



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 07 MAR 2023	DAY: TUESDAY
REPORT	The leader of Majority Party (LOM)
CLERK AT THE TABLE	Inzogu Mwale

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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





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**KIMILILI 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)



***KIMILILI 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





## **Kimilili Constituency**

### **National Government Constituencies Development Fund (NGCDF)**

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

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 KIMILILI 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	Peter Kibisu Agoi
2.	Sub-County Accountant	Zakaria Anangwe
3.	Chairman NGCDFC	Hillary Wafula
4.	Member NGCDFC	Celestine Waliaula

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

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

P.O. Box 60  
NG-CDF Building  
Kimilili-Chwele Highway  
KIMILILI, KENYA



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

**(f) KIMILILI Constituency NGCDF Contacts**

Telephone: (254)722574566  
E-mail: kimililingcdf@ngcdf.go.ke  
Website: www.ngcdf.go.ke/kimilili

**(g) KIMILILI Constituency NGCDF Bankers**

Co-operative Bank  
P.O Box 552  
Kimilili

**(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**



**Mr. Hillary.W. Wafula – Chairman Kimilili  
NGCDF.**

I am privileged to present our annual financial report for the FY 2020/2021. This year we have had a very major challenge with the outbreak of Covid 19 virus that slowed down our core mandate of development within the constituency. However, we witnessed an improved performance in the overall management of the fund, we have equally launched some of the projects that had been earlier initiated. We continue to boast of a committed and qualified team that has adapted to the challenges facing the fund thus demonstrating our ability to deliver substantial, sustained value for money to our constituents.

### **BUDGET PERFORMANCE**

We are proud to share with you that we had an 88% utilization of funds received from the NG-CDF Board. Utilization of funds helps us enhance our core focus and objectives of serving the constituents of Kimilili.

### **KEY ACHIEVEMENTS DURING 2020/2021 FY**

Strong management and governance have been key components of our operational model. This has



resulted into the following key achievements during the year:

**1. Completion of key Flagship Projects**

During our first year in office, we initiated a number of key flagship projects for implementation. I am proud to report that the following Projects have been successfully finished and handed over to the users; Allan Bradley Primary School (8 Classrooms), Matili FYM (8 Classrooms Storey) Daraja Mungu Primary school (6 Classrooms), Kamusinde Primary School (8 Classrooms storey), Nasianda Primary School (8 Classrooms Storey) Kamukuywa FYM primary (8 Classrooms storey) and ICT Centre housing a library and an ICT. The photos below indicate the schools mentioned above.



**Nasianda Primary School (8 Classrooms storey)**



**Kamusinde FYM (8 Classrooms Storey)**



**Matili Primary Schools (8 Classrooms Storey)**



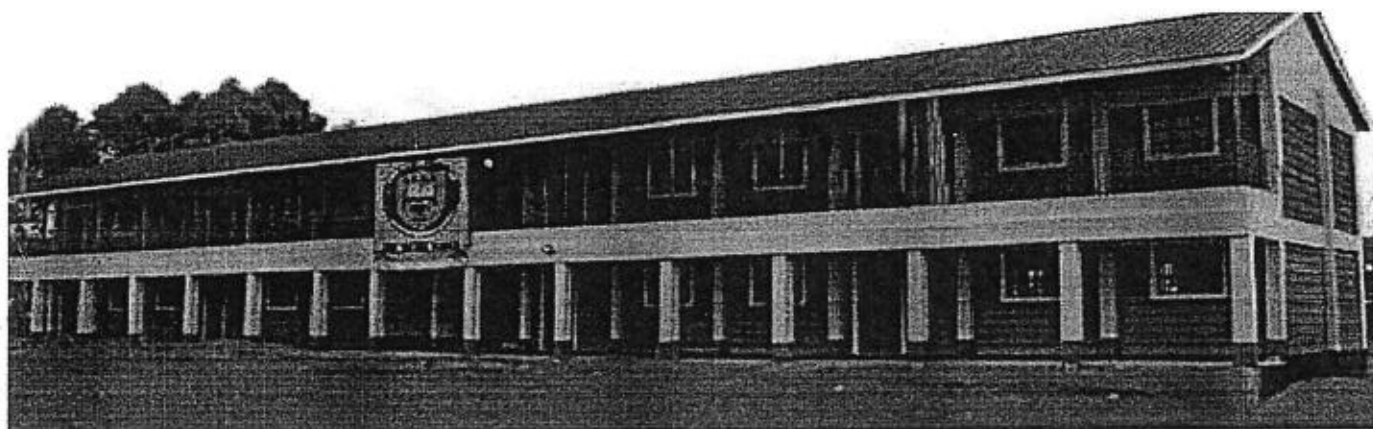
**Makhonge Primary School (8 Classrooms)**







ICT Centre



Kamukuywa FYM Primary School (8 Classrooms)

2. Bursary Disbursement

Our bursary award scheme for 2020/2021 was able to benefit way more than 5000 beneficiaries with a minimum of 10,000/= per beneficiary. Besides, we set aside money that benefitted special groups including Persons with Disability (PWD) and Orphans (OVCs).

3. Constituency Tree Planting Day

As a committee, we reckon that trees play an important role in enhancing quality of our environment as envisaged under the sustainable development goals. We actively participated in our Constituency based tree planting activity where we planted more than 100,000 seedlings in institutions cutting across the constituency.



4. Sports.

As a committee, we organized constituency sports tournament to nature the talent of youths in sports. We also supported a team for the deaf who participated in the Paralympics in Nairobi and later proceeded to Turkey for their finals.

5. PMC AND CDFC CAPACITY BUILDING WORKSHOP

As a way of ensuring smooth operation of the fund as stipulated in the NG-CDF Act (2015), we prioritized training of the key implementers of the fund. We thus had a successful two-day training workshop of all NG-CDF Staff, all PMCs, a select PMC and key departmental heads. The training was focused on empowering the key stakeholders with knowledge on the emerging issues related to NG-CDF Fund.

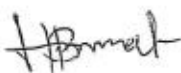
**KEY IMPLIMENTATION CHALLENGES.**

We experienced operational challenges in the course of the year. These included but were not limited to the following:

1. Most of the PMC members were not well acquainted to the operational nature of the fund. To this regard, the committee embarked on capacity building activities scheduled throughout the FY to empower the PMCs, NG-CDF staff as well as committee members on issues of importance in the operation of the fund.
2. Piece meal funding from the NG-CDF Board curtailed efficient implementation of projects by the committee. The committee therefore agreed to hasten the utilization of funds as received from the board as well as prevailing upon the board to fast track release of funds.

In summary, 2020/21 was a year of great performance. We have demonstrated we have the right strategy, the right culture and the right geographical footprint to deliver consistent and sustained value for our constituents. We enter 2021/2022 in excellent shape and a positive note. We have recently signed a performance contract with the NG-CDF Board which I am convicted will improve on our performance

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.

Kimilili is a constituency who's latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2023) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NGCDF-KIMILILI Constituency's 2017-2022 plan are to:

#### **Strategic Area One: Education**

**Objective:** Become a national model for education by improving school's infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

**Initiative:** Develop and enhance school's infrastructure to enhance facilities and provide conducive learning environment for children.

#### **Strategic Area Two: Environment**

**Objective:** Improve access to clean hygienic toilets.

**Initiative:** Construct Modern toilets in public institutions.

#### **Strategic Area Three: Sports**

**Objective:** Promote peace building activities and enhance community cohesion.

**Initiative:** Develop and empower youth and special groups through sports.

#### **Strategic Area Four: Information Communication and Technology (ICT)**



**Kimilili Constituency**  
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**Objective:** Enhance access to information and technology by Kimilili residents and use ICT to enhance service delivery and spurring development.

**Initiative:** Enhancement of infrastructure and accessibility of ICT resources in the constituency.

**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	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Reduced distance covered by school children, Increases opportunities for school leavers, Education for the disabled, Improved learning facilities	Number of Classrooms/laboratories Constructed.	118 classrooms were constructed and 8 in number renovated during the period
Environment	Improve hygiene standards in schools.	Construction of Modern toilets in schools	Number of toilets built in primary and secondary.	The constituency constructed 4 Modern toilets in Primary schools.
Sports	Promote peace building activities and enhance community cohesion.	Sports activities for the youth and other vulnerable groups.	Number of Sports Tournaments organized.	The Constituency organized two big tournaments where youths were awarded with trophies.
Information Communication and Technology (ICT)	Enhance access to information and technology and use ICT to enhance service delivery.	Construct an ICT Centre and equip with computers and internet Connectivity.	Number of ICT Centers built and equipped.	The Constituency built 1 ICT Centre.





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

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

- a. **Education and Training:** KIMILILI 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**

Environment Policy and Action Plan Protection of the environment in which we live and operate is part of Kimilili NG-CDF initiatives Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

##### **3. Employee welfare**

We invest in providing the best working environment for our employees. KIMILILI 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.

Kimilili NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

**Recruitment Procedure.** The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done.

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. KIMILILI 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-**

KIMILILI 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.

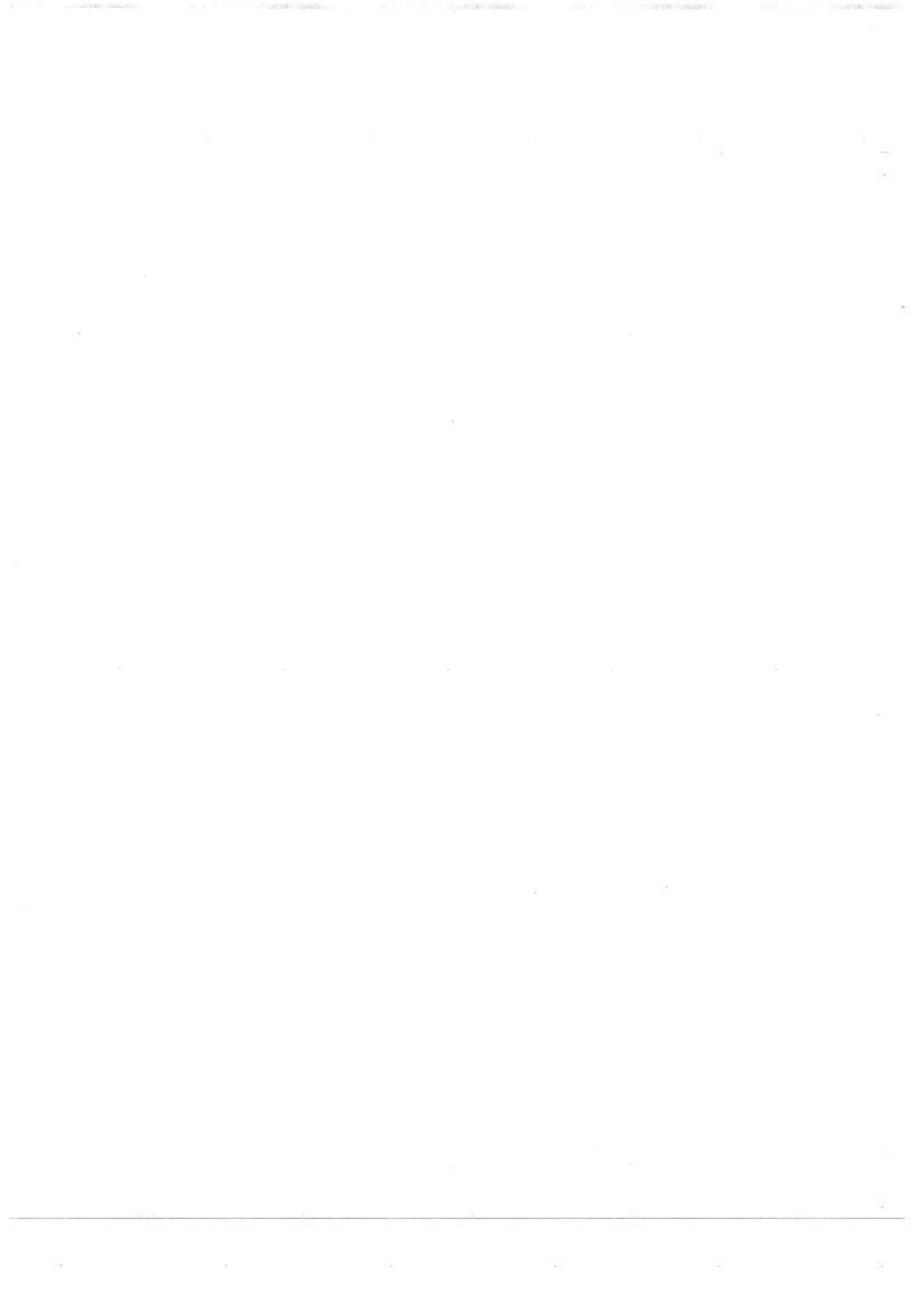
We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

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-**

KIMILILI 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.

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



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-KIMILILI 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-KIMILILI 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- KIMILILI 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 KIMILILI 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.

The NGCDF- KIMILILI Constituency financial statements were approved and signed by the Accounting Officer on 30th JUNE 2021.

*J. B. Bernal*  
Chairman NGCDF Committee  
Name: *HILARY WATFORD*

**Fund Account Manager**  
Name: Paul H. Adams





# REPUBLIC OF KENYA

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NAIROBI

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

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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 - Kimilili Constituency set out on pages 1 to 37, 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 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, the financial position of National Government Constituency Development Fund - Kimilili Constituencies 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. Unsupported Use of Goods and Services Expenditure**

The statement of receipts and payments as disclosed in Note 5 to the financial statements reflects use of goods and services amount totalling Kshs.9,457,931 under use of goods and services. This amount includes payments totalling Kshs.2,943,085, which were not supported with documentation, including, contracts agreements, Local purchase orders, delivery notes, stores records, ledgers, registers and, where applicable work tickets.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.2,943,085 could not be confirmed.

#### **2. Unsupported Project Management Committee (PMC) Balances**

Note 17.4 to the financial statements reflects a balance of Kshs.283,043 as disclosed in Annex 5. This represents bank balances held in twenty-nine (29) bank accounts held by Project Management Committees (PMC) in Co-operative Bank. However, certificates of bank balance, bank statements, bank reconciliation statements and cash books were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC balances totalling Kshs.283,043 could not be confirmed.

#### **3. Unsupported Construction of Classrooms**

The statement of financial performance reflects an amount of Kshs.67,840,000 under transfers to other Government units as disclosed in Note 6 to the financial statements. This amount includes Kshs.61,640,000 for transfers to primary schools which in turn includes an amount of Kshs.34,547,700 disbursed to three(3) schools for construction of thirty (30) classrooms - ten (10) classrooms in each of the 3 schools. A total amount of Kshs.32,500,000 had been paid to the 3 respective contractors. However, procurement documents, including tender invitations, tender evaluations, notifications of award, acceptance of award, signed contracts and payment records, were not provided for audit. In the circumstances, accuracy, regularity and value for money for projects totalling to Kshs.32,500,000 could not be confirmed.

#### **4. Unsupported Bursary Payments**

The summary statement of receipts and payments reflects an amount of Kshs.24,052,272 under other grants and transfers as disclosed in Note 7 to the financial statements. This amount includes Kshs.8,348,600 and Kshs.7,959,000 being bursary disbursements to secondary schools and tertiary institutions, respectively. However, lists of all successful and unsuccessful applicants were not provided for audit.

In the circumstances, the accuracy, regularity and completeness of payments totalling Kshs.16,307,600 could not be confirmed.

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

#### **Key Audit Matters**

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

#### **Other Matter**

##### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.164,312,980 and Kshs.119,868,809 respectively resulting to an under-funding of Kshs.44,434,171 (or 27%) of the budget. Similarly, the Fund spent Kshs.112,767,021 against an approved budget of Kshs.164,312,980 resulting to an under expenditure of Kshs.51,545,959 or 31% of the budget

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

##### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, a number of paragraphs were raised under the Report on Financial Statements. However, Management has not resolved the issues nor disclosed all the prior year matter as provided by the Public Sector Accounting Standards Board templates.

#### **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. Failure to Pay Gratuity on Expired Contracts**

Review of the compensation of employees records revealed that the Fund did not pay gratuity amounting to Kshs.1,079,049 on contractual employees whose contracts expired during the year under review. This is contrary to the provisions of Section 35(5) of the Employment Act, 2007, which stipulates that an employee whose contract of service expires shall be entitled to service pay for every year of service worked, the terms of which shall be fixed.

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

### **2. Unsupported Purchase of Land**

The statement of receipts and payments reflects an amount of Kshs.67,840,000 under transfers to other Government units as disclosed in Note 6 to the financial statements. This amount includes Kshs.6,200,000 being transfers to secondary schools which in turn includes an amount of Kshs.1,000,000 that was transferred to Kamukuywa Township High School for purchase of one (1) acre piece of land. However, no evidence which includes, purchase agreement, payment documents, valuation report, official search, and title deed were provided to confirm that the land was purchased.

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

### **3. Anomalies in Award and Poor workmanship in Construction of ICT Hub**

The statement of receipts and payments reflects an amount of Kshs.7,270,000 under other payments as disclosed in Note 9 to the financial statements which includes Kshs.4,300,000 in respect of construction of ICT Hub or library. The contract was awarded to a local contractor at a contract sum of Kshs.7,650,000 for a contract period of 52 weeks commencing on 3 August, 2018 to be completed on 3 August, 2019. However, documents relating to the procurement process, including tender bids, tender invitations, tender evaluations report and professional opinion, were not provided for audit.

Physical inspection conducted in May, 2022 and review of payment documents revealed that although the contractor had been paid a total Kshs.7,450,000 (or about 97%) of the contract sum, building works and electrical installation works had not been completed as per the contract agreement and the bills of quantity specifications. The ceiling and painting had not been fully done, mortice locks were yet to be fitted on the flush doors and the building was yet to be connected with electricity. Further, the ceiling board paints had started peeling and falling off, the welded bolts on the windows were not properly fitted and were not lockable, and the roof was already leaking indicating poor workmanship.

In the circumstances, regularity and value for money was not obtained from the project.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that Internal Controls, Risk Management and Governance were not effective.

### **Basis for Conclusion**

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or 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 the 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 overall 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 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 controls 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 misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

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





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

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 - 2021	2019 - 2020
		Kshs,	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	110,972,827	120,557,524
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	1,154,708	-
<b>TOTAL RECEIPTS</b>		<b>112,127,535</b>	<b>120,557,524</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,146,819	2,839,940
Use of goods and services	5	9,457,931	8,899,017
Transfers to Other Government Units	6	67,840,000	74,145,000
Other grants and transfers	7	24,052,272	39,171,399
Acquisition of Assets	8	-	600,000
Other Payments	9	7,270,000	-
<b>TOTAL PAYMENTS</b>		<b>112,767,021</b>	<b>125,655,356</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(639,486)</b>	<b>(5,097,832)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIMILILI Constituency financial statements were approved on 30<sup>th</sup> June 2021 and signed by:

**FUND ACCOUNT MANAGER**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEV. FUND**  
**P. O. BOX 60 - 40204**  
**KIMILILI**  
 Fund Account Manager  
 Name: *Kaili H. Zenge*

**SUB-COUNTY ACCOUNTANT**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEV. FUND**  
**P. O. BOX 60 - 40204**  
**KIMILILI**  
 National Sub-County Accountant  
 Name: *PABRIEL ANANGWE*  
 ICPAK Member Number: *7101*




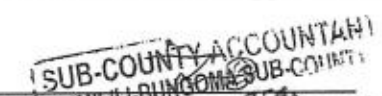
**Kimilili Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**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	7,675,972	7,741,274
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>7,675,972</b>	<b>7,741,274</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>7,675,972</b>	<b>7,741,274</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	574184	-
<b>TOTAL FINANCIAL LIABILITIES</b>			
<b>NET FINANCIAL ASSETS</b>		<b>7,101,788</b>	<b>7,741,274</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	7,741,274	12,839,106
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(639,486)	(5,097,832)
<b>NET FINANCIAL POSITION</b>		<b>7,101,788</b>	<b>7,741,274</b>

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

30TH JUNE 2021 and signed by  
  
**Fund Account Manager**  
**Name: PAUL KIMILILI**

  
**National Sub-County Accountant**  
**Name: ZAKARIA ANANGWE**  
**ICPAK Member Number: 7101**



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

**IX. STATEMENT OF CASHFLOW**

		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	110,972,827	120,557,524
Other Receipts	3	1,154,708	-
<b>Total receipts</b>		<b>112,127,535</b>	<b>120,557,524</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,146,818	2,839,940
Use of goods and services	5	9,457,931	8,899,017
Transfers to Other Government Units	6	67,840,000	74,145,000
Other grants and transfers	7	24,052,272	39,171,399
Other Payments	9	7,270,000	600,000
<b>Total payments</b>		<b>112,767,021</b>	<b>125,655,356</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	574,184	-
Prior year adjustments	14	-	-
<b>Net Adjustments</b>		<b>574,184</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>(65,302)</b>	<b>(5,097,832)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(65,302)</b>	<b>(5,097,832)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>7,741,274</b>	<b>12,839,106</b>
<b>Cash and cash equivalent at END of the year</b>		<b>7,675,972</b>	<b>7,741,274</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF KIMILILI Constituency financial statements were approved on 30<sup>th</sup> June 2021 and signed by:

**FUND ACCOUNT MANAGER**  
**KIMILILI NG-CONSTITUENCY DEV. FUND**  
 Box 60-50204  
 Name: *Kael N. Adony*

**SUB-COUNTY ACCOUNTANT**  
**KIMILILI-BUNGOMA SUB-COUNTY**  
 Box 750  
 Name: *ZAKARIA ANANGWE*  
 ICPAK Member Number: 7101.



Reports and Financial Statements  
For the year ended June 30, 2021

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	b	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Opening Balance(C/B and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	7,741,274	19,472,827	164,302,980	118,714,101	45,588,879	72.3%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0
Other Receipts	0	0	0	0	1,154,708	(1,154,708)	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>7,741,274</b>	<b>19,472,827</b>	<b>164,302,980</b>	<b>119,868,809</b>	<b>44,434,171</b>	<b>73.0%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,480,351	109,360	771,923	4,361,634	4,146,818	214,816	95.1%
Use of goods and services	3,796,139	831,914	2,884,532	7,512,585	9,457,931	(1,945,346)	125.9%
Transfers to Other Government Units	97,220,183		12,400,000	109,620,183	67,840,000	41,780,183	61.9%
Other grants and transfers	28,192,206	3,200,000	2,416,372	33,808,578	24,052,272	9,756,306	71.1%
Acquisition of Assets					-	-	
Other Payments	4,400,000	3,600,000	1,000,000	9,000,000	7,270,000	1,730,000	80.8%
<b>TOTAL</b>	<b>137,088,879</b>	<b>7,741,274</b>	<b>19,472,827</b>	<b>164,302,980</b>	<b>112,767,021</b>	<b>51,535,959</b>	<b>68.6%</b>

1. Compensation of employees scored an underutilization owing to gratuity money that has not been paid to the staff.
2. Transfers to other Government units got a 41.5% underutilization due to funds of some projects held at the main account due to the Covid -19 menace
3. Other grants and transfers registered a 28.4% underutilization due to bursary money not yet disbursed due to prevailing Covid-19 Restrictions on school learning.

The NGCDF-KIMILILI Constituency financial statements were approved on 30<sup>th</sup> June 2021 and signed by:

**FUND ACCOUNT MANAGER**  
Name: *Paul K. Njiru*

**SUB-COUNTY ACCOUNTANT**  
Name: *AKKARMA ANAN GIVE*





Reports and Financial Statements  
For the year ended June 30, 2021

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	51,535,959
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	45,588,879
	<b>5,947,080</b>
Add Accounts payable	574,184
Other Receipts	1,154,708
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	<b>7,675,972</b>

The NGCDF-KIMILILI Constituency financial statements were approved on 30<sup>th</sup> June 2021 and signed by:

**FUND ACCOUNT MANAGER**  
KIMILILI NG CONSTITUENCY DEL FUND  
P.O. BOX 60 - 50204  
Name: *Paul N. Adene*

**SUB-COUNTY ACCOUNTANT**  
KIMILILI NG SUB-COUNTY  
National Sub-County Accountant  
Name: *ZAKARIA ANANGWE*  
ICPAK M/No: *7101*

*[Signature]*  
Chairman NG-CDF Committee

Name:



**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget(a) 2020/2021 Kshs	Adjustments(b)		Final Budget c = (a+b) 2020/2021 Kshs	Actual on comparable basis(d) 30/06/2021 Kshs	Budget utilization difference(e = c-d) Kshs	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,480,351	109,360	771,923	4,361,634	4,146,818	214,816	95.1%
1.2 Committee allowances	810,000	106,238	488,962	1,405,200	1,192,000	213,200	85
1.3 Use of goods and services	786,801	284,326	822,351	1,816,678	1,534,877	281,800	84
<b>Sub total</b>	<b>5,077,152</b>	<b>499,924</b>	<b>2,083,296</b>	<b>7,660,312</b>	<b>7,151,587</b>	<b>508,724</b>	<b>93</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	891,660	106,502	608,271	1,606,433	910,000	696,433	57
2.2 Committee allowances	803,524	168,341	488,962	1,460,827	1,142,000	318,827	78
2.3 Use of goods and services	504,154	166,507	475,986	1,146,647	1,470,068	165,541	90
<b>Sub total</b>	<b>2,199,338</b>	<b>441,350</b>	<b>1,573,219</b>	<b>4,213,907</b>	<b>3,522,068</b>	<b>1,180,801</b>	<b>75</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools	7,192,207	1,200,000	2,416,372	10,731,244	10,730,672	572	100
3.2 Secondary schools							
3.3 Tertiary institutions							



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**Reports and Financial Statements  
For the year ended June 30, 2021**

Kamukuywa FYM primary School	10,000,000					10,000,000		10,000,000	-
Kibingei primary school	5,000,000					5,000,000	5,000,000	-	100
Kikwechi Primary School	500,000					500,000		500,000	-
Maeni Primary School	4,800,000					4,800,000		4,800,000	-
Kitavi Primary School	4,000,000					4,000,000	2,000,000	2,000,000	50
Makhonge Primary School	1,047,507					1,047,507		1,047,507	-
Matisi Primary School	1,090,006					1,090,006		1,090,006	-
Misikhu Main Primary School	1,021,530					1,021,530	900,000	121,530	88
Musembe primary School	10,800,000					10,800,000	10,800,000	-	100
Namakhele Primary School	820,646					820,646		820,646	-
Nasianda Primary School	1,441,304					1,441,304		695,304	52
Sango Baptist Primary school	6,000,000					6,000,000	4,000,000	2,000,000	67
Sango Baptist Primary school	900,000					900,000		900,000	-
Siuna primary school	11,200,000					11,200,000	11,200,000	-	100
Punda Primary School	5,465,000					5,465,000		5,465,000	-
Kimilili DEB primary School	7,000,000					7,000,000	4,000,000	3,000,000	57
Kamusinde primary School						2,000,000	2,000,000	-	100
						-		-	
<b>Sub total</b>	<b>93,420,183</b>						-		-
8.0 Secondary Schools Projects						-		-	
Kamukuywa Township sec School	1,000,000					1,000,000	200,000	800,000	20
Chesamisi High School	2,800,000					2,800,000		2,800,000	-
Kibingei Secondary school						6,000,000	6,000,000	-	100





**Reports and Financial Statements**  
**For the year ended June 30, 2021**

Kamusiinde primary School								-			
Sub total	3,800,000					13,600,000	6,200,000	3,600,000		46	
9.0 Tertiary institutions Projects											
Total	-	-				-	-	-			
10.0 Security Projects											
Total	-	-				-	-	-			
11.0 Acquisition of assets											
11.1 Motor Vehicles	-					-	-	-			
11.2 Construction of CDF office	-					-	-	-			
11.3 Purchase of furniture and equipment	-					-	-	-			
11.4 Purchase of computers	-					-	-	-			
Total	-	-				-	-	-			
12.0 Other payments											
ICT Centre	4,400,000	3,600,000				8,000,000	4,300,000	3,700,000		54	
Constituency desk project						-		-			
Sub total	4,400,000	3,600,000				8,000,000	4,300,000	4,700,000		48	
13.0 unallocated fund						-		-			
Unapproved projects						-		-			
AIA		10,000				10,000		10,000			
PMC savings						-		-			
Sub total		10000				10,000		10,000			



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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2021**

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**XI. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

**2. Reporting Entity**

The financial statements are for the NGCDF-KIMILILI 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.



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**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.





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**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 30<sup>th</sup> June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> 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 30<sup>th</sup> 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.



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**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
AIE No.		Kshs	Kshs
BO47470			4,000,000
BO47808			20,000,000
BO49316			15,000,000
B104341			15,000,000
BO96587			14,000,000
BO96758			52,557,524
B104558		1,962,627	-
B104617		16,810,200	-
B124559		9,000,000	-
B124994		10,000,000	-
B128330		200,000	-
B119848		13,000,000	-
B128137		6,900,000	-
B128449		6,000,000	-
B132193		6,000,000	-
B138861		12,000,000	-
B126155		7,100,000	-
B126449		10,000,000	-
B140593		12,000,000	-
<b>TOTAL</b>		<b>110,972,827</b>	<b>120,557,524</b>

**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	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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**3. OTHER RECEIPTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received		-
Rents		-
Receipts from sale of tender documents	10,000	-
Hire of plant/equipment/facilities		-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere	1,144,708	-
		-
<b>Total</b>	<b>1,154,708</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,384,262	2,839,940
<b>Personal allowances paid as part of salary</b>		-
House Allowance	361,000	-
Transport Allowance	450,000	-
Leave allowance	24,000	-
Gratuity to contractual employees	574,184	-
Intern Stipends	230,000	-
Employer Contributions Compulsory national social security schemes	123,373	-
		-
<b>Total</b>	<b>4,146,819</b>	<b>2,839,940</b>





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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	3,821,000	2,183,000
Other committee expenses	1,540,000	2,422,200
Utilities, supplies and services	237,616	581,699
Electricity	47,585	95,510
Water and sewerage charges	168,300	35,055
Communication, supplies and services	678,362	23,910
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	910,000	1,547,665
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	585,000	-
Office and general supplies and services	542,352	886,659
Fuel, oil & lubricants	500,000	645,000
Operating expenses	29,478	-
Bank service commission and charges	21,983	18,600
Other operating expenses	96,019	-
Routine maintenance – vehicles and other transport equipment	280,236	459,719
Routine maintenance – other assets	-	-
<b>Total</b>	<b>9,457,931</b>	<b>8,899,017</b>



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**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	61,640,000	64,100,000
Transfers to secondary schools (see attached list)	6,200,000	6,800,000
Transfers to tertiary institutions (see attached list)		3,245,000
<b>TOTAL</b>	<b>67,840,000</b>	<b>74,145,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,348,600	15,290,499
Bursary – tertiary institutions (see attached list)	7,959,000	14,045,400
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	
Social Security programmes (NHIF)		
Security projects (see attached list)		
Sports projects (see attached list)	494,000	677,500
Environment projects (see attached list)	500,000	550,000
Emergency projects (see attached list)	6,750,672	8,608,000
<b>Total</b>	<b>24,052,272</b>	<b>39,171,399</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	
Construction of Buildings	-	
Refurbishment of Buildings	-	600,000
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>600,000</b>

**9. OTHER PAYMENTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	-
CDF Office	2,970,000	
ICT Hub	4,300,000	-
	<b>7,270,000</b>	



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**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>Corporate Bank, kimilili Branch. Kimilili NG-CDF.</i>	7,675,972	7,741,274
<i>A/C no.01141470264700.</i>		
<b>Total</b>	<b>7,675,972</b>	<b>7,741,274</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>7,675,972</b>	<b>7,741,274</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –****KIMILILI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2021****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>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 (A)		
Gratuity held during the year (B)	574,184	
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	574184	



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –****KIMILILI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2021****13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	7,741,274	12,839,106
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>7,741,274</b>	<b>12,839,106</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 Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING 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	-	-

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	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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**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 (Gratuity)	574,184	1,101,208
Others ( <i>specify</i> )	-	
	574,184	1,101,208

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

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	13,724	399,610
Use of goods and services	1,263,640	1,747,138
Amounts due to other Government entities (see attached list)	45,824,193	15,250,000
Amounts due to other grants and other transfers (see attached list)	834,465	10,571,157
Acquisition of assets	-	1,985
Others ( <i>specify</i> )	4,700,000	506,840
Funds pending approval	52,636,012	28,476,730



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**17.4: PMC account balances (See Annex 5)**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	283,043	1,122,969
	<b>283,043</b>	<b>1,122,969</b>





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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
11.					
12.					
Sub-Total					
Grand Total					



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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
<b>NG-CDFC Staff</b>				
1. JOHN WANYONYI MASUNGO	CLERK OF WORKS	2/2/2021	101,728	payment in process
2. METRINE NEKESA MUSANGA	ACCOUNTS CLERK	2/2/2021	87,446	payment in process
3. DORCAS KHAOMA SIMIYU	CLERK	2/2/2021	80,211	payment in process
4. PHYLIS NANJALA SIMIYU	CLERK	2/2/2021	54,891	payment in process
5. REBECCA NEEMA MASIKA	RECORDS OFFICER	2/2/2021	73,044	payment in process
6. JOHN WAFULA SITUMA	DRIVER	2/2/2021	74,080	payment in process
7. CAROLYNE NEKESA WAMALWA	OFFICE ASSISTANT	2/2/2021	51,392	payment in process
8. DAVID WASIKE KIPCHORI	OFFICE MESSENGER	2/2/2021	51,392	payment in process
<b>Sub-Total</b>				
<b>Grand Total</b>			<b>574,184</b>	



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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Payment of staff salary	462,950	399,610	
Use of goods & services	Purchase of fuel repairs and maintenances	1,261,299	1,747,138	
Sub-total		1,724,249		
<b>Amounts due to other Government entities</b>				
Allan Bradley Primary School	Purchase of 1 acre of land inclusive of cost of processing title deeds	1,200,000	0	awaiting disbursement from Board
Allan Bradley Primary School	Completion of 6 classrooms(Roofing, plaster works, fittings and painting)	934,190	0	awaiting disbursement from Board
Chesamisi FYM primary School	Additional funding for completion of a storey building of 8 classrooms, plastering of ground floor and 1 <sup>st</sup> floor walling and roofing	3,800,000	0	awaiting disbursement from Board
Chesamisi FYM primary School	Completion of renovation works on 5 classrooms, plastering and painting to completion	1,000,000	0	awaiting disbursement from Board
Punda Primary School	Purchase of 1 acre of land inclusive of cost of processing title deeds	450,000	0	awaiting disbursement from Board
Kanukuywa FYM primary School	Construction of 1	10,000,000	0	awaiting disbursement from



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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	storey building of 8 classrooms, foundation laying slab casting, walling and suspended slab			Board
Kikwechi Primary School	Completion of 2 classrooms plastering, flooring and painting	500,000	0	awaiting disbursement from Board
Maeni Primary School	Construction of 4 classrooms to completion	4,800,000	0	awaiting disbursement from Board
Kitayi Primary School	Renovation of 10 classrooms (roofing, fixing of windows and doors and paint works	2,000,000	0	awaiting disbursement from Board
Makhonge Primary School	Completion of 6 classrooms (Roofing, plaster work, fittings and painting)	1,047,507	0	awaiting disbursement from Board
Mafisi Primary School	Completion of 6 classrooms (Roofing, plaster work, fittings and painting)	1,090,006	0	awaiting disbursement from Board
Misikhu Main Primary School	Completion of 6 classrooms (Roofing, plaster work, fittings and painting)	121,530	0	awaiting disbursement from Board
Namakhole Primary School	Completion of 6 classrooms (Roofing, plaster work, fittings and painting)	820,646	0	awaiting disbursement from Board





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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Nasianda Primary School	Completion of a storey a storey building of 8 classrooms, first floor walling, roofing, plastering of ground floor and first floor	695,224 0		awaiting disbursement from Board
Sango Baptist Primary school	Additional funding for completion of a storey building of 8 classrooms, first floor walling, roofing plastering of ground floor and first floor	2,000,000 0		awaiting disbursement from Board
Sango Baptist Primary school	Completion of 2 classrooms, plaster works, flooring and painting.	900,000 0		awaiting disbursement from Board
Punda Primary School	Construction of 8 classrooms (Setting out foundation laying, floor slab casting, walling and roofing	5,465,000 0		awaiting disbursement from Board
Kimilili DEB primary School	Construction of one storey building of 8 classrooms(Phase 1) foundation walling and casting of first floor slab	3,000,000 0		awaiting disbursement from Board
Kamukuywa Township sec School	Purchase of 1 acre of land inclusive of cost of processing title deed	800,000 0		awaiting disbursement from Board
Chesamisi High School	Completion of 90 student capacity	2,800,000 0		awaiting disbursement from Board



**KIMILILI Constituency**  
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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Sub-Total	twin laboratory, roofing and general fitting plastering and painting	43,424,103		awaiting disbursement from Board
<b>Amounts due to other grants and other transfers</b>				
Bursary Secondary	Payment of bursary to needy students	927,559	712,395	
Bursary Tertiary	Payment of bursary to needy students	4,937,091	9,245,770	
Sub-Total		5,864,650	9,958,165	
Acquisition of assets				
<b>Others (specify)</b>				
ICT	Partitioning of ICT centre	100,000	-	
Sports	Carry out constituency sports tournament	147,921	241,833	
Environment	Construction of latrines 6 door at Bituyu primary school	1,048,517	348,517	
Emergency	To cater for any unforeseen occurrences	326,572	22,842	
Sub-Total		1,623,010	613,192	
Funds pending approval				
Grand Total		52,636,012	23,289,462	



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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) 2020/21
Land	2,000,000	0	0	2,000,000
Buildings and structures	15,092,057	0	0	15,092,057
Transport equipment	7,835,145	0	0	7,835,145
Office equipment, furniture and fittings	2,760,398	0	0	2,760,398
ICT Equipment, Software and Other ICT Assets	110,000	0	0	110,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>27,797,600</b>			<b>27,797,600</b>



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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
ALLAN BRADLE KAMUSINGA PRI SCH	COOPERATIVE BANK	01141470733000	1,467.00	1,587.00
BITUYU PRIMARY SCHOOL	COOPERATIVE BANK	01141687446001	1,025.00	-
CHESAMISI BOYS HIGH SCHOOL	COOPERATIVE BANK	01141096859500	17,325.00	17,325.00
CHESAMISI PRIMARY	COOPERATIVE BANK	01141687775100	1,231.00	1,401.00
DARAJA MUNGU DISPENSARY	COOPERATIVE BANK	01141469517300	428.00	428.00
DARAJA MUNGU AP CAMP	COOPERATIVE BANK	01141687216700	1,043.00	1,043.00
DARAJA MUNGU PRIMARY SCHOOL	COOPERATIVE BANK	01141687810500	4,848.00	82,148.00
KAMUSINDE FYM PRIMARY SCHOOL	COOPERATIVE BANK	01141050172100	45,557.00	46,257.00
KHWIRORO PRIMARY SCHOOL	COOPERATIVE BANK	01141470689400	1,290.00	1,290.00
KIBINGEI FRIENDS SEC SCHOOL	COOPERATIVE BANK	01141470840500	323.00	323.00
KIKWECHI PRIMARY SCHOOL	COOPERATIVE BANK	01141687371200	461.00	461.00
KIMILILI CHIEF'S OFFICE	COOPERATIVE BANK	01141470522900	705.00	23,705.00
KIMILILI FRIENDS GIRLS' SEC SCHOOL	COOPERATIVE BANK	01141049767600	39,189.00	39,189.00
KIMINGICHI PRIMARY SCHOOL	COOPERATIVE BANK	01141050113900	23,010.00	23,010.00
KITAYI PRIMARY SCHOOL	COOPERATIVE BANK	01141050116500	3,416.00	3,416.00
LWANDA PRIMARY SCHOOL	COOPERATIVE BANK	01141687850000	87.00	87.00
MAENI PRIMARY SCHOOL	COOPERATIVE BANK	01141469093400	1,473.00	1,473.00
MAKHONGE PRIMARY SCHOOL	COOPERATIVE BANK	01141470403300	400.00	400.00
MATISI PRIMARY SCHOOL	COOPERATIVE BANK	01141687917800	1,747.00	1,747.00
MUSEMBE PRIMARY SCHOOL	COOPERATIVE BANK	01139469235200	685.00	685.00
NAMAKHELE ACK PRIMARY SCHOOL	COOPERATIVE BANK	01141687356700	35,051.00	35,051.00
NAMAWANGA DEB PRIMARY SCHOOL	COOPERATIVE BANK	01141687295800	1,040.00	1,040.00





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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
NG'OLI PRIMARY SCHOOL	COOPERATIVE BANK	0114147009850 0	7,394.00	7,394.00
SANGO BAPTIST PRIMARY SCHOOL	COOPERATIVE BANK	0114147010170 0	915.00	915.00
SIUNA PRIMARY SCHOOL	COOPERATIVE BANK	0114147094790 0	19,300.00	19,300.00
ST. ELIZABETH SIBAKALA SEC SCHOOL	COOPERATIVE BANK	0114168802510 0	332.00	332.00
ST. JOHN'S BUKO SEC SCHOOL	COOPERATIVE BANK	0114146979310 0	192.00	192.00
ST. JOSEPH'S KAMUSINDE SEC SCHOOL	COOPERATIVE BANK	0114147011180 0	71,727.00	71,727.00
SULEIMAN MURUNGA PRIMARY SCHOOL	COOPERATIVE BANK	0114147008970 0	1,382.00	1,382.00
TOTAL			283,043.00	383,308.00



### 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)
2019-2020-1-01-0223-09	<p><b>Cash and cash Equivalent</b></p> <p>The statement of assets and liabilities reflects cash and cash equivalent balance of Kshs 7,741,274 being cash outstanding on co-operative bank account, Kimilili as at 30<sup>th</sup> June 20202 as disclosed in Note 8 to the financial statements. However, audit review procedures performed on the bank reconciliation statement for the month of June 2020 showed unrepresented cheques totalling to Kshs 3,397,828 out of which cheques totalling to Kshs 1,117,145 related to the period 31<sup>st</sup> Dec 2019 and earlier and were therefore stale. In addition, the unrepresented cheques included seventeen (17) cheques Nos. 6101 to 6117 with total value of Kshs 276,000 which were not recorded in the cashbook and were still being held and therefore do not constitute unrepresented cheques. Further, the unrepresented cheques</p>	<p>The cheques referred to were actually done on 30<sup>th</sup> June 2020, however the cashier erroneously posted the cheque numbers column, the error has since been corrected. The cheque Numbers mentioned were erroneously captured in the Bank Reconciliation. The actual Cheques that were done and posted in the cashbook are (6201-6217. Cheque no 5662 was amended in the reconciliation statement and Cheque No 5974 Of Ksh.5499 is correctly posted since it had not been presented by the time we were making our reconciliation statement as per our Bank statement extract.</p>	Resolved	



**Reports and Financial Statements**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	figure included two (2) cheques number 5662 for Kshs 167,788 and No. 5974 for Kshs 5,499 which, according to the bank statements reviewed, they had been paid and no reason was provided for their inclusion. Consequently, the accuracy of the cash and cash equivalents balance of Kshs 7,741,274 as at 30 <sup>th</sup> June 2020 could not be confirmed.			
2019-2020-1-01-0223-09	<p><b>Budget control and performance.</b></p> <p><b>Budget Performance.</b></p> <p>During the year under review, the fund had an approved budget of Kshs. 154,132,087 for both recurrent and development and recorded total expenditure of Kshs 125,655,357 representing approximately 82% of the budget to result to under expenditure of Kshs 28476730.</p> <p>✓ Compensation of employees- 12%</p> <p>Non utilization of all the funds budgeted for is an indication that services and approved projects/programmes were not delivered to the residents of Kimilili Constituency and therefore the budget did not meet the</p>	<p>The 12% budget underutilization is as a result of gratuity money held in the main account to be paid to staff at the end of the contract term. The management has however entered an agreement with Madison Money trust to receive the gratuity of staff. Similarly, the NGCDF Board still held money for approved projects which had not yet been disbursed to the</p> <p>Completion of the projects was not done on time due to delay in funds disbursement and effects of Covid -19</p>	Resolved	



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)
	intended objectives of improving the service delivery to the residents or the Management may have overbudgeted on its activities.			
2019-2020-1-01-0223-09	<p><b>Project Implementation Status</b> According to the project implementation status report availed for verification, the Fund had a total of 350 projects planned for implementation since 2013/14 to the year under review valued at Kshs.719, 438,140 which were at various levels of implementation. From The statistics, one hundred and twelve (112) planned for implementation in 2018/19 and earlier were yet to be completed with two projects not yet started but whose disbursement of Kshs 1,612,870 had been allocated as follows;</p> <p>i. Kshs 1,200,000 for construction of male ward at Kimilili District Hospital which was re-allocated towards the construction of a twin lab at Chesamisi High School;</p> <p>ii. Kshs 412,870 for the purchase of land for Daraja Mungu Primary School had</p>	<p>Construction of Twin Lab at Chesamisi High School is ongoing and at roof level. We attached documents showing project photos, payment certificates and Codelist indicating enough money has been allocated to the project to full completion. In the audit year under review, we did not have complete projects since all of them were funded in phases and are due for completion in the 2020/2021FY. A copy of Codelist indicating all the projects in the previous financial year have been allocated adequate funding for completion.</p>	Not resolved	December 2021





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)
	<p>been completed and the title deed for the purchased land obtained.</p> <p>Further, from the same project implantation Status report, no project was completed during the year under review. Projects with allocation of Kshs. 60,317,724 were indicated as ongoing while projects with allocation of Kshs 77,050,000 were described as new in their status of completion. No reasons have been provided for the failure to implement all the projects as planned. Consequently, the Kimilili Constituents have not benefitted as projected from the in completed projects.</p>			

