

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT

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THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – JOMVU
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2023

OFFICE OF THE AUDITOR GENERAL
P.O.Box 95202 ,MOMBASA
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JOMVU 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- Project Management Committee

FY-Financial Year

BQ- Bills of quantities

OSHA -Occupational Safety and Health Act

COC-Constituency Oversight Committee

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;

- 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 are as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The Jomvu 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)

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	Eunice Anubi
2.	Sub-County Accountant	Brian Mutua
3.	Chairman NGCDFC	Owen Ogonda
4.	Member NGCDFC	Ganatra Robert

(c) Fiduciary Oversight Arrangements

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

P.O. Box 90646 - 80100
Jomvu Sub-County Headquarters & NG-CDF Offices
Mikindani Police Station Compound
Mombasa, KENYA

(e) JOMVU Constituency NGCDF Contacts

Telephone: (254) 769536138
E-mail: cdffjomvu@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) JOMVU Constituency NGCDF Bankers

Equity Bank of Kenya
Changamwe Branch
P.O. Box 90016-80100
Mombasa, Kenya

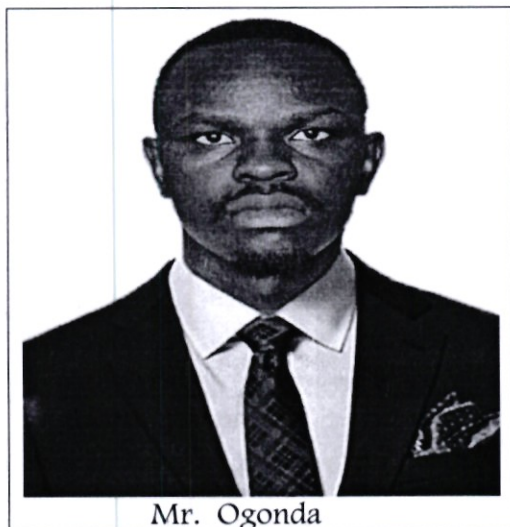
(g) Independent Auditors

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

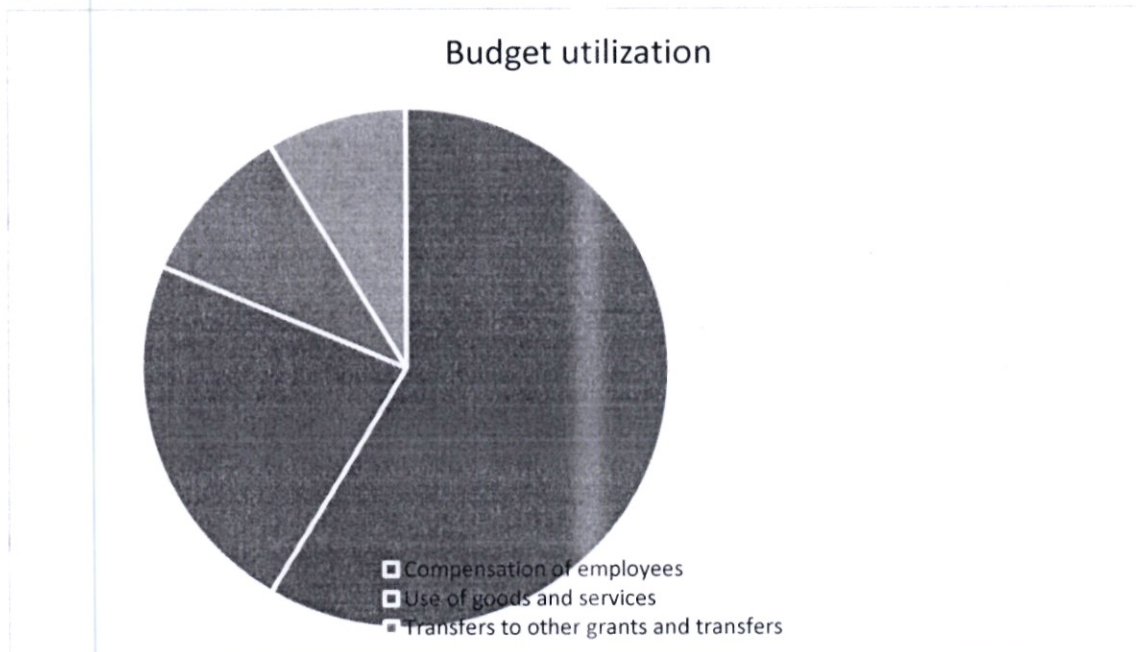


I take this opportunity to thank the people who have contributed to the success of Jomvu NG-CDF activities for the concluded financial year with notable contributions made by the NG-CDF Board, Project Management Committees and Government Departmental Heads.

Jomvu NG-CDF has been in existence since 2013 and has consistently received funds for the support of development initiatives in various wards within the constituency.

It is my honour to present the financial statements for NG-CDF Jomvu for the financial year ended 30 June 2023.

During the financial year ended 30 June 2023, Jomvu National Government Constituency Development Fund was allocated Kshs 131,342,462 as normal allocation out of which a total of Kshs. 87,000,000.00 was received, representing 66% of the normal allocation. The constituency utilised 71% of the available resources in education infrastructure and bursary programs, with the rest of the funds spread across social programmes, sports, environment and other sectors as represented in the pie chart below.

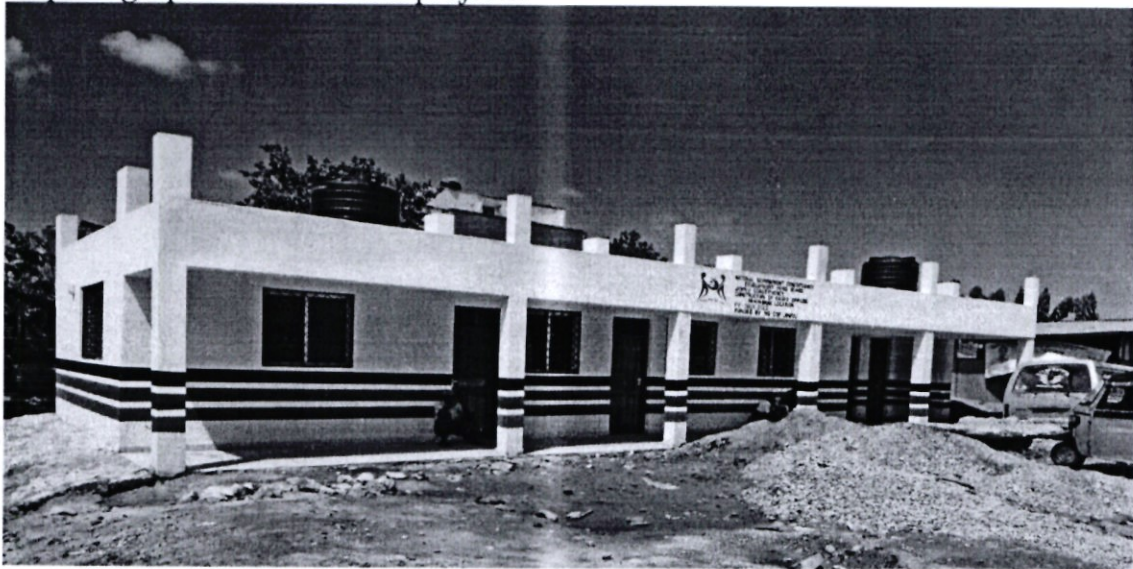


At the close of the financial year the Constituency had not yet received Ksh. 44,342,462 from the Board thus could not accomplish all projects as planned within the financial year.

Key Achievements

- Jomvu NG-CDF has continued to focus on education infrastructure in both new and existing schools to cater for increase in enrolment and boost 100% transition under the basic education program. This has been achieved through utilisation of classrooms constructed during the previous financial year at Badi Twalib, Kwashee and Mreroni High Schools.
- The security docket has been enhanced through commencement of service delivery at the chiefs' offices within Mikindani, Jomvu Kuu and Birikani locations.
- Bursary disbursement of Ksh. 49 million to 6,337 needy students at both secondary and tertiary levels of education which saw the Youth being supported in acquiring skills for self-employment.
- The committee has also earmarked development of a strategic plan for the period 2023-2027 as a key tool to guide in the achievement of timely and well-coordinated interventions in addressing the varying needs of the constituents.

Below are photographs of some of the projects:



Mikindani Chief's Office



Badi Twalib High School

Emerging issues

The transition to the CBC system of education is an emerging issue affecting planning of infrastructural development in the education sector. Strategic direction is needed from the Ministry of Education on the schools covering the different pathways as envisioned by the Ministry, and the desired infrastructure required to support them. This will go a long way in aiding the constituency to adopt long-term plans in line with the Ministry objectives at the sub-county level.

The changing tax regime and additional levies has been affecting prices of commodities upwards leading to complaints from contractors and making projects costly to implement.

Further legislation/regulations on mandate of the COC would greatly benefit this crucial function.

Challenges & Recommendations/Mitigations

Being a transition year, there was a delay occasioned by the process of constituting the NGCDF committee, which affected operations for a period of about four months. Once in place, the committee embarked on training of various groups to enhance service delivery to residents and implementation of projects.

The main implementation challenge encountered during the financial year has been delay in start of projects caused by delays in getting project BQs from the public works office and the subsequent lengthy procurement procedure. The committee has been able to liaise with the works department to hasten turnover of BQs to expedite the procurement process. However, personal interest in project tenders should be discouraged.

Delay in disbursement of funds from the Board has also impacted on delivery of some programs within the constituency. In spite of these challenges, the committee has been able to accomplish the key achievements highlighted above.

The committee looks forward to improved performance in the next financial year.

.....
Owen Ogonda
CHAIRMAN NGCDF COMMITTEE

IV. Statement of Performance Against Predetermined Objectives for FY 2022/23

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 *Jomvu Constituency 2018-2022* plan are to:

- a) Improve infrastructure and learning environment in primary, secondary and tertiary institutions within Jomvu constituency
- b) Enhance infrastructure and housing for security personnel and administration staff
- c) Enhance sports and sporting activities within the constituency
- d) Prioritize environment conservation interventions in all development initiatives through community driven environment programmes
- e) Enhance availability and access to affordable quality, universal healthcare for the well-being of constituents
- f) Build resilient, all round infrastructure for accelerated rural development

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	Improve infrastructure and learning environment in primary, secondary and tertiary institutions within Jomvu Constituency	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary's beneficiaries at all levels	In FY 2022/23 we increased number of classrooms from 251 to 262 at Kwashee, Mreroni, Miritini and Badi Twalib Primary Schools Bursary was awarded to 4,130 students in Secondary schools and 2,207 students in tertiary institutions
Security	Enhance infrastructure and housing for security	Construct, improve or furnish administrative	Number of physical infrastructure built for security personnel	Number of administrative housing units increased from 1 to

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

	personnel and administration staff	offices (DCC's office, ACC's offices, National Government departments, Chief and Assistant Chief's offices and Police stations and housing units		2 at Miritini Administration Police & ACC's office
Environment	Prioritize environment conservation interventions in all development initiatives through community driven environment programmes	Facilitate environment conservation initiatives such as construction of gabions, terraces and water towers	Number of physical infrastructure built under environment	Toilets with bio-digester at Badi Twalib Primary School
Sports	Enhance sports and sporting activities within the constituency	Facilitate provision of sports equipment, uniforms, games kits and other sports accessories	Number of teams benefitting from sports equipment, uniforms and accessories	16 football teams, 8 volleyball & sitting volleyball teams were targeted to benefit through participation in the annual sports tournament
Emergency	Cater for any unforeseen occurrences in the constituency during the financial year	Mitigation of emergency situations	Number of usable physical infrastructure built	There were no emergency projects funded during the financial year hence funds will be reallocated to other projects.
Healthcare	Enhance availability and access to affordable quality, universal healthcare for the well-being of constituents	Quality universal healthcare provision	Number of beneficiaries of health subsidy program	1,660 beneficiaries funded through the NHIF health subsidy program

V. Statement of Governance

Introduction

This section covers the procedure of appointment and removal of NG-CDF Members, roles and functions of the committee, induction and training of members, the number of meetings held, disclosure/policy on conflict of interest, members' remuneration, ethics and conduct and risk management.

Procedure of Appointment of Members

The NGCDF committee comprises of 10 members listed below, as outlined in Section 43 of the NG-CDF Act 2015.

- a) the national government official responsible for co-ordination of national government functions;
- b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- c) two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- e) two persons nominated by the constituency office established under regulations made pursuant to the Parliamentary Service Act;
- f) the officer of the board seconded to the constituency committee by the board who shall be an *ex officio* member without a vote.
- g) one member co-opted by the board in accordance with regulations made by the board.

The appointment of Jomvu NG-CDF committee members was carried out in line with the National Government Constituencies Fund Act, 2015. The committee was recruited through a selection panel charged with recruiting the members for approval by the National Parliament before appointment and gazettelement by the NG-CDF Board.

Removal of the NGCDF Committee Member

A member may be removed from the committee by way of the provisions of the NG-CDF Act on grounds such as:

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity

The decision for removal is made through a resolution of at least five members of the NG-CDF committee and the member to be removed is given a fair hearing before removal.

Roles and functions of the committee

The NGCDF Committee is charged with the roles indicated below among others:

1. Build the capacity of Project Management Committees and sensitize the Community on the operations of the Fund

2. Consider all project proposals while ensuring that all projects proposed and approved for funding meets the requirements of the Act.
3. Prepare a detailed budget proposal, procurement and work plans
4. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
5. Monitor the implementation of projects as per the Monitoring and Evaluation framework
6. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
7. Ensure labelling of projects as per guidelines issued by the Board;
8. Recruit staff as per the NG-CDF Act.

Induction and Trainings

Induction of the committee members was done during their first meeting on December 14, 2022. The Chairperson and Secretary were elected and expectations of their conduct communicated by the ex officio members of the committee.

During the financial year 2022/23 the NG-CDF Board organized induction training for committee members. The committee was also trained on cross-cutting issues affecting their day-to day activities. These trainings equipped them with skills and values necessary in carrying out their responsibilities effectively and guiding them in viable decision making.

Number of meetings

The NG-CDF Committee held 12 meetings (including sub-committee meetings) within the financial Year 2022/2023 which is within the provisions of the Act.

Disclosure/Policy on Conflict of Interest

The first item on the agenda of each meeting gives an opportunity for members to disclose if they have conflict of interest. No member has indicated conflict of interest in meetings they attended.

Remuneration

The Committee members are not paid a monthly salary. However, they are entitled to Kshs. 5,000 allowance per sitting/activity and the Chairman to Kshs. 7,000.

Ethics and Conduct

Values/Principles are communicated to members to guide ethical behaviour and gain public trust. These values include:

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and excellence
6. Advocacy for citizen participation

Risk Management

This is carried out for the following purposes:

1. To ensure compliance with laws touching on risk management
2. To ensure effective, efficient and economical provision of services by the Fund
3. Adoption of best practices

Jomvu NG-CDF participated in the process of risk identification, risk analysis, evaluation of the risks and identifying methods to be used in treatment/mitigation of the risks. The committee ensures that all risks are monitored regularly through the risk management platform.

VI. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Jomvu 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 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Protection of the environment in which we live and operate is one of Jomvu NG-CDF objectives. Prioritizing environment conservation interventions in development initiatives is an important aspect in the way in which carry out our operations.

Jomvu NG-CDF implemented initiatives to manage and reduce the impact as follows:

- Sensitization of youth on the impact of drugs after training of bodaboda riders supported by the NG-CDF.
- Creation of awareness on environmental conservation practices and impact of drugs annually during training of members, staff and PMCs
- Pollution Control and Waste Management through ensuring proper human waste disposal through construction of toilets, septic tanks and soak pits in identified projects.

3. Employee welfare

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

Jomvu 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 gets 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-

Jomvu 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.

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

Eunice Anubi

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Eunice Anubi

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 by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Jomvu 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, 2023. 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.

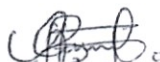
The Accounting Officer in charge of the NGCDF-Jomvu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of the 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 in charge of the NGCDF- Jomvu 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 Jomvu Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were

used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Jomvu Constituency financial statements were approved and signed by the Accounting Officer on 18.03. 2024.



.....
Name: Owen Ogonda
Chairman – NGCDF Committee



.....
Name: Eunice Anubi
Fund Account Manager

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - JOMVU 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 regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Jomvu Constituency set out on pages 1 to 37, which comprise of the statement of financial 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 the National Government Constituency Development Fund – Jomvu 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) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unsupported Monitoring and Evaluation Committee Payments

The statement of receipts and payments reflects Committee expenses of Kshs.1,987,000 as disclosed in Note 5 to the financial statements. Included in this expenditure is an amount of Kshs.1,081,000 in respect of Committee monitoring and evaluation exercises expenditure which was not supported with proof of travel, projects visited and a back-to-office report on the status of the projects visited.

In the circumstances, the occurrence, accuracy and completeness of Committee expenses amounting to Kshs.1,081,000 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.53,793,000 as disclosed under Note 8 to the financial statements, which includes an amount of Kshs.49,363,000 relating to bursaries for secondary schools and tertiary institutions. However, bursary disbursements totalling Kshs.11,258,000 were not supported with the students' admission numbers and cheque numbers to support payments. Further, review of the disbursements records revealed that bursary cheques totalling Kshs.888,641 issued in February, 2023 had not been presented as at 30 June, 2023. No reason was provided for the unrepresented cheques.

In the circumstances, the accuracy and completeness of the bursary disbursements of Kshs.12,146,641 could not be confirmed.

3. Unsupported Project Management Committee Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) accounts balance of Kshs.51,072,436. However, cash books bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.51,072,436 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 – Jomvu Constituency Management in accordance with ISSAI 130 on the 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 receipts budget and actual amounts on comparable basis of Kshs.183,774,504 and Kshs.139,432,042 respectively, resulting to an under-funding of Kshs.44,342,462, or 24% of the budget. However, the Fund spent Kshs.110,658,172 against actual receipts of Kshs.139,432,042 resulting to an under-utilization of Kshs.28,773,870 or 21% of the actual receipts.

The under-funding and under-utilization affected the planned activities of the Fund 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

1. Unresolved Prior Year Audit Matters

The audit report for the previous year highlighted several issues in respect of the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Management's report on the progress made in resolving the issues, at Annex 6 of other important disclosures indicates that issues had not been resolved as at 30 June, 2023.

2. Failure to Implement to Parliamentary Committee's Recommendations

Review of the report of the Decentralized Funds Accounts Committee on its consideration of the reports of the Auditor General on the Financial Statements for the National Government Constituencies Development Fund for the Constituencies in the Counties of Mombasa, Kilifi, Kwale, Taita Taveta, Lamu and Tana River for the financial years 2013/14, 2014/15 and 2015/16 revealed that Jomvu Constituency had an unresolved issue relating to Mikindani street light project costing Kshs.6,454,900. The Committee recommended that the National Government Constituencies Development Fund Board takes administrative action against the Fund Account Manager involved in the procurement process within three months of the adoption of the report. However, there was no evidence of implementation of the recommendation or report to the Parliamentary

Committee explaining the reasons for non-implementation. This was contrary to Section 31(1)(a) of the Public Audit Act, 2015 that requires that within three months after Parliament has debated and considered the final report of the Auditor General and made recommendation a public entity that has been audited shall, as a preliminary submit a report on how it has addressed the recommendations and findings of the previous year's audit

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 matter 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

Unutilized Funds

The statement of receipts and payments reflects other receipts balance of Kshs.6,301,930 in respect of unutilized funds being savings from various completed projects returned to the main account. However, as at the time of audit in March, 2024, the Constituency Development Fund Committee (CDFC) had not submitted to the Board new project proposals to be financed by the savings contrary to Section 26(1) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022). The law requires constituencies with unspent funds at the end of the financial year to submit new proposals to the Board for approval.

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 overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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 Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 June, 2024



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

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	87,000,000	187,177,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	6,301,930	2,051,526
Total Receipts		93,301,930	189,229,284
Payments			
Compensation Of Employees	4	3,755,806	3,950,817
Committee expenses	5	1,987,000	3,364,000
Use Of Goods and Services	6	2,685,016	5,748,897
Transfers To Other Government Units	7	34,850,000	96,782,832
Other Grants and Transfers	8	53,793,000	101,173,800
Acquisition Of Assets	9	12,897,350	8,213,650
Oversight Committee Expenses	10	90,000	-
Other Payments	11	600,000	-
Total Payments		110,658,171	219,233,996
Surplus/(Deficit)		(17,356,242)	(30,004,711)

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 18.03. 2024 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Eunice Anubi	Name: Brian Mutua ICPAK M/No:16950	Name: Owen Ogonda


*Jomvu 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)	12A	28,998,977	46,130,112
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		28,998,977	46,130,112
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		28,998,977	46,130,112
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	860,355	594,105
Gratuity	14B	877,339	918,482
Total Financial Liabilities		1,737,694	1,512,587
Net Financial Assets		27,261,283	44,617,525
Represented By			
Fund Balance B/Fwd	15	44,617,525	74,622,238
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		(17,356,242)	(30,004,711)
Net Financial Position		27,261,283	44,617,527


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 18.03. 2024 and signed by:




Fund Account Manager

Name: Eunice Anubi



National Sub-County
Accountant

Name: Brian Mutua
ICPAK M/No: 16950



Chairman NG-CDF
Committee

Name: Owen Ogonda

Jomvu Constituency

National Government Constituencies Development Fund (NGCDF)


Annual Report and Financial Statements for The Year Ended June 30, 2023

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	87,000,000	187,177,758
Other Receipts	3	6,301,930	2,051,526
Total Receipts		93,301,930	189,229,284
Payments			
Compensation Of Employees	4	3,755,806	3,950,817
Committee Expenses	5	1,987,000	3,364,000
Use Of Goods and Services	6	2,685,016	5,748,897
Transfers To Other Government Units	7	34,850,000	96,782,832
Other Grants and Transfers	8	53,793,000	101,173,800
Oversight Committee Expenses	10	90,000	-
Other Payments	11	600,000	-
Total Payments		97,760,821	211,020,346
Total Receipts Less Total Payments		(4,458,892)	(21,791,061)
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	225,107	(612,915)
Net Cash Flow from Operating Activities		(4,233,785)	(22,403,976)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(12,897,350)	(8,213,650)
Net Cash Flows from Investing Activities		(12,897,350)	(8,213,650)
Net Increase In Cash And Cash Equivalent		(17,131,135)	(30,617,626)
Cash & Cash Equivalent At Start Of The Year	12	46,130,114	76,747,740
Cash & Cash Equivalent At End Of The Year		28,998,979	46,130,114

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 18.03. 2024 and signed by:


Fund Account Manager

Name: Eunice Anubi


National Sub-County
Accountant

Name: Brian Mutua
ICPAK M/No: 16950


Chairman NG-CDF
Committee

Name: Owen Ogonda

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

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 %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	131,342,462	46,130,112	0	177,472,574	133,130,112	44,342,462	75.0%
Proceeds From Sale of Assets		0		0	-	-	0.0%
Other Receipts		6,301,930		6,301,930	6,301,930	0	100.0%
Totals	131,342,462	52,432,042	0	183,774,504	139,432,042	44,342,462	75.9%
Payments							
Compensation of Employees	3,605,806	242,569	0	3,848,375	3,755,806	92,569	97.6%
Committee Expenses	2,449,000	1,496	0	2,450,496	1,987,000	463,496	81.1%
Use of Goods and Services	5,236,616	290,483	0	5,527,099	2,685,016	2,842,083	48.6%
Transfers To Other Government Units	58,300,000	0	0	58,300,000	34,850,000	23,450,000	59.8%
Other Grants and Transfers	58,438,040	27,492,382	0	85,930,422	53,793,000	32,137,422	62.6%
Acquisition of Assets	-	15,101,095	0	15,101,095	12,897,350	2,203,745	85.4%
Oversight Committee Expenses	1,313,000	0	0	1,313,000	90,000	1,223,000	6.9%
Other Payments	2,000,000	601,400	0	2,601,400	600,000	2,001,400	23.1%
Gratuity & Retention	-	1,204,007	0	1,204,007	0	1,204,007	0.0%
Funds Pending Approval **	-	7,498,610	0	7,498,610	0	7,498,610	0.0%
Totals	131,342,462	52,432,042	0	183,774,504	110,658,172	73,116,332	60.2%

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

**Jomvu Constituency
National Government Constituencies Development Fund (NGCDF)
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Explanatory Notes.

(a) Adjustments refers to balances brought forward from previous financial years and balances expected from the NG-CDF Board

- i. During the financial year, the major receipts comprised of transfers from the NG-CDF Board vide AIEs, totalling Kshs. 87,000,000.

- ii. Other receipts of Ksh. 6,301,930 represents savings from various PMC Accounts transferred back to the main account for reallocation to other projects. There was no AIA generated during the financial year.

(b) Reasons for underutilisation

- i. Part of the funding under Use of Goods and Services intended for purchase of insurance and capacity building activities which were not carried out due to exigencies of duty but the funds shall be utilised in the next financial year

- ii. Underutilisation on Transfers to other Government Units relates to funds which had not been received from the Board by closure of the financial year and shall be expensed during the subsequent financial year.

- iii. Other Grants & Transfers includes allocation to Social Security and Emergency Reserve which had not been received from the Board by closure of financial year. There were no emergencies during the financial year, hence the funds are due for reallocation to other programmes.

- iv. There construction of Phase II of the Jomvu Sub-County Office Complex & NG-CDF offices has been completed, hence the balance of funds amounting to 1.9 Million are project savings due for reallocation.

- v. The underutilisation on Oversight Committee was intended for capacity building and meetings which had not been done by close of the financial year hence the 6.9% utilisation on budget. The funds will be utilised in the next financial year.




- vi. Part of the funding on Other payments is intended for development of a Strategic Plan. Procurement was still underway and no payment had been made by close of the financial year hence the 23.1% utilisation on budget.

Some of the funds utilised relate to balances from previous financial years.

*Jomvu Constituency
National Government Constituencies Development Fund (NGCDF)
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	73,116,333
Less undisbursed funds receivable from the Board as at 30 th June 2023	44,342,462
	28,773,871
Increase/(decrease) Accounts payable	225,107
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	28,998,978

The Constituency financial statements were approved by NG CDFC on 18.03. 2024 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Eunice Anubi	Name: Brian Mutua ICPAK M/No: 16950	Name: Owen Ogonda

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			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,605,806	242,570		3,848,376	3,755,806	92,570
1.2 Committee allowances	1,176,000	513		1,176,513	772,000	404,513
1.3 Use of goods and services	2,634,116	290,483		2,924,599	1,496,716	1,427,884
Sub-total	7,415,922	533,566	-	7,949,488	6,024,521	1,924,967
2.0 Monitoring and evaluation						
2.1 Capacity building	1,354,000	983		1,354,983	1,162,300	192,683
2.2 Committee allowances	1,273,000			1,273,000	1,215,000	58,000
2.3 Use of goods and services	1,248,500			1,248,500	26,000	1,222,500
Sub-total	3,875,500	983	-	3,876,483	2,403,300	1,473,183
3.0 Emergency						
3.1 Primary Schools	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5. Unutilized	7,636,190	11,253,426		18,889,616	-	18,889,616
Sub-total	7,636,190	11,253,426		18,889,616	-	18,889,616

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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			
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	23,000,000	11,000		23,011,000	22,550,000	461,000
4.3 Tertiary Institutions	13,000,000	15,000,000		28,000,000	26,813,000	1,187,000
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	9,960,000	-		9,960,000	-	9,960,000
Sub-total	45,960,000	15,011,000	-	60,971,000	49,363,000	11,608,000
5.0 Sports						
5.1 Constituency Sports tournament	2,200,000	370		2,200,370	2,200,000	370
5.2 Regional Sports tournament	411,850			411,850	-	411,850
Sub-total	2,611,850	370	-	2,612,220	2,200,000	412,220
6.0 Environment						
6.1 Environment	-	227,586	-	227,586	-	227,586
6.2 Mikindani Youth Resource Centre	-	1,000,000	-	1,000,000	-	1,000,000
6.3 Badi Twalib Primary School	2,230,000	-		2,230,000	2,230,000	-
Sub-total	2,230,000	1,227,586	-	3,457,586	2,230,000	1,227,586
7.0 Primary Schools Projects						
7.1 Badi Twalib Primary School	5,600,000			5,600,000	5,600,000	-
7.2 Kwashee Primary School	7,000,000			7,000,000	5,550,000	1,450,000
7.3 Miritini Primary School	8,400,000			8,400,000	8,400,000	-

Jomvu 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			
7.4 Mreroni Primary School	5,600,000			5,600,000	5,600,000	-
Sub-total	26,600,000	-	-	26,600,000	25,150,000	1,450,000
8.0 Secondary Schools Projects						
8.1 Badi Twalib High School	11,000,000			11,000,000	-	11,000,000
8.2 Jomvu Girls High School	9,700,000			9,700,000	9,700,000	-
8.3 Kwashee High School	11,000,000			11,000,000	-	11,000,000
Sub-total	31,700,000	-	-	31,700,000	9,700,000	22,000,000
9.0 Tertiary institutions Projects						
9.1	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
10.0 Security Projects						
10.1	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	13,192,473	-	13,192,473	11,266,050	1,926,423
11.3 Purchase of furniture and equipment	-	1,908,622	-	1,908,622	1,631,300	277,322
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
Sub-total	-	15,101,095	-	15,101,095	12,897,350	2,203,745

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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			
12.0 Oversight Committee Expenses						
12.1 Constituency Oversight Committee allowance	500,000	-		500,000	90,000	410,000
12.2 Transport allowance	200,000	-	-	200,000	-	200,000
12.3 Daily Subsistence Allowance	613,000	-	-	613,000	-	613,000
Sub-total	1,313,000		-	1,313,000	90,000	1,223,000
13.0 Others						
13.1 Jomvu NG-CDF Strategic plan	2,000,000	1,400		2,001,400	-	2,001,400
13.2 Constituency Innovation Hubs	-	600,000		600,000	600,000	-
Sub-total	2,000,000	601,400	-	2,601,400	600,000	2,001,400
Funds pending approval**	-	7,498,610	-	7,498,610	-	7,498,610
Retention & Gratuity	-	1,204,007		1,204,007	-	1,204,007
Sub-total	-	8,702,617	-	8,702,617	-	8,702,617
Total	131,342,462	52,432,043	-	183,774,505	110,658,171	73,116,334

(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-Jomvu 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

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 08 June 2022 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.

XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B 140900		33,000,000
AIE NO. B 105444		44,000,000
AIE NO. B 105776		22,000,000
AIE NO. B 128512		5,000,000
AIE NO. B 128823		12,000,000
AIE NO. B 154012		12,000,000
AIE NO. B 164464		18,000,000
AIE NO. B 155824		24,088,879
AIE NO. A 888997		4,000,000
AIE NO. B 155946		13,088,879
AIE NO. B 185071	7,000,000	
AIE NO. B 185345	6,000,000	
AIE NO. B 185610	15,000,000	
AIE NO. B 206104	5,000,000	
AIE NO. B 206359	12,000,000	
AIE NO. B 205743	12,000,000	
AIE NO. B 207502	15,000,000	
AIE NO. B 207868	15,000,000	
TOTAL	87,000,000	187,177,758

2. Proceeds from Sale of Assets

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

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Notes to the Financial Statements (Continued)

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	118,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	6,301,930	1,933,526
Other Receipts Not Classified Elsewhere	-	-
Total	6,301,930	2,051,526

Notes to the Financial Statements (Continued)

4. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,144,760	2,567,771
Personal allowances paid as part of salary	228,000	-
House Allowance	440,760	440,760
Transport Allowance	288,000	288,000
Leave allowance	-	-
Gratuity to contractual employees	576,526	576,526
Employer Contributions Compulsory national social security schemes	77,760	77,760
Total	3,755,806	3,950,817

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,767,000	3,364,000
Other committee expenses	220,000	0
Total	1,987,000	3,364,000.00

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Notes to the Financial Statements (Continued)

6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	36,000	42,670
Office rent	-	61,530
Communication, supplies and services	77,000	253,700
Domestic travel and subsistence	792,300	2,802,000
Printing, advertising and information supplies & services	410,230	506,219
Rentals of produced assets	-	32,000
Training expenses	729,000	632,000
Hospitality supplies and services	212,755	316,780
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	191,612	361,654
Fuel , oil & lubricants	52,600	167,693
Other operating expenses	-	400,000
Bank Charges	10,069	23,470
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	140,450	128,881
Routine maintenance- other assets	33,000	20,300
Total	2,685,016	5,748,897

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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)	25,150,000	32,400,214
Transfers To Secondary Schools (See Attached List)	9,700,000	64,382,618
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	34,850,000	96,782,832

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,550,000	45,710,000
Bursary – tertiary institutions (see attached list)	26,813,000	15,000,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	9,960,000
Security projects (see attached list)	-	24,103,800
Sports projects (see attached list)	2,200,000	4,700,000
Environment projects (see attached list)	2,230,000	1,700,000
Emergency projects (see attached list)	-	-
Roads projects (see attached list)	-	-
Total	53,793,000	101,173,800

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Notes to the Financial Statements (Continued)

9. Acquisition of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	11,266,050	6,041,050
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	1,631,300	2,172,600
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	12,897,350	8,213,650

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	90,000	-
Other COC expenses	-	-
TOTAL	90,000	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	600,000	-
	600,000	-

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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>Equity Bank, A/C no. 1200261736417, Branch Changamwe. (main account)</i>	28,998,977	46,130,112
(deposit account) N/A	-	-
Total	28,998,977	46,130,112
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<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>
		Kshs	Kshs	Kshs
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
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)	594,105	1,018,095
Retention held during the year (B)	1,126,605	594,105
Retention paid during the Year (C)	860,355	1,018,095
Closing Retention as at 30 th June D= A+B-C	860,355	594,105

14 B. Gratuity	2022-2023	2021-2022
	Kshs	Kshs
Gratuity as at 1 st July (A)	918,482	1,107,407
Gratuity held during the year (B)	576,526	576,526
Gratuity paid during the Year (C)	617,669	765,451
Closing Gratuity as at 30 th June D= A+B-C	877,339	918,482

15. Fund Balance B/F

	Kshs (1/7/2022)	Kshs (1/7/2021)
	Kshs	Kshs
Bank accounts	46,130,112	76,747,740
Cash in hand	-	0
Imprest	-	0
Total	46,130,112	76,747,740
Less		
Payables: - Retention	594,105	1,107,407
Payables – Gratuity	918,482	1,018,095
Fund Balance Brought Forward	44,617,525	74,622,238

[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	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

17. Changes in Accounts Receivable – Outstanding Imprests

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

18. Changes in Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	Kshs	Kshs
Deposit and Retentions as at 1 st July (A)	1,512,587	2,125,502
Deposit and Retentions held during the year (B)	1,703,131	1,170,631
Deposit and Retentions paid during the Year (C)	1,478,024	1,783,546
closing account payables D= A+B-C	1,737,694	1,512,587
Net changes in accounts payables D-A	225,107	(612,915)

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Notes to the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	11,166,050
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	11,166,050

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	877,339	918,482
Others (<i>specify</i>)	-	-
Total	877,339	918,482

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	92,570	242,569
Committee expense	463,496	513
Use of goods and services	2,842,084	291,466
Amounts due to other Government entities (see attached list)	23,450,000	-
Amounts due to other grants and other transfers (see attached list)	32,137,422	27,492,382
Acquisition of assets	2,203,745	15,101,095
Oversight Committee Expenses	1,223,000	601,400
Other Payments (<i>specify</i>)	3,513,987	1,816,922
Funds pending approval	7,498,610	1,196,680
Total	73,424,914	46,743,027

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	51,072,836	145,273,480
Total	51,072,836	145,273,480

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. Josphat Maeri	Accounts Assistant	2-Sep-2015	101,556	To be paid when due
2. Ian Saleh Julius	Clerk of Works	2-Jul-2018	243,734	To be paid when due
3. Salma Mirza	Records Management Officer	2-Jul-2018	99,436	To be paid when due
4. Charles Charo	Driver	2-Jul-2018	175,063	To be paid when due
5. Saumu Hassan	Clerical Officer	2-Jul-2018	87,532	To be paid when due
6. Wilson Mwendwa	Office Assistant	2-Aug-2020	170,018	To be paid when due
Sub-Total			877,339	
Grand Total			877,339	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees		92,570	242,570	
Use of goods & services		3,305,580	291,979	
Amounts due to other Government entities				
Kwashee Primary School		1,450,000	-	
Badi Twalib High School		11,000,000	-	
Kwashee High School		11,000,000	-	
Sub-Total		23,450,000	-	
Amounts due to other grants and other transfers				
1. Emergency		18,889,616	11,253,425	
2. Bursary and Social Security		11,608,000	15,011,000	
3. Constituency Sports		412,220	370	
4. Environment		1,227,586	1,227,586	
Sub-Total		32,137,422	27,492,381	
Acquisition of assets				
Construction of Buildings & Purchase of office furniture and equipment		2,203,745	15,101,095	
Sub-Total		2,203,745	15,101,095	
Oversight Committee Expenses (itemize)				
Constituency Oversight Committee allowance		410,000	0	
Transport allowance		200,000	0	
Daily Subsistence Allowance		613,000	0	
Sub-Total		1,223,000	0	
Others (<i>specify</i>)				
1. Other Payments		2,001,400	601,400	
2. Retention & Gratuity		1,512,587	1,816,922	
Sub-Total		3,513,987	2,418,322	
Funds pending approval		7,498,610	1,196,680	
GRAND TOTAL		73,424,914	46,743,027	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-			
Buildings and structures	26,402,868	11,266,050	-	37,668,918
Transport equipment	4,947,000	-	-	4,947,000
Office equipment, furniture and fittings	4,320,863	1,631,300	-	5,952,163
ICT Equipment, Software and Other ICT Assets	343,585	-	-	343,585
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	36,014,316	12,897,350	-	48,911,666

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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
Aldina Primary School	Equity	1200267370522	0	3,308,143
Amani Primary School NG-CDF Project	Equity	1200278539775	1,769,809	6,183,973
Badi Twalib High School Classrooms	Equity	1200282331789	3,576,119	5,934,812
Badi Twalib High School PMC	Equity	1200280746240	616,723	7,321,832
Badi Twalib High School Lockers & Chairs	Equity	1200282834903	0	2,160,000
Badi Twalib Primary School Toilets Project Account	Equity	1200284301840	2,230,000	0
Birikani Chief's Office	Equity	1200282253660	998,295	5,934,812
Jomvu ACC, AP Camp NG-CDF Project	Equity	1200277306842	0	1,661,623
Jomvu Girls High School	Equity	1200260559991	1,006,141	4,923,922
Jomvu Kuu Clinic CDF Project	Equity	1200264055056	0	145,102
Jomvu Kuu Chief's Office Construction	Equity	1200282188679	2,622,739	5,944,812
Jomvu Kuu Road CDF Project	Equity	1200264119522	0	885
Jomvu Model Health Centre	Equity	1200263723355	0	2,547
Jomvu NGCDF -Sports Activity	Equity	1200271386028	2,960,815	1,957,295
Jomvu Police Station	Equity	1200280848012	0	3,806,016
Kajembe High School	Equity	1200299291500	0	2,196,700
Kibarani Primary School	Equity	1200280746007	1,475,214	7,105,205
Kibarani Primary School Classrooms PMC	Equity	1200282332142	881,518	8,189,308
Kwa Jomvu Primary CDF Project	Equity	1200262543884	0	3,280,907

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Kwa Jomvu Primary Gabions	Equity	120028298628	0	1,700,000
Kwashee Primary School	Equity	1200260607219	0	536,297
Kwashee Primary School Classrooms PMC	Equity	1200282188622	801,429	8,944,812
Jomvu NG-CDF - Kwashee High School	Equity	1200281332075	411,767	6,029,246
Kwashee High School Classrooms	Equity	1200282368410	3,799,766	5,944,812
Kwashee High School Lockers & Chairs	Equity	1200282644446	0	2,160,000
Maganda Police Station	Equity	1200280745850	0	1,305,834
Maganda Primary School	Equity	1200277747878	0	5,750,663
Jomvu NG-CDF - Mikindani Chief's Office	Equity	1200282253651	688,386	5,940,812
Miritini ACC NG-CDF Project	Equity	1200279702001	0	242,190
Miritini Administration Police Units NG-CDF Project	Equity	1200282879699	4,170,000	0
Miritini Primary School Classrooms	Equity	1200284285147	3,000,000	0
Miritini Secondary School	Equity	1200298330677	3,027,621	3,979,707
Miritini World Bank Primary School - CDF	Equity	1200298315560	470,218	3,533,121
Mreroni Primary School Classrooms	Equity	1200284271268	2,000,000	0
Mreroni Secondary School	Equity	1200279898615	1,116,173	5,473,765
Mwamlai Secondary School - PMC	Equity	1200280745649	2,349,422	12,293,254
Mwamlai High School Classrooms PMC	Equity	1200282368438	7,710,213	4,932,812
Mwamlai High School Lockers & Chairs NG-CDF Project	Equity	1200282453142	2,160,000	2,160,000
Miritini Complex High School	KCB	1183805632	553,632	553,632

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Vikobani Assistant Chief's Office PMC	Equity	1200280746056	676,836	3,734,630
Total			51,072,836	145,273,480

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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)
<p>1. Failure to Reverse Stale Cheques</p>	<p>The statement of Assets and Liabilities and as disclosed under Note 10A to the financial statements reflects cash and cash equivalent balance of Kshs. 46,130,112. The supporting bank reconciliation statement reflects Kshs. 20,193,434 being cheques recorded in the cash book not yet in bank statement.</p> <p>Included in the amount of unrepresented cheques were stale cheques of Kshs. 672,029 which had not been reversed in the cash book.</p> <p>In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs. 46,130,112 as at June 30, 2022 could not be confirmed.</p>	<p>Management committed to ensuring diligence in replacement of stale cheques to avoid such occurrences in future. The cheques have since been replaced to benefit needy students</p>	<p>Not resolved</p>	<p>15.10.2023</p>
<p>2. Inaccuracy of the Summary Statement of Appropriation</p>	<p>The transfer from National Government Constituencies Development Fund Board is reflected in the statement of budget and actual on comparable basis as Kshs. 263,925,497 instead of Kshs. 187,177,758 resulting to unexplained difference of Kshs. 76,747,739.</p> <p>In the circumstances, the accuracy of</p>	<p>Difference of Kshs. 76,747,739 relates to the opening balance for the financial year 2021/2022</p>	<p>Not resolved</p>	<p>15.10.2023</p>

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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)
	the summary statement of appropriation could not be confirmed for the year ended June 30, 2022.			
Budgetary Control and Performance	The summary statement of appropriation reflects final receipts budget and actual on comparable basis totalling Kshs. 265,977,023 and 189,299,284 respectively resulting to a shortfall of revenue totalling Kshs. 76,747,739 or 24% of the budget. Similarly, the Fund expended Kshs. 219,233,996 against an approved budget of Kshs. 265,977,023, resulting to an under-expenditure of Kshs. 46,743,027 or 18% of the budget. Management attributed the under-expenditure to the revenue shortfall.	The Management had previously pointed to delays in disbursement of funds from the NG-CDF Board which in turn contributes to delay in utilization of funds at the constituency level and not revenue shortfall as stated. As the Board improves on timely disbursement of funds, the constituency commits to also ensuring timely expenditure on project implementation.	Not resolved	15.10.2023
Unresolved Prior Year Matters	In the audit report of the previous year, several paragraphs were raised. Management has disclosed the status of all the prior year matters but failed to provide satisfactory explanation for the delay in resolving the issues.	The Management clarified that some of the issues raised in the previous year had arisen from the backlog of previous financial years; which took time to resolve due to the lengthy processes involved in getting	Not resolved	15.10.2023

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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)
		project approvals and procurement.		
Delayed Project Implementation and Idle Projects	The statement of receipts and payments reflects Transfer to Other Government Units balance of Kshs. 96,782,832 as detailed in Note 6 of the Financial Statements. Review of project files and inspection of projects done in March 2023 revealed that sixteen (16) projects valued at Kshs 87,939,955.00 were incomplete. In the circumstances value for money may not have been realized on projects valued at Kshs 87,939,955.00	The Management committed to fast track project completion and commissioning for use as soon as possible.	Not resolved	15.10.2023
Untagged Assets & Un-coded Fixed Assets	The summary of fixed assets register at Annex 4 to the Financial Statements reflects historical costs of fixed assets of Kshs. 36,014,316. Included in the balance is the cost of furniture and equipment of Kshs. 4,320,863 which did not have asset tags or codes as indicated in the detailed asset register. In the circumstances, the ownership of the assets could not be confirmed.	The Management committed to tag the assets for ease of identification.	Not resolved	15.10.2023



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Eunice Anubi
Fund Account Manager