

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS TAID	
REPORT	DATE: 23 NOV 2023
TABLED BY:	DAY: <i>Three</i>
OF	<i>Hon Kimani Ichungu, MP Leader of the majority party</i>
THE-TABLE:	<i>Miriam Mado</i>

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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2022**

Revised Template 30th June 2022



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NYALI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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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;

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- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Nyali 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 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Michael Muema
2.	Sub-County Accountant	Halima Abuu
3.	Chairman NGCDFC	Boniface Munyifwa

(d) Fiduciary Oversight Arrangements

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

P.O. Box 31-80122
NG-CDF Building
Kongowea Chiefs Camp
Kengeleni, Mombasa, KENYA

(f) Nyali Constituency NGCDF Contacts

E-mail: cdfnyali@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Nyali Constituency NGCDF Bankers

Equity Bank Account no.1140261189476
Kengeleni Branch
P.o Box 155-80122
Kengeleni.

(h) Independent Auditors

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

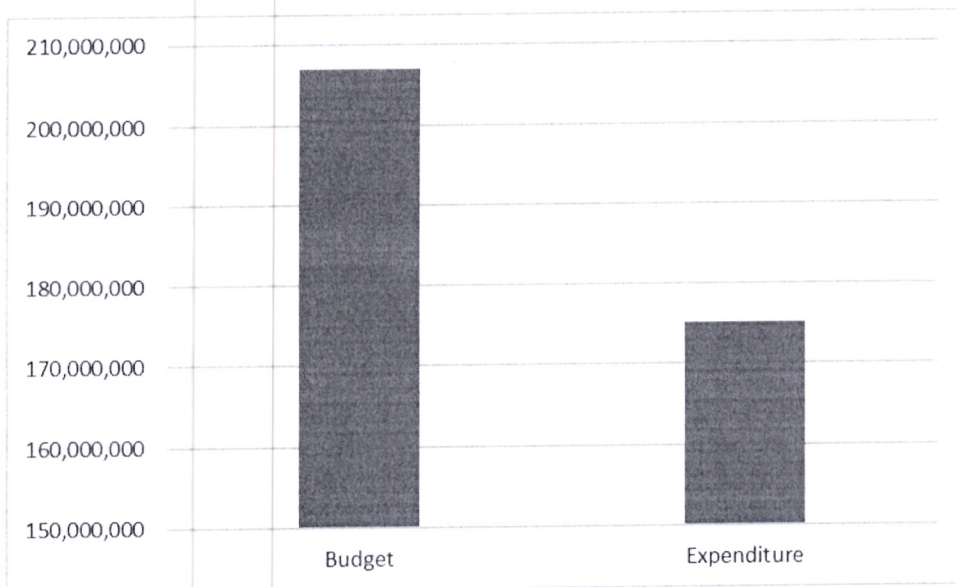
(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report



During the Financial Year,NG-CDF Nyali was allocated Kshs.137,088,879.The total Budget to be spent in the Financial year including the funds not received from NG-CDF Board other receipts and balance brought forward totalled to Kshs.206,936,515.Total Expenditure for the Financial Year totalled to Kshs.175,109,600 which is 85% of the total budget.



Among key successful projects implemented during the financial year include construction of nine new classrooms at Mlaleo Primary School,opening and official handover of Kwa Bullo Secondary School and Mohamed Ali Girls Secondary School Laboratories.

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Among the normal Challenges NG-CDF Nyali has faced the following challenges

- Delay in receipt of Funds from the Board that has delayed implementation of Freretown Primary School renovation project. I urge the Board to expedite release of funds for timely execution of projects.
- Land Scarcity that has led to construction of storeyed buildings in order to economically utilise the little space available for projects. This has however come with additional costs to projects

Finally, May I take this opportunity to thank the NG-CDF Board for the support they have extended to the constituency. I would also like to thank the Nyali Member of National Assembly for his dedicated leadership and my fellow NG-CDFC Members, the relevant Government Departmental Heads and NG-CDFC Staff with whom we have worked cordially. God bless Nyali Constituency.



BONIFACE MUNYIFWA
CHAIRMAN NGCDF COMMITTEE

III. Statement of Performance against Predetermined Objectives for FY2021/22

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of *Nyali Constituency 2018-2022* plan are to:

STRATEGIC OBJECTIVES AND STRATEGIES

Strategic Objective 1: To improve access to education

Strategy 1: Increasing provision of bursaries to needy secondary school students

Strategy 2: Increase provision of bursaries to college and university students

Strategy 3: Increase provision of bursaries to students in vocational schools

STRATEGIC OBJECTIVE 2: To improve learning environment

Strategy 1: To improve infrastructure in primary and secondary schools

Strategy 2: To equip schools with learning materials

Strategy 3: Construction of new physical facilities in schools and rehabilitation of old ones

STRATEGIC OBJECTIVE 3: To improve poor working conditions for security personnel

Strategy 1: Improving working conditions of security personnel

Strategy 2: Improving the relations between the police and the residents

STRATEGIC OBJECTIVE 4: To improve access to ICT infrastructure

Strategy 1: Provision of ICT infrastructure to schools and vocational centres.

STRATEGIC OBJECTIVE 5: Enhance Youth Empowerment through Sports and Recreation Development.

Strategy 1: To enhance youth skills through sports Strategy

2: Establishment of a Constituency Youth Empowerment Centre

STRATEGIC OBJECTIVE 6: Enhance Environmental Conservation

Strategy 1: Adopt Environmental Friendly Practises

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:

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Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve access to education	Increased provision of bursaries to needy secondary school students, college university, vocational schools	Number of bursary beneficiaries at all levels	Over 10,000 students have benefitted from Bursary
	To improve learning environment	Improved infrastructure in primary and secondary schools	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions	4 New Secondary schools constructed and equipped with furniture and are currently operational. One library constructed. A dining hall and a kitchen currently under construction in a Secondary School. 1 New primary school constructed and equipped with furniture and currently operational. Additional classrooms constructed in two primary school. 7 primary schools renovated. 4 primary school equipped with desks.
Security	To improve working conditions of security personnel	Improved working conditions of security personnel.	Number of usable physical infrastructure	One sub county police headquarters constructed and equipped with furniture Two police posts equipped with furniture and computers Construction of a toilet for one police post

Information Communication and Technology (ICT)	To improve access to ICT infrastructure	Improved provision of ICT infrastructure to schools and vocational centres	No of schools with computers and usable Internet connectivity	One ICT Hub operational.
Environment	To enhance Environmental Conservation	Drill sock pits to prevent flooding Equip schools and public facilities with sanitation facilities	No of Sock Pits drilled No of sanitation facilities built in primary and secondary schools.	8 sock pits drilled and currently in use
Sports	To enhance Youth Empowerment through Sports and Recreation Development.	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	24 youth teams benefitted from Nyali NG-CDF sports tournament event.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Nyali 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 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Nyali NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of Practice
- Protecting the environment by striving to prevent and minimize our contribution to Pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and Resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental programs to all stakeholders
- Ensure that environmental projects are considered during planning ie project proposal development
- Monitoring and continuously improving our environmental performance.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. xxx 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-

Nyali 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 interest.

5. Community Engagements-

Nyali 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.

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



.....
MICHAEL MUEMA

FUND ACCOUNT MANAGER

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Nyali 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, 2022. 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.

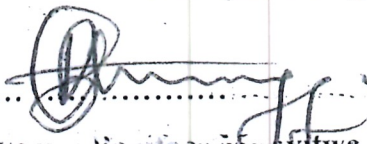
The Accounting Officer in charge of the NGCDF- Nyali Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Nyali 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.

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

Approval of the financial statements

The NGCDF- Nyali Constituency financial statements were approved and signed by the Accounting Officer on 15/09/2022.



.....
Name: Boniface Mutitu

Chairman - NGCDF Committee



.....
Name: Njirai Mwangi

Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NYALI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the 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 - Nyali Constituency set out on pages 1 to 35, which

comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Nyali Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Compensation to Employees

The statement of receipts and payments reflects compensation of employees amounting to Kshs.6,242,987 as disclosed in Note 4 to the financial statements. However, review of compensation of employees' and tax records provided for audit reflects a total of Kshs.6,139,787 resulting to a variance of Kshs.103,200 which was not explained or reconciled.

In the circumstances, the accuracy and completeness of compensation of employees balance of Kshs.6,242,987 could not be confirmed.

2. Lack of Project Expenditure Records and Project Expenditure Status Report

The statement of receipts and payments for the year ended 30 June, 2022 reflects transfers to other Government entities of Kshs.98,610,976 as disclosed in Note 6 to the financial statements.

However, supporting documents including expenditure records, cash books, bank reconciliation statements and PMC minutes were not provided for audit review.

Further, there was no evidence that the Fund Account Manager maintained a monthly record of all receipts, disbursements and expenditure per project and which was tabled before the National Constituency Development Fund Committee for discussion.

In the circumstances, the accuracy and completeness of the expenditure amounting to Kshs.98,610,976 for the year ended 30 June, 2022 could not be confirmed.

3. Unreconciled Bursaries

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.62,474,394 which includes Kshs.23,271,000 and Kshs.23,689,174 in respect to

bursaries disbursed to secondary schools and tertiary institutions respectively as disclosed in Note 7 to the financial statements. However, acknowledgements and receipts issued by the respective beneficiary schools and institutions totalling to Kshs.24,310,274 (Secondary schools - Kshs.11,592,600 and tertiary institutions - Kshs.12,717,674) were indicated as various and not reconciled to the bursaries issued. The reflected total at Note 7 of Kshs.62,924,394 differs with statement balance of Kshs.62,474,394.

In the circumstances, it was not possible to ascertain whether the bursaries were received by the respective beneficiary schools and the accuracy of the bursaries balance 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 - Nyali Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.206,936,515 and Kshs.193,936,515 respectively, resulting to an underfunding of Kshs.13,000,000 (or 6%) of the budget. Similarly, the Fund spent Kshs.175,109,600 against an approved budget of Kshs.206,936,515 resulting to an under-expenditure of Kshs.31,826,915 (or 15%) of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the constituents of Nyali Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis of Conclusion

1. Non-Deduction of NHIF Contributions

The statement of receipts and payments reflects compensation of employees amount of Kshs.6,242,987. A review of compensation of employees' records revealed that the Fund failed to recover NHIF deductions from employees' salaries of Kshs.126,000 for the period July, 2021 to June, 2022. This was contrary to Section 16 of the National Hospital Insurance Fund Act which states that a person liable to pay a standard contribution under Section 15 shall pay such contribution through monthly deductions from his salary or other remuneration and the employer of such person shall be liable to deduct and to pay the contribution to the Board on behalf of and to the exclusion of that person.

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

2. Failure to Tax staff and Committee Members on Allowances

The statement of receipts and payments reflects use of goods and services amount of Kshs.6,931,243 out of which Kshs.3,640,560 was paid towards monitoring and evaluation allowances which were not subjected to income tax withholdings. Further NGCDFC members were paid allowances amounting to Kshs.301,500 that were not subjected to income tax withholdings in compliance to Regulation 4(1) of The Income Tax (Withholding Tax) Rules 2001, which requires a person who makes a payment or on account of any income which is subject to withholding tax to deduct tax therefrom in the amount specified.

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

3. Late Submission of NSSF Returns

The statement of receipts and payments reflects compensation of employees amount of Kshs.6,242,987. A review of compensation of employees records revealed that the Fund failed to remit NSSF dues of Kshs.19,440 and Kshs.17,280 for the months of May and June, 2022 respectively within the stipulated timelines in contravention of Section 20(1A) of the National Social Security Fund (NSSF) Act, 2010 which requires that a contributing employer to pay every month on the 9th day of each month or on such date as the Board may, in consultation with the Cabinet Secretary, prescribe.

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

4. Non-Registration and Remittance to NITA

A review of the Funds records revealed that it was not registered for NITA in compliance with Section 3.(i) of the Industrial Training (Training Levy) Order, 2007 which states that a person who is an employer at the commencement of this Order shall within thirty days after the commencement of this Order, unless already registered, apply to the Director in

the prescribed form set out in the Second Schedule, to be registered as an employer. (iii) The Director shall issue a certificate of registration to an employer registered under this Order.

Further Section 5B(3) requires the employer to pay training levy to Commissioner General at the time when an employee's salary is payable and shall be remitted to the Commissioner General not later than the fifth day of the month following the month in which the levy become due.

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

5. Late Submission of Tax Returns

Review of the Fund's Kenya Revenue Authority's Personal Identification Number (PIN) certificate indicated that the Fund is registered for Income Tax - Company and Income Tax - Payee tax obligations. However, the Fund is a statutory establishment and not a company whose operations are not geared towards profits and therefore should not be registered for Income Tax-company. Further, according to Kenya Revenue Authority's i-tax portal, the Fund has never filed Income Tax-Company returns, contrary to Section 24(1) of the Tax Procedures Act, 29 of 2015 which states that a person required to submit a tax return under a tax law shall submit the return in the approved form and in the manner prescribed by the Commissioner.

Consequently, the Fund Management was in breach of the law.

6. Procurement of Goods and Services

Review of various procurement processes undertaken during the year under review revealed inadequacies in various projects as detailed below:

6.1 Failure to Allocate 30% of Budgeted Expenditure to Special Groups

The summary statement of appropriation - recurrent and development combined reflects final budget Kshs.32,438,367.00. However, a review of procurement records provided for audit revealed that there were no procurement reservations for special groups in compliance to Section 151(1) of the Public Procurement and Asset Disposal Act, 2015 and Regulations 53(6) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that all procurement and asset disposal planning shall reserve a minimum of 30% of budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

6.2 Failure to Sign Confidentiality Declarations

A review of procurement records, project files among other records for all the projects procured observed lack of confidential declaration forms in compliance to Section 67(1) of the Public Procurement and Assets Disposal Act, 2015 which provides that for purposes of Sub-Section (1) an employee or agent or member of a board, commission or

committee of the procuring entity shall sign a confidentiality declaration form as provided. Regulations 65 of the Public Procurement and Asset Disposal Regulations, 2020 provides that the confidentiality declaration form to be signed by an employee, agent or member of a board, commission or committee of a procuring entity during and after the procurement proceedings under Section 67 of the Act shall be in the form provided under the Sixth Schedule.

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

6.3 Failure to Comply with Professional Opinion Procurement Timelines

The statement of receipts and payments for the year ended 30 June, 2022 reflects transfers to other Government entities of Kshs.98,610,976 as disclosed in Note 6 to the financial statements.

However, a review of procurement record, project files among other records observed that professional opinion in 4 (four) projects of Kshs.32,438,367 was submitted to the Accounting Officer beyond the one-day limit contrary to Regulations 78(2) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that evaluation report under Paragraph (1) shall be reviewed by the Head of Procurement function and forwarded to the Accounting Officer together with the professional opinion referred to in Section 84 of the Act within a day upon receipt of the evaluation report.

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

7. Failure to Insure Fixed and Movable Assets

Annex 4 to the financial statements indicates summary of fixed asset register historical cost balance of Kshs.39,270,256. However, no evidence was provided to show that the listed assets were insured in compliance with Section 36(3) of the National Government Constituencies Development Fund Act, 2016 which requires all assets to be insured in the name of the Board. Failure to insure assets may lead to losses in case of accidents and fire.

In the circumstances, the security of the Fund's assets could not be ascertained.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


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

report. However, future events or conditions may cause the Fund to cease to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 October, 2023

VII. Statement of Receipts and Payments for the Year Ended 30th June 2022


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	172,977,758	157,567,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	2,420,361
Total Receipts		172,977,758	159,988,085
Payments			
Compensation Of Employees	4	6,242,987	4,943,360
Use Of Goods and Services	5	6,931,243	10,376,658
Transfers To Other Government Units	6	98,610,976	85,557,369
Other Grants and Transfers	7	62,474,394	54,142,044
Acquisition Of Assets	8	450,000	-
Other Payments	9	400,000	2,000,000
Total Payments		175,109,600	157,019,431
Surplus/(Deficit)		<u>(2,131,842)</u>	<u>2,968,654</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 15/09/2023 and signed by:


Fund Account Manager

Name: Michael Muema


National Sub-County
Accountant

Name: Halima Abuu
ICPAK M/No: 12896


Chairman NG-CDF
Committee

Name: Boniface Munyifwa

*Nyali Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

VIII. Statement of Assets and Liabilities As At 30th June, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	18,826,915	20,958,757
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		18,826,915	20,958,757
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		18,826,915	20,958,757
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		=	=
Net Financial Assets		<u>18,8126,915</u>	<u>20,958,757</u>
Represented By			
Fund Balance B/Fwd	13	20,958,756	17,990,103
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(2,131,842)	2,968,654
Net Financial Position		<u>18,826,915</u>	<u>20,958,757</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

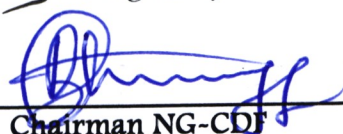
The Constituency financial statements were approved on 15/09/2023 and signed by:



Fund Account Manager



National Sub-County
Accountant



Chairman NG-CDJ
Committee

Name: Michael Muema

**Name: Halima Abuu
ICPAK M/No:12896**

Name: Boniface Munyifwa

ix. Statement of Cash Flows for the Year Ended 30th June 2022


		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	172,977,758	157,567,724
Other Receipts	3	-	2,420,361
		172,977,758	159,988,085
Payments for operating activities			
Compensation of Employees	4	6,242,987	4,943,360
Use of goods and services	5	6,931,243	10,376,658
Transfers to Other Government Units	6	98,610,976	85,557,369
Other grants and transfers	7	62,474,394	54,142,044
Other Payments	9	400,000	2,000,000
		174,659,600	157,019,431
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(1,681,842)	2,968,654
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(450,000)	-
Net cash flows from Investing Activities		(450,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(2,131,842)	2,968,654
Cash and cash equivalent at BEGINNING of the year	10	20,958,756	17,990,102
Cash and cash equivalent at END of the year		18,826,915	20,958,756

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved on 15/09/2022 and signed by:


 Fund Account Manager

Name: Michael Muema


 National Sub-County Accountant

Name: Halima Abuu
 ICPAK M/No: 12896


 Chairman NG-CDF Committee

Name: Boniface Munyifwa

*Nyali Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	48,888,879	206,936,515	193,936,515	13,000,000	85%
Proceeds from Sale of Assets			0	-	-	0%
Other Receipts			0	-	-	0%
TOTAL RECEIPTS	137,088,879	48,888,879	206,936,515	193,936,515	13,000,000	85%
PAYMENTS						
Compensation of Employees	4,652,559	1,515,130	7,662,356	6,242,987	1,419,369	81%
Use of goods and services	7,685,440	569,861	8,803,301	6,931,243	1,422,058	79%
Transfers to Other Government Units	47,085,000	44,437,800	102,812,125	98,610,976	4,201,149	96%
Other grants and transfers	70,473,673	1,966,088	79,370,465	62,474,394	16,896,071	79%
Acquisition of Assets	0	450,000	450,000	450,000	0	100%
Other Payments	7,192,207	400,000	8,288,267	400,000	7,888,267	5%
TOTAL	137,088,879	48,888,879	206,936,515	175,109,600	31,826,915	85%

Nyali Constituency
 National Government Constituencies Development Fund (NGCDF)
 Annual Report and Financial Statements for The Year Ended June 30, 2022

**Reconciliation of Summary
 Statement of Appropriation to
 Statement of Assets and Liabilities**

Description	Amount
Budget utilisation difference totals	31,826,915
Less undisbursed funds receivable from the Board as at 30th June 2022	13,000,000
Add Accounts payable	18,826,915
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 /2022	18,826,915

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

Explanatory Notes .

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

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

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IFSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

*Nyali Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

<i>ITEM</i>	<i>% OF UTILISATION</i>	<i>COMMENT</i>
<i>Transfers from NG – CDF Board</i>	<i>94</i>	<i>Delay in release of funds from NG – CDF Board</i>
<i>Compensation of employees</i>	<i>81</i>	<i>The vote head had a balance brought forward from the previous year, Funds allocated were not all utilised</i>
<i>Use of goods and services</i>	<i>79</i>	<i>The vote head had a balance brought forward from the previous year, Funds allocated were not all utilised</i>
<i>Other Grants and Transfers</i>	<i>79</i>	<i>Some projects like emergency had not been implemented since the constituency had not had an emergency and could also not pay NHIF Since the other contact was still operational.</i>
<i>Other Payments</i>	<i>5</i>	<i>Approval to spend the funds was not granted for the AIA and project balances transferred to the main account. Emergency fund was not utilized.</i>

**Nyali Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

Description	Amount
Budget utilisation difference totals	31,826,915
Less undisbursed funds receivable from the Board as at 30 th June 2022	13,000,000
Add Accounts payable	18,826,915
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 / 2022	18,826,915

The Constituency financial statements were approved on 15/09/2023 and signed by:



Fund Account Manager

Name: Michael Muema



National Sub-County Accountant

**Name: Halima Abuu
ICPAK M/No:12896**



Chairman NG-CDF Committee

Name: Boniface Munyifwa

**Nyali Constituency
National Government Constituencies Development Fund (NGCCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f = d/c %)
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
1.0 Administration and Recurrent								
1.1 Compensation of employees	4,652,559		1,494,666	1,515,130	7,662,355	6,242,987	1,419,368	81%
1.2 Committee allowances	1,272,774		548,000	498,000	2,318,774	2,318,774	0	100%
1.3 Use of goods and services	2,300,000				2,300,000	853,963	1,446,037	37%
Total	8,225,333		2,042,666	2,013,130	12,281,129	9,415,724	2,865,405	77%
2.0 Monitoring and evaluation								
2.1 Capacity building	712,666				712,666	672,020	40,646	94%
2.2 Committee allowances	1,900,000			71,861	1,971,861	1,623,286	348,575	82%
2.3 Use of goods and services	1,500,000				1,500,000	1,013,200	486,800	68%
Total	4,112,666			71,861	4,184,528	3,308,506	876,022	79%
3.0 Emergency								
3.1 Primary Schools			1,500,000		1,500,000	1,500,000	0	100%
3.2 Secondary schools					0		0	0%
3.3 Tertiary institutions					0		0	0%
3.4 Security projects				0	0		0	0%
3.5 Unutilised	7,192,207		0	3,791,100	10,983,307	1,514,880	9,468,427	14%
Total	7,192,207		1,500,000	3,791,100	12,483,307	3,014,880	9,468,427	24%
4.0 Bursary and Social Security								

**Nyali Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

4.1 Secondary Schools	23,271,000			23,271,000	23,271,000	0	100%
4.2 Tertiary Institutions	17,506,773	3,318,593	2,462,700	23,288,066	23,689,174	-401,108	102%
4.3 Social Security	4,734,000	4,734,000		9,468,000	4,734,000	4,734,000	50%
4.4 Special Needs	0			0	0	0	0%
Total	45,511,773	8,052,593	2,462,700	56,027,066	51,694,174	4,332,892	92%
5.0 Sports							
5.1	2,500,000	1,637,931	1,966,088	6,104,019	4,465,340	1,638,679	73%
Total	2,500,000	1,637,931	1,966,088	6,104,019	4,465,340	1,638,679	73%
6.0 Environment							
				0		0	0%
				0		0	0%
Total	0	0	0	0	0	0	0%
7.0 Primary Schools Projects							
7.1 Kadzandani Kwa Bullo Primary School	14,500,000			14,500,000	14,500,000	0	100%
7.2 Mlaleo Primary School	8,200,000		1,656,408	9,856,408	9,856,408	0	100%
7.3 Kongwea Primary School			6,000,000	6,000,000	6,000,000	0	100%
7.4 Kongwea Pri.Sch.-Water reticulation			1,000,000	1,000,000		1,000,000	0%
7.5 Freretown Primary School renovation			12,000,000	12,000,000	3,800,000	8,200,000	32%
7.6 Kadzandani Primary School		2,692,206		2,692,206	2,692,206	0	100%
Total	22,700,000	2,692,206	20,656,408	46,048,614	36,848,614	9,200,000	80%
8.0 Secondary Schools Projects							
8.1 Freretown Secondary School bus	7,087,300			7,087,300	7,087,300	0	100%
8.2 Kongwea Secondary School desks	1,585,000			1,585,000	1,585,000	0	100%
8.3 Kongwea Secondary school bus	7,087,300			7,087,300	7,087,300	0	100%

**Nyali Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

8.4 Kadzandani Kwa Bullo Sec.School	7,000,000		5,943,592	12,943,592	12,943,592	0	100%
8.5 Mohamed Ali Girls Sec.School bus	7,087,300			7,087,300	7,087,300	0	100%
8.6 Mohamed Ali Girls Sec.School	17,000,000		2,634,000	19,634,000	19,634,000	0	100%
8.7 Khadija Secondary School bus		2,337,300	4,750,000	7,087,300	4,837,870	2,249,430	68%
8.8 Kongwea Secondary School		1,500,000		1,500,000	1,500,000	0	100%
Total	46,846,900	3,837,300	13,327,592	64,011,792	61,762,362	2,249,430	96%
9.0 Tertiary institutions Projects				0		0	
Total	0		0	0	0	0	0%
10.0 Security Projects							
10.1 Kadzandani Mwatamba Police Station			3,750,000	3,750,000	3,750,000	0	100%
Total	0	0	3,750,000	3,750,000	3,750,000	0	100%
11.0 Acquisition of assets				0			
11.1 Purchase of photocopier	0		450,000	450,000	450,000	0	100%
Total	0		450,000	450,000	450,000	0	100%
12.0 Other payments							
12.1 Kongwea Youth & Women Empowerment Resource Centre			400,000	400,000	400,000	0	100%
12.2 ICT Innovation Hub		500,000		500,000		500,000	0%
Total		500,000	400,000	900,000	400,000	500,000	44%
13.0 unallocated fund							
Unapproved projects						0	
AIA		287,000		287,000		287,000	0%
PMC savings		409,061		409,061		409,061	0%
Total		696,061	0	696,061	0	696,061	0%
	137,088,879	20,958,757	48,888,879	206,936,515	175,109,600	31,826,915	85%

*Nyali Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)

Receipt/Expense Item	Original Budget a	Opening Balance (C/Bk) and AIA	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
PAYMENTS			Previous years Outstanding Disbursements				
Compensation of Employees	4,652,559	1,494,666	1,515,130	7,662,355	6,242,987	1,419,368	81%
Use of goods and services	7,685,440	548,000	119,861	8,353,301	6,931,243	1,422,058	83%
Transfers to Other Government Units	47,085,000	11,289,325	43,987,800	102,362,125	98,610,976	3,751,149	96%
Other grants and transfers	70,473,673	6,930,705	1,966,088	79,370,466	62,474,394	16,896,072	79%
Acquisition of Assets	-	-	450,000	450,000	450,000	-	
Other payments	7,192,207	-	400,000	7,592,207	400,000	7,192,207	5%
UNALLOCATED FUND	-	696,061	-	696,061	-	696,061	0%
TOTAL	137,088,879	20,958,757	48,438,879	206,486,515	175,109,600	31,376,915	85%

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

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-Nyali 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.

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

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 NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO.B104745		20,000,000
AIE NO.B 823708		35,000,000
AIE NO.B 104962		10,567,724
AIE NO.B 124644		9,000,000
AIE NO.B 119614		10,000,000
AIE NO.B 128245		6,900,000
AIE NO.B 128004		13,000,000
AIE NO.B 132007		6,000,000
AIE NO.B 132301		6,000,000
AIE NO.B 138970		13,000,000
AIE NO.B126262		6,100,000
AIE NO. B 105057		10,000,000
AIE NO.B 140701		12,000,000
AIE NO.B 140816	3,800,000	
AIE NO.B 105254	32,088,879	
AIE NO.B 105401	34,000,000	
AIE NO.B 105616	10,000,000	
AIE NO.B 105904	22,000,000	
AIE NO.B 128665	5,000,000	
AIE NO.B 128977	12,000,000	
AIE NO.B 154174	12,000,000	
AIE NO.B 164400	18,000,000	
AIE NO.B 155526	24,088,879	
TOTAL	172,977,758	157,567,724

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-

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Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	287,0000	45,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	409,061	2,375,361
Other Receipts Not Classified Elsewhere	-	-
Total	696,061	2,420,361

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4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,265,230	2,986,024
Personal allowances paid as part of salary		-
House Allowance		882,008
Transport Allowance		882,008
Leave allowance		-
Gratuity to contractual employees	1,815,757	-
Employer Contributions Compulsory national social security schemes	162,000	193,320
Total	6,242,987	4,943,360

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	2,274,794
Utilities, supplies and services	29,296	-
Communication, supplies and services	59,500	-
Domestic travel and subsistence	294,000	-
Printing, advertising and information supplies & services	-	-
Training expenses	672,020	3,599,500
Hospitality supplies and services	91,157	-
Other committee expenses	301,500	-
Committee allowance	3,640,560	3,465,000
Bank service commission and charges	22,777	73,500
Insurance costs	-	182,357
Specialised materials and services	37,800	-
Office and general supplies and services	700,600	300,000
Other operating expenses	417,793	299,999
Fuel,oil & lubricants	400,00	-
Routine maintenance – vehicles and other transport equipment	264,240	181,508
Routine maintenance – other assets	-	-
Total	6,931,243	10,376,658

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	36,848,614	48,188,591
Transfers To Secondary Schools (See Attached List)	61,762,362	37,368,778
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	98,610,976	85,557,369

7. Other Grants and Other transfers

Description	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23,271,000	23,966,000
Bursary – tertiary institutions (see attached list)	23,689,174	15,732,200
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	4,734,000	3,432,000
Security projects (see attached list)	3,750,000	4,500,000
Sports projects (see attached list)	4,465,340	2,896,844
Environment projects (see attached list)	0	620,000
Emergency projects (see attached list)	3,014,880	2,995,000
Total	62,924,394	54,142,044

8. Acquisition Of Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase 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	-	-
Acquisition of Land	-	-
Total	-	-

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9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	18,826,915	20,958,757
<i>Equity Bank Kengeleni, Account No. 1140261189476</i>	-	-
Total	18,826,915	20,958,757
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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

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

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Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	1,559,072	802,045
Gratuity held during the year (B)	665,887	812,827
Gratuity paid during the Year (C)	(1,815,757)	(55,800)
Closing Gratuity as at 30 th June D= A+B-C	409,202	1,559,072

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	20,958,756	17,990,103
Cash in hand	-	-
Imprest	-	-
Total	20,958,756	17,990,103

[Provide short appropriate explanations as necessary]

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14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	(-)	-	(-)
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	xxx	xxx
Imprest issued during the year (B)	xxx	xxx
Imprest surrendered during the Year (C)	xxx	xxx
closing accounts in account receivables D= A+B-C	xxx	xxx
Changes in Account Receivables E= D-A	xxx	xxx

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff (Gratuity)	409,202	812,827
Others (<i>specify</i>)	-	-
Total	409,202	812,827

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,299,369	5,889,549
Use of goods and services	2,503,614	461,281
Amounts due to other Government entities (see attached list)	13,000,000	65,278,473
Amounts due to other grants and other transfers (see attached list)	8,650,545	15,643,075
Acquisition of assets	-	-
Others(<i>specify</i>)-Emergency	5,677,327	375,361
Funds pending approval	696,060	190,000
Total	31,826,915	87,837,739

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	54,139,068	29,875,627
Total	54,139,068	29,875,627

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**Annexes
Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings	-	-	-	-	-
1.	-	-	-	-	-
2.	-	-	-	-	-
3.	-	-	-	-	-
Sub-Total	-	-	-	-	-
Construction of civil works	-	-	-	-	-
4.	-	-	-	-	-
5.	-	-	-	-	-
6.	-	-	-	-	-
Sub-Total	-	-	-	-	-
Supply of goods	-	-	-	-	-
7.	-	-	-	-	-
8.	-	-	-	-	-
9.	-	-	-	-	-
Sub-Total	-	-	-	-	-
Supply of services	-	-	-	-	-
10.	-	-	-	-	-
Sub-Total	-	-	-	-	-
Grand Total	-	-	-	-	-

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Annex 2 - Analysis of Pending Staff Payables*

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. Alwiya Husein Shamut	Community Liaison Officer	01.06.2020	148,800	Gratuity paid August 2022
2. Antony Mang'eni	Security Officer	01.07.2020	89,280	Gratuity paid August 2022
3. Abdulhassir Faraj	Driver/Receptionist	01.08.2020	171,122	Gratuity paid August 2022
Sub-Total			409,202	
Grand Total			409,202	

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Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,299,369	5,889,549	
Use of goods & services		2,503,614	461,281	
Amounts due to other Government entities		-	65,278,473	
Kongowea Primary School		1,000,000		
Freretown Primary School		12,000,000		
Sub-Total		16,802,983	71,629,303	
Amounts due to other grants and other transfers		8,650,545	15,643,075	
Sub-Total		8,650,545	15,643,075	
Acquisition of assets				
Others (<i>specify</i>)				
AIA		696,060	190,000	
Kongowea Youth & Women Empowerment Centre		-	375,361	
Emergency		5,677,327	-	
Sub-Total		6,373,387	565,361	
Funds pending approval				
Grand Total		31,826,915	87,837,739	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Land	-	-	-	-
Buildings and structures	29,150,000	-	-	29,150,000
Transport equipment	4,084,500	-	-	4,084,500
Office equipment, furniture and fittings	5,166,765	450,000	-	5,616,765
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	418,991	-	-	418,991
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	38,820,256	450,000	0	39,270,256

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Annex 5 –PMC Bank Balances As At 30th June 2022*

PMC	Bank	Account number	Bank Balance 2021/2022	Bank Balance 2020/2021
Nyali Ngdf General Projects	EQUITY	1140261189498	12,100	12,100
Kongwea Primary School	EQUITY	1140262479404	3,421,720	122,560
Bamburi Health Centre	EQUITY	1140263575806	4,482,539	4,482,539
Kadzandani Primary School	EQUITY	1140282142552	137,555	0
Mlaleo Primary School	EQUITY	1140280986932	638,130	0
Freretown Secondary School	EQUITY	1140266106756	4,429	678,488
Azhar Shariff Primary School	EQUITY	1140266526252	161	161
Kadzandani Kwa Bullo Police Post	EQUITY	1140271329420	22,069	22,069
Kisauri Primary School	EQUITY	1140272883580	64,908	394,908
Kongwea Youth & Women Empowerment	EQUITY	1140276136387	293,759	2,177,587
Ziwa La Ng'ombe Primary School	EQUITY	1140280059376	166,602	2,028,617
Freretown Primary School	EQUITY	1140277349649	7,437,715	0
Pentrose Community Primary School	EQUITY	1140277630469	114,323	114,323
Mlaleo Secondary School	EQUITY	1140278738993	414,544	414,544
Maweni Primary School	EQUITY	1140278811554	1,808,165	7,034,170
Kadzandani Kwa Bullo Primary	EQUITY	1140279801350	9,200,184	957,139
Kadzandani Kwa Bullo Sec.Sch	EQUITY	1140279801438	4,656,291	1,588,811
Kongwea Secondary School	EQUITY	1140279963039	2,805,298	5,733,411
Mohamed Ali Girls Sec.School	EQUITY	1140280870608	17,819,926	4,114,200
Khadija Police Post	EQUITY	1140280973564	120	-
Khadija Secondary School	EQUITY	1140282116813	400	-
Kadzandani Mwatamba Police Station	EQUITY	1140280973849	638,130	-
Total			54,139,068	29,875,627

Annex 6: 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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	1.0 Transfers to Other Government Units As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other government units of Kshs.48,668,870 for the year ended 30 June,2020.However,audit review revealed the following anomalies:-	All the items were delivered.			
ADL/68/1 9/20(2)	1.1 Payment for Doubtful Delivery of Goods Included in this balance is an amount of Kshs.2,981,000 to Kongowea Secondary School for fixing of wooden shelves for the library,purchase of library chairs,tables and supply and delivery of office furniture and fittings.However,audit verification revealed that there were items paid for but not delivered amounting to Kshs.624,580.	Funds were transferred to the main account and an approval from Head office was	Michael Mueema(Fund Account Manager)	Resolved.	
	1.2 Disbursement to a cancelled project at Mombasa School for the physically Disabled.				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Similarly included in transfers to other government units balance ia a transfer of kshs.2,000,000 to Mombasa School for the physically Disabled for replacement of abdestos roof. However, the funding of the project was cancelled but the funds had not been refunded to the main bank account as at the time of audit.</p> <p>In the circumstances, the validity and completeness of transfers to other government units of kshs.48,668,870 for the year ended 30 june,2020 could not be confirmed.</p>	<p>received to reallocate the funds.</p>			
ADL/68/19/20(2)	<p>2.0 Other Grants and transfers As disclosed in Note7 to the financial statements, the statement of receipts and payments reflects other grants and transfers balance of Kshs.56,480,578 as at 30 June 2020.However,review of records revealed the following anomalies:-</p> <p>2.1 Payment for Doubtful Delivery of Goods Included in other grants and transfer balance is security projects figure of kshs.7,328,908.The expenditure of kshs.7,328,908 further includes a payment of kshs.800,000 for supply and delivery of office furniture and equipment to Kadzandani Kwa Bulu police post. However, audit verification revealed that Kyocera 1800 printer costing</p>	<p>The printer was supplied and currently being used.</p>	Michael Muema (Fund Account Manager)	Resolved	

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Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.74,500 was not delivered.</p> <p>2.2 Doubtful Payment</p> <p>Similarly, Included in the other grants and transfer balance in sports projects figure of Kshs.2,192,456 which further includes a payment of Kshs.1,378,960 to a supplier for supply of sports kits and equipment. However, review of procurement records revealed that all the supporting documents were prepared in one day casting doubts on how these procurement activities were undertaken in one (1) day only. In addition, no evidence of how the items were distributed was provided.</p> <p>Consequently, the validity and completeness of other grants and transfers balance of kshs.56,480, 578 as at 30 June,2020 could not be ascertained.</p>	<p>The procurement followed the correct procedure and distribution list of the items purchased is available.</p>			
ADL/68/19/20(2)	<p>Other Matter</p> <p>1.0 Budgetary Control and performance</p> <p>The summary statement of appropriation-recurrent and development combined reflect final receipts budget and actual on comparable basis of Kshs.203,436,994 and Kshs.134,068,269 respectively resulting to an under-funding of kshs.69,367,724 or 34% of the budget. The</p>	<p>NG-CDF Board to release funding on time</p>	Michael Muema	Resolved	

Nyali Constituency
 National Government Constituencies Development Fund (NGCDF)
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	project expenditure was limited to the amount realized.				
ADL/68/1 9/20(2)	<p>2.0 Projects implementation Review of the projects implementation status report as at 30 June 2020.revealed nine (9) projects with a total budget of Kshs.45,392,156 which had not been completed and one (1) with a budget of Kshs.1,300,000 which had not been started.</p> <p>In the circumstances, the public did not realize value for money equivalent to Kshs.46,692,156 which had not been completed and one(1) with a budget of Kshs.1,300,000 which had not been started.</p> <p>In the circumstances, the public did not realize value for money equivalent to Kshs.46,692,156.</p>	NG-CDF Board to release funding on time.	Michael Muema	Resolved	

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 Michael Muema
 Fund Account Manager.

