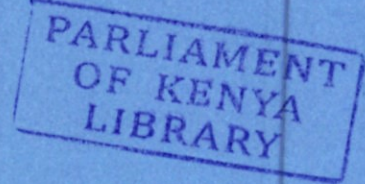


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 AUG 2024	DAY: THUR.
TABLED BY: HON. KIMANI KIRUNGWA L.O.M	
CLERK AT TABLE: WILLIE OBIERO	

REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



MAGARINI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL 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)

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

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1. Acronyms and glossary of terms

NGCDF-National Government Constituencies Development Fund

NG-CDFC- National Government Constituency Development Fund Committee

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

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

(b) Key Management

The Magarini 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	Faith W Muia
2.	Sub-County Accountant	Maxwelll Buni
3.	Chairman NGCDFC	Thomas Kombe Yeri
4.	Member NGCDFC	Patience Bahati Masha

(c) Fiduciary Oversight Arrangements

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

P.O. Box 1907-80200
NG-CDF Magarini Building
Gongoni, next to ACCs office.

(e) Magarini Constituency NGCDF Contacts

Telephone: (254)742241813
E-mail: cdfmagarini@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Magarini Constituency NGCDF Banker

KCB Bank, Malindi Branch
P.O.Box 9-80200
Malindi.

(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

3. NG-CDFC Chairman's Report



Magarini NG-CDF for the financial year 2022-2023 had an allocated budget of Ksh. 151,960,174.00 and was able to receive 88,000,000.00 of its budgeted allocation from the NG-CDF board. This attributes to approximately 58% of the total budgeted allocation and subsequently, we managed to apportion funds to various activities which included:

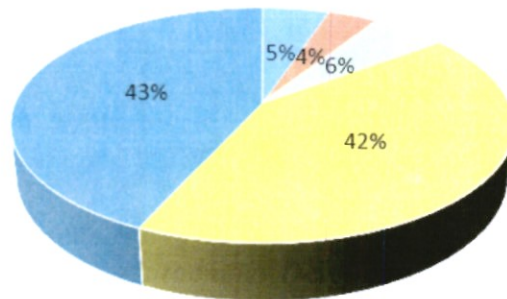
- Award of bursaries to needy students
- Construction of classrooms
- Construction of a twin laboratory
- Construction of a dormitory block
- Construction of Pit latrines

In regards to the above the consolidated expenditure which was incurred within the financial year was clustered into five categories as outlined below;

Compensation of Employees	3,141,475.00
Committee expenses	2,393,700.00
Use of goods and services	3,448,821.00
Transfers to Other Government Units	25,700,000.00
Other grants and transfers	26,424,426.00
<i>TOTAL PAYMENTS</i>	<i>61,108,422.00</i>

A pictorial graph of the total expenditures within the year is also shown below:

Expenditure incurred within the financial year



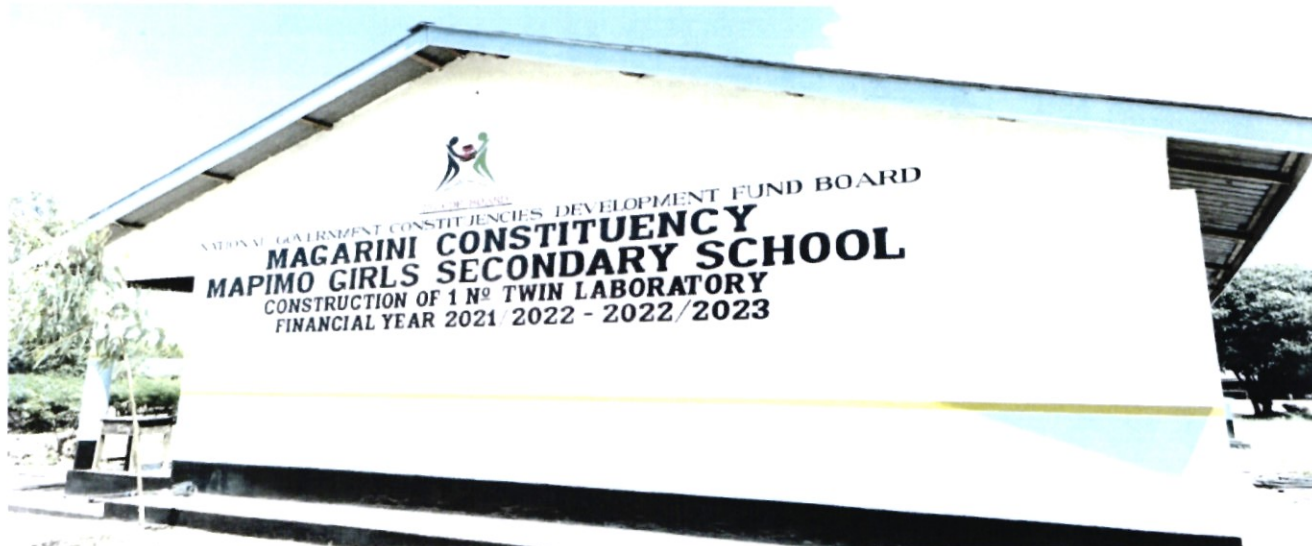
- Compensation of Employees
- Committee expenses
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers

Some of the projects implemented during the financial year include:

1. **Binzaro primary school, construction of 3 classrooms**



2. Mapimo girls secondary school, construction of 1 twin laboratory



3. Adu secondary school, construction of 1 dormitory block



Emerging issues

There has been a significant rise in the cost of living and subsequently the prices of items have gone up. This comes after the budget for the development projects has already been approved and hence the contractors have to make do with the significant rise in cost of purchase for the materials to be used during construction.

Key achievements

The management was able to complete a dormitory block for Adu secondary school which will be able to shelter teenage girls who initially would rent houses within the shopping centres so as to be able to access school and in return end up being taken advantage of by boda boda riders. The number of teenage pregnancies around these areas were on the rise, and we are delighted that such cases will now be a thing of the past.

Challenges and emerging issues

One of the challenges we have faced as a constituency is the fact that many of the schools within our constituency are not registered as they do not meet the minimum infrastructural requirement in order for such schools to be registered. This has subsequently been of a negative impact the said schools as they end up not receiving any funding from the government nor qualified teachers. These schools in return depend on our offices for bursary, which is not sufficient to cater for the large number of needy bursary applicants. Our office is closely working with the office of the Sub county director of education to ensure that as we assist such schools develop the proper infrastructure for their schools, the quality assurance office from the education office is able to immediately commence the registration process.



.....
**Name: Thomas Kombe Yeri
CHAIRMAN NGCDF COMMITTEE**

4. Statement of Performance Against Predetermined Objectives for FY2022/23

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 *Magarini Constituency 2022-2027* plan are to:

- a) Mobilize resources for development.
- b) Reduce poverty and inequality.
- c) Improve access to quality education.
- d) Improve infrastructure in the constituency.
- e) Improve security in the constituency.
- f) Prevent environmental degradation.
- g) Build capacity to implement development projects.
- h) Promote sports activities in the constituency

Progress on attainment of Strategic development objectives

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

S	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school.	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions.	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions. Number of bursary beneficiaries at all levels.	NG_CDF Magarini increased 3 classrooms in Binzaro primary school The number of dormitories increased by one after the completion of 1 dormitory block at Adu secondary school. The number of science laboratories

Magarini Constituency

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

				increased by 1 after the completion of 1 laboratory block at Mapimo Girls secondary school. More than 3,500 students benefited from bursary awards both at secondary and tertiary levels.
Security	To improve security in the constituency.	Improved security in the constituency.	Number of police posts and staff houses constructed.	NG-CDF Magarini once the previous year's balances are received from the board will Construct a 5 unit staff house at Adu police station
Environment	To prevent environmental degradation	Improved environmental awareness in the constituency	Number of environmental programmes initiated.	In the FY 2022/20223 NG-CDF Magarini was able to construct 2 units of 2 Door toilet blocks were constructed in Boyani Primary schools
Sports	To promote sports activities in the constituency	Increased sports activities in the constituency.	Number of sports activities implemented.	The annual constituency sports programme for 2022/23 is scheduled to take place once the funds are received from the NG-CDF Board
Disaster Management	To manage disasters in the constituency	Improved response to disasters.	Number of disaster management initiatives implemented.	NG-CDF Magarini office has fire extinguishers and a first aid kit in place for use in case of any emergency occurrence.

5. Statement of Governance

The Magarini NG-CDF is managed by the National Government Constituency Development Fund Committees. The NG-CDFC are appointed in line with the existing NG-CDF Act 2015 and its regulations 2016.

The NG-CDFC members are selected through an appointed NG-CDFC Selection Panel Comprising of the following four persons:

- a) one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- b) the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- c) two persons, one of either gender nominated by the Constituency office.

After the formation of the selection panel, the officer of the Board seconded to the Constituency, within fourteen days of the first meeting of the selection panel invites applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

The NG-CDFC members to be selected are required to meet the following criteria and qualifications:

- a) is a citizen of Kenya; Committee.
- b) is ordinarily a resident and a voter within the Constituency;
- c) is able to read and write and to communicate in English and Kiswahili;
- d) meets the requirements of Chapter Six of the Constitution; and
- e) is available to participate in the activities of a Constituency Committee.

The persons who have previously served in a Constituency Committee constituted under the Fund or served in a leadership position in the Community were deemed to have an added advantage.

The NG-CDFC members selected are to comprise of the following persons:

- (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 persons 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;

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

(f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex official member without a vote.

(g) One member co-opted

A member of the Constituency Committee may be removed from office on any one or more of the following grounds—

- (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 functions of a Constituency Committee is be to build the capacity of project management committees; sensitize the Community on the operations of the Fund; consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency; ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 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; 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, 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; rank projects proposals in order of priority while ensuring that on-going projects take precedence; ensure that all projects receive adequate funding and are completed within three years; 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; ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board; ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; 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; 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; 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; recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act; submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain 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; enter into performance contracting with the Board on an annual basis; in exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution; receive returns from project management committees in accordance with regulation 15; maintain a database of project management committees and reports from the respective committees; ensure that the reports referred to in paragraph are received before funding is released for each phase of the project being implemented; 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; receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level; ensure that the committee does not enter into commitments for which funding has not been allocated; ensure projects are labeled in accordance with the guidelines issued by the Board; and perform any other function assigned to it by the Board.

During the Financial Year 2022-23, the Magarini NG-CDFC Held a total of 14 Meetings to deliberate on the management issues and operations of the fund at the Constituency level. The Magarini NGCDF Committee members are paid a sitting allowance of Ksh 5000 per meeting and Ksh 7000 per meeting for the NG-CDFC Chairpersons. The entity also ensures that members declare their interest in management matters to avoid the conflict of interests.

On matters risk management, the constituency has kept a risk register where all the possible risks are outlines and the potential effect of such risks also outlined and ranked all together from the Low risk level to the Highest risk levels. These risks are monitored throughout the financial year and are consequently treated in case of their occurrence to minimize and eventually avoid such risks. The NG-CDF board has also put in place an Enterprise Risk Management Software to ensure well tracking of all potential risk and consequently mitigation of any such risks.

6. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Magarini 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 2022/2023 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

During this financial year, Magarini NG-CDF was able to construct toilets in schools as a way of conserving our environment especially in areas which schools lack such basic amenities. The committee members also plan to include a tree planting exercise in the subsequent financial years to grow and improve on our water catchment areas, together with the construction of a police station to endure the youth get proper sensitization on drug abuse and its effects as this is a major threat to learners

3. Employee welfare

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

Magarini 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-

Magarini 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.

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



.....
Name: Faith W Muia

Fund Account Manager.

7. 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-Magarini 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-Magarini 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- Magarini 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 Magarini 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

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

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prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

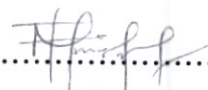
Approval of the financial statements

The NGCDF- Magarini Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.



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Name: Thomas Kombe Yeri
Chairman – NGCDF Committee



.....

Name: Faith W Muia
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 - MAGARINI 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Magarini Constituency set out on pages 1 to 42, which comprise of the statement of assets and liabilities as at 30 June, 2023, and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Magarini 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 Bursary Payments

The statement of receipts and payments and Note 8 to the financial statements reflect other grants and transfers amount of Kshs.25,994,000. Included in the amount is Kshs.24,994,000 in respect of bursary payments to secondary schools, tertiary institutions and special schools out of which Kshs.11,588,000 were not acknowledged through official receipts or acknowledgement letters from the recipient institutions.

In the circumstances, the accuracy and completeness of bursary payments of Kshs.24,994,000 could not be confirmed.

2. Unsupported Use of Goods and Services Payments

The statements of receipts and payments and Note 6 to the financial statements reflect use of goods expenses amount of Kshs.3,879,247 while the supporting ledger reflects Kshs.3,448,821 resulting to unexplained variance of Kshs.430,426. Further, the amount includes Kshs.420,000 for hire of training facilities and facilitators' allowances out of which the facilitators were paid Kshs.150,000 at the rate of Kshs.30,000 per day. However, appointment letters, basis for their allowances, invitation letters of the participants and attendance list were not provided for audit.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.3,879,247 could not be confirmed.

3. Unsupported Committee Expenses

The statement of receipts and payments and Note 5 to the financial statements reflect committee expenses amount of Kshs.2,393,700. Included in these amount is Kshs.1,786,000 in respect of sitting allowances while Kshs.607,700 was in respect of other committee expenses. However, supporting documents including imprest warrants, sub-schedules, attendance register for committee members were not provided for review.

In the circumstances, the accuracy and completeness of committee expenses amount of Kshs.2,393,700 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Magarini 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 receipts budget and actual on comparable basis of Kshs.175,269,374 and Kshs.90,521,320 respectively, resulting in under-funding of Kshs.84,748,053 or 48% of the budget. Similarly, the Fund spent Kshs.61,108,422 against actual receipts of Kshs.90,521,320 resulting to an under-utilization of Kshs.29,412,898 or 32% of the receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the report on financial statements and report on Lawfulness and Effectiveness in Use of Public Resources and Report on the Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not indicated action taken to implement the recommendations from the oversight bodies.

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, 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 Variations of Projects Works

The statement of receipts and payments and Note 7 to the financial statements reflect payments in respect of transfers to other Government units amount of Kshs.25,700,000. Physical inspection of projects in four (4) schools revealed that the works were varied beyond the scope as detailed in the Bills of Quantities without evidence of approval in writing by the awarding authority though no extra costs were involved. This was contrary to Section 139 (1)(a) of the Public Procurement and Asset Disposal Act, 2015 which states that, an amendment or variation to a contract resulting from a procurement proceeding is effective only if the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity.

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

2. Irregular Procurement of Construction Works

The statement of receipts and payments and Note 7 to the financial statements reflect payments in respect of transfers to other Government units amount of Kshs.25,700,000. Included in the amount is Kshs.5,000,000 paid for the construction of a storey dormitory (phase 1- ground floor). Review of records revealed the contract for the construction was awarded at a contract sum of Kshs.19,935,627 which was varied upwards from Kshs.19,600,000 after negotiation. However, there was no documentary evidence supporting these negotiations and approval by the tender evaluation committee contrary to Section 131 and 132 of the Public Procurement and Asset Disposal Act, 2015 on competitive negotiations.

In addition, the letter of notification and registration of the contractor with National Construction Authority (NCA) were not provided while the tender security of Kshs.200,000 was less than Kshs.398,713 being 2% of the contract sum. This was contrary to Section 61(2)(c) of the Public Procurement and Asset Disposal Act, 2015 which states that the form of tender security in subsection (1) shall be an amount not more than two percent of the tender as valued by the procuring entity.

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

3. Project Implementation Status

The statement of budget execution by sectors and projects reflects approved projects budget of Kshs.138,281,117. However, review of the project implementation status report of a sample of five (5) projects totaling Kshs.51,554,054 and physical inspection thereof, revealed that two (2) projects of an amount of Kshs.23,927,777 were incomplete.

In the circumstances, the low percentage of project implementation is an indication that the intended benefits of the approved projects may not be realized in the desired period.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2024

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

9. 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	88,000,000	176,882,310
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	36,000	3,038,604
Total Receipts		88,036,000	179,920,914
Payments			
Compensation Of Employees	4	3,141,475	3,147,724
Committee expenses	5	2,393,700	5,424,300
Use Of Goods and Services	6	3,879,247	3,611,746
Transfers To Other Government Units	7	25,700,000	124,099,884
Other Grants and Transfers	8	25,994,000	70,678,587
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	3,000,000
Total Payments		61,108,422	209,962,241
Surplus/ (Deficit)		26,927,578	(30,041,327)

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 NG-CDFC on _____ 2023 and signed by:


 Fund Account Manager

Name: Faith W Muia


 National Sub-County Accountant

Name: Maxwell Buni
 ICPAK M/No:


 Chairman NG-CDF Committee

Name: Thomas Kombe Yeri

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

10. 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	29,397,898	2,485,320
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		29,397,898	2,485,320
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		29,397,898	2,485,320
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		29,397,898	2,485,320
Represented By			
Fund Balance B/Fwd	15	2,485,320	32,526,647
Prior Year Adjustments	16	(15,000)	-
Surplus/Deficit for The Year		26,927,578	(30,041,327)
Net Financial Position		29,397,898	2,485,320

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 _____ 2023 and signed by:


 Fund Account Manager

Name: Faith W Muia


 National Sub-County
 Accountant

Name: Maxwell Buni
 ICPAK M/No:


 Chairman NG-CDF
 Committee

Name: Thomas Kombe Yeri

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

11. 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	88,000,000	176,882,310
Other Receipts	3	36,000	3,038,604
Total Receipts		88,036,000	179,920,914
Payments			
Compensation Of Employees	4	3,141,475	3,147,724
Committee Expenses	5	2,393,700	5,424,300
Use Of Goods and Services	6	3,879,247	3,611,746
Transfers To Other Government Units	7	25,700,000	124,099,884
Other Grants and Transfers	8	25,994,000	70,678,587
Oversight Committee Expenses	10	-	-
Other Payments	11	-	3,000,000
Total Payments		61,108,422	209,962,241
Total Receipts Less Total Payments		26,927,578	(30,041,327)
Adjusted For:			
Prior Year Adjustments	16	(15,000)	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		26,912,578	(30,041,327)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		26,912,578	(30,041,327)
Cash & Cash Equivalent At Start Of The Year	12	2,485,320	32,526,647
Cash & Cash Equivalent At End Of The Year	12	29,397,898	2,485,320

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

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 _____ 2023 and signed by:



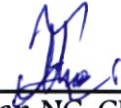
Fund Account Manager

Name: Faith W Muia



National Sub-County Accountant

Name: Maxwell Buni
ICPAK M/No:



Chairman NG-CDF Committee

Name: Thomas Kombe Yeri

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

12. 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	151,960,174	2,434,320	20,838,879	175,233,373	90,485,320	84,748,053	
Proceeds From Sale of Assets				0	-	-	0.0%
Other Receipts	0	36000	0	36,000	36,000	-	100.0%
Totals	151,960,174	2,470,320	20,838,879	175,269,373	90,521,320	84,748,053	51.6%
Payments							
Compensation Of Employees	4,844,699	1,700,023	0	6,544,722.20	3,141,475	3,403,247	48.0%
Committee Expenses	2,393,700	0	0	2,393,700.00	2,393,700	-	100.0%
Use Of Goods and Services	5,721,256	103,871	0	5,825,127.00	3,879,247	1,945,880	66.6%
Transfers To Other Government Units	85,100,000	200,000	7,900,000	93,200,000.00	25,700,000	67,500,000	27.6%
Other Grants and Transfers	50,639,157	466,426	10,138,880	61,244,463.17	25,994,000	35,250,463	42.4%
Acquisition of Assets	341,361	0	0	341,361.36	-	341,361	0.0%
Oversight Committee Expenses	720,000	0	0	720,000.00	-	720,000	0.0%
Other Payments	2,200,000.00	0	600,000	2,800,000.00	-	2,800,000	0.0%
Funds Pending Approval**		0	2,200,000	2,200,000.00	-	2,200,000	0.0%
Totals	151,960,174	2,470,320	20,838,880	175,269,374	61,108,422	114,160,952	34.9%

Explanatory Notes:


- Compensation of employees, 48.0%- The budgeted amount was for a period of 12 months but disbursement of funds from the board happened at end of the 2nd quarter into the beginning of the 3rd quarter.
- Use of goods and services, 59.2%- Late disbursement from the board
- Other grants and transfers, 27.6%- Funds not fully disbursed from the board
- Acquisition of goods and services, 43.1%- Late disbursement from the board
- Oversight Committee expenses, 0.0%- The committee was formed late.
- Other payments, 0.0%- By the end of the financial year the document was still at the procurement stage
- Funds pending approval, 0.0%- Awaiting for funds disbursement from the board

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	114,160,952
Less undisbursed funds receivable from the Board as at 30 th June 2023	84,748,053
	29,412,899
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	-15000
Cash and Cash Equivalents at the end of the 30 th June 2023	29,397,899


The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:



 Fund Account Manager
 Name: Faith W Muia



 National Sub-County Accountant
 Name: Maxwell Buni
 ICPAK M/No:



 Chairman NG-CDF Committee
 Name: Thomas Kombe Yeri

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

13. 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	4,844,699	1,700,023.00	-	6,544,722	3,141,475.00	3,403,247
1.2 Committee allowances	1,247,700		-	1,247,700	1,247,700.00	-
1.3 Use of goods and services	3,027,371	103,871.00	-	3,131,242	2,245,957.00	885,285
Total	9,119,770	1,803,894	-	10,923,664	6,635,132.00	4,288,532
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,568,000			1,568,000	1,368,500.00	199,500
2.2 Committee allowances	1,146,000			1,146,000	1,146,000.00	-
2.3 Use of goods and services	1,125,885			1,125,885	264,790.00	861,095
Total	3,839,885		-	3,839,885	2,779,290.00	1,060,595
3.0 Emergency				-		
3.1 Primary Schools				-		-
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-

Magarini 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			
				-		
3.5 Unutilised	7,636,190		1,680,866.72	9,317,057		9,317,057
Total	7,636,190	-	1,680,867	9,317,057	-	9,317,057
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	23,000,000.00			23,000,000	13,996,000.00	9,004,000
4.2 Tertiary Institutions	12,000,000.00	255,703.00		12,255,703	10,400,000.00	1,855,703
4.3 Social Security				-		-
4.4 Special Needs	2,963,043.50	210,723.00		3,173,766.50	598,000.00	2,575,767
Total	37,963,044	466,426	-	38,429,470	24,994,000.00	13,435,470
5.0 Sports				-		-
5.1 Constituency sports tournament	2,628,077.33		2,408,013.45	5,036,091	-	5,036,091
5.2 Regional sports tournament	411,846.15			411,846	-	411,846
Total	3,039,923	-	2,408,013	5,447,937		5,447,937
6.0 Environment						
ENVIRONMENT PROJECTS (2%)				-		-
6.1 Sabaki Primary school	500,000.00			500,000	-	500,000

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			
6.2 Mtoroni primary school	500,000.00			500,000	-	500,000
6.3 Boyani primary school	1,000,000.00			1,000,000	1,000,000.00	-
Total	2,000,000	-	-	2,000,000	1,000,000.00	1,000,000
7.0 Primary Schools Projects						
7.1 Baraka primary school	3,600,000.00			3,600,000	-	3,600,000
7.2 Binzaro Primary school	3,600,000.00			3,600,000	2,000,000.00	1,600,000
7.3 Chakama primary school	800,000.00			800,000	-	800,000
7.4 Jericho primary school	3,600,000.00			3,600,000	-	3,600,000
7.5 Jirikokole primary school	200,000.00			200,000	-	200,000
7.6 Katsangani Primary school	3,600,000.00			3,600,000	-	3,600,000
7.7 Lafithi primary school	3,600,000.00			3,600,000	2,000,000.00	1,600,000
7.8 Mapimo Central primary school	3,600,000.00			3,600,000	-	3,600,000
7.9 Mnagoni primary school	3,600,000.00			3,600,000	-	3,600,000
7.10 Mgurureni primary school	3,600,000.00			3,600,000	-	3,600,000
7.11 Ndarako primary school	3,600,000.00			3,600,000	-	3,600,000

Magarini 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			
7.12Singwaya Primary school	200,000.00			200,000	-	200,000
7.13Tangimoja Primary school	3,600,000.00			3,600,000	-	3,600,000
Total	37,200,000	-	-	37,200,000	4,000,000.00	33,200,000
8.0 Secondary Schools Projects						
8.1Adu Secondary School	4,900,000.00			4,900,000	4,900,000.00	-
8.2A.J.Kingi Secondary	5,800,000.00			5,800,000	-	5,800,000
8.3Galana secondary school	14,000,000.00			14,000,000	5,000,000.00	9,000,000
8.4Garashi Secondary School	5,800,000.00			5,800,000	5,800,000.00	-
8.5Magarini Hills Secondary School	5,800,000.00			5,800,000	-	5,800,000
8.6Mapimo Girls Secondary School	5,800,000.00			5,800,000	5,800,000.00	-
8.7Wathala Secondary School	5,800,000.00			5,800,000	-	5,800,000
8.8Garashi secondary school		200,000.00		200,000	200,000.00	-
8.9Kurawa Secondary school			700,000.00	700,000		700,000
8.10'Fundisa secondary school			700,000.00	700,000		700,000
8.11 Garashi secondary school			500,000.00	500,000		500,000
8.12Magarini Girls Secondary school			2,500,000.00	2,500,000		2,500,000
8.13Magarini Girls secondary school			2,500,000.00			2,500,000

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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			
				2,500,000		
8.14Mapimo Girls Secondary school			1,000,000.00	1,000,000		1,000,000
Total	47,900,000	200,000	7,900,000	56,000,000	21,700,000	34,300,000
9.0 Tertiary institutions Projects						-
Total	-		-	-	-	-
10.0 Security Projects						-
10.1 Adu police station			5,500,000	5,500,000		5,500,000
10.2 Magarini AP Line			550,000.00	550,000		550,000
Total	-	-	6,050,000	6,050,000	-	6,050,000
11.0 Acquisition of assets						-
13.2NG-CDF Office	180,000.00			180,000.00		180,000.00
13.3NG-CDF Office	161,361.36			161,361.36		161,361.36
Total	341,361		-	341,361		341,361
12.0 Oversight Committee Expenses (itemize)						-
12.1COC allowance	560,000.00			560,000	-	560,000

Magarini 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			
12.2Travel Costs (airlines, bus, railway, etc.)	60,000.00		-	60,000	-	60,000
12.3Other committee expenses	100,000.00		-	100,000	-	100,000
Total	720,000		-	720,000		720,000
13.0 Other payments				-		-
13.1Magarini NG-CDF Strategic Plan	2,200,000.00			2,200,000.00		2,200,000.00
13.2Magarini NG-CDF Office repainting			600,000.00	600,000.00		600,000.00
Total	2,200,000	-	600,000	2,800,000	-	2,800,000
14.0 unallocated fund						
14.1Unapproved projects			2,200,000	2,200,000		2,200,000
14.2AIA						-
14.3PMC savings				-		
Total		-	2,200,000	2,200,000	-	2,200,000
Grand total	151,960,174	2,470,320	20,838,880	175,269,374	61,108,422.00	114,160,952

(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

14. 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-Magarini 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 30th 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.

Magarini Constituency
National Government Constituencies Development Fund (NGCDF)
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15. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
B140814		410,672.00
B140990		33,000,000.00
B105395		34,000,000.00
B105610		10,000,000.00
B105853		22,000,000.00
B128601		5,000,000.00
B128913		12,000,000.00
B154111		12,000,000.00
B164445		18,000,000.00
B155877		24,088,879.00
A895071		1,900,000.00
A895036		4,482,759.00
B185153	7,000,000.00	
B185445	6,000,000.00	
B185695	15,000,000.00	
B206011	5,000,000.00	
B206458	12,000,000.00	
B205803	12,000,000.00	
B207565	16,000,000.00	
B207846	15,000,000.00	
TOTAL	88,000,000.00	176,882,310

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2. Proceeds From Sale of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	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	-	-

3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received		-
g Rents		-
Receipts Sale of Tender Documents	36,000.00	36,000
Hire of plant/equipment/facilities	-	
PMC savings (Marafa Secondary school)		3,000,000
Other Receipts Not Classified Elsewhere (KRA savings)	-	2,604
TOTAL	36,000.00	3,038,604

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Notes to the Financial Statements (Continued)

4. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,120,597.00	2,882,124
Casual Labour	145,000.00	220,000
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	850,678.00	-
Employer Contributions Compulsory national social security schemes	25,200.00	45,600
TOTAL	3,141,475.00	3,147,724

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,786,000.00	5,424,300
Other committee expenses	607,700.00	0
TOTAL	2,393,700.00	5,424,300.00

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6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	267,947.00	109,343.00
Communication, supplies and services	45,250.00	96,800.00
Domestic travel and subsistence	705,200.00	20,000.00
Printing, advertising and information supplies & services	179,330.00	18,130.00
Rentals of produced assets	-	-
Training expenses	828,500.00	830,250.00
Hospitality supplies and services	145,210.00	575,510.00
Insurance costs	100,000.00	-
Specialised materials and services	-	141,470.00
Office and general supplies and services	551,840.00	439,690.00
Fuel , oil & lubricants	437,880.00	772,436.00
Other operating expenses	376,386.00	86,220.00
Bank Charges	98,670.00	159,147
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	66,104.00	256,100.00
Routine maintenance- other assets	76,930.00	106,650.00
Total	3,879,247.00	3,611,746.00

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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)	4,000,000.00	52,469,212
Transfers To Secondary Schools (See Attached List)	21,700,000.00	70,210,672
Transfers To Tertiary Institutions (See Attached List)	-	1,420,000
Total	25,700,000.00	124,099,884

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,996,000.00	35,294,617
Bursary – tertiary institutions (see attached list)	10,400,000.00	15,047,297
Bursary – special schools (see attached list)	598,000.00	5,405,411
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	2,000,000
Sports projects (see attached list)	-	-
Environment projects (see attached list)	1,000,000.00	2,000,000
Emergency projects (see attached list)	-	10,931,262
Roads projects (see attached list)	-	-
Total	25,994,000.00	70,678,587

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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	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	0

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Committee allowances	-	-
Committee expenses	-	-
Total	-	-

11. Other Payments

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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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>KCB, Malindi Branch, A/c No: 1108017754 (Main account)</i>	29,397,898.00	2,485,320
<i>NA. (Deposits account)</i>	-	-
Total	29,397,898.00	2,485,320
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

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

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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 2021-1)	(1st July 2022-2)
	Kshs	Kshs
Bank accounts	32,526,647	2,485,320.00
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	32,526,647	2,485,320.00

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	2,485,320.00	(15,000)	2,470,320
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	2,485,320.00	(15,000)	2,470,320

The closing balance used for the previous financial year (2021-2022) was overstated by Ksh. 15,000.00.

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)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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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	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	3,403,247.20	1,559,311.00
Committee expense	-	-
Use of goods and services	1,945,880.00	243
Amounts due to other Government entities (see attached list)	67,500,000.00	6,641,380.00
Amounts due to other grants and other transfers (see attached list)	35,250,463.00	11,257,661.00
Acquisition of assets	341,361.36	
Oversight Committee Expenses	720,000.00	
Other Payments (<i>specify</i>)	2,800,000.00	700,000.00
Funds pending approval	2,200,000.00	
Total	114,160,951.56	20,158,595.00

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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)	22,529,331.43	51,190,580.77
Total	22,529,331.43	51,190,580.77

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

16. 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					

Annex 2 - Analysis of Pending Staff Payables

	Designation	Date employed	Outstanding Balance 30th June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

Magarini Constituency
National Government Constituencies Development Fund (NGCDF)
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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Administration				
Compensation of employees		3,403,247.20	1,559,311	
Use of goods & services		885,285.00		
Committee expenses		-	243	
Sub- total		4,288,532.20	1,559,554	
Monitoring and Evaluation				
Goods and services	Purchase of fuel, repair and maintenance, printing, stationery, office refreshments, telephone, travel and subsistence	861,095.00	-	
Committee expenses	Payment of committee sitting allowances, transport and conference costs	-	-	
NG CDFC / PMC Capacity building	Training NG CDFCs / PMCs on NG CDF related issues	199,500	-	
Sub- total		1,060,595.00	-	
Amounts due to other Government entities				
A. Primary Schools				
Baraka primary school		3,600,000.00	-	
Binzaro Primary school		1,600,000.00	-	
Chakama primary school		800,000.00	-	
Jericho primary school		3,600,000.00	-	
Jirikokole primary school		200,000.00	-	
Katsangani Primary school		3,600,000.00	-	
Lafithi primary school		1,600,000.00	-	
Mapimo Central primary school		3,600,000.00	-	
Mnagoni primary school		3,600,000.00	-	
Mgurureni primary school		3,600,000.00	-	
Ndharako primary school		3,600,000.00	-	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Singwaya Primary school		200,000.00	-	
Tangimoja Primary school		3,600,000.00	-	
Sub- total		33,200,000.00	-	
B. Secondary Schools				
Kurawa Secondary School	Construction of 1 No 90 capacity twin laboratory - Phase 1 (Foundation, slabing, supper walling up to lintel level).	700,000	700,000	Fy 2020/2021
Fundisa Secondary School	Construction of 1 No 90 capacity twin laboratory - Phase 1 (Foundation, slabing, supper walling up to lintel level).	700,000	700,000	Fy 2020/2021
Garashi Secondary School	Construction of 1 No 150 capacity dormitory - Phase 1 (Foundation, walling and roofing).	500,000	700,000	Fy 2020/2021
Mapimo Girls Secondary School	Construction of staff house	1,000,000	1,000,000	
Magarini Girls Secondary School	Construction of a science a dormitory	5,000,000	5,000,000	
Galana Secondary school	Construction of to completion of a 160 student capacity storey dormitory Phase I, Ground floor: (Foundation slab, walling, boundary walls for 10 cubicles windows, doors, 5 bathrooms and 5 toilets, electrical works, septic tank, soakpit, plumbing works, water tank for water harvesting, first floor slab)	9,000,000.00	-	2022/2023
Wathala Secondary school	Construction to completion of a Twin Laboratory Block Phase II: (Worktops, Gaswork, Plumbing Works, Electrical works, Plastering, Painting Works, Floor Works,	5,800,000.00	-	2022-2023

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

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	branding works and signpost)			
AJ Kingi Secondary school	Construction to completion of a Twin Laboratory Block Phase II: (Worktops, Gaswork, Plumbing Works, Electrical works, Plastering, Painting Works, Floor Works, branding works and signpost)	5,800,000.00	-	2022-2023
Magarini Hill Secondary School	Construction to completion of a Twin Laboratory Block Phase II: (Worktops, Gaswork, Plumbing Works, Electrical works, Plastering, Painting Works, Floor Works, branding works and signpost)	5,800,000.00	-	2022-2023
Sub-Total		34,300,000.00	8,100,000	
Amounts due to other grants and other transfers				
Magarini AP Line	Construction of 2 door toilet block	550,000	550,000	2018-2019
Adu police station		5,500,000	5,500,000	
Sub-Total		5,550,000	5,550,000	
Acquisition of assets				
Magarini NGCDF office	Renovation of Magarini NGCDF office - Painting of entire office	600,000	600,000	
Sub-Total		600,000	600,000	
Environmental Projects				
Sabaki Primary school	Construction to completion of 1 unit, 2 door pit latrine (One cubicle will be designed to cater for persons with disability with ramp, holding rails and supporting accessories)	500,000.00	-	
Mtoroni primary school	Construction to completion of 1 unit, 2 door pit latrine (One cubicle	500,000.00	-	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	will be designed to cater for persons with disability with ramp, holding rails and supporting accessories)			
Sub-Total		1,000,000.00	-	
Sport Activities				
Constituency Sports tournament	Constituency Sports tournament where winning teams will be awarded with balls, uniforms and trophies, (Kshs.1,000,000.00) purchase of trophies, balls, Jerseys and equipment for the teams (Kshs.1,628,077.15)	5,036,090.78	1,908,013	
Regional sports tournament	Facilitate regional sports tournament in partnership with other Constituencies within the Region.	411,846.15	500,000	
Sub-Total		5,447,936.93	2,408,013.00	
Emergency				
Emergency Reserve	To cater for any unforeseen occurrences in the constituency during the financial year	9,317,056.72	1,580,952	2022-2023
Sub-Total		9,317,056.72	1,580,952.04	
Bursary				
Bursary Secondary Schools	Payment of bursary to needy students in secondary schools	9,004,000.00	(816)	
Bursary Tertiary Institutions	Payment of bursary to needy students in tertiary institutions	1,855,703	252,703	
Bursary Special Institutions	Payment of bursary to needy students in special Institutions	2,575,767	366,809	
Sub-Total		13,435,470	10,896,626	
Acquisition of assets				
NG-CDF Office	Purchase of office furniture(1 Executive office table with office drawers Ksh.55,000 one executive	180,000.00	-	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	highback office chair Ksh.38,000 three highback office chairs @Ksh 29,000 each			
NG-CDF Office	Purchase of 2office laptops Ksh.96,361.36 and Ksh.65,000	161,361.36	-	
Sub-Total		341,361.36	-	
Oversight Committee Expenses(itemize)				
COC allowance	Payment of COC allowance charges	560,000.00	-	
Travel Costs (airlines, bus, railway, etc.)	Payment of Transport Expenses	60,000.00	-	
Other committee expenses	Payment of Other committee expenses	100,000.00	-	
Sub-Total		720,000.00		
Others (specify)				
Magarini Constituency strategic plan	Development of a strategic plan	2,200,000	700,000	2,200,000- Strategic plan for fy 2022-2027
Sub-Total		2,200,000.00	700,000	
Funds pending approval	Magarini NG-CF Strategic plan 2,200,000.00,	2,200,000.00		Strategic plan 2018-2022
Sub-Total		2,200,000		
Grand Total		114,160,951.71	26,395,144.21	

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	14,948,395.00			14,948,395
Transport equipment	29,338,653.00			26,350,653
Office equipment, furniture and fittings	809,895.00			762,450
ICT Equipment, Software and Other ICT Assets	809,182.00			982,500
Other Machinery and Equipment	-			-
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	45,906,125.00			43,043,998.00

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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
Adimaye Primary School	KCB Malindi	1293166332	298,530.00	436,015.00
Adu Police Post	KCB Malindi	1286997151	184,257.20	14,797.00
Adu Secondary School	KCB Malindi	1293114545	72,374.75	1,735,014.00
Adu Secondary School	KCB Malindi	1275352324	1,923,161.00	2,935,612.00
AJ Kingi Secondary School	KCB Malindi	1293271926	9,435.00	1,721,478.00
AJ Kingi Secondary School	KCB Malindi	1294952536	757.00	798,567.00
Amkeni Primary School	KCB Malindi	1284873609	92,488.40	93,805.40
Balaga Primary School	KCB Malindi	1292923512	308,674.00	856,400.00
Bandacho Primary School	KCB Malindi	1284365387	86,711.00	88,154.10
Baraka Primary School	KCB Malindi	1294977547	19,870.35	500,020.00
Baricho Secondary School	KCB Malindi	1275283292	102,144.00	1,001,454.00
Binzaro primary school PMC	KCB Malindi	1316194272	120,547.00	
Bofu Primary School	KCB Malindi	1284873722	45,539.00	46,856.00
Bofu Primary School	KCB Malindi	1284873722		46,856.00
Bomani Primary School	KCB Malindi	1284559319	2,646.00	3,963.00
Bora Bora Primary School	KCB Malindi	1292827645	73,549.55	911,267.10
Boyani Primary School PMC	KCB Malindi	1315968568	264,915.68	
Burangi Secondary School	KCB Malindi	1251242847	79,835.40	79,835.40
Chakama Secondary School	KCB Malindi	1275283233	7,343.00	836,027.00
Chamari Primary School	KCB Malindi	1284874095	109.00	109.00
Chasimba Primary School	KCB Malindi	1297403924	339.50	2,241,379.50
Dagamra Secondary School	KCB Malindi	1252548559	65,780.90	65,906.90
Fundisa Secondary School	KCB Malindi	1284830349	4,893.00	352,302.00
Galana Girls Secondary school PMC	KCB Malindi	1315137488	5,000,000.00	-
Galana TTC	KCB Malindi	1284924920	85,014.17	86,331.17
Galukani primary school	Equity Malindi	"0450279383814	89,365.50	89,365.50
Garashi Seconadry School	KCB Malindi	1292664738	561,233.00	822,441.00
Garashi Secondary School	KCB Malindi	1284412253	152,176.00	153,745.00

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Kadzandani Primary School	KCB Malindi	1292863749	93,323.21	797,480.00
Kadzifitseni Primary School	KCB Malindi	1275283330	101,709.00	103,026.00
Kadzuhoni Primary School	KCB Malindi	1227128509	45,482.50	45,608.50
Kaembeni Secondary School	KCB Malindi	1275283349	164,396.00	165,965.00
Kakuhani Primary School	KCB Malindi	1275283322	13,983.00	15,300.00
Kambi ya Waya Secondary School	KCB Malindi	1292869380	193,314.00	755,667.00
Kanyumbuni Primary School	KCB Malindi	1296425568	2,575.00	2,000,000.00
Kaoyeni Primary School	KCB Malindi	1275283438	26,784.00	28,101.00
Kasimani Primary School	KCB Malindi	1284830497	96.00	102,948.00
Kasimani Primary School	KCB Malindi	1284830497		102,948.00
Kata Primary School	KCB Malindi	1275326722	4,011.00	5,202.00
Kavunyalalo Primary School	KCB Malindi	1288242034	219,794.00	221,237.00
Kayadagamra Primary School	KCB Malindi	1275283217	50,063.00	51,632.00
Kibaoni Primary School	KCB Malindi	1275283446	146,252.00	147,569.00
Kibokoni Secondary School	KCB Malindi	1179025466	284,483.80	286,556.80
Kotayo Primary School	KCB Malindi	1267970332	14,760.00	14,760.00
Kurawa Kanagoni Primary School	KCB Malindi	1294911511	38.00	630,373.00
Kurawa Secondary School	KCB Malindi	1285901754	96,388.00	128,209.00
Lafithi Primary school PMC	KCB Malindi	1316152286	2,000,000.00	
Magarini Constituency Desk Project	KCB Malindi	1278300066	37,747.00	39,064.00
Magarini Girls Secondary School 1	KCB Malindi	1275283357	4,298,683.00	4,300,000.00
Magarini Girls Secondary School 2	KCB Malindi	1236093976	898.68	243,339.68
Magarini Hills Secondary school	KCB Malindi	1292518219	3,716.00	5,033.00
Magarini Hills Secondary School	KCB Malindi	1284559580	1,955.50	500,874.00
Magarini Primary School	KCB Malindi	1285450779	313,008.10	311,451.10
Magarini Primary School	KCB Malindi	1267090162	1,438.00	1,438.00
Majengo Primary School	KCB Malindi	1275276342	42,139.00	42,265.00
Makumba Primary School	KCB Malindi	1293039926	186,215.65	1,644,274.00
Mambrui Primary School	KCB Malindi	1284772071	498,305.00	499,748.00

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Mambrui Primary School	KCB Malindi	1284772071		499,748.00
Mapimo Girls Secondary School	KCB Malindi	1292871229	2,370.00	4,407.00
Mapimo Girls Secondary School	KCB Malindi	1109634463	8,485.60	8,989.60
Mapimo Primary School	KCB Malindi	1261773845	14,611.00	1,115,577.20
Marafa Secondary	KCB Malindi	1236338278	392,078.13	393,773.13
Marereni Police Post	KCB Malindi	1169090176	501,023.50	501,023.50
Marereni Secondary School	KCB Malindi	1237777062	1,504.04	3,325.04
Marikebuni Primary School	KCB Malindi	1284406385	1,118.00	43,970.00
Marikebuni Primary School	KCB Malindi	1284406385	-	43,970.00
Matolani Primary School	KCB Malindi	1292869585	41,894.00	797,480.00
Mekatilili Primary School	KCB Malindi	1292827084	49,162.52	797,980.00
Midodoni Central Primary School	KCB Malindi	1260682854	125.00	125.00
Mjanaheri Secondary School	KCB Malindi	1275298575	225,561.00	669,266.00
Mkono wa Jongoo Primary School	KCB Malindi	1288142811	49,322.00	50,639.00
Mpirani Primary School	KCB Malindi	1284434265	38,011.25	39,328.25
Mpirani Primary School	KCB Malindi	1284434265		39,328.25
Mtangani Pamoja Primary School	KCB Malindi	1284926532	40,464.10	41,781.10
Mtangani Pamoja Primary School	KCB Malindi	1284926532		41,781.10
Mtsangamali Primary School	KCB Malindi	1297513452	28.50	1,140,447.50
Mulunguni Primary School	KCB Malindi	1293039853	262,612.00	1,589,017.00
Mulunguni Primary School	KCB Malindi	1297565363	53,440.00	500,000.00
Muthoroni Primary School	KCB Malindi	1292871571	93,860.00	1,644,534.00
Muongano Secondary School	KCB Malindi	1293039675	210,646.00	2,400,374.00
Mwangani Primary School	KCB Malindi	1275441629	11,318.00	12,509.00
Mwangatini Primary School	KCB Malindi	1275283268	107,077.00	108,268.00
Ng'andu Primary School	KCB Malindi	1294868055	19,007.00	248,825.00
Ng'andu Primary School	KCB Malindi	1284559068	-	768.00
Nga'ndu Primary School	KCB Malindi	1284559068	-	768.00
Ngomeni Secondary School	KCB Malindi	1275283179	463,157.00	464,726.00

Magarini Constituency
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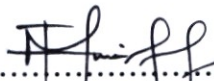
PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Nyamala Sinene Primary School	KCB Malindi	1268810215	17,197.00	17,323.00
Povuni Primary School	KCB Malindi	1292870699	168,110.00	716,874.00
Ramada Secondary School	KCB Malindi	1292312742	320,813.00	796,667.00
Ramada Secondary School	KCB Malindi	1275283152	1,848.00	3,165.00
Sabaki Primary School	KCB Malindi	1284540014	8,882.25	206,185.00
Sabaki Secondary	KCB Malindi	1286209684	96,412.75	97,729.75
Sabaki Secondary School	KCB Malindi	1275283373	391.00	517.00
Shomela Primary School	KCB Malindi	1292133058	32,835.00	499,924.00
Shomela Secondary School	KCB Malindi	1268268798	233.00	233.00
Sogorosa Primary School	KCB Malindi	1297273370	748.00	1,000.00
Sogorosa Primary School	KCB Malindi	1284540014	8,882.25	11,264.25
Sogorosa Primary School	KCB Malindi	1284540014	-	11,264.25
Songerako Primary School	KCB Malindi	1297505522	63,862.00	2,400,000.00
Soso chamari Primary School	KCB Malindi	1284874273	85.10	85.10
Tangini Primary School	KCB Malindi	1275283381	195.00	195.00
Ulaya Primary School	KCB Malindi	1275283306	55,449.00	55,701.00
Wakala Girls Secondary School 1	KCB Malindi	1275283403	70,146.00	71,463.00
Wakala Girls Secondary School2	KCB Malindi	1275298850	205,256.60	207,890.60
Waresa Primary School	KCB Malindi	1284559491	27,986.00	50,993.00
Waresa Primary School	KCB Malindi	1275283195	-	29.00
Wathala Secondary School	KCB Malindi	1292827335	280,241.00	545,126.00
Yedhi Primary School	KCB Malindi	1297420977	89,635.00	3,186,453.00
Total			22,529,331.43	51,190,581

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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)
OAG/CR/AUD/8/17/2021/2022(22)	Transfers to other Government Entities- Undisclosed payment	All transfers to government entities are disclosed	Resolved	
OAG/CR/AUD/8/17/2021/2022(22)	Unexplained Variance and Unsupported Fixed Asset balance.	The assets donated to the county and all assets not in use have been removed and the register has been updated	Resolved	
OAG/CR/AUD/8/17/2021/2022(22)	Unsupported Criteria for Bursary payments	The Management has put a criteria on all bursary awards	Resolved	
OAG/CR/AUD/8/17/2021/2022(22)	Reporting of Expenditure from Emergency Reserve	The Management has ensured that all expenditure on Emergency is reported to the Board within 30 days	Resolved	
OAG/CR/AUD/8/17/2021/2022(22)	Lack of an Updated Fixed Assets Register	The assets register has been updated	Resolved	



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Name: Faith W Muia
Fund Account Manager.