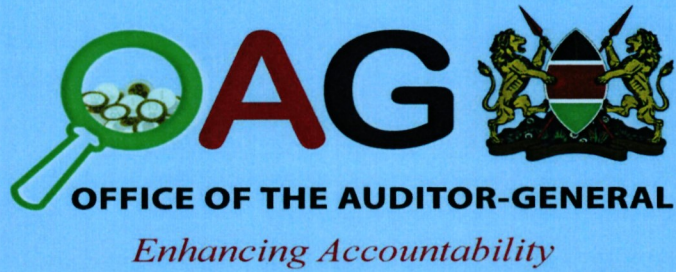


REPUBLIC OF KENYA



**REPORT**

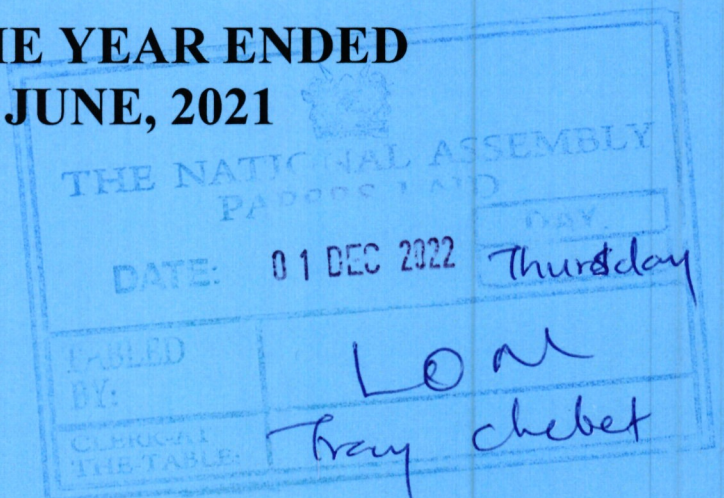
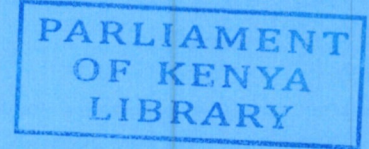
**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
KILIFI NORTH CONSTITUENCY**

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





OFFICE OF THE AUDITOR GENERAL  
P.O.Box 95202, MOMBASA  
18 MAY 2022  
RECEIVED  
COAST HUB



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KILIFI NORTH CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021

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


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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

### **Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
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 Kilifi North Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

#### **(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Gladys Ngala
2.	Sub-County Accountant	Aisha Muchile
3.	Chairman NGCDFC	Jenter Kahindi
4.	Member NGCDFC	Fredrick Kutakasa

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

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kilifi North Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

#### **(e) Kilifi North Constituency NGCDF Headquarters**

P.O. Box 1852-80108  
Kilifi Malindi highway,  
Off Gede Road  
Opposite Watamu Primary School,  
Kilifi, KENYA

**(f) Kilifi North Constituency NGCDF Contacts**

Telephone: (254) 796824190  
E-mail: [cdfkilifinorth@ngcdf.go.ke](mailto:cdfkilifinorth@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) Kilifi North Constituency NGCDF Bankers**

1. Co-operative Bank  
Kilifi Branch  
Account Number 01141466629200  
P.O. Box 96-80108  
Kilifi, Kenya
2. Equity Bank  
Kilifi Branch  
Account Number 1060279716245  
P.O. Box  
Kilifi, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## NG-CDFC CHAIRMAN'S REPORT



I would like to take this opportunity to thank the inventor of the NGCDF Fund for the noble idea that has enabled us drive development to the grassroots not forgetting the Member of Parliament for his leadership, my fellow NGCDFC members and the Fund Account Manager whom we work with closely.

In the financial year 2020/2021 NGCDF Kilifi North has shown some slight improvement in utilisation of available resources from 64.1% in 2019/2020 to around 75.2% in the current financial year.

Unfortunately, at the close of the financial year the Constituency had not yet received Ksh. 52,456,603 from the Board thus could not accomplish all projects as planned within the financial year.

### **Achievements**

This infrastructure development has changed the face of nearly all schools in the constituency leading to an increase in enrolment and retention of students.

Kilifi North has in the years allocated almost half of its allocation to education and has been able to Achieve the following as at 30<sup>th</sup> June 2021.

#### *Primary school projects*

- Completion of two classrooms at Sidzeni primary school
- Completion of two classrooms at Dera Tumaini primary school
- Completion of two classrooms at Reserve primary school
- Completion of two classrooms at Uyombo Maweni primary school
- Completion of two classrooms at Mtsanganyiko primary school

- Supply of 720 desks to 18 schools in the Constituency

*Secondary school projects*

- Completion of four classrooms and administration block at St. Thomas Girls secondary school
- Completion of 8 classrooms storey building at Kiwandani secondary school
- Completion of two classrooms at Menyhert secondary school
- Completion of a two classrooms at Mkwajuni secondary school
- Completion of a two classrooms at Soyosoyo secondary school
- Completion of two classrooms at Korosho secondary school

Below are some of the Photographs of the completed projects:



*St.Thomas Girls secondary school- Four classrooms and an administration block*



*Mtsanganyiko Primary school- Construction of two classrooms*



*Distribution of sports kits*

### **Challenges**


Among others Kilifi North has faced the following challenges:

- Delays in receipt of funds from the Board
- Delays in approval of reallocation of projects
- Delays in getting cost estimates and projects documents because of the devolvement of these services.

### **Recommendation**

For the continuous success of the Fund in Kilifi North the Board should

- i) Disburse the funds timely, consider employment of Engineers in every constituency.
- ii) Provide a calendar of their meetings to the constituencies to ease follow up on reallocations
- iii) Communication to be done to constituencies immediately after these meetings
- iv) To employ engineers to be doing cost estimates for constituencies.

Signature 

**CHAIRMAN NGCDF COMMITTEE**

### **3. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

#### **Introduction**

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

The key development objectives of Kilifi North Constituency 2018-2022 plan are to:

#### **1. Education**

##### **Objectives**

- Improve academic performance at all levels of education in the constituency.
- Increase transition rates from primary to secondary schools and from secondary to tertiary institutions.
- Improve infrastructure in schools to a modern and a child/ student friendly learning environment.
- Increase participation of parents in the education of their children.

#### **2. Youth , women and Girls**

##### **Objectives**

- Equip youth with life skills for social and economic development.
- Increase opportunities for developing and growing youth enterprises/businesses.
- Increase women's and girls' access to affordable credit for business capital.
- Increase access to information to the youth.
- Promote sporting activities in the constituency.

#### **3. Agriculture**

##### **Objectives**

- Increase food security within the constituency.
- Improve productivity of land and livestock.
- Increase production and productivity along selected agricultural value chains.
- Establish/support existing platforms for sharing agricultural information.
- Increase access to finance and markets to support the development of farming as a business.
- Improve capacity of farmers and extension services.
- Promote the use of information and communication technologies in agriculture and related services provided upstream and downstream in selected value chains.

#### **4. Health**

##### **Objectives**

- Expand infrastructure for health

- Increase coverage of essential health services
- Increase access to preventive health care
- Mobilize constituents to enrol with NHIF for universal health care

**5. Infrastructure and Security Objectives**

- Increase rural electrification in the constituency.
- Improve the road network in the constituency.
- Improve security in the constituency.
- Increase access to clean drinking water.

**6. Collaboration, Partnerships and Legislative agenda**

**Objectives**

- Increase resources to meet development needs.
- Increase access to technical input.
- Address policy barriers and create enablers through legislation.

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve access to quality education and performance	Improved academic performance, infrastructure in schools, increased transition rates from primary to secondary schools and parents' participation in education.	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary beneficiaries at all levels</li> <li>- number of community meetings held</li> </ul>	<p>In FY 20/21 -8 new classrooms, 2 toilets were constructed, 20 and 600 desks distributed to 15 schools</p> <p>- 4060 students and more benefitted from the bursary fund at all levels.</p>

**Kilifi North Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for the year ended June 30, 2021**

Youth, Women and Girls	Improve Socio-Economic Empowerment of youth, Women and girls		<ul style="list-style-type: none"> <li>- Number of youth and women awarded with tenders</li> <li>- Number of Innovation hubs established</li> </ul>	<ul style="list-style-type: none"> <li>-women and youth companies were awarded tenders during the year.</li> <li>-sports kits were distributed to 34 teams in the constituency</li> </ul>
Infrastructure and Security	Increase rural electrification, road network and improve security		<ul style="list-style-type: none"> <li>- Number of chiefs offices constructed and administration blocks</li> </ul>	<ul style="list-style-type: none"> <li>-Two chiefs offices constructed ,two toilets done in chief's offices</li> <li>-One Administration office done constructed</li> </ul>
Collaboration, Partnerships and Legislative agenda	Strengthen and expand strategic partnerships and resource mobilisation		<ul style="list-style-type: none"> <li>- Amount equivalent of contribution by partners over the years</li> <li>- Number of partnerships formalised</li> </ul>	<ul style="list-style-type: none"> <li>Ksh. 12.5 M allocated to St. Thomas Girls a co-funded projects with the school through the Ministry of Education</li> </ul>
Environment			<ul style="list-style-type: none"> <li>- Number of solar light done</li> </ul>	<ul style="list-style-type: none"> <li>-Five solar powered lights were started in schools</li> </ul>
Emergency			<ul style="list-style-type: none"> <li>- Number of emergency cases addressed</li> </ul>	<ul style="list-style-type: none"> <li>-Four school at the verge of being shut were renovated</li> </ul>

**4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

KILIFI NORTH 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**

The constituency's vision, mission, core values and the identified strategic priority areas that will guide implementation of projects in the next five years are described below.

<b>Definition</b>	<b>Relevance to sustainable strategy</b>
<b>Vision:</b> A prosperous constituency where every individual has equal opportunity to achieve their potential	What the office aspires to achieve as a result of liberal contribution towards development
<b>Mission :</b> To improve the welfare of the people of Kilifi North Constituency by establishing ,enabling environment for inclusive and sustainable socio-economic development	The efforts that the office undertakes to achieve its goals
<b>Core values :</b> Integrity,collaboration,responsiveness ,commitment and building resilience	The office commits to these values in order to satisfy its customers and ultimately enable it achieve its goals

**2. Environmental performance**

**Environmental Policy and Action plan**

An environmental policy forms the foundation of environmental improvements made for Kilifi North Constituency's operations.

It sets out our key aims and principles which include:

- helping you to stay within the law
- improving information for employees about their environmental roles and responsibilities
- improving cost control
- reducing incidents that result in liability
- conserving raw materials and energy
- improving your monitoring of environmental impacts
- improving the efficiency of your processes

**Environmental action plan**

<b>Objective</b>	<b>Approach</b>
<b>Capacity building</b>	<ul style="list-style-type: none"> <li>• Awareness by training staff on the contents of the environmental policy</li> <li>• Regular communication on changes or review of policy</li> <li>• Sticking environmental write ups to the walls, on banners during sports tournaments and office compounds</li> </ul>

Conservation of energy and resources	<ul style="list-style-type: none"> <li>• Encourage water harvesting by buying and installation of water tanks to schools</li> <li>• Encourage alternative source of power by installing solar panels to schools where there's no electricity</li> </ul>
Environmental protection and Conservation	<ul style="list-style-type: none"> <li>• Encourage tree planting to improve forest cover</li> </ul>
Pollution control and waste management	<ul style="list-style-type: none"> <li>• Ensure proper sanitation through construction of toilets</li> <li>• Ensure cost control through recycling of paper</li> </ul>

### 3. Employee welfare

Kilifi North employs staff on contractual basis. In the financial year 2020/2021, it had a total of seven employees on contract .The ratio of males to females is 4:3.

Besides employees, it engages youth on industrial attachment .Whenever there is a vacancy, advertisement and shortlisting are done, interview are conducted by the NGCDF Committee and finally an opportunity is granted to the winning candidate.

In ensuring that skills for the employees are improved, the office has been organising trainings every year where every staff whether casual or otherwise is involved.

The office maintains a first aid box where items like medicine, bandages, razor blades, surgical spirit, cotton wool and fire extinguishers are installed on the walls for addressing emergencies that occur during working hours.

#### HIV/AIDS

The office has continuously been promoting prevention measures in the Constituency through awareness creation and capacity building.

#### Persons Living with Disability

Through Scholarships and bursaries the office has been able assist the group to meet their education needs

Training and capacity Building has also helped greatly to thin the gap and mainstreaming.

#### Drug and substance Abuse

Improved fight against drug has been undertaken through capacity building of youth, staff, NGCDFC members and other stakeholders.

### 4. Market place practices-

In the effort to realising the National Government agenda at the Constituency level, the NGCDF Kilifi North has ensured that the following were achieved:

a) **Responsible competition practice.**

The NGCDFC ensures that the laws governing procurement are duly followed. Prequalification for contractors and suppliers are done giving priorities to the local companies and an employer the NGCDFC the opportunities on equal basis.

**b) Responsible Supply chain and supplier relations-**

Timelines and transparency are observed in dealing with suppliers and contractors. Before payments works are verified by the inspection and acceptance committee ,if all is well them payments are executed in due time

**c) Responsible marketing and advertisement**

Tenders are advertised openly and whoever wins is given the opportunity to carryout works or deliver goods and services.

**d) Product stewardship**

The NGCDF Kilifi North ensures that equal opportunities in awarding of bursary is observed. The needy and vulnerable cases are given first priority.

**5. Community Engagements-**

The NGCDF Kilifi North has been engaging the communities through:

- i. Public participation in identification of projects
- ii. Awareness forums during NGCDF ward clinics
- iii. Handing over of sites and complete projects
- iv. Launching of bursary to needy students
- v. Youths are also involved in sports tournaments where drug abuse and HIV/AIDS issues are educated

**Emerging Issues**

In effort to fighting the Covid -19 pandemic Kilifi NGCDF reallocated Ksh. 8,800,000 from bursary fund to construction of eight more classrooms to ease congestion in the schools.

To ensure sustainability of Kilifi North NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kilifi North 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.

#### **6. Environmental performance**

The Kilifi North NGCDF has capitalised on natural energy by installing solar powered safety lights in the schools where there was no access to electricity

#### **7. Employee welfare**

We invest in providing the best working environment for our employees. Xxx 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. Kilifi North 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.

#### **8. Market place practices-**

Kilifi North 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:

- e) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- f) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- g) Responsible marketing and advertisement
- h) Product stewardship by safeguarding consumer rights and interests

## **9. Community Engagements-**

Kilifi North 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.

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

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**5. 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- Kilifi North Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Kilifi North Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kilifi North 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.

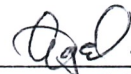
The Accounting Officer in charge of the NGCDF Kilifi North Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used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

**Approval of the financial statements**

The NGCDF- Kilifi North Constituency financial statements were approved and signed by the Accounting Officer on 4TH MAY 2021



Chairman NGCDF Committee  
Name: Jenter Kahindi



Fund Account Manager  
Name: Gladys Ngala

# REPUBLIC OF KENYA

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

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

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### 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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kilifi North Constituency set out on pages 19 to 69, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the

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*Report of the Auditor-General on National Government Constituencies Development Fund - Kilifi North Constituency for the year ended 30 June, 2021*

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

In my opinion, except for the effects of the matter 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 - Kilifi North Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015

### **Basis for Qualified Opinion**

#### **Unsupported Bursary Payments**

The statements of receipts and payments reflects other grants and transfers totalling to Kshs.64,759,725 and as disclosed in Note 7 to the financial statements. The amount includes bursary payments amounting to Kshs.30,596,806 issued to students in secondary schools and tertiary institutions of Kshs.15,173,000 and Kshs.15,423,806 respectively. However, the students' registration and admission details were not provided for audit.

In the circumstances, the accuracy and completeness of the bursary payments totalling Kshs.30,596,806 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 - Kilifi North Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Key Audit Matters**

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

#### **Other Matters**

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.215,446,953 and Kshs.162,990,350 respectively, resulting to an under-funding of Kshs.52,456,603 or 26% of the budget. Similarly, the Fund spent an

amount of Kshs.147,178,174 against an approved expenditure budget of Kshs.215,446,953, resulting to an under expenditure of Kshs.68,268,479 or 32% of the budget.

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

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

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

##### **1. Delay in Projects Implementation**

According to the Projects Implementation Status Report as at 30 June, 2021, the Fund had forty-six (46) approved projects with a budgetary allocation totalling to Kshs.137,088,879 for the year under review. Forty (40) of the projects with an allocation totalling to Kshs.98,484,975 were completed and in use, three (3) projects with a budgetary allocation of Kshs.20,003,904 were ongoing and three (3) projects with a total budget of Kshs.18,600,000 had not started as at the time of the audit in April, 2022. The report also included nine (9) projects relating to previous financial years totalling to Kshs.19,894,397 that were still ongoing at the end of the financial year.

In the circumstances, the public did not obtain value for money spent on the delayed uncompleted projects .

##### **2. Unexplained Disbursements of Funds to Projects Management Committee (PMC) Accounts above the Project Costs**

The statement of receipts and payments reflects transfers to other Government units amounting to Kshs.68,657,152 to various PMC accounts for different projects. Review of

the disbursements revealed that two (2) projects received funds above their cost as shown below:

School	Project Description	Project Cost Kshs.	Amount Disbursed as per Schedule Kshs.	Variance Kshs.
Mkwajuni Secondary School	Construction of 2 classrooms @ Kshs.2,200,000, Administration section of 65 people capacity @ Kshs.2,900,000 and six (6) door flush toilets block @ Kshs.1.6M	6,532,598	8,228,000	1,695,402
Mkigirani Primary School	Construction of 2 classrooms of a capacity of 65 people to completion	2,119,417	3,400,000	1,280,583
<b>Total</b>		<b>8,652,015</b>	<b>11,628,000</b>	<b>2,975,985</b>

No explanation or justification was provided for the over disbursement of funds.

In the circumstances, value of moneys on amount disbursed over and above the project cost of Kshs 2,975,985 could not be confirmed.

### 3. Non-Submission of Bank Reconciliation Statements

The statement of assets and liabilities reflects bank balances of Kshs.15,811,876 as disclosed in Note 10A to the financial statements. However, the Fund Management did not submit the monthly bank reconciliation statements for the bank accounts to the County Treasury and a copy to the Office of the Auditor-General as stipulated in Section 90(1) of the Public Finance Management (National Government) Regulations, 2015. No justification was provided for the non-compliance.

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

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

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

### Conclusion

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

## **Basis for Conclusion**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


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

uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

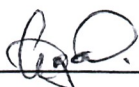
**27 September, 2022**

## 7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	155,000,000	125,540,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	4,086,257	292,203
<b>TOTAL RECEIPTS</b>		<b>159,086,257</b>	<b>125,833,079</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,269,446	2,997,140
Use of goods and services	5	9,262,445	6,754,096
Transfers to Other Government Units	6	68,657,152	82,843,254
Other grants and transfers	7	64,759,725	42,328,797
Acquisition of Assets	8	229,706	511,415
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>147,178,474</b>	<b>135,434,702</b>
<b>SURPLUS/(DEFICIT)</b>		<b>11,907,783</b>	<b>(9,601,623)</b>

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

~~17th May 2022~~ and signed by:



Fund Account Manager  
Name: Gladys Ngala



National Sub-County  
Accountant  
Name: Aisha M. Mohammed  
ICPAK M/No: 21016



Chairman NG-CDF Committee  
Name: Jenter Kahindi


**8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021**

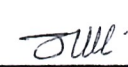
	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	15,811,876	3,904,093
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>15,811,876</b>	<b>3,904,093</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>15,811,876</b>	<b>3,904,093</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	525,197	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>16,337,073</b>	<b>3,904,093</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	3,904,093	13,505,716
Prior year adjustments	14	525,197	-
Surplus/Deficit for the year		11,907,783	(9,601,623)
<b>NET FINANCIAL POSITION</b>		<b>16,337,073</b>	<b>3,904,093</b>

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

~~4th MAY 2021~~ and signed by:

  
**Fund Account Manager**  
**Name: Gladys Ngala**

  
**National Sub-County**  
**Accountant**  
**Name: Aisha M. Mohammed**  
**ICPAK M/No: 21016**

  
**Chairman NG-CDF Committee**  
**Name: Jenter Kahindi**

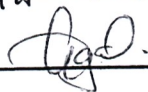
**Kilifi North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for the year ended June 30, 2021**

**STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2021**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	155,000,000	125,540,876
Other Receipts	3	4,086,257	292,203
<b>Total receipts</b>		<b>159,086,257</b>	<b>125,833,079</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,269,446	2,997,140
Use of goods and services	5	9,262,445	6,754,096
Transfers to Other Government Units	6	68,657,152	82,843,254
Other grants and transfers	7	64,759,725	42,328,797
Other Payments	9	-	-
<b>Total payments</b>		<b>146,948,768</b>	<b>134,923,287</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	525,197	-
<b>Net cash flow from operating activities</b>		<b>12,662,686</b>	<b>(9,090,208)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(229,706)	(511,415)
<b>Net cash flows from Investing Activities</b>		<b>(229,706)</b>	<b>(511,415)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>12,432,631</b>	<b>(9,601,623)</b>
Cash and cash equivalent at BEGINNING of the year	10	3,904,093	13,505,716
Cash and cash equivalent at END of the year		<u>16,337,073</u>	<u>3,904,093</u>

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

14TH MAY 2022 and signed by:



**Fund Account Manager  
Name: Gladys Ngala**



**National Sub-County  
Accountant  
Name: Aisha M. Mohammed  
ICPAK M/No: 21016**



**Chairman NG-CDF Committee**

**Name: Jenter Kahindi**

**Kitifi North Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for the year ended June 30, 2021**

**9. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30 JUNE 2021**

Receipts/Payments	Original Budget a	Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	3,904,093	70,367,724	211,360,696	158,904,093	52,456,603	75.2%
Proceeds from Sale of Assets	0	0	0	0	0	0	0%
Other Receipts	0	4,086,257	0	4,086,257	4,086,257	0	1
<b>TOTALS</b>	<b>137,088,879</b>	<b>7,990,350</b>	<b>70,367,724</b>	<b>215,446,953</b>	<b>162,990,350</b>	<b>52,456,603</b>	<b>75.7%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4,352,613	474,096	996,040	5,822,749	4,269,446	1,553,303	73.3%
Use of goods and services	7,767,110	2,241,536	3,377,012	13,385,658	9,262,445	4,123,213	69.2%
Transfers to Other Government Units	45,936,346	98,400	37,106,000	83,140,746	68,657,152	14,483,594	82.6%
Other grants and transfers	68,803,104	924,858	23,888,672	98,616,634	64,759,725	33,856,909	65.7%
Acquisition of Assets	229,706*	0	0	229,706	229,706	0	100%
Other Payments	0	0	0	0	0	0	0%
Funds pending approval**	10,000,000	4,251,460	0	14,251,460**	0	14,251,460	0%
<b>TOTALS</b>	<b>137,088,879</b>	<b>7,990,350</b>	<b>70,367,724</b>	<b>215,446,953</b>	<b>147,178,474</b>	<b>68,268,479</b>	<b>68.3%</b>

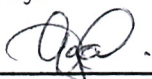
\*\*Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific project

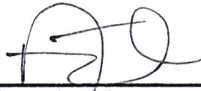
- (a) [Ksh 4,086,257 include AIA of Ksh 201,000 and 3,755,560 unutilised fund from PMC accounts and Ksh 129,697 unutilised imprest returned.  
(b) A total of Ksh 14,251,460 were still pending for approval  
(c) A total of Ksh 229,706 spent on assets had been funded from the goods and services budget  
(d) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- i. Transfers from NGCDF Board of 75.2%; the funds were not received as at the closure of the financial year which the NGCDF committee had no control.
  - ii. Compensation of employees of 76.9%; the funds were not paid as they had been set aside as gratuity awaiting payment after expiry of staff employment contracts.
  - iii. Transfers & Other grants and transfers of 82.6%; and 65.7% :This was as a result of untimely receipt of funds from the Board

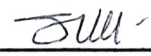
The overall changes between the original and final budget are as a result of unutilized balances from the previous year, AIA realized during the year and unutilized fund balances from PMC Accounts.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	68,268,479
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	(52,456,603)
	15,811,876
Add Accounts payable	525,197
Less Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	16,337,073

The NGCDF- Kilifi North Constituency financial statements were approved on 4<sup>th</sup> MAY 2021 signed by:

  
Fund Account Manager  
Name: Gladys Ngala

  
National Sub-County  
Accountant  
Name: Aisha M. Mohammed  
ICPAK M/No: 21016

  
Chairman NG-CDF Committee  
Name: Jenter Kahindi

*Kilifi North Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**X. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme/Sub-programme	Original Budget (a)	Adjustments (b)	Final Budget (c=a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	
	2020/2021	Opening Balance (CB) and ALA	Previous years outstanding Disbursements	2020/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>1.0 Office Administration &amp; Recurrent</b>						
1.1 Compensation of employees	4,352,613	474,096	996,040	5,822,749.00	4,269,446	1,553,303
1.2 Committee expenses	1,300,000	764,745	1,100,000	3,164,745.00	2,965,200	199,545
1.3 Use of goods and services	2,580,340	935,772	1,377,012	4,893,124.00	3,825,245	1,067,879
<b>Sub-Total</b>	<b>8,232,953</b>	<b>2,174,613</b>	<b>3,473,052</b>	<b>13,880,618.00</b>	<b>11,059,891</b>	<b>2,820,727</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	2,500,000	239	-	2,500,239.00	2,472,000	28,239
2.2 Committee expenses	1,272,000	25,000	-	1,297,000.00	-	1,297,000
2.3 Use of goods and services	344,476	515,780	900,000	1,760,256.00	-	1,760,256
<b>Sub-Total</b>	<b>4,116,476</b>	<b>541,019</b>	<b>900,000</b>	<b>5,557,495.00</b>	<b>2,472,000</b>	<b>3,085,495</b>
<b>3.0 Transfer to other Government units</b>						
<b>3.1 Primary Schools Projects</b>						
3.1.1 Primary school desks project						

*Kiifi North Constituency  
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3.1.2 Bahati preparatory Primary School	3,000,000		3,406,000	6,406,000.00	1	6,600,000	(194,000)
3.1.3 Mabuwani Primary School	100,000			00,000.00		100,000	-
3.1.4 Dera Tumaini Primary School	2,200,000			2,200,000.00		1,200,000	1,000,000
3.1.5 Mrima wa Kuku Primary School	2,200,000			2,200,000.00		2,200,000	-
3.1.6 Sidzeni Primary School	1,200,000			1,200,000.00		1,200,000	-
3.1.7 Mitangoni Primary School	2,200,000			2,200,000.00		2,200,000	-
3.1.8 Mabuwani Primary School	1,200,000			1,200,000.00		-	1,200,000
3.1.9 Msabaha Primary School	3,000,000			3,000,000.00		1,500,000	1,500,000
3.1.10 Mbarakachembe Primary School	2,400,000			2,400,000.00		-	2,400,000
3.1.11 Old Ferry Primary School	1,200,000			1,200,000.00		500,000	700,000
3.1.12 Arabuko Primary School	900,000			900,000.00		-	900,000
3.1.13 Dabaso Primary School			800,000	800,000.00		800,000	-
3.1.14 Gede Primary School			1,500,000	1,500,000.00		1,500,000	-
3.1.15 Mikingirini Primary School			2,200,000	2,200,000.00		2,200,000	-
3.1.16 Sita Primary School			2,200,000	2,200,000.00		2,200,000	-
3.1.16 Uyonbo Maweni Primary School			2,200,000	2,200,000.00		2,200,000	-
3.1.17 Reserve Primary School			2,200,000	2,200,000.00		2,200,000	-
3.1.18 Mitsanganyiko Primary School			(200,000)	(200,000.00)		640,000	(840,000)

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3.1.19 Makonde Primary School			94,400		94,400.00	-	94,400
3.1.20 Mkwajuni Primary School			4,000		4,000.00	-	4,000
3.1.21 Kibaoni Primary School						4,400,000	(4,400,000)
3.1.22 Dongo kundu Primary School						200,000	(200,000)
3.1.23 Ezamoyo Primary School						91,938	(91,938)
3.1.24 Mtsanganyiko Primary School						2,200,000	(2,200,000)
3.1.25 Dongo kundu Primary School						1,100,000	(1,100,000)
3.1.26 Jeza zhomu Primary School						250,000	(250,000)
<b>Sub-Total</b>			<b>98,400</b>	<b>16,506,000</b>	<b>36,204,400.00</b>	<b>37,681,938</b>	<b>(1,477,538)</b>
<b>3.2 Secondary Schools Projects</b>							
3.2.1 Uyombo Girls Secondary School					1,246,631.00	1,246,631	-
3.2.2 Mnarani Secondary School					989,715.00	989,715	-
3.2.3 Korosho Secondary School					2,200,000.00	2,200,000	-
3.2.4 Kiwandani Secondary School					7,500,000.00	7,500,000	-
3.2.5 Mkwajuni Secondary School					6,700,000.00	6,028,000	672,000
3.2.6 Gede Mixed Secondary School					7,000,000.00	-	7,000,000
3.2.7 Gede Mixed Secondary School					1,600,000.00	-	1,600,000
3.2.8 Kilifi Secondary school					500,000.00	-	500,000
3.2.9 Uyombo Girls Secondary School- renovation				1,500,000	1,500,000.00	1,500,000	-
3.2.10 Watamu Secondary School -							

**Kilifi North Constituency  
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toilets	-	-	1,200,000	1,200,000.00	1,200,000	-
3.2.11 Majajani Secondary School	-	-	(200,000)	(200,000.00)	-	(200,000)
3.2.12 Minarani Secondary School - Admin			1,500,000	1,500,000.00	1,500,000	-
3.2.13 Menyhert Secondary School	-	-	2,200,000	2,200,000.00	2,200,000	-
3.2.14 Mkwajuni Secondary school			2,200,000	2,200,000.00	2,200,000	-
3.2.15 Soyosoyo Secondary School			2,200,000	2,200,000.00	2,200,000	-
3.2.16 Ngerenya Secondary school	-	-		-	1,000,868	(1,000,868)
3.2.17 Kiwandani Secondary school				-	1,210,000	(1,210,000)
<b>Sub-Total</b>	<b>27,736,346</b>	<b>-</b>	<b>10,600,000</b>	<b>38,336,346.00</b>	<b>30,975,214</b>	<b>7,361,132</b>
<b>3.3 Tertiary Institutions Project</b>						
3.3.1 Kilifi North Tech.Tr & Vocational College	-	-	10,000,000.00	10,000,000.00	-	10,000,000
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>	<b>10,000,000.00</b>	<b>-</b>	<b>10,000,000</b>
<b>4.0 Other Grants and payments</b>						
<b>4.1 Bursary and Social Security</b>						
4.1.1 Secondary Schools	25,000,000	193,640	8,800,000	33,993,640.00	15,173,000	18,820,640
4.1.2 Tertiary Institutions	11,706,993	603,218	8,890,431	21,200,642.00	15,423,806	5,776,836
<b>Sub-Total</b>	<b>36,706,993</b>	<b>796,858</b>	<b>17,690,431</b>	<b>55,194,282.00</b>	<b>30,596,806</b>	<b>24,597,476</b>
<b>4.2 Emergency Fund</b>						
4.2.1 Secondary schools	7,192,207		7,198,241	14,390,448.00	11,792,206	2,598,242
<b>Sub-Total</b>	<b>7,192,207</b>		<b>7,198,241</b>	<b>14,390,448.00</b>	<b>11,792,206</b>	<b>2,598,242</b>
<b>4.3 Sports</b>						

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4.3.1 Constituency sports	2,000,000	1,000	1,000,000	3,001,000.00	2,989,920	11,080
<b>Sub-Total</b>	<b>2,000,000</b>	<b>1,000</b>	<b>1,000,000</b>	<b>3,001,000.00</b>	<b>2,989,920</b>	<b>11,080</b>
<b>4.4. Environment</b>				-		-
4.4.1 Environment	2,000,000	-	1,000,000	3,000,000.00	1,600,000	1,400,000
<b>Sub-Total</b>	<b>2,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>3,000,000.00</b>	<b>1,600,000</b>	<b>1,400,000</b>
<b>4.5 Security Projects</b>				-		
4.5.1 Kilifi North Sub-County DCC Office	14,603,904	-		14,603,904.00	12,280,793	2,323,111
4.5.2 Matsangoni Divisional Headquarters	4,000,000	-		4,000,000.00	4,000,000	-
4.5.3 Ngerenya Chief's Office	900,000	-		900,000.00		900,000
4.5.4 Mayungu Chief's camp	-		500,000	500,000.00	-	500,000
4.5.5 Mabirikani Chief's office toilet			500,000	500,000.00	500,000	-
4.5.6 Dabaso Chief's office toilet			500,000	500,000.00	500,000	-
4.5.7 Mabirikani Chief's office				-	500,000	(500,000)
<b>Sub-Total</b>	<b>19,503,904</b>	<b>-</b>	<b>1,500,000</b>	<b>21,003,904.00</b>	<b>17,780,793</b>	<b>3,223,111</b>
<b>4.6 Others</b>						
4.6.1 Gede Resource centre	-		500,000	500,000.00	-	500,000
4.6.2 Acquisition of assets	-		-	-	229,706	(229,706)
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>500,000.00</b>	<b>229,706</b>	<b>270,294</b>
<b>5.0 Funds pending approval</b>						
5.1 RG Ngala school & Leadership centre	10,000,000	-		10,000,000.00	-	10,000,000
5.2 Funds from PMC Accounts - 2020						

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	-	165,203		165,203.00	-	165,203
5.3 AIA from sale of tender documents-2020	-	127,000		127,000.00	-	127,000
5.4 AIA from sale of tender documents -2021	-	201,000		201,000.00	-	201,000
5.5 Unutilized imprest returned	-	129,697		129,697.00	-	129,697
5.6 Funds from PMC Accounts 2021	-	3,755,560		3,755,560.00	-	3,755,560
<b>Sub-Total</b>	<b>10,000,000</b>	<b>4,378,460</b>	<b>-</b>	<b>14,378,460.00</b>	<b>-</b>	<b>14,378,460</b>
<b>GRAND TOTALS</b>	<b>137,088,879</b>	<b>7,990,350</b>	<b>70,367,724</b>	<b>215,446,953</b>	<b>147,178,474</b>	<b>68,268,479</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based)

## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF- Kilifi North Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

### **4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

#### **a) Recognition of Receipts**

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

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

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

#### **Proceeds from Sale of Assets**

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

#### **Other receipts**

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

## **Unutilized Funds from PMCs.**

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

### **External Assistance**

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

### **b) Recognition of payments**

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

### **Compensation of Employees**

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

### **Use of Goods and Services**

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

### **Acquisition of Fixed Assets**

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

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

## **5. In-kind contributions**

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

## **6. Cash and Cash Equivalents.**

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

## **7. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest

payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

#### **8. Accounts Payable**

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

#### **9. Pending Bills**

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

#### **10. Unutilized Fund**

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

#### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

#### **12. Comparative Figures**

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

#### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

#### **14. Errors**

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**15. Related Party Transactions**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2020-2021	2019-2020
NGCDF Board	AIE NO	Kshs	Kshs
	B 047133		2,500,000
	B 047175		55,040,876
	B 047467		4,000,000
	B 041298		18,000,000
	B 047718		5,000,000
	B 047924		6,000,000
	B 049313		14,000,000
	B 104338		21,000,000
	B 104724	20,000,000	
	B 823541	35,000,000	
	B 124721	8,000,000	
	B 124991	8,500,000	
	B 119845	13,000,000	
	B 128134	6,900,000	
	B 128446	7,000,000	
	B 132190	6,000,000	
	B 138858	13,000,000	
	B 126152	7,000,000	
	B 126446	10,600,000	
	B 105162	8,000,000	
	B 140590	12,000,000	
<b>TOTAL</b>		<b>155,000,000</b>	<b>125,540,876</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	201,000	127,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	3,755,560	165,203
Other Receipts (Unutilized imprest returned)	129,697	-
<b>Total</b>	<b>4,086,257</b>	<b>292,203</b>

**4. COMPENSATION OF EMPLOYEES**

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,891,860	2,401,000
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,360,386	584,040
Employer Contributions Compulsory national social security schemes	17,200	12,100
<b>Total</b>	<b>4,269,446</b>	<b>2,997,140</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	581,911	420,084
Electricity	42,412	19,600
Water & sewerage charges	22,720	-
Office rent		-
Communication, supplies and services	102,210	325,741
Domestic travel and subsistence	63,400	86,000
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	-
Training expenses	2,500,000	1,126,852
Hospitality supplies and services	456,850	92,421
Other committee expenses	407,000	4,400
Committee allowance	2,965,200	3,828,000
Insurance costs	105,513	141,509
Specialized materials and services	-	-
Office and general supplies and services	636,736	160,719
Fuel , oil & lubricants	759,635	417,969
Other operating expenses	-	-
Bank service commission and charges	76,488	14,880
Other Operating Expenses	-	-
Security operations		-
Routine maintenance - vehicles and other transport equipment	441,620	115,921
Routine maintenance- other assets	100,750	-
<b>TOTAL</b>	<b>9,262,445</b>	<b>6,754,096</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	39,881,938	15,295,154
Transfers to secondary schools (see attached list)	28,775,214	67,548,100
Transfers to tertiary institutions (see attached list)	-	-
<b>TOTAL</b>	<b>68,657,152</b>	<b>82,843,254</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,173,000	20,111,360
Bursary – tertiary institutions (see attached list)	15,423,806	15,936,200
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	17,780,793	4,094,397
Sports projects (see attached list)	2,989,920	1,085,300
Environment projects (see attached list)	1,600,000	-
Emergency projects (see attached list)	11,792,206	1,101,540
<b>Total</b>	<b>64,759,725</b>	<b>42,328,797</b>

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	15,451	511,415
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	214,255	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>229,706</b>	<b>511,415</b>

**9. OTHER PAYMENTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	-
ICT Hub	-	-
	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Cooperative Bank, Kilifi Branch, Kilifi North NG-CDF A/C No.01141466629200</i>	-	3,904,093
<i>Equity Bank, Kilifi Branch, Kilifi North NG-CDF A/C No. 1060279716245</i>	15,811,876	-
<b>Total</b>	<b>15,811,876</b>	<b>3,904,093</b>

**10B: CASH IN HAND**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs (30/6/2020)</b>	<b>Kshs(30/6/2019)</b>
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide cash count certificates for each]</i>		

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11: OUTSTANDING IMPRESTS**

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

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

**12A. RETENTION**

	<b>2020-2021</b>	<b>2019-2020</b>
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

*[Provide short appropriate explanations as necessary.]*

**12B. GRATUITY**

	<b>2020-2021</b>	<b>2019-2020</b>
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 <sup>st</sup> July (A)	1,262,127	678,087
Gratuity held during the year (B)	623,456	584,040
Gratuity paid during the Year (C)	1,360,386	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	525,197	1,262,127

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	2020-2021 (1 <sup>st</sup> July 2020)	2019-2020 (1 <sup>st</sup> July 2019)
	Kshs	Kshs
Bank accounts	3,904,093	13,505,716
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>3,904,093</b>	<b>13,505,716</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

Description of the error	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
	Kshs		Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>gratuity not paid</i> )	525,197	-	-
<b>TOTAL</b>	<b>525,197</b>	<b>-</b>	<b>-</b>

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST\***

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2020 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

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

	2020 – 2021	2019 - 2020
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2020(A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Closing account receivables D= A+B-C	-	-

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others (Gratuity)	525,197	584,040
	525,197	584,040

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

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,553,303	1,470,136
Use of goods and services	4,123,213	5,618,548
Amounts due to other Government entities (see attached list)	14,483,594	37,204,400
Amounts due to other grants and other transfers (see attached list)	33,856,909	29,686,530
Acquisition of assets	-	-
Others (PMC unutilised funds)	3,920,763	165,203
Unutilised Imprest returned	129,697	-
AIA from sale of tenders	201,000	127,000
Funds pending approval	10,000,000	-
	68,268,479	74,271,817

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	19,971,842	16,258,764
	19,971,842	16,258,764

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

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

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
<b>NG-CDFC Staff</b>				
1. Jamila Mwikali Kasili			67,964	
2. Umimi Mikali Khamisi			67,964	
3. Venseslous Deche Mwatsuma			286,587	
4. Sunday Kalama			33,982	
5. Fredrick Fwadzi Mangale			25,891	
6. Beatrice Kwamboka Arisi			21,883	
7. Ali Bakari Mzee			20,925	
8.				
			525,197	
	Sub-Total			
	Grand Total			

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2020/2021	2019/2020	
Compensation of employees		1,553,303	1,470,136	
Use of goods & Services		4,123,213	5,618,548	
<b>Sub- Total</b>		<b>5,676,516</b>	<b>7,088,684</b>	
Amounts due to other Government Entities				
Primary school desks project		-194,000	3,406,000	
Mabuwani Primary school		1,000,000	-	
Mitangani Primary school		1,200,000	-	
Mabuwani Primary school		1,500,000	-	
Msabaha Primary school		2,400,000	-	
Mbarakachembe Primary school		700,000	-	
Dera Tumaini Primary school		1,392,000		
Old Ferry Primary school		900,000	-	
Mtsarganyiko Primary school		-840,000	-	
Makonde Primary school		94,400	94,400	
Mkwajuni Primary school		4,000	4,000	
Kibaoni Primary school		-4,400,000	-	
Dongo Kundu Primary school		-200,000	-	
Ezamoyo Primary school		-91,938	-	
Mtsarganyiko Primary school		-2,200,000	200,000	
Dongo Kundu Primary school		-1,100,000	-	

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Jeza zhomu Primary school	-250,000	-	-
Arabuko Primary school	-	800,000	
Dabaso Primary school	-	1,500,000	
Gede Primary school	-	2,200,000	
Milkingirini primary school	-	2,200,000	
Reserve Primary school	-	2,200,000	
Sita Primary school	-	2,200,000	
Uyombo Maweni Primary school	-	2,200,000	
Uyombo Maweni Primary school	672,000	-	
Mkwajuni Secondary school	7,000,000	-	
Gede Mixed Secondary school	1,600,000	-	
Gede Mixed Secondary school	500,000	-	
Kilifi Secondary school	-200,000	-	
Majajani Secondary school	-1,008,868	-	
Ngerenya Secondary school	-1,210,000	-	
Kiwandani Secondary school	10,000,000	-	
Kilifi North Technical Tr.& Vocational College	-	1,500,000	
Uyombo Girls Secondary school	-	1,200,000	
Watamu Secondary school	-	200,000	
Majajani Secondary school	-	1,500,000	
Mnarani Secondary school	-	2,200,000	
MenyHert Secondary school	-	2,200,000	
Mkwajuni Secondary school	-	2,200,000	
Soyosoyo Secondary school	-	10,000,000	
Kilifi North TTI	17,267,594	38,004,400	
Sub- Total			
Amounts due to other grants and other Transfers			

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Bursary – Secondary schools	17,436,640	8,993,640	
Bursary – Tertiary Institutions	5,776,836	9,493,649	
Emergency Fund	2,598,242	7,198,241	
Constituency sports	11,080	1,001,000	
Environment	1,400,000	1,000,000	
Kilifi North Sub- County DCC's office	2,323,111	-	
Ngerenya Chief's office	900,000	-	
Mayungu Chief's camp	500,000	-	
Mabirikani Chief's office	-500,000	-	
Security project	-	1,500,000	
Gede Resource Centre	500,000	-	
<b>Sub- Total</b>	<b>30,945,909</b>	<b>29,186,530</b>	
Acquisition of Assets			
Others ( <i>Specify</i> )			
Funds from PMC Accounts- 2020	165,203	165,203	
AIA from sale of tender documents - 2020	127,000	127,000	
AIA from sale of tender documents - 2021	201,000	-	
Unutilized imprest returned	129,697	-	
Funds from PMC Accounts 2021	3,755,560	-	
<b>Sub- Total</b>	<b>4,378,460</b>	<b>292,203</b>	
Funds pending approval			
RG Ngala school & Leadership center	10,000,000	-	
<b>Sub- Total</b>	<b>10,000,000</b>	<b>-</b>	
<b>Grand Total</b>	<b>68,268,479</b>	<b>74,271,817</b>	

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	4,500,000	-	-	4,500,000
Transport equipment	7,011,415	15,451	-	7,026,866
Office equipment, furniture and fittings	4,480,957	-	-	4,480,957
ICT Equipment, Software and Other ICT Assets	178,200	214,255	-	392,455
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>16,170,572</b>	<b>229,706</b>	<b>-</b>	<b>16,400,278</b>

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

PMC	Bank	Account No.	Bank Balance 2020/2021	Bank Balance 2019/2020
ST. THOMAS GIRLS' SEC SCHOOL	COOPERATIVE	1141779533800	1,827,310	5,213,162
NGERENYA SEC SCHOOL	COOPERATIVE	1141779534000	977	
MNARANI SEC SCHOOL	COOPERATIVE	1141779749600	272,878	0
WATAMU SEC SCHOOL	COOPERATIVE	1141779758900	22,997	22,997
WATAMU SEC SCHOOL	COOPERATIVE	1141779533400	1,450	0
KIWANDANI SEC SCHOOL	COOPERATIVE	1141779748200	1,862	1,801
KILIFI NORTH SUB COUNTY DCC	COOPERATIVE	1141779756400	2,821,779	0
BAHATI PREPARATORY	COOPERATIVE	1109779490500	158	0
MABIRIKANI CHIEF'S OFFICE	COOPERATIVE	1141779749700	43,914	1,000,000
DABASO CHIEF'S OFFICE	COOPERATIVE	1141779749300	16,415	1,000,000
MIDA SEC SCHOOL	COOPERATIVE	1141779749900	1,062	800,000
GEDE PRY SCHOOL	COOPERATIVE	1141779607600	19	19
MTSANGANYIKO PRY SCHOOL	COOPERATIVE	1141779749500	0	2,400,000
ARABUKO PRY SCHOOL	COOPERATIVE	1141779275000	19,015	1,400,000
MAJAJANI SEC SCHOOL	COOPERATIVE	1141779749400	94	2,400,000
MAJAJANI PRY SCHOOL	COOPERATIVE	1109779494000	4,085	
NGALA MEM. GIRLS SEC SCHOOL	COOPERATIVE	1141779533000	92,121	177,881
DONGO KUNDU PRY SCHOOL	COOPERATIVE	1109779266600	0	1,499,175
RESERVE PRY SCHOOL	COOPERATIVE	1141779751100	60,693	
SITA PRY SCHOOL	COOPERATIVE	1141779760400	19,278	
SOYOSOYO PRY SCHOOL	COOPERATIVE	1141779750900	20,531	
DABASO PRY SCHOOL	COOPERATIVE	1141779751500	201	
UYOMBO MAWENI PRY SCHOOL	COOPERATIVE	1141779750600	19,552	
JIMBA GEDE SEC SCHOOL	COOPERATIVE	1141779533300	9,886	
MENYHEART SEC SCHOOL	COOPERATIVE	1141779751300	134,335	
JIMBA SEC SCHOOL	KCB	1162646152	43,183	343,729
MKWAJUNI SEC SCHOOL	EQUITY	1060280759111	1,659	
SIDZENI PRY SCHOOL	EQUITY	1060280756719	2,182,520	-
MZIZIMA PRY SCHOOL	EQUITY	1060280997997	-	-
MADEVU PRY SCHOOL	EQUITY	1060281024053	-	0
MITANGONI PRY SCHOOL	EQUITY	1060280960394	400,000	0
ARABUKO PRY SCHOOL	EQUITY	1060280895448	0	0

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JACARANDA BEACH PRY SCH	EQUITY	1060280986844	0	0
MTSANGANYIKO PRY SCHOOL	EQUITY	1060280714369	0	0
MTSANGANYIKO PRY SCHOOL	EQUITY	1060280951613	400,000	0
MTSANGANYIKO PRY SCHOOL	EQUITY	1060280639666	2,200,000	
MRIMA WA KUKU PRY SCHOOL	EQUITY	1060280960713	1,200,000	-
MSABAHA PRY SCHOOL	EQUITY	1060280762318	0	0
DERA TUMAINI PRY SCHOOL	EQUITY	1060280758364	2,096,948	0
MABUWANI PRY SCHOOL	EQUITY	1060280794161	0	0
MBARAKACHEMBE PRY SCHOOL	EQUITY	1060280760780	500,000	0
MBARAKACHEMBE SEC SCHOOL	EQUITY	1060280149430	152,234	0
MATSANGONI DIV. HDQS	EQUITY	1060280747628	1,680	0
JIMBA GEDE PRY SCHOOL	EQUITY	1060281031566	0	0
JIMBA GEDE PRY SCHOOL	EQUITY	1060280764961	0	0
DONGO KUNDU PRY SCHOOL	EQUITY	1060280628501	1,100,000	-
DONGO KUNDU PRY SCHOOL	EQUITY	1060280641734	200,000	
JEZA ZHOMU PRY SCHOOL	EQUITY	1060280627704	250,000	
EZAMOYO PRY SCHOOL	EQUITY	1060280627117	91,938	
KIWANDANI SEC SCHOOL	EQUITY	1060280705239	2,880	
MABIRIKANI CHIEF'S OFFICE	EQUITY	1060280255775	13,707	
UYOMBO GIRLS' SEC SCHOOL	EQUITY	1060280162416	78,659	0
WATAMU SEC SCHOOL	EQUITY	1060280982126	0	0
KOROSHO SEC SCHOOL	EQUITY	1060280758399	975,166	0
MTONDIA PRY SCHOOL	EQUITY	1060281022506	0	0
SITA PRY SCHOOL	EQUITY	1060280823892	0	0
FB TUVA SEC SCHOOL	EQUITY	1060280714877	0	0
KILIFI NORTH DESKS PROJECT	EQUITY	1060280774641	2,412,191	-
KANANI PRY SCHOOL	EQUITY	1060280141571	120,395	-
FUMBINI PRY SCHOOL	EQUITY	1060280124711	910	
MIKINGIRINI PRY SCHOOL	EQUITY	1060280140972	122,414	
GEDE PRY SCHOOL	EQUITY	1060280142267	34,746	
<b>TOTAL</b>			<b>19,971,842</b>	<b>16,258,764.00</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																		
1.	<p><b>1 Bursary - Student without admission/registration number</b></p> <p>The statement of financial performance for the year ended 30 June, 2020 reflects other grants and transfers of Ksh 42,328,797. However, this balance includes an amount of Kshs. 1, 512,500 in respect to bursary payments to 199 students without registration or admission numbers as summarized below:</p> <table border="1" data-bbox="304 394 660 842"> <thead> <tr> <th>No.</th> <th>Bursary phase</th> <th>No. of student</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2019/2020 Phase 1</td> <td>49</td> </tr> <tr> <td>2</td> <td>2019/2020 Phase 2</td> <td>13</td> </tr> <tr> <td>3</td> <td>2019/2020 Phase 3</td> <td>53</td> </tr> <tr> <td>4</td> <td>2019/2020 Phase 4</td> <td>84</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td><b>199</b></td> </tr> </tbody> </table> <p>In the circumstances, the validity and propriety of the bursary award of Kshs. 1,512,500 for the year ended 30 June 2020 could not be ascertained.</p>	No.	Bursary phase	No. of student	1	2019/2020 Phase 1	49	2	2019/2020 Phase 2	13	3	2019/2020 Phase 3	53	4	2019/2020 Phase 4	84	<b>Total</b>		<b>199</b>	The students admission numbers were provided	Resolved	Nil
No.	Bursary phase	No. of student																				
1	2019/2020 Phase 1	49																				
2	2019/2020 Phase 2	13																				
3	2019/2020 Phase 3	53																				
4	2019/2020 Phase 4	84																				
<b>Total</b>		<b>199</b>																				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
2.	<p>A review of the financial statements reflected variances between the financial statements for the year ended 30 June, 2020 and the supporting schedules totalling to Ksh. 24,200 in absolute terms as detailed below:</p> <table border="1" data-bbox="582 392 901 840"> <thead> <tr> <th>Item /component</th> <th>Note</th> <th>Financial statement amount (Ksh)</th> </tr> </thead> <tbody> <tr> <td>Basic wages of temporary employees</td> <td>4</td> <td>2,401,1</td> </tr> <tr> <td>Employer contribution to NSSF</td> <td>4</td> <td>12,000</td> </tr> <tr> <td></td> <td></td> <td>2,413,1</td> </tr> </tbody> </table> <p>Consequently, the accuracy and completeness of the financial statements for the year ended 30 June, 2020 could not be confirmed.</p>	Item /component	Note	Financial statement amount (Ksh)	Basic wages of temporary employees	4	2,401,1	Employer contribution to NSSF	4	12,000			2,413,1	The financial statements and supporting schedules were corrected and provided	Resolved	Nil
Item /component	Note	Financial statement amount (Ksh)														
Basic wages of temporary employees	4	2,401,1														
Employer contribution to NSSF	4	12,000														
		2,413,1														
	<p><b>1.0 Budgetary Controls and Performance</b></p> <p><b>1.1 Revenue budget</b></p> <p>During the year under review, the National Government Constituencies Development Fund – Kilifi North Constituency had a final receipt of Kshs. 209,706,519 against actual</p>	The shortfall was attributed by late disbursement of funds from the NGCDF Board since only Ksh 139,017,795 instead of Ksh 209,385,519 had been received as at 30.06.2020	Pending	3 months												

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>																
	<p>receipt of Ksh 139,338,795, resulting to a net shortfall under of Ksh 70,367,724 representing 34% of total budgeted amounts as detailed below:</p> <table border="1" data-bbox="582 392 997 840"> <thead> <tr> <th>Receipt Item</th> <th>Budget (Kshs.)</th> <th>Actual (Kshs.)</th> <th>Under collect (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Transfers from NG-CDF Board</td> <td>209,385,519</td> <td>139,017,795</td> <td>70,367,724</td> </tr> <tr> <td>Other receipts</td> <td>321,000</td> <td>321,000</td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>209,706,519</b></td> <td><b>139,338,795</b></td> <td><b>70,367,724</b></td> </tr> </tbody> </table> <p>Scrutiny of the budget also revealed that the entity had a budget shortfall of Ksh. 70,367,724 or 34%. Therefore, the budget making process was not realistic and the management needs to come up with strategies of formulating budgets which are as realistic as possible.</p>	Receipt Item	Budget (Kshs.)	Actual (Kshs.)	Under collect (Kshs)	Transfers from NG-CDF Board	209,385,519	139,017,795	70,367,724	Other receipts	321,000	321,000		<b>Total</b>	<b>209,706,519</b>	<b>139,338,795</b>	<b>70,367,724</b>			
Receipt Item	Budget (Kshs.)	Actual (Kshs.)	Under collect (Kshs)																	
Transfers from NG-CDF Board	209,385,519	139,017,795	70,367,724																	
Other receipts	321,000	321,000																		
<b>Total</b>	<b>209,706,519</b>	<b>139,338,795</b>	<b>70,367,724</b>																	
	<p><b>1.1 Expenditure budget</b></p> <p>During the year under review, the National Government Constituencies Development Fund – Kilifi North Constituency had a final budget of Kshs. 209,706,519 against actual</p>	<p>The underutilization was due to delay in receipt of funds totalling to Ksh 70,367,724 which was not received during the financial year thus was not possible for NGCDFC to execute the budget exhaustively.</p>	Pending	3 months																

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Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Expense Item	Budget (Kshs.)	Expenditure (Kshs.)	Under Absorption (Kshs.)			
	expenditure of Ksh 135,434,702, resulting to under absorption of Ksh 74,271,817 or 35% as summarized below:						
	Compassion of Employees	4,616,252	2,997,140	1,619,112	35		
	Use of goods and services	11,268,427	6,754,096	4,514,331	40		
	Transfers to Other Government Units	98,998,761	82,843,254	16,155,507	16		
	Other grants and transfers	70,980,066	42,328,797	28,651,269	40		
	Acquisition	912,	511,41	400,88	44		

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Reference No. on the external audit Report	Issue / Observations from Auditor					Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	297	5	2					
of Assets	2,838,513	-	2,838,513	100	100			
Other Payments	19,800,000	-	19,800,000	100	100			
Unapproved projects	292,203		292,203	100	100			
Unallocated funds	209,706,519	135,434,702	74,271,817	35				
TOTAL								
	<p>The management attributed to the under absorption to delay in funds disbursement from the Board. There is need, for the Fund management and the Board to ensure quick disbursement of the funds so that all planned and budgeted for projects and activities can be implemented in time for the benefit of the residents of Kilifi North Constituency.</p>							
	<p><b>1.3 Projects implementation status</b> According to projects implementation status report as at 30 June 2020, the Fund had Fifty</p>					<p>The projects are continuously being completed, seven (7) more are complete and now in use. The updated project status report, photos and completion</p>	Resolved	Nil

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																									
	<p>one (51) approved projects with a total budget of Ksh 83,142,497. The status of the various projects as at 30 June 2020 is as summarized below:</p> <table border="1" data-bbox="571 1375 874 1832"> <thead> <tr> <th>Project status</th> <th>No of projects</th> <th>Project amount (Ksh)</th> </tr> </thead> <tbody> <tr> <td>Complete and in use</td> <td>34</td> <td>42,850,000</td> </tr> <tr> <td>Ongoing</td> <td>16</td> <td>39,092,497</td> </tr> <tr> <td>Not started</td> <td>1</td> <td>1,200,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>51</b></td> <td><b>83,147,497</b></td> </tr> </tbody> </table> <p><b>1.3.1 Ongoing projects</b></p> <p>During the year under review, the management of the Fund started sixteen (16) projects with a budget of Ksh. 39,092,497 which were still ongoing as at 30 June 2020 as summarized below:</p> <table border="1" data-bbox="1118 1375 1445 1832"> <thead> <tr> <th>No.</th> <th>Name of project</th> <th>Project activity</th> <th>Expected completion Date</th> <th>Project cost</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Watumu secondary</td> <td>Construction of storeyed</td> <td>30/6/20</td> <td>5,500,000</td> </tr> </tbody> </table>	Project status	No of projects	Project amount (Ksh)	Complete and in use	34	42,850,000	Ongoing	16	39,092,497	Not started	1	1,200,000	<b>Total</b>	<b>51</b>	<b>83,147,497</b>	No.	Name of project	Project activity	Expected completion Date	Project cost	1	Watumu secondary	Construction of storeyed	30/6/20	5,500,000	<p>certificates have been provided</p>		
Project status	No of projects	Project amount (Ksh)																											
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**Kilifi North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for the year ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor		Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	school	classrooms, administration block, staffroom, toilet and store  Planting of 20,000 trees at the Roka Chief's office (90,909), Matsa ngoni Chief's office (90,909), Takau ngu Chief's office (90,909) Gede Chief's office (90,909), Wata			
		30/6/20			
		1,000,000			

**Kilifi North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for the year ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>mu Chief's office (90,90 9) Tezo Chief's office (90,90 9), Kilifi Township Chief's office (90,90 9), Hospital Chief's office (90,90 9), Sokoni Chief's office (90,90 9), Mtondi a Chief's office (90,90 9), Ngere nya Chief's office (90,90</p>			

**Kilifi North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for the year ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	Sidzen i primary school	Purchase of 2 ha of land	1,200,000		
4	Uyombo Girls' secondary school	Construction of a dormitory	2,000,000		
5	Sita primary school	Construction of 2 classrooms completion	2,200,000		
6	Dabaso primary school	Renovation of 6 classrooms and 2 staffrooms (Raising of walls, Reroofing, extension of the verandah, elec	1,500,000		

**Kilifi North Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7	Watumu secondary school 7 Completion of construction of a storey 4 classrooms and administration block (plaster works, floor			
	31/12/20 4,100,000			

**Kilifi North Constituency  
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Reference No. on the external audit Report	Issue / Observations from Auditor			Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
8	Uyombo Girls' secondary school	works, electrical works, plumbing and drainage works, painting and decoration	30/6/20			
		Complete construction of a dormitory (Roofing, doors, windows, plaster works, floor works, electrical works, plumbing and drainage works, painting	3,498,100			

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Reference No. on the external audit Report	Issue / Observations from Auditor		Management comments		Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		and decoration				
9	Uyombo Girls' secondary school	Construction of an administrative block	31/12/20	1,500,000		
10	Mnarani secondary school	Construction of an administrative block	31/12/20	1,500,000		
No.	Name of project	Project activity	Expected completion Date	Project cost (Ksh)		
11	Kilifi North Technical Training and Vocational College	Construction of technical training and vocational college (Co-fundin	31/12/20	10,000,000		

**Kilifi North Constituency  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Mabiri kani Chief's			
2	g) No. staircases (544,851), part payment for the ramp (340,955), ground floor walling (1,941,800), ground floor windows (1,808,400), ground floor doors (1,439,474), finishes (floor and ceiling 3,924,520)			
	Construction of chiefs			
	31/12/20			
	1,000,000			

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National Government Constituencies Development Fund (NGCDF)  
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Reference No. on the external audit Report	Issue / Observations from Auditor		Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	office	office			
3	Mabiri Chief's office	chiefs office toilet	31/1 2/20	500,000	
1	Dabas o chiefs office	chiefs office	31/1 2/20	1,000,000	
5	Dabas o chiefs office	chiefs office toilet	31/1 2/20	500,000	
6	Kilifi North Sub-County Deputy County Commissioner's office	Construction of an administrative block	31/1 2/20	2,094,397	
<b>Total</b>				<b>39,092,497</b>	
<p>From the above table, sixteen (16) projects with a budget of Ksh. 39,092,497 were supposed to be completed in the year 2019/2020 but as at the time of audit in the month of February 2021 were still ongoing. Delay in completion of the projects negatively affects delivery of goods and services to the</p>					

**Kilifi North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for the year ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	residents of Kilifi North Constituency and the intended purpose of the projects may not be realized.			
	<p><b>1.3.2 Projects not started</b></p> <p>During the year under review, the management had not started one (1) project with a budget of Ksh. 1,200,000. Although the project was to be completed by 30 June 2020, as at the time of audit in February 2021, the project had not started. Therefore, due to the delay in implementation of the project, expected completion timeline may not be met. As such, the residents of Kilifi North Constituency may not get value for money from the same.</p>	<p>At the time of audit the project had not yet received an approval from the Board. However, the approval was received and processes for its implementation are underway. The approval has been provided</p>	Resolved	Nil
	<p><b>Other Grants and Transfers</b></p> <p><b>1.1 Sports</b></p> <p><b>1.1.1 Irregular Cash Awards</b></p> <p>The statement of financial performance for the year ended 30 June, 2020 reflects other grants and transfers of Ksh 42,328,797. This balance includes an amount of Kshs. 1,085,300 in respect of sports projects, out of which an amount of Ksh. 238,000 was paid as cash prizes to winners of the annual Kilifi Dhow race held on 31<sup>st</sup> December 2019 contrary to National Government Constituencies Development Fund Act 2019 section 25(1) which states that 'A project or any part thereof which involves personal awards to any person in cash or in kind, shall be excluded from the list of projects submitted</p>	<p>The management has noted the anomaly and will ensure it does not recur.</p>	Pending	3 months

**Kilifi North Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for the year ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	in accordance with section 12 of the Act.  Consequently, management was in breach of the law.			
	<p><b>1.2 Emergency Projects</b> The statement of financial performance for the year ended 30 June 2020 reflects other grants and transfers of Ksh. 42,328,797. However, this balance includes an amount of Ksh. 1,101,540 in respect to emergency projects which were used to pay various suppliers of lockers and chairs in secondary schools, contrary to National Government Constituencies Development Fund Act, 2015 section 8 (3) which states that 'Emergency' shall be construed to mean an 'urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of constituents'. The payment in purchase of lockers and chairs was not unforeseen and therefore did not qualify to be treated as an emergency. Consequently, management was in breach of the law.</p>	<p>The pending bills came about when the contract sums exceeded the amount of funds that were available in the respective votes. Following the Presidential directive that there should be 100% transition from primary to secondary schools, the schools were overcrowded and there was lack of seats which was interfering with learning. The NGCDFC considered the issue urgent as the schools lacked the desks and the need could not be delayed until the following financial year thus the expenditure.</p>	Pending	3 months
	<p><b>2.0 Use of goods</b> The statement of financial performance for the year ended 30 June 2020 reflects use of goods and services of Kshs. 6,754,096. This balance includes an amount of Kshs. 1,126,852 in respect of training expenses. However, there was no training plan and training needs assessment, contrary to Human Resource Policies and Procedures Manual for</p>	<p>In every financial year there are new projects that are proposed which do require new Projects Management Committees. Before implementation of the projects these PMCs must be trained on Procurement and NGCDF. This training is done by NGCDFC members every year after them being trained on the</p>	Pending	3 months

**Kilifi North Constituency  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Public Service 2015, section H.3 (1) which states that Training Needs Assessment is a performance audit that generates and provides information to assess the adequacy of knowledge and skills which inhibits an organization from attaining its objectives. Training in the Public Service shall be based on Training Needs Assessment which shall be conducted after every three (3) years in each state department. Consequently, management was in breach of the law.</p>	<p>same topics. The committee applies the needs assessment carried out by the Board. The NGCDF Committee is responsible for training of staff and Projects Management Committees as per Regulations 8(2e) of the National Government Constituencies Development Fund Regulations 2016. The needs assessment document done by the Board in financial year 2018/2019 has been provided</p>		
	<p><b>3.0 Transfers to Other Government Entities</b> The statement of financial performance for the year ended 30 June 2020 reflects transfers to other Government entities of Kshs. 82, 843,254. This balance includes an amount of Kshs. 67, 548,100 in respect of transfers to secondary schools, out of which amount of Ksh. 38,778,938 was spent on construction of classrooms in three (3) secondary schools. However, the Project Management Committees used restricted tendering method when awarding contracts instead of open tender method, contrary to Public Procurement and Asset Disposal Act, 2015, section 102 (c) which states that 'An accounting officer of a procuring entity may use restricted tendering if there is evidence to the effect that there are only a few known suppliers of the whole market of the goods, works or services. Consequently, management was in breach of the law.</p>	<p>The procurement for the project was not done using restricted tender since bidders were not invited from the prequalified list of contractors being maintained for that financial year. The projects were advertised locally as they were reserved for local contractors. The adverts were placed in conspicuous places within the constituency including notice boards in all the three schools, fund notice boards at Watamu office and Kilifi office. The advertisement are provided</p>	<p>Pending</p>	<p>6 months</p>