOL		1,000,000	1,000,000	1,000,000	-	100

KASANGU SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	1,000,000	-	100
KITHANAKE SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	1,000,000	-	100
KALALANI SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	1,000,000	-	100
ITIKO SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	1,000,000	-	100
MWITIKA BOYS SEC. SCHOOL			3,300,000	3,300,000	3,000,000	300,000		91
KWA WEWA SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	-		100
KABATI SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	-		100
KIANGINI SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	-		100
KALULU SECONDARY SCHOOL			500,000	500,000	500,000	-		100
KITHANAKE SECONDARY SCHOOL			250,000	250,000	-	250,000		-
MWITIKA BOYS SECONDARY SCHOOL			500,000	500,000	-	500,000		-
KAWEA SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	-		100
CHULUNI GIRLS SECONDARY SCHOOL			500,000	500,000	500,000	-		100
VOO SECONDARY SCHOOL			500,000	500,000	-	500,000		-
VOO SECONDARY SCHOOL			1,000,000	1,000,000	-	1,000,000		-
KYULULU SECONDARY SCHOOL			1,000,000	1,000,000	1,000,000	-		100
SYOU DAY MIXED SECONDARY SCHOOL			800,000	800,000	800,000	-		100
MUSUKINI MIXED DAY SECONDARY SCHOOL			800,000	800,000	800,000	-		100

MUTTU DEPUTY COUNTY COMMISSIONERS OFFICE		500,000	-	500,000	500,000	-	100
Total	20,200,000	1,250,000	6,500,000	27,950,000	3,250,000	24,700,000	12
11.0 Acquisition of assets							
11.1 Motor Vehicles	-		6,000,000	6,000,000	-	6,000,000	-
11.2 Construction of CDF office	-		-	-	-	-	-
11.3 Purchase of furniture and equipment	-		-	-	-	-	-
11.4 Purchase of computers	-		-	-	-	-	-
Total	-	-	6,000,000	6,000,000	-	6,000,000	-
12.0 Other payments							
			-	-	-	-	-
			-	-	-	-	#DIV/0!
			-	-	-	-	#DIV/0!
			-	-	-	-	#DIV/0!
			-	-	-	-	#DIV/0!
			-	-	-	-	#DIV/0!
Total	-	-	-	-	-	-	-
13.0 unallocated fund							
Unapproved projects							
AIA	-	247,000	-	247,000		247,000	-
PMC savings							
Total	-	247,000	-	247,000	-	247,000	-
	137,088,879	7,326,129	84,017,724	228,482,782	144,558,237	83,874,495	

XII.SIGNIFICANT ACCOUNTING POLICIES

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

1.Statement of Compliance and Basis of Preparation

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

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

2.Reporting Entity

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

3.Reporting Currency

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

4.Significant Accounting Policies

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

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.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are

recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the entity at the end of the financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10.Unutilized Fund

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

11.Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 31 June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12.Comparative Figures

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

13.Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14.Errors

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

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

15.Related Party Transactions

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

XIII.NOTES TO THE FINANCIAL STATEMENTS

1.TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs

	AIE NO. B104518	4,212,000	
Normal Allocation	AIE NO. B 104622	22,000,000	
	AIE NO. A 823651	29,655,724	
	AIE NO. B 104882	12,450,000	
	AIE NO. B 104890	2,200,000	
	AIE NO. B 124571	9,000,000	
	AIE NO. B 119518	8,500,000	
	AIE NO. B 119908	12,000,000	
	AIE NO. B 128150	6,900,000	
	AIE NO. B 132206	6,000,000	
	AIE NO. B 128462	7,000,000	
	AIE NO. B 133874	13,000,000	
	AIE NO. B 126168	7,000,000	
	AIE NO. B 126462	10,600,000	
	AIE NO. B 140606	12,000,000	
	AIE NO. B 047294		42,590,876
	AIE NO. B 047483		4,000,000
	AIE NO. B 041486		20,000,000
	AIE NO. B 047937		6,000,000
	AIE NO. B 049330		15,000,000
	AIE NO. B104354		23,000,000
	AIE NO. B 0490218		2,800,000
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		162,517,724	113,390,876

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2.PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	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	-	-

3. OTHER RECEPTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	40,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	40,000

4. COMPENSATION OF EMPLOYEES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,287,311	2,072,140
Personal allowances paid as part of salary		
House allowance	557,700	407,900
Transport allowance	660,000	-
Leave allowance	56,000	-
Interns allowances	490,000	389,602
Gratuity-contractual employees	1,810,060	489,000
NHIF Contributions	133,650	
Employer Contributions Compulsory national social security schemes	343,440	127,440
TOTAL	7,338,161	3,486,082

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	198,994	1,526,260
Electricity	35,600	0
Water & sewerage charges	220,000	-
Office rent	-	-
Communication, supplies and services	-	56,000
Domestic travel and subsistence	-	952,300

Printing, advertising and information supplies & services	107,000	702,724
Rentals of produced assets	-	-
Training expenses	848,000	2,688,000
Hospitality supplies and services	2,783,000	639,900
Other committee expenses	606,000	0
Committee allowance	620,000	1,989,000
Insurance costs	-	-
Specialised materials and services	34,000	500,000
Office and general supplies and services	1,017,400	438,230
Fuel , oil & lubricants	-	0
Other operating expenses	424,500	0
Bank service commission and charges	157,020	0
Other Operating Expenses	-	1,769,430
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	74,800
Routine maintenance- other assets	107,500	2,000,000
TOTAL	7,159,014.00	13,336,644

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	33,600,000	10,341,871
Transfers to Secondary Schools	30,300,000	44,850,000
Transfers to Tertiary Institutions		
TOTAL	63,900,000	55,191,871

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary (see attached list)	22,829,030	25,710,318
Bursary -Tertiary (see attached list)	24,187,100	15,001,362
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security Projects (see attached list)	3,250,000	2,500,000
Sports Projects (see attached list)	-	2,747,355
Environment Projects (see attached list)	7,669,932	2,060,516
Emergency Projects (see attached list)	8,225,000	7,198,242
TOTAL	66,161,062	55,217,793

8.ACQUISITION OF ASSETS

Non Financial Assets	2020 - 2021	2019 - 2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and and General Equipment	0	-
Purchase of computers ,printers and other IT equipments		-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	0	0

9.OTHER PAYMENTS

Strategic Plan	-	1,160,000
ICT Hubs	-	-
		-
TOTAL	-	1,160,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020 - 2021	2019 - 2020
Closing cash book bank balance	Kshs (30/6/2021)	Kshs (30/6/2020)
<i>Equity Bank, Kitui Branch . Kitui East NG-CDF</i>	25,285,616	7,326,129
<i>Equity Bank A/C no.0720261343213</i>	-	-
	-	-
TOTAL	25,285,616	7,326,129

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)		
Retention held during the year (B)		
Retention paid during the Year (C)		
Closing Retention as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)		
Gratuity earned during the year (B)		-
Gratuity paid during the Year (C)		-
Closing Gratuity as at 30 th June D= A+B-C		-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2020- 2021	2019- 2020
	Kshs (1/7/2020)	Kshs (1/7/2019)
Opening cash book bank balance		
Bank accounts	7,326,129	22,287,643
Cash in hand		
Imprest		
TOTAL	7,326,129	22,287,643

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-		-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
Total	-	-	-

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

15.CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
closing accounts in account receivables D= A+B-C		

16.CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
closing account payables D= A+B-C	KITUI EAST	KITUI EAST

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	--	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	931,511	719,511
Others (<i>specify</i>)		
	931,511	719,511

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	122,062	2,072,267
Use of goods and services	4,374,416	4,579,787
Amounts due to other Government entities (see attached list)	43,870,000	57,420,000
Amounts due to other grants and other transfers (see attached list)	29,261,017	21,024,798
Acquisition of assets	6,247,000	6,247,000
Others (<i>specify</i>)		6,247,000
Funds pending approval		
	83,874,495	91,343,853

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	KITUI EAST	KITUI EAST
	11,319,343.80	20,894.22eq
	KITUI EAST	KITUI EAST

XIV. ANNEXES
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					
Sub-Total					
Construction of civil works					
Sub-Total					
Supply of goods					
Sub-Total					
Supply of services					
Sub-Total					
Grand Total					

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1. Cyrus SilaKamuti	Records Management Officer	01.08.2017	187505	
2. Joseph MusyokaMbite	ICT Officer	01.03.2019	297388	
3. Geoffrey KoteleMutinda	Office Administrator	01.02.2020	143439	
4. Isaac M.Mwangangi	Office Cleaner	01.02.2020	86955	
5. Philip N.Kyuma	Assistant Records Officer	01.10.2020	46035	
6. KiemaMatwee	Office Assistant	01.10.2020	62442	
7. MuthuiKisovi	ICT Assistant Officer	01.10.2020	62442	
8. Joshua kilundaMuthoka	Clerk of works	01.04.2018	8581	
9. Nelson KalukuMulwa	Accounts Assistant	01.04.2018	10621	
10. Margaret Aphia Toma	Receptionist	01.04.2018	6129	
11. Seif Kula Mutania	Driver	01.04.2018	6129	
12. MuliMbungula	Security Personnel	01.04.2018	3878	
13. KivusyuMung'oo	Security Personnel	01.04.2018	3878	
14. Eunice Koki Mutua	Satellite Office Coordinator	01.04.2018	6129	
	Sub-Total		931551	
	Grand Total		931551	

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		122,062	2,072,267	
Use of goods & services		4,374,416	4,579,787	
Amounts due to other Government entities				
IVINGA NZIA PRIMARY SCHOOL		500,000		
KALWA PRIMARY		1,000,000		
KANGULI PRIMARY SCHOOL		1,000,000		
KATITIKA PRIMARY SCHOOL		250,000		
KATUMBU PRIMARY		1,000,000		
KAWALA PRIMARY		1,000,000		
KIINI PRIMARY		1,000,000		
KILANGA PRIMARY		1,000,000		
KINZENI PRIMARY		1,000,000		
KITAKANI PRIMARY		1,000,000		
KITIVO PRIMARY		1,000,000		
MALEMBWA PRIMARY		350,000		
Manyoeni primary		500,000		
Masasini primary		1,500,000		
Mavulya primary		350,000		
Mbangulo primary		1,000,000		
Musiva primary		300,000		
Nditime primary		1,000,000		
Ndooni primary		1,000,000		
Malatani primary		1,000,000		
Malembwa primary		300,000		
Kyanika child dev. centre		1,000,000		
Matundu primary		500,000		
Kivaki primary		800,000		
Malatani primary		370,000		
Manyoeni primary		300,000		
Kamwui secondary		100,000		
Kathande secondary		500,000		
Kyamatu secondary		7,500,000		
Kyanika secondary		1,000,000		

Mwitika boys secondary		500,000		
Thua secondary		500,000		
Kaliku boys secondary		4,000,000		
Thua secondary		7,200,000		
Mwitika boys saecondary		300,000		
Kithanake secondary		250,000		
Mwitika boys secondary		500,000		
Voo secondary		500,000		
Voo secondary		1,000,000		
Tertiary institutions		-		
Sub-Total		43,870,000	57,420,000	
Amounts due to other grants and other transfers				
Bursary		1,249,134		
Sports		2,742,578		
Emergency		569,304		
Environment		-		
Ililuni police post		1,000,000		
Imuumba police post		200,000		
Ithumula police post		1,000,000		
Matia police post		1,000,000		
Mutitu north DCC office		2,000,000		
Mutitu ACC office		2,000,000		
Mutitu DCC OFFICE		6,500,000		
Twambui police post		500,000		
Voo ACC office		2,000,000		
Waani asst. chief office		500,000		
Zombe chiefs office		1,000,000		
Zombe police post		500,000		
Mutitu DCC office		6,500,000		
Sub-Total		29,261,017	21,024,798	
Acquisition of assets		6,247,000	6,247,000	
Others (specify)				
Sub-Total				
Funds pending approval				
Grand Total		83,874,495	91,343,853	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2 0	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	6,400,000.00	-	-	6,400,000.00
Transport equipment	6,312,602.00	-	-	6,312,602.00
Office equipment, furniture and fittings	826,741.00	-	-	826,741.00
ICT Equipment, Software and Other ICT Assets	323,000.00	-	-	323,000.00
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	12,862,343.00			12,862,343.00

PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC PROJECT NAME	BANK	ACCOUNT NO	BANK BALANCE 2020/2021	BANK BALANCE 2019/2020
WANAMBA PRIMARY SCHOOL	Equity	0720276598394	23.09	0.00
MALATANI PRIMARY SCHOOL	Equity	0720277630877	1,000,000	56.00
MATIA PRIMARY SCHOOL	Equity	0720250672289	156.78	34.23
MITAANI PRIMARY SCHOOL	Equity	0720280229850	407.50	0.00
KATITIKA PRIMARY SCHOOL	Equity	0720280341560	260.00	79.00
KYANGENI PRIMARY SCHOOL	Equity	0720280473288	148,830.00	29.00
IKISAYA PRIMARY SCHOOL	Equity	0720267168965	2.50	700.00
KALUASI PRIMARY SCHOOL	Equity	0720270211215	2,943,705.00	678.00
MAKUKA PRIMARY SCHOOL	Equity	0720262877472	260.00	245.00
MAKUTANO PRIMARY SCHOOL	Equity	0720265267511	4,000.00	256.90
ITUUSYA PRIMARY SCHOOL	Equity	0720280812276	199,040.00	300.00
KASUNGUNI PRIMARY SCHOOL	Equity	0720280832012	199,760.00	256.00
NGUNGI PRIMARY SCHOOL	Equity	0720281732413	119,280.00	0,00
KALALANI PRIMARY SCHOOL	Equity	0720352808687	168,710.00	45.00
MAKONGO PRIMARY SCHOOL	Equity	0720280919819	558,770.00	67.00
KYAANGO PRIMARY SCHOOL	Equity	167027018903	364,529.00	0.00
ZOMBE PRIMARY SCHOOL	Equity	0720268937490	1,420.00	260.00
KANGUU PRIMARY SCHOOL	Equity	0720262812169	6,850.00	85.99
KYAMATU PRIMARY SCHOOL	Equity	0720268485355	1,220.00	800.00
KYULULU SEC SCHOOL	Equity	0720278658340	6,480.00	75.00
KAWEA SEC SCHOOL	Equity	0720262726179	250,245.00	345.00
KYUUKUNI SEC SCHOOL	Equity	0720278589246	747.50	245.00
KATUMBI SEC SCHOOOL	Equity	0720279752746	10.00	650.00
KWA WEWA SEC SCHOOL	Equity	0720264432807	240.00	300.00
KIKUU SEC SCHOOL	Equity	0720162704504	7.50	234.00
KABATI SEC SCHOOL	Equity	0720277825251	466,980.00	400.00
ITIKO SEC SCH	Equity	0720262160673	7.50	0.00
KALULU SEC SCHOOL	EQUITY	0720279533938	49,797.50	23.00
KASANG'U SEC SCHOOL	Equity	0167027962142	30.00	450.00
KALALANI SEC SCHOOL	Equity	0720262337085	175.25	450.00
KITHANAKE SEC SCH	Equity	167027969533	469,070.00	200.00
CHULUNI SEC SCHOOL	Equity	0720293879207	207.00	300.00
PCEA NGUNGI SEC SCHOOL	Equity	0720162334991	500,859.20	456.00
SYOU DAY MIXED SEC SCHOOL	Equity	0720278634765	93,740.00	245.00
MUSUKINI MIXED DAY SEC SCHOOL	Equity	0720278650519	38,904.30	7.00
KIONGWE SEC SCHOOL	Equity	0720278964446	250,560.00	789.00
MASIKALINI SEC SCHOOL	Equity	0720280631058	345,650.00	288.00
KATHUA SEC SCHOOL	Equity	0720280962897	699,880.00	346.00

KAKAME SEC SCHOOL	Equity	0720280388526	718.62	29.00
ITHANGATHI SEC SCHOOL	Equity	0720272162868	1,602,755.00	245.00
KAUMU SEC SCHOOL	Equity	0720280267631	0.00	500.00
KAKAME SAND DAM	Equity	0720280388526	718.62	45.00
KATIKONI SAND DAM	Equity	0720277469054	535.00	0.00
KWA NGWENZE SAND DAM	Equity	0720279487902	0.00	0.00
KITUI NG CDF ENVIRONMENT	Equity	0720280499330	97.57	23.00
MATIA POLICE POST	Equity	0720000374193	260.00	56.00
MUTITO ZOMBE DCC OFFICE	Equity	0720280348295	487.50	65.00
ZOMBE CHIEFS OFFICE	Equity	0720280982966	349,880.00	234.00
NGAAGA YAKWA PRIMARY SCHOOL	Equity	0720277751369	2,090.00	420.00
MWALIMU MUTUA MAIYUKU SEC SCHOOL	Equity	0720262379173	2,479.00	120.00
NZAMBANI SUB COUNTY TREASURY	Equity	0720280630024	20.00	340.00
SYOMBUKU PRIMARY SCHOOL	Equity	0720266691160	1,340.00	650.00
MWITIKA PRIMARY SCHOOL	Equity	0720276509700	1,765.00	420.00
IMBUVUU PRIMARY SCHOOL	Equity	0720279474749	520.00	120.00
MWITIKA CHIEFS OFFICE	Equity	0720287510800	0.00	650.00
KYUNDUANI PRIMARY SCHOOL	Equity	0720262708530	946.90	540.00
KITHANAKE PRIMARY SCHOOL	Equity	0720265952942	1,075.00	760.00
KAMUNYU PRIMARY SCHOOL	Equity	0720265052032	433.00	290.00
ITHUMULA PRIMARY SCHOOL	Equity	072990433241	175.00	461.00
KITUI ESAT NGCDF PIT LATRINE	Equity	0720280782000	520.00	680.00
KITHO SEC SCHOOL	Equity	0720928346447	675.00	390.00
KALIKU POLICE POST PIT LATRINE	Equity	0720280796583	20.00	78.00
ZOMBE ACC OFFICE	Equity	0720208850568	50,269.44	435.00
MANYOENI SEC SCHOOL	Equity	0720262708532	1,182.50	560.00
NZILANI SEC SCHOOL	Equity	0720990433243	358,887.50	345.00
TWAMBUI SEC SCHOOL	Equity	0720276509707	49,400.00	412.00
KIANGINI SEC SCHOOL	Equity	0720276509789	0.00	309.00
MWITIKA SEC SCHOOL	Equity	0720280630027	0.00	23.00
KWA KING'ELE SAND DAM	Equity	0720280630020	0.00	200.00
IVOVYE SAND DAM	Equity	0720280982969	260.00	340.00
MATHINI SAND DAM	Equity	0720280986575	260.00	780.00
NGELANI KWA NZEEKA SAND DAM	Equity	0720928346447	718.62	230.00
NZAMBANI POLICE STATION	Equity	0720280561456	40.00	450.00
		TOTAL	11,319,343.80	20,894.22

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1.	Cash and cash equivalents-stale cheques. Included in the financial statement of assets and liabilities under financial assets is cash and cash equivalents of Ksh.9,423,902 .	It is true. The stale cheques have since been reversed in the cashbook and the bank reconciliation updated. Bank reconciliation is done on monthly basis and stale cheques reversed in time and no such stale cheques are there presently (as at 30/6/2021)	NG-CDF FAM	RESOLVED	
2.	Receipts- The 4,762,561.75 which has been rounded off to 4,762,562 is unexplained.	The issue has been explained and hence has been resolved.	NG-CDF FAM	RESOLVED	
3	Project implementation –where PMCs are not doing procurement by themselves hence being done at the constituency level	The CDF are assisting the PMCs to carry out procurement since they do not have capacity on their own. Noting that the region has only one procurement officer who serves at least five constituencies it would be impossible for him to assist all the PMCs and hence the idea of the procurement being done at the constituency level.	NGCDF-FAM	NOT RESOLVED	AS AT 30/06/2021

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
4	Non compliance to Public sector accounting standards board guidelines.	The accountant who signed the accounts at the time of submission was the deputy accountant since the district accountant had retired and the national treasury had not deployed a substantive district accountant.	NG-CDF FAM	RESOLVED	