

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: **06 AUG 2024** DAY: **OF**
TUEG/8/2024

TABLED BY: *Deputy Majority Whip*

CLEARANCE: *Benson Inzota*



THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – MSAMBWENI
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**



OFFICE OF THE AUDITOR GENERAL
P.O.Box 95202 .MOMBASA
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MSAMBWENI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-

FY-Financial Year



II. 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 2022. 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;

Key Constituency Information and Management (Continued)

- 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 Msambweni 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)

Key Constituency Information and Management (Continued)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Brian Nyika Ngaluma
2.	Sub-County Accountant	Julius Twei
3.	Chairman NGCDFC	Thabiti Mohamed Mchambi
4.	Member NGCDFC	Mwanaisha Rashid Halfan

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Msambweni 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.

(d) Msambweni Constituency NGCDF Headquarters

P.O. Box 243 – 80400 ukunda
Msambweni NG-CDF Building,
Likoni / Lunga Lunga Road,
Ukunda, KENYA

(e) Msambweni Constituency NGCDF Contacts

Telephone: (254) 793596980
E-mail: cdmsambweni@ngcdf.go.ke
Website: www.ngcdf.go.ke



Key Constituency Information and Management (Continued)

(f) Msambweni Constituency NGCDF Bankers

Cooperative Bank of Kenya
Ukunda Branch
P.O.Box 568 – 80400,
Ukunda.

(g) Independent Auditors

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

(h) Principal Legal Adviser

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



III. NG-CDFC Chairman's Report



THABITI MOHAMED MCHAMBI

During the financial year, the NGCDFC was allocated Kshs. 138,215,033 by the GCDF Board. Out of this amount, Kshs. 87,000,000 was disbursed by close of the financial year. In addition, funds relating to the previous financial year totalling Kshs. 8,000,000 were disbursed to the constituency during the financial year. With an opening balance of Kshs. 19,175,014, the constituency had an overall budget of Kshs. 165,390,047 and spent Kshs. 91,388,765 therefore realizing a budget utilization difference of Kshs. 74,001,282.

During the financial year, msambweni has achieved a lot in the education sector whereby new classrooms, dining halls, administration blocks etc were constructed. Also the constituency issued bursary to more than seven thousand needy students in the constituency. In addition, we run a social security program where as 600 elderly and diseased people get free medical services fully sponsored by the NGCDF Msambweni.

The challenges we face in our constituency is that the allocation we get from the board is not adequate to cater for all the ward proposals captured during public participation exercise. Also the bursary fund does not fully quench the needy student's thirst, thereby leading to some of vulnerable students dropping out of school. This leads to some development projects to be left out or joining the waiting list.

Due to the budget constraints, the NGDFC works closely with the private sector in making sure that they fund those projects that were not successful. For example the CDAC (Community Development Agreement Committee) under our mining company base titanium has funded scholarships for a good number of vulnerable students and also implemented various development

A handwritten signature in blue ink, appearing to be 'A. M. Mchambi', located at the bottom left of the page.

projects in learning institutions e.g. construction of classrooms, dormitories, perimeter walls administration blocks etc.



Milalani Primary School (Renovation of 3 Classrooms)



Msambweni Secondary School (Construction of a Multipurpose Hall)

.....
Thabiti Mohamed Mchambi
CHAIRMAN NGCDF COMMITTEE

IV. Statement Of Performance Against Predetermined Objectives for FY 2022/2023

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 *Msambweni Constituency 2022-2027* plan are to:

Objectives of the constituency as per the Strategic Plan.

1. To capture all the stakeholders interest in the constituency.
2. To mobilize constituency resources for maximization of available opportunities.
3. To improve the institutional capacity and visibility of the NGCDF committee in its pursuit to deliver its mandate.

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:

s	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions</i>	<i>In FY 2022/2023 -we increased number of education infrastructure by constructing 26 classrooms, 2 toilets in 2</i>

Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

		<i>institutions</i>	<i>number of bursary's beneficiaries at all levels</i>	<i>primary schools, 1 number administration block, 3 number dormitories in secondary schools. - Bursary beneficiaries at all levels were as per the attached schedules</i>
Security	Improve the infrastructure of the National Government Administration Equip and facilitate the National Police service	Increased number of citizens getting services in the chiefs offices Increased officers deployed in the national administration	Number of physical infrastructures built for chiefs in the constituency	During the financial year 2022/23 we constructed an office at msambweni police station, assistant chief's Toilets in Gombato and Kingwede Sub-locations. We also supplied furniture to the assistant chief's offices at Bongwe sub-location.
Sports	To enhance talents of the youths in the constituency through infrastructure improvement	Increased number of youths participating in sporting activities	Number of sports infrastructures built in the constituency	During the financial year we organized a sports tournament and awarded the participating teams with sports gears.

Emergency	Utilization of emergency funds to mitigate disasters:	Utilization of emergency funds to mitigate disasters	Number of projects done in the constituency	With the financial year's emergency fund we carried out renovation works of eight classrooms at Mwachande Primary School, constructed a pit latrine at Mwabungo Primary School and renovated 3 classrooms block at Milalani Primary School.
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V. Statement of Governance

Appointment Of NGCDFC MEMBER

The NGCDFC members as per the regulations are appointed by a selection panel consisting of a chairperson appointed by the deputy county commissioner, two persons of either gender appointed by constituency office manager and the fund account manager. The fund manager invites applications from interested members of the public for appointment to the committee. The fund manager also writes to registered groups representing persons with disability requesting for nomination of one person with disability to sit in the NGCDFC. The selection panel considers the applications and select four suitable persons taking into account age, gender, special interest groups and regional balance. The constituency office manager via a formal written communication names two nominees to the NGCDFC one being of either gender and who shall not include the persons who sat in the selection panel during the selection process.

Removal of NGCDFC Member

A member of the may be removed from office on the following grounds,

1. Lack on integrity
2. Gross misconduct
3. Embezzlement of public funds
4. Bringing the committee into disrepute through unbecoming personal public conduct
5. Promoting unethical practises
6. Causing disharmony within the committee

A decision to remove the member shall be made through a resolution of at least five members of the NGCDFC and the member shall be given a fair hearing before the resolution

Roles of the NGCDFC

1. Build the capacity of project management committees and sensitize the Community on the operations of the Fund;



2. Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
3. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
4. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
5. Consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations,
6. Enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
7. Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
8. Ensure that all projects receive adequate funding and are completed within three years;
9. Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
10. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
11. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
12. Ensure that project reports are prepared and submitted to the Board;
13. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
14. Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
15. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

16. Collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
17. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
18. Submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain a list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status;
19. Enter into performance contracting with the Board on an annual basis;
20. In exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
21. Receive returns from project management committees in accordance with regulation 15;
22. Maintain a database of project management committees and reports from the respective committees;
23. Ensure that the reports referred to in paragraph are received before funding is released for each phase of the project being implemented;
24. Record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office
25. Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
26. Ensure that the committee does not enter into commitments for which funding has not been allocated
27. Ensure projects are labelled in accordance with the guidelines issued by the Board

The NGCDFC are trained yearly on the NGCDF operations, procurement and financial management. NGCDFC held 22 sittings during the financial year.

Msambweni NGCDFC has a policy of conflict of interest where members are required to disclose their interest in agendas of their meetings beforehand.



VI. Environmental and Sustainability Reporting

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

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

NGCDF Msambweni has been engaging in tree planting activities during the financial year. NGCDF Msambweni has also erected water tanks and put up gutters in the schools within the constituency e.g. Duncan Ndegwa Primary School, Vukani Primary School, Milalani Primary School, to name a few.

During the financial year NGCDF Msambweni has also constructed three Assistant Chief's offices and constructed a block at Msambweni Police Station. NGCDF Msambweni together with the area Member of Parliament has organized barazas to sensitize the youth on the impact of drug abuse in the constituency.

NGCDF Msambweni has also hosted a sports tournament where the participating teams were facilitated with kits, trophies, footballs, nets and other sports equipment..

3. Employee welfare

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

Msambweni 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-

Msambweni 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.

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



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Brian Nyika Ngaluma
Fund Account Manager.

VII. 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-Msambweni 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, 202X. 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- Msambweni 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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Msambweni 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 Msambweni 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



***Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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- Msambweni Constituency financial statements were approved and signed by the Accounting Officer on 13/09/2023.



.....
Name: Thabiti Mohamed Mchambi
Chairman – NGCDF Committee



.....
Name: Brian Nyika Ngaluma
Fund Account Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MSAMBWENI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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 regulation 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 - Msambweni Constituency set out on pages 1 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2023 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, in all material respects, the financial position of National Government Constituencies Development Fund - Msambweni Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis), National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the financial statements

The following inaccuracies were noted in the financial statements presented for audit:

- i. The statement of receipts and payments reflects compensation of employees amount of Kshs.5,818,543 while the supporting ledger reflects a balance of Kshs.5,733,443 resulting in unexplained variance of Kshs.85,100.
- ii. The statement of assets and liabilities reflects bank balances under Note 11A while the corresponding note to the financial statements reflects bank balances under Note 12A. Further, statement of assets and liabilities reflects fund balance brought forward under Note 14 while the corresponding note to the financial statements reflects fund balance brought forward under Note 15.

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

2. Unsupported Training Expenses

The statement of receipts and payments reflects use of goods and services amount of Kshs.4,057,839 as disclosed in Note 6 to the financial statement. Included in this amount is Kshs.772,856 in respect of training expenses. However, the expenditure was not supported with invitation letters, evidence of travel and attendance register for the training and the respective training programs.

In the circumstances, the accuracy, completeness and validity of training expenses of Kshs.772,856 could not be confirmed.

3. Unsupported Fuel, Oil and Lubricants

The statement of receipts and payments reflects use of goods and services amounting to Kshs.4,057,839 as disclosed in Note 6 to the financial statement which include fuel, oil,

and lubricants expenses amounting to Kshs.900,000. However, procurement documents and valid contract for an expenditure amounting to Kshs.700,000 were not provided for audit.

In the circumstances, the accuracy, completeness and validity of fuel, oil and lubricants expenses of Kshs.700,000 could not be confirmed.

4. Unsupported Oversight Committee Expenses

The statement of receipts and payments reflects oversight committee expenses amount of Kshs.376,600 as disclosed in Note 10 to the financial statement. However, the expenditure was not supported by committee minutes and monitoring reports.

In the circumstances, the accuracy and completeness of oversight committee expenses of Kshs.376,600 could not be confirmed.

5. Unsupported Bursaries

The statements of receipts and payments reflects other grants and other transfers amount of Kshs.49,684,336 as disclosed in Note 8 to the financial statement which include bursaries to tertiary institutions balance of Kshs.1,907,000. However, bursary payments amounting to Kshs.1,000,000 paid in respect of driving lessons for two hundred (200) students were not supported by evidence of a selection criteria to determine how the beneficiaries were identified.

In the circumstances, the accuracy and completeness of bursary payments amounting to Kshs.1,000,000 could not be confirmed.

6. Unsupported Social Security Programmes

The statement of receipts and payments reflects other grants and other transfers amount of Kshs.49,684,336 as disclosed in Note 8 to the financial statement which include social security programmes balance of Kshs.3,600,000. During the year under review, the Fund made social security payments amounting to Kshs.3,600,000 to National Health Insurance Fund for six hundred (600) beneficiaries who are elderly, widows, orphans and people living with disabilities. However, the payments were not supported by evidence of a selection criteria to determine how the beneficiaries were identified.

In the circumstances, accuracy and completeness of social security programmes amounting to Kshs.3,600,000 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Msambweni 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.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final expenditure budget and actual on comparable basis of Kshs.179,485,047 and Kshs.114,175,014 respectively, resulting in under-funding of Kshs.65,310,033, or 36% of the budget. However, the Fund spent Kshs.91,388,765 against actual receipts of Kshs.114,175,014, resulting to an under-utilization of Kshs.22,786,249 or 20% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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

Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. However, although Management has indicated as having resolved the prior year audit issues, no evidence was provided to support that status. Therefore, the issues remain unresolved contrary to Section 68(2)(I) of the Public Finance Management Act, 2012 which require accounting officers designated for National Government entities to take appropriate measures to resolve any issues arising from audit which may remain outstanding.

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. Irregular Procurements of Sports Activities

The statements of receipts and payments reflects other grants and transfers amount of Kshs.49,684,336 as disclosed in Note 8 to the financial statement. Included in this amount is sports projects amounting to Kshs.2,007,646. However, inspection and acceptance report did not capture specifications and the condition of the items at the time of delivery contrary to Section 48(3)(b) of the Public Procurement and Asset Disposal Act, 2015 which states that the inspection and acceptance committee shall inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract.

In the circumstances, the regularity and value for money on the procurements totalling Kshs.2,007,846 could not be confirmed.

2. Irregular Procurement of Consultancy Service Contract

The statements of receipts and payments reflects other payments amounting to Kshs.1,530,000 as disclosed in Note 8 to the financial statement in relation to a consultancy contract between the Fund and a consultant in developing the Fund's Strategic Plan. However, the re-advertisement of tender indicated that quotations were to be received on or before 02 June, 2023, contrary to Regulation 51(1) of the Public Finance Management Regulations, 2015 which states that all commitments for supply of goods or services shall be done not later than May 31st each year except with the express approval of the Accounting Officer in writing. The Fund therefore violated procurement law in regards to initiation of the procurement process.

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

3. Non-Emergency Projects

The statement of receipts and payments reflects other grants and other transfers amount of Kshs.49,684,336 as disclosed in Note 8 to the financial statement. During the year under review, the Fund made payments totalling Kshs.7,636,190 on emergency projects out of which an amount of Kshs.4,911,190 payment in respect to renovation of eleven (11) classrooms in two (2) primary school and construction of a septic tank in one(1) primary school. However, evidence of nature of unforeseen occurrence has not been provided for audit contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which states that an emergency shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

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

4. Inactive Project Management Committee Accounts

Annex 5 to the financial statements reflects Project Management Committee (PMC) account balance of Kshs.24,169,412. Review of the financial statements presented

revealed that eighteen (18) PMC accounts with total balance of Kshs.405,236 had remained inactive. This would therefore mean that the projects for which these accounts were opened were either completed or had stalled. This was contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which states that all unutilized funds for the Project Management Committees shall be returned to the constituency account.

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

5. Failure to Prepare Detailed Schedule of Meetings

Review of annual programmes records provided revealed that during the financial year under review, the Fund failed to provide a detailed schedule of meetings held from the start of the financial year contrary to Regulation 7(9) of the National Government Constituencies Development Fund Regulations, 2016 which requires that the Secretary shall, at the beginning of every financial year, in consultation with the officer of the Board seconded to the Constituency, prepare and table before a Constituency Committee a schedule of the meetings to be held during the year.

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

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 comply, 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 THE 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 ISSAIs 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 controls, 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathanga, CBS
AUDITOR-GENERAL

Nairobi

30 May, 2024

IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	95,000,000	168,082,758
Proceeds From Sale of Assets	2	0	0
Other Receipts	3	0	31,000
Total Receipts		95,000,000	168,113,758
Payments			
Compensation Of Employees	4	5,818,543	3,478,700
Committee expenses	5	5,254,420	3,144,174
Use Of Goods and Services	6	4,057,839	5,136,519
Transfers To Other Government Units	7	22,377,027	108,513,601
Other Grants and Transfers	8	49,684,336	79,721,907
Acquisition Of Assets	9	2,290,000	430,000
Oversight Committee Expenses	10	376,600	0
Other Payments	11	1,530,000	0
Total Payments		91,388,765	200,424,901
Surplus/(Deficit)		3,611,235	(32,311,143)

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

The Constituency financial statements were approved by the NGCDFC on 13/09/2023 and signed by:

Fund Account Manager

Name: Brian Nyika Ngaluma

National Sub-County
Accountant

Name: Julius Tuei

ICPAK M/No: 20618

Chairman NG-CDF
Committee

Name: Thabiti Mohamed
Mchambi

Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

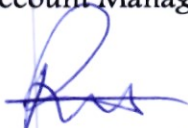
X. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	11A	22,786,249	19,175,014
Cash Balances (cash at hand)	11B	-	-
Total Cash and Cash Equivalents		22,786,249	19,175,014
Accounts Receivable			
Outstanding Imprests	12	-	-
TOTAL FINANCIAL ASSETS		22,786,249	19,175,014
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	13A	-	-
Gratuity	13B	-	-
NET FINANCIAL SSETS		22,786,249	19,175,014
REPRESENTED BY			
Fund balance b/fwd 1st July...	14	19,175,014	51,486,156
Prior year adjustments	15	-	-
Surplus/Defict for the year		3,611,235	(32,311,142)
NET FINANCIAL POSITION		22,786,249	19,175,014

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

The Constituency financial statements were approved by NGCDFC on 13/09/ 2023 and signed by:

Fund Account Manager



Name: Brian Nyika Ngaluma

National Sub-County

Accountant

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***Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
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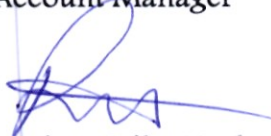
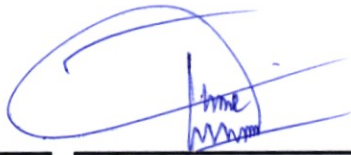
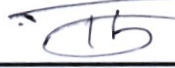
XI. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	95,000,000	168,082,758
Other Receipts	3	0	31,000
Total Receipts		95,000,000	168,113,758
Payments			
Compensation Of Employees	4	5,818,543	3,478,700
Committee Expenses	5	5,254,420	0
Use Of Goods and Services	6	4,057,839	8,280,693
Transfers To Other Government Units	7	22,377,027	108,513,601
Other Grants and Transfers	8	49,684,336	79,721,907
Oversight Committee Expenses	10	376,600	0
Other Payments	11	1,530,000	0
Total Payments		89,098,765	199,994,901
Total Receipts Less Total Payments		5,901,235	(31,881,142)
Adjusted For:			
Prior Year Adjustments	16	0	0
Decrease/(Increase) In Accounts Receivable	17	0	0
Increase/(Decrease) In Accounts Payable	18	0	0
Net Cash Flow from Operating Activities		5,901,235	(31,881,142)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	0	0
Acquisition Of Assets	9	(2,290,000)	(430,000)
Net Cash Flows from Investing Activities		(2,290,000)	(430,000)
Net Increase In Cash And Cash Equivalent		3,611,235	(32,311,142)
Cash & Cash Equivalent At Start Of The Year	12	19,175,014	51,486,156
Cash & Cash Equivalent At End Of The Year	12	22,786,249	19,175,014

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National Government Constituencies Development Fund (NGCDF)
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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 13/09/ 2023 and signed by:

 Fund Account Manager	 National Sub-County Accountant	 Chairman NG-CDF Committee
Name: Brian Nyika Ngaluma	Name: Julius Tuei ICPAK M/No: 20618	Name: Thabiti Mohamed Mchambi

*Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	<i>2022-2023</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2022-2023</i>	<i>2022-2023</i>		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	138,215,033	19,175,014	22,095,000	179,485,047	114,175,014	65,310,033	63.6
Proceeds From Sale of Assets							
Other Receipts							
Totals	138,215,033	19,175,014	22,095,000	179,485,047	114,175,014	65,310,033	63.6
Payments							
Compensation Of Employees	4,551,682	3,370,178		7,921,860	5,818,543	2,103,317	73.4
Committee Expenses	5,274,450	144,046		5,418,496	5,254,420	387,976	96.9
Use Of Goods and Services	2,617,219	1,520,725		4,137,944	4,057,839	80,105	98.1
Transfers To Other Government Units	60,866,000	2,277,527	8,000,000	71,143,527	22,377,027	48,766,500	31.5
Other Grants and Transfers	62,105,682	9,228,038		71,333,720	49,684,336	21,649,384	69.7
Acquisition of Assets		2,290,000		2,290,000	2,290,000	0	100
Oversight Committee Expenses	600,000			600,000	376,600	0	62.8
Other Payments	2,200,000			2,200,000	1,530,000	670,000	69.5

Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
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Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
		a	b				
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
Receipts							
Funds Pending Approval**		344,500	14,095,000	14,439,500		14,439,500	0
Totals	138,215,033	19,175,014	22,095,000	179,485,047	91,388,765	88,096,282	50.9

Explanatory Notes.

- (a)
- Transfers from NGCDF Board of Kshs. 138,215,033 these are our total allocations from the board for the whole financial year 2022/2023.
 - The kshs. 19,175,014 in the second column is represented by an opening cashbook balance.
 - The ksh. 22,095,000 are funds for the previous financial years of which kshs. 8,000,000 was received during the accounting year.
- (b) Underutilization below 90%
- Compensation of employees at 73.4%; the utilization difference are funds set aside for payment of staff gratuity when their contracts expire.
 - Transfer to other government units of 31.5%: This was as a result of untimely disbursements of funds and A.I.Es from the Board.
 - Other grants & transfers 69.7%: This was as a result of untimely disbursement of funds and A.I.Es from the Board.



Msambweni Constituency
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- Other payments of 69.5%: This is fund meant for preparation of strategic plan 2023-2027 and as at close of financial year the activity was ongoing..

Funds pending approval of 0 %: These are funds received from sell of tender documents Kshs. 344,500 during the previous financial years and could not be utilized without approval from the Board which happen in the preceding financial year. a project for msambweni youth opportunity centre kshs. 14,095,000 which had also not been approved by the NGCDF Board could not utilized.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	88,096,282
Less undisbursed funds receivable from the Board as at 30 th June 2023	(65,310,033)
	22,786,249
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	22,786,249

The Constituency financial statements were approved by NG CDFC on 13/09/ 2023 and signed by:

Fund Account Manager

Name: Brian Nyika Ngaluma

National Sub-County Accountant

Name: Julius Twei

ICPAK M/No: 20618

Chairman NG-CDF Committee

Name: Thabiti Mohamed Mchambi

Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
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XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,551,682	3,370,178		7,921,860	5,818,543	2,103,317
1.2 Committee allowances	1,248,000	293,776		1,541,776	1,153,800	387,976
1.3 Use of goods and services	2,493,219	675,814		3,169,033	3,088,928	80,105
Sub-total	8,292,901	4,339,268		12,632,669	10,061,271	2,571,398
2.0 Monitoring and evaluation						
2.1 Capacity building	1,553,950	2,046		1,555,996	1,555,996	0
2.2 Committee allowances	2,472,500	396,580		2,869,080	2,869,080	0
2.3 Use of goods and services	124,000	297,055		421,055	421,055	0
Sub-total	4,150,450	695,681		4,846,131	4,846,131	0
3.0 Emergency						
3.1 Primary Schools	7,636,190			7,636,190	7,636,190	0
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						



*Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Sub-total	7,636,190			7,636,190	7,636,190	0
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	34,550,000	3,819,534		38,369,534	34,033,500	4,336,034
4.3 Tertiary Institutions	12,000,000	1,308,504		13,308,504	1,907,000	11,401,504
4.4 Universities		0				
4.5 Social Security	1,800,000	3,600,000		5,400,000	3,600,000	1,800,000
Sub-total	48,350,000	8,728,038		57,078,038	39,540,500	17,537,538
5.0 Sports						
5.1 Regional Sports Tournament	411,846			411,846		411,846
5.2 Constituency Sports Activities	2,007,646			2,007,646	2,007,646	0
5.3						
Sub-total	2,419,492			2,419,492	2,007,646	411,846
6.0 Environment						
6.1 Mkwambani Primary School	250,000			250,000		250,000
6.2 Magodi Primary School	250,000			250,000		250,000
6.3 Duncan Ndegwa Primary School		100,000		100,000	100,000	0
6.4 Kilulu Primary School		100,000		100,000	100,000	0

Msambweni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.5 Madago Primary School		100,000		100,000	100,000	0
6.6 Mkwambani Primary School		100,000		100,000	100,000	0
6.7 Mwamanga Primary School		100,000		100,000	100,000	0
Sub-total	500,000	500,000		1,000,000	1,000,000	500,000
7.0 Primary Schools Projects (List all the Projects)						
7.1 Mwakigwena Primary School	5,200,000			5,200,000		5,200,000
7.2 Antorita Primary School	3,900,000			3,900,000	3,900,000	0
7.3 Mabokoni Primary School	1,300,000			1,300,000	1,300,000	0
7.4 Mbuwani Primary School	1,300,000			1,300,000	1,300,000	0
7.5 Gazi Primary School	2,600,000			2,600,000		2,600,000
7.6 Mwabungo Primary School	1,300,000			1,300,000		1,300,000
7.7 Magaoni Primary School	2,600,000			2,600,000	2,600,000	0
7.8 Mkwambani Primary School	2,600,000			2,600,000	2,600,000	0
7.9 Shirazi Primary School	2,600,000			2,600,000		2,600,000
7.91 Duncan Ndegwa Primary School	2,600,000			2,600,000		2,600,000
7.92 Mwachande Primary School	1,100,000			1,100,000		1,100,000
7.93 Majikuko Primary School			2,600,000	2,600,000	2,600,000	0
7.94 Mabatani Primary School			1,300,000	1,300,000	1,300,000	0

***Msambweni Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.95 Makongeni Primary School			504,500	504,500	504,500	0
7.96 Jomo Kenyatta Primary School			297,750	297,750	297,750	0
7.97 Mkwakwani Primary School			297,750	297,750	297,750	0
7.98 Shirazi Primary School			1,500,000	1,500,000	1,500,000	0
7.99 Nganja Primary School		277,027	1,500,000	1,777,027	1,777,027	0
Sub-total	27,100,000	277,027	8,000,000	35,377,027	19,977,027	15,400,000
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Mvindeni Secondary School	5,300,000			5,300,000		5,300,000
8.2 Babla Diani Secondary School	4,000,000			4,000,000		4,000,000
8.3 Ukunda Secondary School	2,700,000			2,700,000		2,700,000
8.4 Gombato Secondary School	1,800,000			1,800,000		1,800,000
8.5 Dori Girls Secondary School	4,200,000	2,000,000		6,200,000	2,000,000	4,200,000
8.6 Dori Girls Secondary School	400,000			400,000	400,000	0
8.7 Madago Secondary School	1,000,000			1,000,000		1,000,000
8.8 Ramisi Secondary School	4,500,000			4,500,000		4,500,000
8.9 Msambweni Secondary School	2,700,000			2,700,000		2,700,000
8.91 Vingujini Secondary School	5,396,000			5,396,000		5,396,000
8.92 Vingujini Secondary School	270,000			270,000		270,000

Msambweni Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.93 Mivurufoni Secondary School	500,000			500,000		500,000
8.94 Kiranga Secondary School	1,000,000			1,000,000		1,000,000
Sub-total	33,766,000	2,000,000		35,766,000		33,366,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
Sub-total						
10.0 Security Projects						
10.1 Bongwe Sub-Location Asst Chief's	200,000			200,000		200,000
10.2 Gombato Sub-Location Asst Chief	500,000			500,000		500,000
10.3 Shirazi Sub-Location Asst Chief's	500,000			500,000		500,000
10.4 Msambweni Police Station	2,000,000			2,000,000		2,000,000
Sub-total	3,200,000			3,200,000		3,200,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office		1,560,000		1,560,000	1,560,000	0
11.3 Purchase of furniture and		730,000		730,000	730,000	0

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
Sub-total		2,290,000		2,290,000	2,290,000	0
12.0 Oversight Committee Expenses (itemize)						
Committee expenses	600,000			600,000	600,000	0
Sub-total	600,000			600,000	600,000	0
13.0 Others						
13.1 Strategic Plan	2,200,000			2,200,000	1,530,000	670,000
13.2 Innovation Hub						
Sub-total	2,200,000			2,200,000	1,530,000	670,000
Funds pending approval**			14,095,000	14,095,000		14,095,000
AIA		345,000		345,000		345,000
Total	138,215,033	19,175,014	22,095,000	179,485,047	91,388,765	88,096,282

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(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



XIV. 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-Msambweni 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.



Significant Accounting Policies continued

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.

Significant Accounting Policies continued

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.



Significant Accounting Policies continued

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 8th June 2023 for the period 1st July 2022 to 30th June 2023 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.

Significant Accounting Policies Continued

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 2023.

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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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B185188	7,000,000	0
AIE NO. B185464	6,000,000	0
AIE NO. B185724	15,000,000	0
AIE NO. B206040	5,000,000	0
AIE NO. B206489	12,000,000	0
AIE NO. B205833	12,000,000	0
AIE NO. B207594	15,000,000	0
AIE NO. B207960	15,000,000	0
AIE NO. B207952	8,000,000	0
AIE NO. B105221		33,000,000
AIE NO. B105518		44,000,000
AIE NO. B105878		24,000,000
AIE NO. B128632		5,000,000
AIE NO. B128946		12,000,000
AIE NO. B154142		15,000,000
AIE NO. B164373		22,993,879
AIE NO. B089057		12,088,879
TOTAL	95,000,000	168,082,758

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Others (specify)	0	0
Total	0	0

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3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	0	31,000
Hire of plant/equipment/facilities	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	31,000



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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,370,780	2,166,120
Personal allowances paid as part of salary		
House Allowance	451,500	438,000
Transport Allowance	451,500	438,000
Non contractual Employees	10,000	0
Gratuity to contractual employees	2,440,803	345,860
Employer Contributions Compulsory national social security schemes	93,960	90,720
Total	5,818,543	3,478,700

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	1,153,800	1,263,600
Other committee expenses	4,100,620	1,880,574
Total	5,254,420	3,144,174

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6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	83,075	126,898
Communication, supplies and services	150,444	105,950
Domestic travel and subsistence	583,055	894,680
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	772,856	2,187,426
Hospitality supplies and services	71,454	0
Insurance costs	0	0
Specialised materials and services	0	0
Office and general supplies and services	854,890	215,679
Fuel , oil & lubricants	900,000	800,000
Other operating expenses	0	0
Bank Charges	47,054	45,816
Security operations	0	0
Routine maintenance - vehicles and other transport equipment	357,304	489,549
Routine maintenance- other assets	237,707	270,521
Total	4,057,839	5,136,519

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	19,977,027	54,096,706
Transfers To Secondary Schools (See Attached List)	2,400,000	47,916,895
Transfers To Tertiary Institutions (See Attached List)	0	6,500,000
Total	22,377,027	108,513,601

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	34,033,500	35,357,000
Bursary – tertiary institutions (see attached list)	1,907,000	22,992,250
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Social Security programmes (NHIF)	3,600,000	0
Security projects (see attached list)	0	8,696,895
Sports projects (see attached list)	2,007,646	5,483,555
Environment projects (see attached list)	500,000	0
Emergency projects (see attached list)	7,636,190	7,192,207
Roads projects (see attached list)	0	0
Total	49,684,336	79,721,907

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	1,060,000	430,000
Refurbishment of Buildings	500,000	0
Purchase of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	730,000	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and renovation of plant, machinery and equipment	0	0
Acquisition of Land	0	0
Acquisition Intangible Assets	0	0
Total	2,290,000	430,000

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Other committee expenses	376,600	0
		0
Total	376,600	0

11. Other Payments

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Strategic plan	1,530,000	0
ICT Hub	0	0
	1,530,000	0

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Cooperative Bank, Account No. 01120043594500 (Main account)</i>	22,786,249	19,175,014
<i>Name of Bank, account No. (Deposits account)</i>	0	0
Total	22,786,249	19,175,014
12 B: Cash on Hand		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>Specify</i>)	0	0
Total	0	0
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

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

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

14 A. Retention	2022-2023	2021-2022
	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		

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)		
Gratuity held during the year (B)		
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 th June D= A+B-C		

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	19,175,014	51,486,156
Cash in hand	0	0
Imprest	0	0
Total	0	0
Less		
Payables: - Retention	0	0
Payables – Gratuity	0	0
Fund Balance Brought Forward	19,175,014	51,486,156

[Provide short appropriate explanations as necessary]

16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	(0)	0	(0)
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
Total	0	0	0

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

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
Net changes in accounts Receivables D - A	0	0

18. Changes In Accounts Payable – Deposits and Retentions

	<i>2022-2023</i>	<i>2021-2022</i>
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Net changes in accounts payables D-A	0	0



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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

19.2: Pending Staff Payables (See Annex 2)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NGCDFC Staff	763,642	2,463,170
Others (<i>specify</i>)	0	
Total	763,642	2,463,170

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	2,103,317	3,370,178
Committee expense	387,976	
Use of goods and services	80,105	1,664,772
Amounts due to other Government entities (see attached list)	48,766,500	5,277,028
Amounts due to other grants and other transfers (see attached list)	21,649,384	9,228,037
Acquisition of assets	0	2,290,000
Oversight Committee Expenses	0	0
Other Payments (<i>specify</i>)	670,000	0
Funds pending approval	14,439,500	19,095,500
AIA	0	344,500
Total	88,096,282	41,270,015

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	24,169,441.62	37,221,570.56
Total	24,169,441.62	37,221,570.56



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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	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 2023	Comments
NG-CDFC Staff				
1. Athaman Bakari Madonga	Clerk of works	1/8/2013	149,023.20	
2. Khadija Mwalimu Mwakutwaa	Clerical officer	1/8/2013	91,437.60	
3. Rama Abdalla Yusuf	Accounts assistant	1/8/2013	127,000.80	
4. Mtoto Hamisi Mwamaovu	Office messenger	1/10/2013	56,637.00	
5. Vincent Ochieng Odhiambo	Administrative assistant	1/7/2015	167,400.00	
6. Guo Athuman Mwinyikombo	Security personnel	1/7/2016	67,964.40	
7. Hajj Abdalla Said	Driver	1/10/2013	76,198.00	
8. Gideon Kimani Ng'ang'a	lct personnel	1/3/2023	27,981.00	
Sub-Total			763,642	
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees		2,103,317	3,370,178	
Use of goods & services		387,976	1,664,772	
Committee expenses		80,105		
Amounts due to other Government entities			5,277,028	
Mwakigwena Primary School		5,200,000		
Gazi Primary School		2,600,000		
mwabungo Primary School		1,300,000		
Shirazi Primary School		2,600,000		
Duncan ndegwa Primary School		2,600,000		
Mwachande Primary School		1,100,000		
Mvindenii Secondary School		5,300,000		
Babla diani Secondary School		4,000,000		
Ukunda Secondary School		2,700,000		
Gombato Secondary School		1,800,000		
Dori girls Secondary School		4,200,000		
Madago Secondary School		1,000,000		
Ramisi Secondary School		4,500,000		
Msambweni Secondary School		2,700,000		
Vingujini Secondary School		5,396,000		
Vingujini Secondary School		270,000		
Mivumoni Secondary School		500,000		
Kiranga Secondary School		1,000,000		
Sub-Total		48,766,000	10,311,978	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Amounts due to other grants and other transfers			9,228,037	
Bursary; Secondary schools		4,336,034		
Tertiary Institutions		11,401,504		
Social Security		1,800,000		
Regional sports tournament		411,846		
Mkwambani Primary School		250,000		
Magodi Primary School		250,000		
Bongwe Sub-Location Assistant Chief's Office		200,000		
Gombato Sub-Location Assistant Chief's Office		500,000		
Shirazi Sub-Location Assistant Chief's Office		500,000		
Msambweni Police Station		2,000,000		
Sub-Total		21,649,384		
Acquisition of assets		0	2,290,000	
Others (<i>specify</i>)				
Strategic plan		670,000	0	
Funds pending approval		14,440,000	19,440,000	
Grand Total		88,096,282	41,270,014	

Annex 4 – Summary of Fixed Asset Register

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	1,500,000			1,500,000
Buildings and structures	7,430,000	1,560,000		8,990,000
Transport equipment	3,250,000			3,250,000
Office equipment, furniture and fittings	1,613,096	730,000		2,343,096
ICT Equipment, Software and Other ICT Assets	1,113,031			1,113,031
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	14,906,127	2,290,000		17,196,127

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 Annex 5 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Dori Girls Secondary School	Cooperative	01141566319100	2,146,192.50	1,576,578.50
Gombato Secondary School	Cooperative	01141566989100	105.00	105.00
Bongwe Secondary School	Cooperative	01141565702500	7,752.50	7,752.50
Ramisi Secondary School	Cooperative	01141839497500	11,428.70	1,078,368.70
Madago Secondary School	Cooperative	01141565699100	913,302.50	2,565,502.50
Mvindenii Secondary School	Cooperative	01141839323900	347,519.00	637,993.00
Msambweni Secondary School	Cooperative	01141566596601	1,653,470.20	0
Vingujini Secondary School	Cooperative	01141838248700	16.32	563,716.32
Kiranga Secondary School	Cooperative	011418395547100	192,933.00	1,498,891.00
Mivumoni Secondary School	Cooperative	01141839065000	23,194.07	2,323,578.07
Kingwede Secondary School	Cooperative	01141839570900	701,370.00	0
Marigiza Primary School	Cooperative	01141566899500	120,179.00	120,179.00
Magaoni Primary School	Cooperative	01141839770200	2,402,123.00	0
Kinondo Primary School	Cooperative	01141839275200	75.00	75.00
Nngori Primary School	Cooperative	01141566419700	2,541.55	1,775,498.50
Msambweni Primary School	Cooperative	01141566595400	16,898.50	3,500,028.50
Munje Primary School	Cooperative	01141566731200	170,980.00	170,980.00

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Magutu Primary School	Cooperative	01141566731100	39,437.00	4,195,601.00
Mwakigwena Primary School	Cooperative	01141566795500	43,454.00	2,533,515.00
Vingujini Primary School	Cooperative	01141566432300	65,314.49	1,376,669.49
Shamu Primary School	Cooperative	01141565893200	2,118.50	2,118.50
Mvinden Primary School	Cooperative	01141838092300	22,729.00	22,729.00
Kilulu Primary School	Cooperative	01141566432000	2,458.15	74,941.85
Eshu Primary School	Cooperative	01141043963600	687.00	687.00
Vukani Primary School	Cooperative	01141566715500	104,880.00	230,680.00
Duncan Ndegwa Primary School	Cooperative	01141566575100	829.00	829.00
Mbuwani Primary School	Cooperative	01141043976300	1,202,323.00	599.00
Maphombe Primary School	Cooperative	01141566729700	81,259.00	205.00
Mchinjirithi Primary School	Cooperative	01141839097500	99.00	99.00
Mabatani Primary School	Cooperative	01141566899600	1,310,277.00	205.00
Shirazi Primary School	Cooperative	01141043797900	2,419.00	2,419.00
Fahamuni Primary School	Cooperative	01141043797700	40.50	116,885.50
Malalani Primary School	Cooperative	01141839092300	55,319.50	1,239,002.50
Gazi Primary School	Cooperative	01141565893100	10,114.50	78,214.50
Ganja la Simba Primary School	Cooperative	01141838086500	125.00	125.00
Ramisi Primary School	Cooperative	01141043798000	1,471.00	1,471.00

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Masindeni Primary School	Cooperative	01141566730200	1,774.00	1,774.00
Sports	Cooperative	01141565728800	1,543.65	1,543.64
Mwamanga Primary School	Cooperative	01141838996800	275.00	259,344.00
Madago Primary School	Cooperative	01141566719600	135.00	25,135.00
Madongoni Primary School	Cooperative	01141839112700	375.00	375.00
Bodo Primary School	Cooperative	01141839282000	975.00	975.00
Mkwakwani Primary School	Cooperative	01141839417000	297,836.00	699.00
Jomokenyatta Primary School	Cooperative	01141839571200	297,750.00	0
Kidzumbani Primary School	Cooperative	01141839285800	29,132.00	129,420.00
Milalani Primary School	Cooperative	01141566794800	2,000,405.00	405.00
Constituency Office	Cooperative	01141565890100	73,849.49	21,549.49
Mivumoni Primary School	Cooperative	01141839296200	26,879.00	76,,032.00
Mabokoni Primary School	Cooperative	01141566417100	1,201,626.00	152.00
Mwaroni Primary School	Cooperative	01141566015200	70,301.00	70,301.00
Kingwede Primary School	Cooperative	01141565893300	28,894.05	2,527,611.05
Makongeni Primary School	Cooperative	01141566618700	504,590.50	1,775,498.50
Bongwe Sub Location Assistant Chief's Office	Cooperative	01141839527200	175.50	89,675.50
Gombato Sub Location Assistant Chief's Office	Cooperative	01141839544100	115.00	1,498,975.00

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Kingwede Sub Location Assistant Chief's Office	Cooperative	01141839546600	80,391.00	258,780.00
Msambweni Youth & Opportunity Centre	Cooperative	01141566712900	2,944,492.45	2,944,492.45
Vingujini Chiefs Office	Cooperative	01141839076200	775.00	775.00
Msambweni Technical & Vocational College	Cooperative	01141839155200	216.00	1,841,815.00
Antorita Primary School	Cooperative	01100085741001	0	0
Mkwambani Primary School	Cooperative	01141838243500	2,850,000.00	0
Nganja Primary School	Cooperative	01141566008200	1,777,477.50	0
Mwabungo Primary School	Cooperative	01141566123101	275.00	0
Majikuko Primary School	Cooperative	01100104989001	0	0
Mwachande Primary School	Cooperative	01100013191001	0	0
Magodi Primary School	Cooperative	01141839511300	323,748.00	0
Total			24,169,441.62	37,221,570.56

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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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Budgetary control and performance;</p> <p>The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs. 241,663,914 and Kshs. 219,568,914 respectively, resulting in an under-funding of Kshs. 22,095,000 or 9% of the budget. Similarly, the fund made payments totalling to Kshs. 200,424,901 against an approved budget of Kshs. 241,694,913, resulting in under-expenditure of Kshs. 41,270,012 or 17% of the budget.</p> <p>The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The management could not spend all the budgeted funds since they were not received in time. But by august 2023 all the funds were received from the NGCDF Board and subsequently spent.</p>	Resolved	
2.	<p>Unsupported project management committee (PMC) Balances;</p> <p>Note 17 to the financial statements on other important disclosures and annex 5</p>	<p>There was an error in typing of</p>	Resolved	



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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)																														
	<p>indicate that the Project Management Committee (PMC) Bank account balances totalled Kshs. 37,221,571. however, five (5) PMC Bank account balances as reflected in the Annex vary with the certificate of bank balances as tabulated below;</p> <table border="1" data-bbox="324 770 1323 1433"> <thead> <tr> <th>No.</th> <th>Project Name</th> <th>Financial Statements Balance (Kshs.)</th> <th>Bank Certificate Balance (Kshs.)</th> <th>Variance (Kshs.)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Kidzumbani Primary School</td> <td>129,420</td> <td>50,057,500</td> <td>49,928,080</td> </tr> <tr> <td></td> <td>Madago Primary School</td> <td>25,135</td> <td>25,104</td> <td>31</td> </tr> <tr> <td></td> <td>Msambweni Primary School</td> <td>3,500,028</td> <td>113,899</td> <td>3,386,130</td> </tr> <tr> <td></td> <td>Nngori Primary School</td> <td>1,775,498</td> <td>103,090</td> <td>1,672,408</td> </tr> <tr> <td></td> <td>Kiranga Primary School</td> <td>1,498,891</td> <td>192,933</td> <td>1,305,958</td> </tr> </tbody> </table>	No.	Project Name	Financial Statements Balance (Kshs.)	Bank Certificate Balance (Kshs.)	Variance (Kshs.)		Kidzumbani Primary School	129,420	50,057,500	49,928,080		Madago Primary School	25,135	25,104	31		Msambweni Primary School	3,500,028	113,899	3,386,130		Nngori Primary School	1,775,498	103,090	1,672,408		Kiranga Primary School	1,498,891	192,933	1,305,958	<p>the certificate of bank balance made by the bank and later on corrected the error and issued another certificate for the six projects. We also corrected the financial statement to reflect the correct pmc balances.</p>		
No.	Project Name	Financial Statements Balance (Kshs.)	Bank Certificate Balance (Kshs.)	Variance (Kshs.)																														
	Kidzumbani Primary School	129,420	50,057,500	49,928,080																														
	Madago Primary School	25,135	25,104	31																														
	Msambweni Primary School	3,500,028	113,899	3,386,130																														
	Nngori Primary School	1,775,498	103,090	1,672,408																														
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>

Brian Nyika

Name

Fund Account Manager.



