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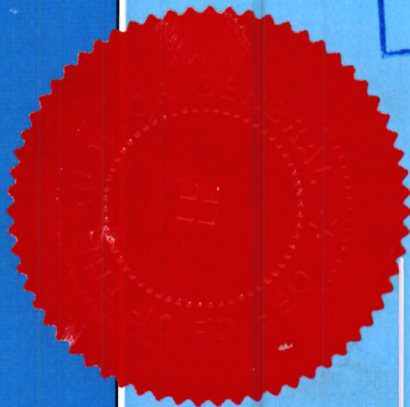


**OAG**



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID  
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DAY: Wednesday  
TABLED BY: Majority Whip  
BY: Mado

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

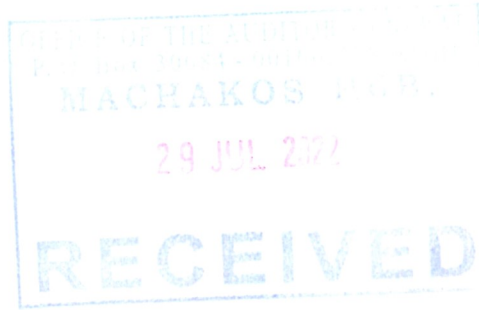
**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND - KATHIANI CONSTITUENCY**

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



*Revised Template 30<sup>th</sup> June 2021*



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**KATHIANI CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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



**KATHIANI Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Vision**

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 KATHIANI Constituency NGCDF day-to-day management is under the following key organs:

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

#### **(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	<b>Aurelia M. Nyika</b>
2.	Sub-County Accountant	<b>Everlyne O. Omung'ala</b>
3.	Chairman NGCDFC	<b>Philip Ndolo</b>
4.	Member NGCDFC	<b>Agnes Muasya</b>

#### **(d) Fiduciary Oversight Arrangements**

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

P.O. Box 144-90105  
DCC's Building, Kathiani Sub-County  
Kathiani, KENYA



**(f) KATHIANI Constituency NGCDF Contacts**

Telephone: (254)  
E-mail: [ngcdfkathiani@ngcdf.go.ke](mailto:ngcdfkathiani@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) KATHIANI Constituency NGCDF Bankers**

Co Operative Bank  
Athi River Branch  
P.O Box 321  
Athi River Branch

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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



## **II. NG-CDF CHAIRMAN'S REPORT**

Include among others the following:



**CHAIRMAN NG CDF KATHIANI : PHILIP NDOLO**

The budget performance was below 71% when the actual expenditure and disbursements were compared. This mainly was due to non disbursement of funds from the NG CDF board. The subsequent year will have the funds disbursed and utilised where they are supposed to be utilized.

NG-CDF is a fund which can be classified as community friendly. Apart from funding what is required by the community members, its implementation is done by the same community thus achieving several objectives. First, it is wealth creation as a vast number of items and resources used are from the community. It also encourages ownership of the projects by the community hence their sustainability.

There is also transfer of skills (capacity building) to the community as managing projects creates experience. Finally, the biggest achievements are on the projects themselves. In Kathiani so many primary and secondary schools have benefited thus improving their infrastructure. These have gone a long way in improving the lives of the beneficiaries.

Some of the keys projects are highlighted below:





*KATHIANI Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*



Kathiani constituency was also faced with challenges;

- a) The COVID 19 that has hit the country also affected the operations of the constituency thus limiting the achievement of all its activities.
- b) The constituents also had a challenge in a way that the constituency has a vast area coverage of people leading to high demand of various services which could not be met by the constituency in full.

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 NGCDF- KATHIANI Constituency's 2018-2022 plan are to:

- a) Primary School projects: construction, renovation of classrooms and office blocks
- b) Secondary school's infrastructure: construct and equip classrooms, dining halls, dormitories, administration blocks and libraries
- c) Sports activities for youth: levelling of playgrounds and purchase of equipment, balls, uniforms
- d) Planting tree seedlings of indigenous and fruit trees
- e) Payment of bursary to needy students in secondary and colleges/universities

#### 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	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 - we increased number of dormitories-2, classrooms renovations in 20 schools  - Bursary beneficiaries at all levels were 6,583
Security	To have security services at every ward	Increased access to security services at walking distance	- number of police posts build	One police post and staff houses for another
Disaster Management	To be prepared for handling emergent events	Ability to handle unplanned events	- number of projects/ events handled	7 toilets done and one wall reinforced



#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 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**

NGCDF – KATHIANI has under the provision of environment been funding ground levelling in schools to enable pupils have playing fields



### **3. Employee welfare**

We invest in providing the best working environment for our employees. KATHIANI 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. KATHIANI 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. KATHIANI constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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-**

KATHIANI NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

### **5. Community Engagements-**

KATHIANI 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.

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

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**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-KATHIANI 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-KATHIANI 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- KATHIANI 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 KATHIANI 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- KATHIANI Constituency financial statements were approved and signed by the Accounting Officer on 14/July/ 2021.



Chairman NGCDF Committee  
Name: Philip Ndolo

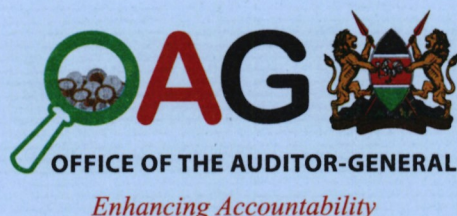


Fund Account Manager  
Name: Aurelia M. Nyika



# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KATHIANI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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### 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

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kathiani Constituency set out on pages 14 to 46,



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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kathiani 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of the financial statements revealed the following anomalies:

- i. The statement of Receipts and payments, and as disclosed in Note 8 to the financial statements reflects an amount of Kshs.6,735,352 for acquisition of assets. However, in the statement of cashflow, the amount is wrongly reflected as proceeds from sale of assets and disclosed in Note 2 instead of Note 8 to the financial statements.
- ii. The statement of Assets and Liabilities reflects a fund balance of Kshs.47,449,002 as at 1 July, 2020 while Note 13 of the financial statements reflects a balance of Kshs.48,481,922 resulting to a variance of Kshs.1,032,920 which has not been explained.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

#### **2. Inaccuracies in Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.21,754,742. However, review of cashbook and bank reconciliation statements revealed that the cashbook had not been updated to include a salary payment of Kshs.7,000 done in July, 2020 and bank charges totalling Kshs.16,440. Further, stale cheques totaling to Kshs.1,506,028 have not been cancelled and reversed in the cashbook. No explanation was given for the failure to update the cash book.

In the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.21,754,742 could not be confirmed.

#### **3. Unutilized Fund Balance**

The summary statement of appropriation reflects unutilized fund balance of Kshs.96,722,435 as at 30 June, 2021. However, Annex 3 to the financial statements



shows unutilized fund balance as Kshs.96,443,617 leading to a variance of Kshs.278,818. No reconciliation was provided to explain the variance.

In the circumstance, the completeness and accuracy of the unutilized fund balance of Kshs.96,722,435 for the year ended 30 June, 2021 could not be confirmed.

#### **4. Misclassification of Expenses**

The statement of receipts and payments as disclosed in Note 8 to the financial statements reflects acquisition of assets expenditure of Kshs.6,735,352. Examination of records revealed that this amount includes an expenditure of Kshs.150,000 relating to use of goods and services.

In the circumstances, the acquisition of assets expenditure was overstated by Kshs.150,000 while use of goods and services was understated by the same amount.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kathiani 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 for the year ended 30 June, 2021 reflects the revenue budget of Kshs.255,304,370 while the actual amount received was Kshs.180,336,647 resulting in underfunding of Kshs.74,967,723 or 29% of the approved budget. Further, out of the available receipts of Kshs.180,336,647, only the amount of Kshs.158,581,905 was spent during the year resulting in unexplained under absorption of Kshs.21,754,742 or 12% of the receipts.

The underfunding and failure to utilize the available receipts affected the planned activities which 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 for Conclusion

### 1. Delayed Completion of Projects

During the year, a total of Kshs.86,793,373 was allocated for implementation of eighty-four (84) projects. Review of the project implementation status revealed that sixteen (16) projects worth Kshs.12,100,000 were completed during the year, fifty-six (56) projects with a total cost of Kshs.62,993,373 were still on-going and twelve (12) projects with total allocation of Kshs.11,700,000 had not commenced. No explanation was given for the delay.

In the circumstances, value for money may not be realized from the amount of Kshs.74,693,373 incurred on the incomplete projects.

### 2. Poor Implementation of Projects

The statement of receipts and payments reflects an amount of Kshs.99,615,624 as transfers to other government units, which as disclosed in Note 6 to the financial statements relates to transfers to primary and secondary schools. However, physical verification of seven (7) Projects worth Kshs.11,486,355 conducted in the month of April, 2022 revealed the following anomalies;

	Project	Activities	Amount (Kshs.)	Anomalies Noted
1	Kathiani Girls Secondary School	Construction of a new home science laboratory	3,400,000	Only trenches for foundation had been done and some building materials were on site.
2	Kaiyani Secondary School	Completion of a new administration block	4,000,000	The Project had stalled at walling level and the contractor was not on site.
3	Ngoleni Secondary School	Construction of 2 new classrooms	2,000,000	Funds was re-allocated to 12 classrooms without NGCDF Board's approval.
4	Ngoleni Security Post	Construction of a staff house	500,000	Projects were not labelled contravening regulation 11 (1)(cc) of the National Government Constituencies Development Regulations, 2016, which requires the constituency committee to ensure all projects are labelled.
5	Miumbuni Security Post	Renovation of Miumbuni Chiefs Office	500,000	
6	Kathalani Police Post	Construction of 2 new cells	436,355	Painting and installation of water tank had not been done.
7	Kalikya Primary School	Construction of six door toilet	650,000	Tiles on the wall were falling off due to poor workmanship.
<b>Total</b>			<b>11,486,355</b>	

In the circumstances, Management was in breach of regulations and value for money realized from the expenditure of Kshs.11,486,355 incurred on the Projects could not be confirmed.



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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Risk Management Policy and a Disaster Recovery Plan**

Audit revealed that the Fund did not have a Risk Management Policy framework to guide in identification, assessment and mitigation of risks. In addition, there was no evidence to show that a formal risk assessment and evaluation was undertaken during the year. This is a contravention of the provisions of Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which outlines the role and responsibilities of Accounting Officers in respect to risk management. In addition, the Fund did not have in place a Disaster Recovery and Business Continuity Plan.

In the absence of Risk Management Policy and, a Disaster Recovery and Business Continuity Plan, the Fund lacks a blue print for identifying, preventing and mitigating against risks and disasters to ensure that its operations are not interrupted in case of unforeseen events.

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

### **Responsibilities of Management and those Charged with Governance**

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



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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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



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

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

**07 September, 2022**



**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	131,767,724	123,040,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	87,000	63,000
<b>TOTAL RECEIPTS</b>		<b>131,854,724</b>	<b>123,103,876</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,442,560	1,963,060
Use of goods and services	5	8,716,128	7,058,102
Transfers to Other Government Units	6	99,615,624	66,464,028
Other grants and transfers	7	42,072,241	10,295,086
Acquisition of Assets	8	6,735,352	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>158,581,905</b>	<b>85,780,276</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(26,727,181)</u></b>	<b><u>37,323,600</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KATHIANI Constituency financial statements were approved on 14/July/2021 and signed by:

<u>Atto</u>	<u>gjc</u>	<u>Philip Ndolo</u>
Fund Account Manager Name: Aurelia Nyika	National Sub-County Accountant Name: Everlyne O. Omungála ICPAK M/No: 6987	Chairman NG-CDF Committee Name: Philip Ndolo

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	21,754,742	48,481,922
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>21,754,742</b>	<b>48,481,922</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>21,754,742</b>	<b>48,481,922</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	1,032,920	1,032,920
<b>NET FINANCIAL SSETS</b>		<b>20,721,822</b>	<b>47,449,002</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	47,449,002	10,125,402
Prior year adjustments	14	-	-
Surplus/Defict for the year		(26,727,180)	37,323,600
<b>NET FINANCIAL POSITION</b>		<b>20,721,822</b>	<b>47,449,002</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KATHIANI Constituency financial statements were approved on July 2021 and signed by:

Aurelia Nyika  
Fund Account Manager  
Name: Aurelia Nyika

Everlyne O. Omungála  
National Sub-County  
Accountant  
Name: Everlyne O. Omungála  
ICPAK M/No: 6987

Philip Ndolo  
Chairman NG-CDF Committee  
Name: Philip Ndolo



**KATHIANI Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**IX STATEMENT OF CASHFLOW**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	131,767,724	123,040,876
Other Receipts	3	87,000	63,000
<b>Total receipts</b>		<b>131,854,724</b>	<b>123,103,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	1,442,560	1,963,060
Use of goods and services	5	8,716,128	7,058,102
Transfers to Other Government Units	6	99,615,624	66,464,028
Other grants and transfers	7	42,072,241	10,295,086
Other Payments	9	-	-
<b>Total payments</b>		<b>151,846,553</b>	<b>85,780,276</b>
<b>Total Receipts Less Total Payments</b>		<b>(19,991,829)</b>	<b>37,323,600</b>
<b>Adjusted for:</b>			
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	396,180
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>(19,991,829)</b>	<b>37,719,780</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	(6,735,352)	-
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>		<b>(6,735,352)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(26,727,181)</b>	<b>37,719,780</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>48,481,922</b>	<b>10,762,142</b>
<b>Cash and cash equivalent at END of the year</b>		<b><u>21,754,742</u></b>	<b><u>48,481,922</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KATHIANI Constituency financial statements were approved on 14/July/2021 and signed by:

Aurelia Nyika  
**Fund Account Manager**  
**Name: Aurelia Nyika**

Everlyne O. Omungála  
**National Sub-County**  
**Accountant**  
**Name: Everlyne O. Omungála**  
**ICPAK M/No: 6987**

Philip Ndolo  
**Chairman NG-CDF Committee**  
**Name: Philip Ndolo**

X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b	Previous Years' Outstanding Disbursements				
<b>RECEIPTS</b>	<b>2020/2021</b>		Opening Balance (C/BK) and AIA	<b>2020/2021</b>	<b>30/06/2021</b>		
Transfers from NG-CDF Board	137,367,724	48,481,922	69,367,724	255,217,370	180,249,647	74,967,723	70.6%
Proceeds from Sale of Assets				87,000	87,000	-	0.0%
Other Receipts		87,000		0	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>48,568,922</b>	<b>69,367,724</b>	<b>255,304,370</b>	<b>180,336,647</b>	<b>74,967,723</b>	<b>70.6%</b>
<b>PAYMENTS</b>							
Compensation of Employees	1,700,000	2,556,136	860,002	5,116,138	1,442,560	3,673,578	28.2%
Use of goods and services	10,808,144	6,686,356		17,494,500	8,716,128	8,778,372	49.8%
Transfers to Other Government Units	65,834,000		58,449,519	124,283,519	99,615,624	24,667,895	80.2%
Other grants and transfers	56,425,580	39,176,400	500,000	96,101,980	42,072,241	54,029,739	43.8%
Acquisition of Assets	2,600,000		9,558,203	12,158,203	6,735,352	5,422,851	55.4%
Other Payments	0			0	-	-	-
Unallocated fund		150,000.00		150,000		150,000	
<b>TOTAL</b>	<b>137,367,724</b>	<b>48,568,922</b>	<b>69,367,724</b>	<b>255,304,340</b>	<b>158,581,905</b>	<b>96,722,435</b>	<b>62.1%</b>

\*\*Funds pending approval are sums not yet approved by the board for utilisation and include AIA not yet allocated for specific project



**KATHIANI Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- i. Compensation of employees had a 28.2% utilization because of gratuity to staff that has not been paid out as it's paid at the end of the contract period.
  - ii. Use of goods had a 49.8% utilization because some activities could not be undertaken like training of NG CDFC's due to the pandemic and most functions were hindered by the COVID restrictions.
  - iii. Transfers to other government entities had a utilization difference of 80.2% which is due to the late disbursement of funds from the NGCDF Board.
  - iv. Other grants and transfers had a utilization difference of 43.8%; schools had been closed for the first half of the financial year thus most bursaries were issued late into the financial year, emergencies funds were not fully utilized as the constituency did not have so many emergencies and other projects like sports could not be undertaken due to the COVID restrictions and delayed disbursement of funds to facilitate the projects
  - v. Acquisition of assets had a utilization difference of 55.4% due to the late disbursement of funds.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	96,722,435
Less undisbursed funds receivable from the Board as at 30th June 2021	74,967,723
	21,754,712
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	21,754,712

The NGCDF-KATHIANI Constituency financial statements were approved on 14 July 2021 and signed by:

Aurelia Nyika  
Fund Account Manager  
Name: Aurelia Nyika

g<sup>c</sup>  
National Sub-County  
Accountant  
Name: Everlyne O. Omung'ala  
ICPAK M/No: 6987

Philip Ndolo  
Chairman NG-CDF Committee  
Name: Philip Ndolo

**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				
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	1,700,000	2,556,136	860,002	5,116,138	1,442,560	3,673,578	
1.2 Committee allowances	4,532,063	634,409		5,166,472	2,609,000	2,557,472	50
1.3 Use of goods and services	2,000,000	1,359,992		3,359,992	1,933,728	1,426,264	58
<b>Total</b>	<b>8,232,063</b>	<b>4,550,537</b>	<b>860,002</b>	<b>13,642,602</b>	<b>5,985,288</b>	<b>7,786,132</b>	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,700,000	1,521,306		3,221,306	2,320,400	900,906	72
2.2 Committee allowances	1,800,000	2,492,326		4,292,326	1,103,000	3,189,326	26
2.3 Use of goods and services	497,263	678,353		1,175,616	750,000	425,616	64
<b>Total</b>	<b>3,997,263</b>	<b>4,691,985</b>		<b>8,689,248</b>	<b>4,173,400</b>	<b>4,515,848</b>	
3.0 Emergency							
3.1 Primary Schools	7,192,207	648,241		7,840,448	2,378,241	5,462,207	30
3.2 Secondary schools					650,000	(650,000)	-
3.3 Tertiary institutions							-
3.4 Security projects							-
3.5 Unutilised					120,000	(120,000)	-



NATIONAL GOVERNMENT CONSULTANCIES DEVELOPMENT FUNDS (NCCDF)  
 Reports and Financial Statements for The Year Ended June 30, 2021

<b>Total</b>	<b>7,192,207</b>	<b>648,241</b>			<b>7,840,448</b>	<b>3,148,241</b>	<b>4,692,207</b>		
<b>4.0 Bursary and Social Security</b>									
4.1 Secondary Schools	19,000,000	18,484,814			37,484,814	19,827,700	17,657,114	53	
4.2 Tertiary Institutions	15,000,000	17,303,345			32,303,345	13,856,300	18,447,045	43	
4.3 Social Security									
4.4 Special Needs									
<b>Total</b>	<b>34,000,000</b>	<b>35,788,159</b>			<b>69,788,159</b>	<b>33,684,000</b>	<b>36,104,159</b>		#DIV/0!
<b>5.0 Sports</b>									
5.1	2,744,000	2,740,000			5,484,000	2,740,000	2,744,000	50	
<b>Total</b>	<b>2,744,000</b>	<b>2,740,000</b>			<b>5,484,000</b>	<b>2,740,000</b>	<b>2,744,000</b>		
<b>6.0 Environment</b>									
6.1									
<b>Total</b>									#DIV/0!
<b>7.0 Primary Schools Projects</b>									
Kwangolya primary			33,130		33,130		33,130		
Mbee primary			90,000		90,000		90,000		
Kwa Ngezi Primary school			194,000		194,000		194,000		
Iveti primary school			2,000,000		2,000,000		2,000,000		
Kasioni primary school			2,000,000		2,000,000		2,000,000		
Revision books			3,000,000		3,000,000		2,999,235	765	



*Reports and Financial Statements for The Year Ended June 30, 2021*

Kingongoi primary school			850,000	850,000	850,000	-	
Kwale primary school			950,000	950,000	950,000	-	
Kathuni primary school			700,000	700,000	700,000	-	
Imilini primary school			700,000	700,000	700,000	-	
Komarock primary school			600,000	600,000	600,000	-	
Kwa Ngegi Primary school			600,000	600,000	600,000	-	
Kaviani primary school			200,000	200,000	200,000	-	
Kaewa Primary School			200,000	200,000	200,000	-	
Misuuni primary school			700,000	700,000	700,000	-	
Mutondoni primary school			450,000	450,000	450,000	-	
Muthala Primary school			600,000	600,000	600,000	-	
Mwanga primary school			800,000	800,000	800,000	-	
Kalambya primary school			300,000	300,000	300,000	-	
Isooni primary school			700,000	700,000	700,000	-	
Kikawani primary school			550,000	550,000	550,000	-	
Iyukoni primary school	800,000.00			800,000	800,000	-	
Ithaceni primary school	700,000.00			700,000	700,000	-	
Iveli primary school	400,000.00			400,000	400,000	-	
Kaewa Primary School							100

*Reports and Financial Statements for The Year Ended June 30, 2021*

Kalala primary school	600,000.00				600,000	600,000	-	
Kalimiprimary school	900,000.00				900,000	900,000	-	
Kalunga primary school	1,000,000.00				1,000,000	1,000,000	-	
Kasoya primary school	1,000,000.00				1,000,000	1,000,000	-	
Kasoya primary school	1,300,000.00				1,300,000	1,300,000	-	
Kasoya primary school	2,100,000.00				2,100,000	2,100,000	-	
Kasoya primary school	600,000.00				600,000	600,000	-	
Kaihiani primary school	1,000,000.00				1,000,000		1,000,000	
Katulya primary school	2,100,000.00				2,100,000		2,100,000	
Kawete primary school	2,400,000.00				2,400,000		2,400,000	
Kikata primary school	1,000,000.00				1,000,000	1,000,000	-	
Kikombi primary school	800,000.00				800,000	800,000	-	
Kikombi primary school	600,000.00				600,000	600,000	-	
Kisekini primary school	2,744,000.00				2,744,000		2,744,000	
Kitannulu primary school	400,000.00				400,000	400,000	-	
Kitengei primary school	1,200,000.00				1,200,000		1,200,000	
Kitunguini primary school	1,000,000.00				1,000,000	1,000,000	-	
Kituhi primary school	500,000.00				500,000		500,000	
Kituluni primary school	1,000,000.00				1,000,000	1,000,000	-	
Kitivu primary school	500,000.00				500,000	500,000	-	
Komarock primary school	900,000.00				900,000	900,000	-	
	1,000,000.00				1,000,000		1,000,000	



**National Government Constituencies Development Fund (NGCCDF)**  
**Reports Financial Statements for The Year Ended June 30, 2021**

Kwa Ngezi Primary school	700,000.00			700,000	-	700,000	
Kwa Nzimbi primary school	1,000,000.00			1,000,000	1,000,000	-	
Kwa Mwee primary school	850,000.00			850,000	850,000	-	
Kyuluni primary school	1,000,000.00			1,000,000	1,000,000	-	
Lunhwa primary school	1,000,000.00			1,000,000	1,000,000	-	
Maanzoni primary school	1,000,000.00			1,000,000	1,000,000	-	
Makumbini primary school	700,000.00			700,000	700,000	-	
Mangani primary school	950,000.00			950,000	950,000	-	
Mbe primary	800,000.00			800,000	800,000	-	
Mbuzuni primary school	700,000.00			700,000	700,000	-	
Mumbuni primary school	800,000.00			800,000	800,000	-	
Mwandoni primary school	1,000,000.00			1,000,000	1,000,000	-	
Mukanyi primary school	600,000.00			600,000	600,000	-	
Munyweni primary school	1,000,000.00			1,000,000	1,000,000	-	
Mutondoni primary school	700,000.00			700,000	700,000	-	
Ngelezi primary school	950,000.00			950,000	950,000	-	
Nzalkoni Primary	700,000.00			700,000	700,000	-	
Wulini primary school	300,000.00			300,000	300,000	-	
<b>Total</b>	<b>41,294,000</b>		<b>16,217,130</b>	<b>57,511,130</b>	<b>45,833,235</b>	<b>11,677,895</b>	<b>80</b>
<b>8.0 Secondary Schools Projects</b>							

*Reports and Financial Statements for The Year Ended June 30, 2021*

General mulinge secondary school				2,500,000	2,500,000	2,500,000	2,500,000	-	100
Kaliluni secondary school				4,000,000	4,000,000	4,000,000	4,000,000	-	100
Kithunguuni secondary school				4,000,000	4,000,000	4,000,000	4,000,000	-	100
Kaiani secondary school				4,000,000	4,000,000	4,000,000	4,000,000	-	100
Kathiani girls high school				2,000,000	2,000,000	2,000,000	2,000,000	-	100
Mbee secondary school				4,000,000	4,000,000	4,000,000	4,000,000	-	100
Ngoleni secondary school				2,000,000	2,000,000	2,000,000	2,000,000	-	100
Mitaboni ABC girls secondary school				2,000,000	2,000,000	2,000,000	2,000,000	-	100
Mitaboni ABC girls secondary school				5,132,389	5,132,389	5,132,389	5,132,389	-	100
Thinu secondary school				3,000,000	3,000,000	3,000,000	3,000,000	-	100
Ngini secondary school				7,000,000	7,000,000	7,000,000	7,000,000	-	100
Kalikya secondary school				2,000,000	2,000,000	2,000,000	2,000,000	-	100
Kaewa secondary school				600,000	600,000	600,000	600,000	-	100
Kaani lion girls secondary school			4,000,000		4,000,000		4,000,000		
Kathiani girls secondary school			3,400,000		3,400,000		3,400,000		
Kathuni secondary school			990,000		990,000		990,000		
Kathuni secondary school			1,000,000		1,000,000		1,000,000		
Kithuni secondary school			1,500,000		1,500,000		1,500,000		
Kituvu secondary school			3,000,000		3,000,000		3,000,000		
Kwa Ngei secondary school			900,000		900,000		900,000		
Lumbwa secondary school			750,000		750,000		750,000		
Mbee secondary school			1,000,000		1,000,000		1,000,000		



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Mburuni secondary school	500,000				500,000		500,000		
Mitaboni secondary school	4,000,000				4,000,000		4,000,000		
Ngoleni secondary school	1,000,000				1,000,000		1,000,000		
Karani secondary school	2,500,000				2,500,000		2,500,000		100
<b>Total</b>	<b>24,540,000</b>			<b>42,232,389</b>			<b>66,772,389</b>	<b>53,782,389</b>	<b>12,990,000</b>
<b>9.0 Tertiary institutions Projects</b>									
<b>Total</b>									
<b>10.0 Security Projects</b>									
Miumbuni police post			500,000		500,000	500,000	500,000		
Kaewa assistant chief's office	500,000				500,000		500,000		
Kathalani police post	500,000				500,000		500,000		
Kathiani police	2,000,000				2,000,000		2,000,000		
Kenol security post	1,000,000				1,000,000		1,000,000		
Kithia assistant chief office	500,000				500,000		500,000		
Lita assistant chief office	500,000				500,000		500,000		
Lita assistant chief office	500,000				500,000		500,000		
Mitaboni police post	1,000,000				1,000,000		1,000,000		
Mitaboni police post	989,373				989,373		989,373		
Miumbuni chiefs office	500,000				500,000		500,000		
Miumbuni security post	500,000				500,000		500,000		
Muonyweni security post	1,000,000				1,000,000		1,000,000		

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Mutitu security post	1,000,000				1,000,000				1,000,000
Ngoleni assistant chiefs office	500,000				500,000				500,000
Ngoleni security post	500,000				500,000		500,000		-
Thinu security post	1,000,000				1,000,000				1,000,000
<b>Total</b>	<b>12,489,373</b>			<b>500,000</b>	<b>12,989,373</b>		<b>2,500,000</b>		<b>10,489,373</b>
<b>11.0 Acquisition of assets</b>									
11.1 Motor Vehicles	-				-				-
11.2 Construction of CDF office	2,600,000			9,558,203	12,158,203		6,735,352		5,422,851
11.3 Purchase of furniture and equipment	-				-				-
11.4 Purchase of computers	-				-				-
<b>Total</b>	<b>2,600,000</b>			<b>9,558,203</b>	<b>12,158,203</b>		<b>6,735,352</b>		<b>5,422,851</b>
<b>12.0 Other payments</b>									
<b>Total</b>									
<b>13.0 unallocated fund</b>									
Unapproved projects									
AIA					150,000				150,000
PMC savings									
<b>Total</b>				<b>150,000</b>	<b>150,000</b>				<b>150,000</b>
	<b>137,088,906</b>		<b>48,568,922</b>	<b>69,367,724</b>	<b>255,025,552</b>		<b>158,581,905</b>		<b>96,722,434</b>

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



## **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-KATHIANI 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**



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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 xx June 20xx for the period 1<sup>st</sup> July 20xx to 30<sup>th</sup> June 20xx 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 30<sup>th</sup> June 20xx.

**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.

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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

	2020-2021	2019-2020
	Kshs	Kshs
AIE NO. B047290		55,040,876
AIE NO. B 047451		4,000,000
AIE NO. B 041470		20,000,000
AIE NO. B047912		7,000,000
AIE NO. B 049298		14,000,000
AIE NO. B 104323		15,000,000
AIE NO. B 096579		8,000,000
	69,367,724	
AIE NO. B 121543	9,000,000	
AIE NO. B 24974	8,500,000	
AIE NO. B 1198829	13,000,000	
AIE NO. B 128119	6,900,000	
AIE NO. B 128431	6,000,000	
AIE NO. B 132175	6000000	
AIE NO. B 138843	13000000	
	<b>131,767,724</b>	<b>123,040,876</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		
<b>TOTAL</b>		

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**



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3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	87,000	63,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>TOTAL</b>	<b>87,000</b>	<b>63,000</b>

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,373,440	1,528,000
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees		396,180
Employer Contributions Compulsory national social security schemes	69,120	38,880
<b>TOTAL</b>	<b>1,442,560</b>	<b>1,963,060</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	750,000	0
Electricity	0	0
Water & sewerage charges	-	-
Office rent		-
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets		-
Training expenses	2,320,400	907,500
Hospitality supplies and services	2,609,000	4,570,100
Other committee expenses	1,103,000	0
Committee allowance	0	0
Insurance costs		-

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Specialised materials and services		-
Office and general supplies and services	1,933,728	1,508,782
Fuel , oil & lubricants	0	0
Other operating expenses	0	0
Bank service commission and charges	0	0
Other Operating Expenses	-	-
Security operations		-
Routine maintenance - vehicles and other transport equipment	0	0
Routine maintenance- other assets		0
<b>TOTAL</b>	<b>8,716,128</b>	<b>7,058,102</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

	2020-2021	2019-2020
	Kshs	Kshs
Transfers to Primary Schools	45,833,235	53,884,028
Transfers to Secondary Schools	53,782,389	12,580,000
Transfers to Tertiary Institutions		
<b>TOTAL</b>	<b>99,615,624</b>	<b>66,464,028</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary - Secondary ( see attached list)	19,827,700	515,186
Bursary -Tertiary ( see attached list)	13,856,300	429,900
Bursary- Special Schools	-	-
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)		
Security Projects ( see attached list)	2,500,000	2,800,000
Sports Projects ( see attached list)	2,740,000	-
Environment Projects ( see attached list)	-	-
Emergency Projects ( see attached list)	3,148,241	6,550,000
<b>TOTAL</b>	<b>42,072,241</b>	<b>10,295,086</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	6,735,351.60	-
Refurbishment of Buildings	-	-
Purchase of 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	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-

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Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
<b>TOTAL</b>	<b>6,735,352</b>	<b>-</b>

**9.OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Strategic Plan	-	-
ICT Hubs	-	-
		-
<b>TOTAL</b>	<b>-</b>	<b>-</b>



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*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
	Kshs	Kshs
<i>Co operative Bank, Athiriver Branch</i>	21,754,742	48,481,922
<b>Total</b>	<b>21,754,742</b>	<b>48,481,922</b>
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide cash count certificates for each]</i>		

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

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

**12B. GRATUITY**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July 2021 (A)	1,032,920	1,032,920
Gratuity held during the year 2021/2022 (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	1,032,920	1,032,920



13. BALANCES BROUGHT FORWARD

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	48,481,922	10,125,402
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>48,481,922</b>	<b>10,125,402</b>

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 account Balancès	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

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

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

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**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
Esther kalia	487,630	487,630
Shadrack nzuki	185,690	185,690
Richard mutua	237,080	237,080
Dowson Kimilu	121,520	121,520
	<b>1,032,920</b>	<b>1,032,920</b>

**17.3: UNUTILIZED FUND (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	3,673,578	3,353,138
Use of goods and services	8,778,372	6,477,651
Amounts due to other Government entities (see attached list)	24,667,895	58,449,519
Amounts due to other grants and other transfers (see attached list)	54,029,739	40,011,136
Acquisition of assets	5,422,851	9,558,203
Others ( <i>specify</i> )	-	-
Funds pending approval	150,000	-
	<b>96,722,435</b>	<b>117,849,646</b>



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*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)	14,095,905	13,000,000
	14,080,905	13,000,000

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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	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					



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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		3,673,578	3,353,138	
Use of goods & services		8,778,372	6,749,387	
<b>Amounts due to other Government entities</b>				
Primary Schools		11,677,895	16,217,130	
Secondary school		12,990,000	42,232,389	
<b>Sub-Total</b>		<b>24,667,895</b>	<b>58,449,519</b>	
<b>Amounts due to other grants and other transfers</b>				
BURSARY -SECONDARY		17,657,114	18,484,814	
BURSARY -TERTIARY		18,447,045	17,303,345	
SFOTS		2,744,000		
TERTIARY		10,489,373		
EMERGENCY			648,241	
<b>Sub-Total</b>		<b>54,029,739</b>	<b>36,436,400</b>	
Acquisition of assets		5,422,851	9,558,203	
<b>Others (specify)</b>				
			2,740,000	
			500,000	
			63,000	
<b>Sub-Total</b>		<b>150,000</b>	<b>12,861,203</b>	
Funds pending approval				
<b>Grand Total</b>		<b>96,443,617</b>	<b>117,849,646</b>	



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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/20
Land	-	-	-	-
Buildings and structures	-	6,735,352	-	6,735,352
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	4,000,000.00	-	-	4,000,000.00
ICT Equipment, Software and Other ICT Assets	587,924.00	-	-	587,924.00
Other Machinery and Equipment	1,069,480.00	-	-	1,069,480.00
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>5,657,404</b>	<b>6,735,352</b>	<b>-</b>	<b>12,392,756</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

Project Name	Bank	Account Number	Bank balance 2020/2021	Bank balance 2019/2020
General Mulinge High School	Co-Operative Bank	01139748197000	-	5,000,000
Lumbwa secondary school	Co-Operative Bank	01139550624600	-	2,000,000
Kinyau secondary school	Co-Operative Bank	01139033222604	-	2,000,000
Kitie primary school	Co-Operative Bank	01139550286300	-	750,000
Mbee primary school	Co-Operative Bank	01139550286300	-	2,250,000
Wutini primary school	Co-Operative Bank	01139550894900	-	1,000,000
Kikombi Primary	Co-Operative Bank	01139550367800	102,310	
Ngeleni Primary	Co-Operative Bank	01139550370100	150,283	
Mangaani Primary	Co-Operative Bank	01390725060001	214,613	
Kaewa Primary	Co-Operative Bank	01139550370000	8,738	
Kalunga Primary	Co-Operative Bank	01139549582500	121,710	
Kituli Primary	Co-Operative Bank	01139549600300	225,212	
Kya Mwee Primary	Co-Operative Bank	01139748991200	1,090	
Kitengei Primary	Co-Operative Bank	01139550846800	6,975	
Kaliluni Primary	Co-Operative Bank	01139549556800	1,853	
Kituluni Primary	Co-Operative Bank	01139748205900	507,425	
Makumbini Primary	Co-Operative Bank	01135000838600	56,000	
Kikombi Primary	Co-Operative Bank	01139550367800	102,310	
Ithaeni Primary	Co-Operative Bank	01139550367900	51,587	
Nzaikoni Primary	Co-Operative Bank	01139550369400	1,603	
Mbuuni Primary	Co-Operative Bank	01139072623302	701,212	
Wutini Primary	Co-Operative Bank	01139550894900	13,650	
Isyukoni Primary	Co-Operative Bank	01139550370600	140,083	
Kyuluni Primary	Co-Operative Bank	01139550370500	1,000,424	



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Mivandoni Primary	Co-Operative Bank	01139550120200	1,005,300	
Lumbwa Primary	Co-Operative Bank	01139550366900	233,263	
Mutondoni Primary	Co-Operative Bank	01139550367400	21,788	
Mbee Primary	Co-Operative Bank	01139550286300	63,736	
Kikata Primary	Co-Operative Bank	01139550286200	2,203	
Mukanyi Primary	Co-Operative Bank	01139549702500	607,237	
Kwa Nzimbi Primary	Co-Operative Bank	01139072624101	1,006,593	
Kwa Ngengi Primary	Co-Operative Bank	01139550120400	1,183	
Kaiani Secondary	Co-Operative Bank	01139550990300	4,317,412	
Kaani Lions Girls Secondary	Co-Operative Bank	01139549533700	8,893	
Kathiani Girls Secondary	Co-Operative Bank	01141854557300	2,000,000	
Lumbwa secondary	Co-Operative Bank	01139550624600	1,109	
Kwa Ngengi Secondary	Co-Operative Bank	0113954900400	901,513	
Ngoleni Security Post	Co-Operative Bank	01141748264400	975	
Kathalani Police Post	Co-Operative Bank	01141550154100	502,631	
<b>TOTAL</b>			<b>14,080,905</b>	<b>13,000,000</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)



