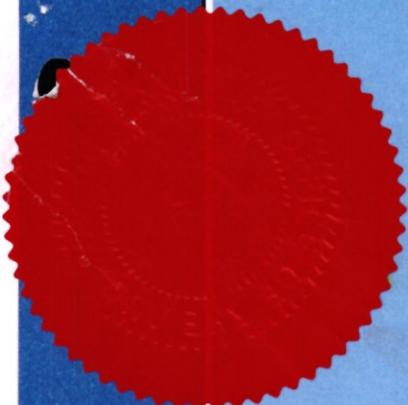


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 AUG 2024	DAY: THUR
TABLED BY: L.O.M.	HON. KIMANI KICHUNG'U
CLERK-AT-THE-TABLE:	WILLIS EBIERO

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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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I. Acronyms and Abbreviations

Provide a list of all applicable acronyms and abbreviation e.g.

NGCDFB- National Government Constituency Development Fund Board
NGCDF- National Government Constituency Development Fund
NGCDFC- National Government Constituency Development Fund Committee
PFM- Public Finance Management
IPSAS- International Public Sector Accounting Standards.
PMC- Projects Management Committees
FY- Financial Year
AMRC- Audit and Risk Management Committee
OSHA- Occupational Safety and Health Act

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee 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 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Gladys Ngala
2.	Sub-County Accountant	Margaret Mwanyiro
3.	Chairperson NGCDFC	Jenter Kahindi
4.	Member NGCDFC	Safari Paul

(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) 740953530
E-mail: cdkilifinorth@ngcdf.go.ke
Website: www.kilifi_north.ngcdf.go.ke

(g) Kilifi North Constituency NGCDF Bankers

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

III. NG-CDFC Chairperson's Report



JENTER KAHINDI, THE CHAIRPERSON

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 2022/2023 Kilifi North NGCDF has been a great disappointment in that utilisation of available resources dropped from 90.2% in 2021/2022 to around 30.8% in the current financial year. Funds for implementation of projects were first received in the third quarter making it difficult to implement projects making most of the projects to be on going at the close of the financial year.

Unfortunately, at the close of the financial year the Constituency had not yet received Kshs. 77,079,640 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.

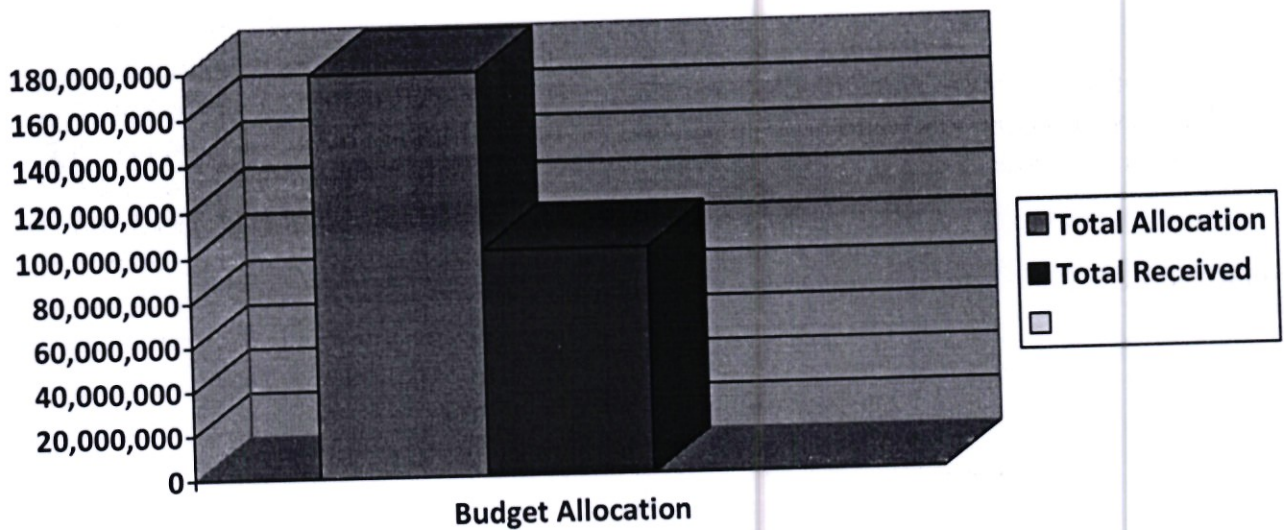
Kilifi North has in the years allocated more than half of its allocation to education and has been able to issue.

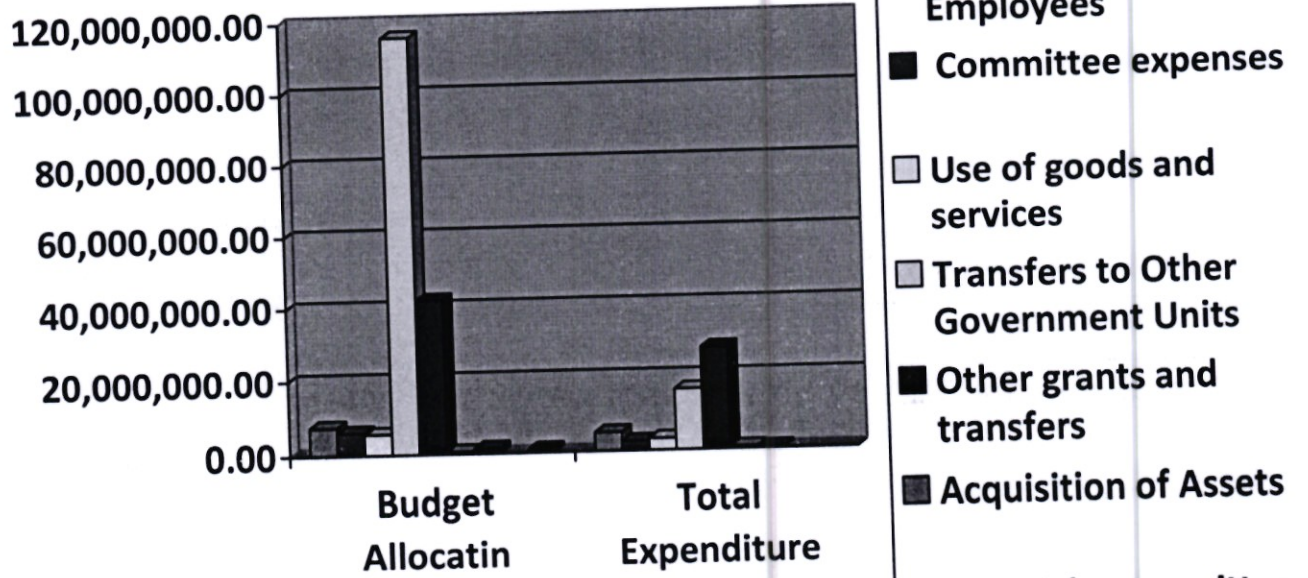
The following are some of its achievements:

- Bursary totalling to Kshs. 23,600,000 to 3089 students as at 30th June 2023.

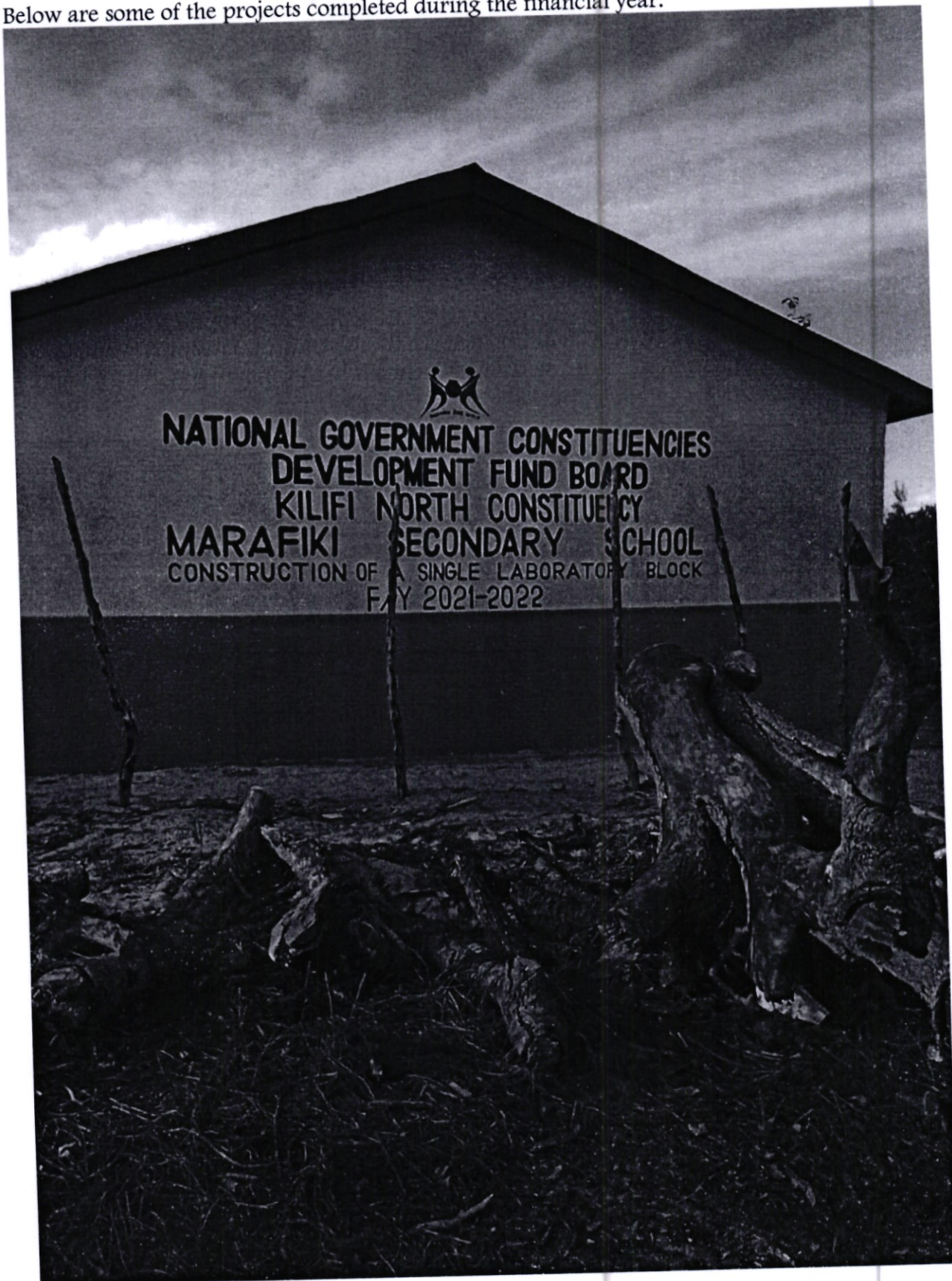
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- Construction of an office block to completion for Kilifi North Deputy County Commissioner , Matsangoni Divisional Headquarters and Dabaso Assistant chief's offices
- Supply of furniture to the Kilifi North Deputy County Commissioner and Matsangoni Divisional Headquarters offices
- Construction of a toilet block at Dabaso Assistant chief's office
- A total of nine classrooms were constructed to completion in four secondary schools
- A total of three 6 door toilets were constructed to completion in three secondary schools
- A total of three laboratories were constructed to completion in three secondary schools
- 690 lockers were supplied to five secondary schools
- 180 laboratory stools were supplied to two secondary schools
- Supply of six 10,000 litres water tank to three secondary schools, two primary schools and one Administration office.

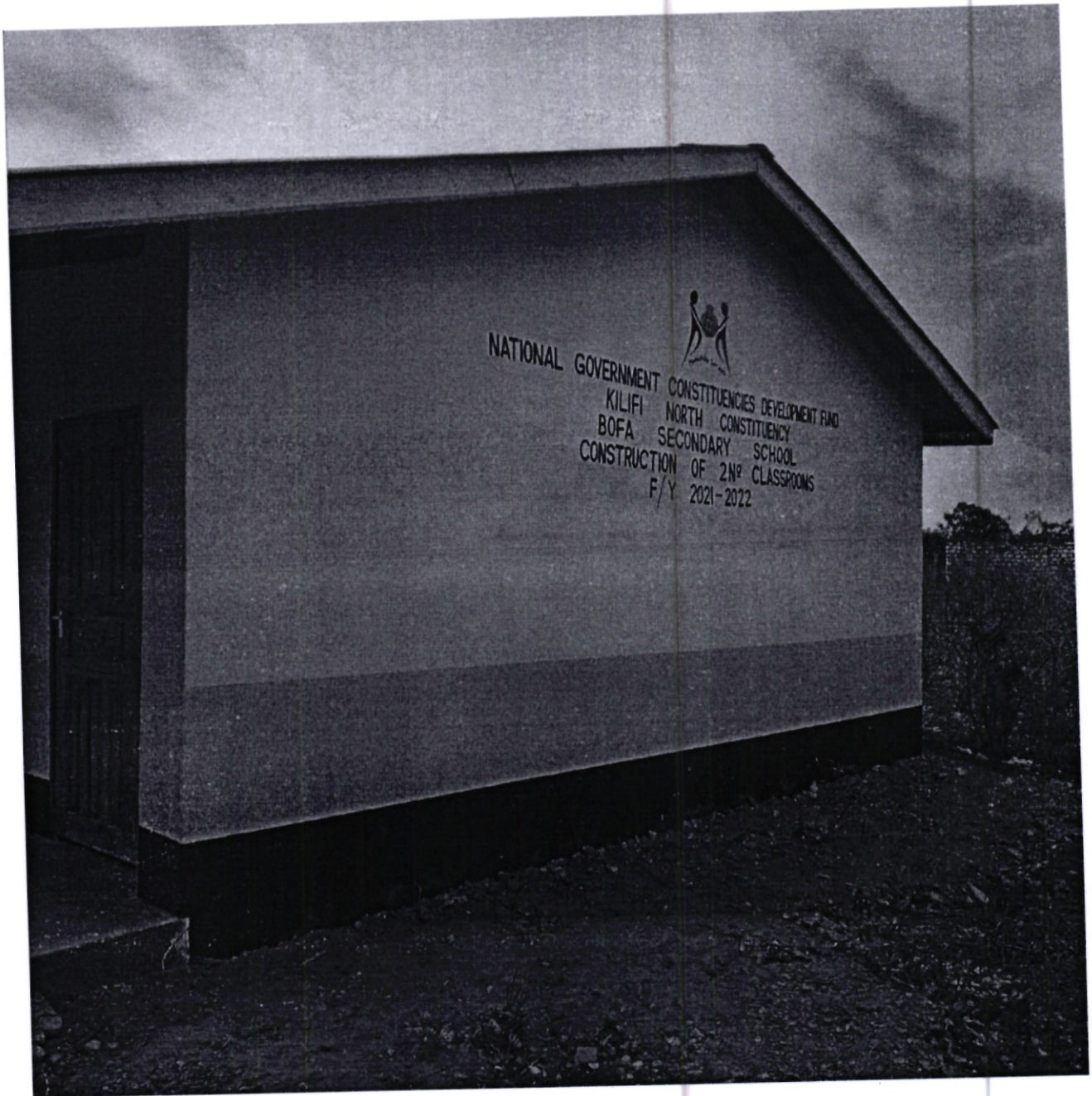




Below are some of the projects completed during the financial year:



A laboratory constructed at Marafiki Secondary School



A block of two classrooms constructed at Bofa Secondary school

Challenges

Among others Kilifi North has faced the following challenges:

- Due to the electioneering period composition of the committee took quite sometime
- Delays in release of funds from the Board
- 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.



.....
Name: JENTER KAHINDI
CHAIRPERSON NGCDF COMMITTEE

IV. Statement of Performance against Predetermined Objectives for FY2022/23

Introduction

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

The key development objectives of 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"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels - number of community meetings held 	<p>In FY 22/23</p> <ul style="list-style-type: none"> - 3089 students and more benefitted from the bursary fund at all levels as per attached schedule

Youth, Women and Girls	Improve Socio-Economic Empowerment of youth, Women and girls		<ul style="list-style-type: none"> - Number of youth and women awarded with tenders - Number of Innovation hubs established 	-women and youth companies were awarded tenders during the year.
Infrastructure and Security	Increase rural electrification, road network and improve security		<ul style="list-style-type: none"> - Number of chiefs offices constructed and administration blocks 	-One Assistant chiefs offices ongoing, -One Administration office furnished with office desks, waiting chain link chairs and conference table
Collaboration, Partnerships and Legislative agenda	Strengthen and expand strategic partnerships and resource mobilisation		<ul style="list-style-type: none"> - Amount equivalent of contribution by partners over the years - Number of partnerships formalised 	Ksh. 12.5 M had in the earlier financial year been allocated to St. Thomas Girls a co-funded projects with the school through the Ministry of Education
Environment			<ul style="list-style-type: none"> - Number of water harvesting projects done 	-Five (5) 10,000 litres water tanks ongoing for 5 schools
Emergency			<ul style="list-style-type: none"> - Number of emergency cases addressed 	-Two schools; one burnt and another with sunken toilets ongoing

V. Statement of Governance

In accordance to the NGCDF Act 2015 section Section 43 of the NGCDF Act 2015 establishes a National Government Constituency Development Fund Committee for every constituency which comprises of—

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

The names of the persons selected shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.

Composition of the selection panel was instituted vide letters from the Constituency Office Manager and the Deputy County Commissioner both dated 3rd and 4th October 2022 respectively. The Deputy County Commissioner nominated Mr. Reuben Maroon the ACC Bahari to be the chair of the selection Committee. An advertisement calling for the members was released on 5th October, 2022 and was attached to notice boards in the Constituency where those interested were allowed to submit their applications by 19th October 2022 at 5.00 pm.

The selection panel had their first sitting on 5th October 2022 where they came up with the advertisement and developed the criteria which they were to use to evaluate applicants.

The panel had its second sitting on 21st October 2022 to open and vet the applicants where the process was concluded on 24th October 2022 and a report sent to the NGCDF Board for ratification and onward to submission to the National Assembly for approval.

The following new members were publicized in the gazette in December 2022 and a handing over exercise was done on 23rd December 2022 for them to assume office.

S/No	Name	Category	Position	Contact
1.	Bidii Renson Kombe	Male Adult	Member	0714940959
2.	JenterKacheKahindi	Female Adult	Chairperson	0711888944
3.	Osma Mohamed Salihi	Male Youth	Member	0712005144
4.	Asha Ali Mohamed	Female Youth	Member	0740142240
5.	Gilbert Karisa Mlonzi	Male Constituency Nominee	Member	0721915753
6.	Linnnet Jumwa Mkutano	Female Constituency Nominee	Member	0726332447
7.	Daniel Fondo Kalama	PWD	Member	0792436126

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In addition to the seven members a co-opted members was also appointed by the NGCDF Board as per the law.

1.	Safari Paul Katana	Co-opted	Member	0724999869
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These are some of the committee roles in the fund:

- i. Build the capacity of project management committees and Committee. sensitize the Community on the operations of the Fund;
- ii. consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- iii. ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- iv. ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- v. in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- vi. consult with relevant government departments to ensure that cost estimates for projects are realistic;
- vii. in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- viii. subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- ix. rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- x. ensure that all projects receive adequate funding and are completed within three years;

Members are to meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings are only paid allowances from the Administration and recurrent vote.

Kilifi North NGCDFC has had a total of 16 meetings in the financial year.

A vacant occurs by general elections or a by election, resignation, incapacitation or demise of a member the NGCDFC.

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

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

There has been training or induction of the committees by the NGCDF Board in the first financial year and subsequently the NGCDFC does on its own to further its knowledge through trainings and tours to other constituencies. During the financial year the NGCDFC was inducted by the Board on the following topics

- i. Overview of NG-CDF Act 2015
- ii. Project planning, identification and implementation
- iii. Public Procurement and Asset Disposal Act 2015

- iv. Disability Mainstreaming
- v. Gender Mainstreaming
- vi. Corruption Eradication/ Governance
- vii. Anti-Corruption and Economics Act
- viii. Public Finance Management Act
- ix. Disaster management
- x. Road safety
- xi. HIV/AIDS prevention
- xii. Alcohol & Drug abuse prevention
- xiii. Records management

It is the exercise of Kilifi North that all the members and staff declare conflict of interest in every meeting attended and also fill declaration forms at the beginning of an appointment to service to commit themselves to service.

VI. Environmental and 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 -

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. To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

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

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

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

3. Employee welfare

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

4. 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:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

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

*Kilifi North Constituency
National Government Constituencies Development Fund (NGCDF)
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.....
Name NELSON ALFAYO
Fund Account Manager.

VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

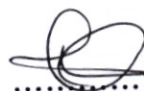
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for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kilifi North Constituency financial statements were approved and signed by the Accounting Officer on 25th MARCH 2024.


.....
Name: JENTER KAHINDI
Chairperson– NGCDF Committee


.....
Name: NELSON ALFAYO
Fund Account Manager

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kilifi North Constituency set out on pages 1 to 50,

Report of the Auditor-General on National Government Constituencies Development Fund - Kilifi North Constituency for the year ended 30 June, 2023

which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kilifi North Constituency as at 30 June, 2023, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended in 2022).

Basis for Qualified Opinion

1. Unsupported Payments on Renovation Works

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects payments in respect of transfers to other Government units totalling Kshs.16,183,054. Out of the amount, payments totalling to Kshs.8,578,000 were in respect of transfers to Primary Schools' Project Management Committees (PMCs) and payments totalling to Kshs.7,605,054 in respect of transfers to Secondary Schools' PMCs. Included in the transfers to Primary Schools' PMC was Kshs.1,000,000 transferred to Kiriba Primary School for the renovation of three (3) classrooms. The contract was awarded to a local contractor on 21 February, 2022 at a contract sum of Kshs.1,699,191 and signed on 18 May, 2023. However, physical inspection of the project undertaken on 6 March, 2024 revealed that the rain gutters valued at Kshs.126,300 were only partially done on the front side and that the two (2) coats of paint work for internal and external walls valued at Kshs.240,000 had not been done.

Further, the payments to Primary Schools' PMCs included Kshs.1,000,000 transferred to Mkombe Primary School for the renovation of four (4) classrooms at a contract sum of Kshs.1,488,141. The contract was awarded to a local contractor. However, physical inspection undertaken on 6 March, 2024 revealed that electrical works worth Kshs.12,400 and supply and fixing of ventilation block window works worth Kshs.37,200 were not completed. In addition, an amount of Kshs.500,000 was transferred to Mkombe Primary School for construction of six (6) door toilet block at a contract sum of Kshs.1,496,875 by the same contractor. However, physical inspection revealed that one block with disability fittings worth Kshs.21,000 had not been done. Further, payments of Kshs.75,000 made in respect of project management was not supported.

In the circumstances, the accuracy, completeness and regularity of payments in respect of transfers to other Government units of Kshs.16,183,054 could not be confirmed.

2. Unsupported Bursary Payments

The statement of receipts and payments as disclosed in Note 8 to the financial statements reflects other grants and transfers totalling Kshs.27,522,000. Included in the transfers are payments totalling Kshs.23,600,000 in respect of bursary for students in Secondary Schools and Tertiary Institutions. However, bursary application list detailing the number of applicants and status of their applications and vetting and awarding criteria were not provided.

In addition, review of bursary records revealed that bursary payments totalling Kshs.5,021,000 disbursed to various institutions had not been acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy and completeness of payments on other grants and transfers totalling Kshs.27,522,000 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.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.179,081,714 and Kshs.102,002,028 respectively resulting to under-funding of Kshs.77,079,686 or 43% of the budget. Similarly, the Fund spent amount of Kshs.55,155,331 against actual receipts of Kshs.102,002,028 resulting to an under-utilization of Kshs.46,846,697 or 46% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public

Resources. Management indicated that the prior year audit issues were resolved. However, there was no evidence to support that the issues were resolved.

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. Substandard Works-Luxury School Bus

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects payments in respect of transfers to other Government units totalling Kshs.16,183,054. Out of the amount, payments totalling Kshs.8,578,000 were in respect of transfers to Primary Schools' Project Management Committees (PMCs) and payments totalling to Kshs.7,605,054 in respect of transfers to Secondary Schools' PMCs. Included in the transfers to Secondary Schools' was Kshs.7,105,054 transferred to St. Thomas Girls' Secondary School being advance payment for purchase of a luxury bus awarded to a local motor vehicle dealer at a contract sum of Kshs.13,860,000. The contract was signed on 15 June, 2023. The last installment payment of Kshs.6,754,946 was made in November, 2023. However, it was noted that curtains were not fitted on the windows and a stereo system with a television and charging systems were not installed. In addition, the paint work was already peeling off an indication of poor workmanship.

In the circumstances, the value for money incurred of Kshs.13,860,000 on purchase of luxury bus could not be confirmed.

2. Incomplete Security Project

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects payments in respect of other grants and other transfers totalling to Kshs.27,522,000. Included in the payments was Kshs.2,522,000 in respect of security projects out of which amount of Kshs.500,000 was for completion of Mayungu police post. The construction contract was awarded to a local contractor on 17 October, 2019 at a contract sum of Kshs.3,497,168. However, electrical works, painting works and plumbing works had not been completed at the time of audit in March, 2024 more than four (4) years after the award of contract.

In the circumstances, the value for money incurred of Kshs.3,497,168 could not be confirmed.

3. Incomplete Projects

Review of projects implementation status revealed that twenty-two (22) projects valued at Kshs.59,921,685 had not been implemented due to delays in receipt of funds from the Board.

In the circumstances, the value for money on delayed projects could not be confirmed.

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Updated Fixed Assets Register

Annex 4 to the financial statements on summary of fixed assets register reflects a balance of Kshs.16,930,746. However, the fixed assets register provided was not updated with the required information such as the assets identification or serial numbers (asset tag numbers), acquisition dates, accumulated depreciation and net book value.

In the circumstances, the effectiveness on internal controls on assets management could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act,

2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 May, 2024

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

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


	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	95,000,000	176,298,541
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	180,388	83,400
Total Receipts		95,180,388	176,381,941
Payments			
Compensation Of Employees	4	4,902,557	3,440,503
Committee expenses	5	2,524,220	-
Use Of Goods and Services	6	3,093,032	8,220,249
Transfers To Other Government Units	7	16,183,054	102,677,277
Other Grants and Transfers	8	27,522,000	71,034,148
Acquisition Of Assets	9	530,468	-
Oversight Committee Expenses	10	400,000	-
Other Payments	11	-	-
Total Payments		55,155,331	185,372,177
Surplus/ (Deficit)		40,025,057	(8,990,236)

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


The Constituency financial statements were approved by the NGCDFC on 25th March 2024 and signed by:


 Fund Account Manager

Name: NELSON ALFAYO


 National Sub-County Accountant

Name: MARGARET MWANYIRO
 ICPAK M/No: 5986


 Chairperson NG-CDF Committee

Name: JENTER KAHINDI

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

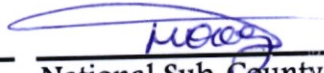
X. Statement of Assets and Liabilities as At 30th June, 2023

	Note	Insert Current FY Kshs	Insert Previous FY Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	46,846,897	6,821,640
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		46,846,897	6,821,640
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		46,846,897	6,821,640
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		46,846,897	6,821,640
Represented By			
Fund Balance B/Fwd.	15	6,821,640	15,811,876
Prior Year Adjustments	16	200	-
Surplus/Deficit for The Year		40,025,057	(8,990,236)
Net Financial Position		46,846,897	6,821,640

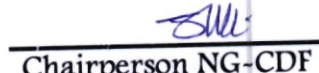
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
 The Constituency financial statements were approved by NG CDFC on 25th MARCH 2024 and signed by:


 Fund Account Manager

Name: NELSON ALFAYO


 National Sub-County Accountant

Name: MARGARET MWANYIRO
 ICPAK M/No: 5986


 Chairperson NG-CDF Committee

Name: JENTER KAHINDI

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

XI. Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	Insert Current FY	Insert Previous FY
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	95,000,000	176,298,541
Other Receipts	3	180,388	83,400
Total Receipts		95,180,388	176,381,941
Payments for operating activities			
Compensation Of Employees	4	4,902,557	3,440,503
Committee Expenses	5	2,524,220	3,446,110
Use Of Goods and Services	6	3,093,032	4,774,139
Transfers To Other Government Units	7	16,183,054	102,677,277
Other Grants and Transfers	8	27,522,000	71,034,148
Oversight Committee Expenses	10	400,000	-
Other Payments	11	-	-
Total Payments		54,624,863	185,372,177
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Prior Year Adjustments	16	200	-
Net adjustments		200	-
Net Cash Flow from Operating Activities		40,555,725	(8,990,236)
Cash flow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(530,468)	-
Net Cash Flows from Investing Activities		(530,468)	-
Net Increase In Cash And Cash Equivalent		40,025,257	(8,990,236)
Cash & Cash Equivalent At Start Of The Year	12	6,821,640	15,811,876
Cash & Cash Equivalent At End Of The Year		46,846,897	6,821,640

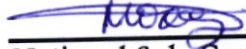
Kilifi North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The Constituency financial statements were approved by NG CDFC on 25th MARCH 2024 and signed by:



Fund Account Manager

Name: NELSON ALFAYO



National Sub-County
Accountant

Name: MARGARET
MWANYIRO
ICPAK M/No: 5986



Chairperson NG-CDF
Committee

Name: JENTER KAHINDI

Kilifi North Constituency
National Government Constituencies Development Fund (NGCDF)
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XII. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
Receipts	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NG-CDF Board	158,832,745	6,821,640	13,246,941	178,901,326	101,821,640	77,079,686	
Proceeds from Sale of Assets				-	-	-	0.0%
Other Receipts		180,388.00		180,388	180,388	-	100.0%
TOTAL RECEIPTS	158,832,745	7,002,028	13,246,941	179,081,714	102,002,028	77,079,686	57.0%
PAYMENTS							
Compensation of Employees	5,247,319	2,159,707	18,600	7,425,626	4,902,557	2,523,069	66.0%
Committee expenses	4,592,982	1,251,186	153,340	5,997,508	2,524,220	3,473,288	42.1%
Use of goods and services	3,154,645	2,263,305	66,939	5,484,889	3,093,032	2,391,857	56.4%
Transfers to Other Government Units	104,537,799	-	-	104,537,799	16,183,054	99,512,807	15.5%
Other grants and transfers	40,000,000	10,000	1,850,000	41,860,000	27,522,000	14,338,000	65.7%
Acquisition of Assets	-	532,042	-	532,042	530,468	1,574	99.7%
Oversight committee expenses	1,300,000	-	-	1,300,000	400,000	900,000	30.8%
Other Payments	-	-	-	-	-	-	
Funds pending approval	-	785,788	11,158,052	11,943,840	-	11,943,840**	0.0%
TOTAL	158,832,745	7,002,028	13,246,941	179,081,714	55,155,331	123,926,383	30.7%

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

Explanatory Notes.

- (a) [Kshs 785,788 ** was an amount from PMC complete and returned funds (Kshs.150, 788), Kshs 635,000 generated as AIA from sale of tender documents during the current and previous years.
- (b) There was an underutilisation of all the votes due to delay in receipt of funds. Almost all the funds were received in the third quarter thus out of Kshs 95,000,000 received, Kshs. 37,000,000 came in June 2023.
- (c) A large share of the funds were not yet received I.e. Kshs. 77,079,686 at the close of the financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	123,926,383
Less undisbursed funds receivable from the Board as at 30th June 2023	77,079,686
	46,846,697
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	200
Cash and Cash Equivalents at the end of the FY 2022/2023	46,846,897

The Constituency financial statements were approved by NG CDFC on 25th March 2024 and signed by:



 Fund Account Manager

Name: NELSON ALFAYO



 National Sub-County Accountant

Name: MARGARET MWANYIRO
 ICPAK M/No: 5986



 Chairperson NG-CDF Committee

Name: JENTER KAHINDI

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

XIII. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	5,247,319	2,159,707.00	18,600	7,425,626	4,902,557	2,523,069	
1.2 Committee allowances	1,128,000	1,251,186.00	153,340	2,532,526	1,743,500	789,026	
1.3 Use of goods and services	3,154,645	1,568,695.00	66,939	4,790,279	2,211,582	2,578,697	
Total	9,529,964	4,979,588	238,879	14,748,431	8,857,639	5,890,792	
2.0 Monitoring and evaluation							
2.1 Capacity building	746,782	356,630.00		1,103,412	702,000	401,412	
2.2 Committee allowances	2,718,200	-		2,718,200	780,720	1,937,480	
2.3 Use of goods and services	-	337,980.00		337,980	179,450	158,530	
Total	3,464,982	694,610	-	4,159,592	1,662,170	2,497,422	
3.0 Emergency							
3.1 Primary Schools				-	-	-	
3.2 Secondary schools				-	-	-	
3.3 Tertiary institutions				-	-	-	
3.4 Security projects				-	-	-	
3.5 Unutilized	7,636,190			7,636,190		7,636,190	
Total	7,636,190	-	-	7,636,190	-	7,636,190	
4.0 Bursary and Social Security							

Kilifi North Constituency
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4.1 Secondary Schools	30,000,000	10,000.00		30,010,000	18,200,000	11,810,000
4.2 Tertiary Institutions	8,000,000			8,000,000	5,400,000	2,600,000
4.3 Social Security	-			-		-
4.4 Special Needs	2,000,000			2,000,000	-	2,000,000
Total	40,000,000	10,000	-	40,010,000	23,600,000	16,410,000
5.0 Sports				-		-
5.1 Constituency sports	1,500,000			1,500,000	-	1,500,000
Total	1,500,000	-	-	1,500,000	-	1,500,000
6.0 Environment						
6.1 Madevu Primary School	280,000			280,000	280,000	-
6.2 Uyombo primary School	280,000			280,000	280,000	-
6.3 Soyosoyo primary school (Watamu)	280,000			280,000	280,000	-
6.4 Msabaha primary school	280,000			280,000	280,000	-
6.5 Konjora Secondary school	280,000			280,000	280,000	-
				-		-
				-		-
				-		-
Total	1,400,000	-	-	1,400,000	1,400,000	-
7.0 Primary Schools Projects						
7.1 Kibaoni primary school	2,400,000			2,400,000		2,400,000
7.2 Old Ferry primary school	2,400,000			2,400,000		2,400,000
7.3 Chando primary school	2,400,000			2,400,000		2,400,000
7.4 Mkombe primary school	1,500,000			1,500,000	1,000,000	500,000
7.5 Mkombe primary school (Toilet)	1,500,000			1,500,000	500,000	1,000,000
7.6 Mbogolo primary school	4,800,000			4,800,000		4,800,000

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7.7 Mbogolo primary school	500,000			500,000		500,000
7.8 Kiriba primary school	1,700,000			1,700,000	1,000,000	700,000
7.9 Mkomani primary school	1,500,000			1,500,000	500,000	1,000,000
7.10 Madevu primary school	2,400,000			2,400,000		2,400,000
7.11 Madevu primary school (Desks)	250,000			250,000		250,000
7.12 Kadzinuni primary school	1,500,000			1,500,000	500,000	1,000,000
7.13 Sidzeni primary school	2,400,000			2,400,000		2,400,000
7.14 Kiringi primary school	2,400,000			2,400,000		2,400,000
7.15 Kiringi primary school (Desks)	250,000			250,000		250,000
7.16 Mwambani primary school	2,400,000			2,400,000		2,400,000
7.17 Uyombo Maweni primary school	2,400,000			2,400,000		2,400,000
7.18 Uyombo Maweni primary school	250,000			250,000		250,000
7.19 Dongo Kundu primary school	2,400,000			2,400,000		2,400,000
7.20 Dongo Kundu primary school (Desks)	250,000			250,000		250,000
7.21 Mkangagani primary school	3,200,000			3,200,000	2,539,000	661,000
7.22 Msabaha primary school	4,319,000			4,319,000	2,539,000	1,780,000
Total	43,119,000	-	-	43,119,000	8,578,000	34,541,000
8.0 Secondary Schools Projects						
8.1 Gede Mixed secondary school	12,991,685			12,991,685		12,991,685
8.2 Gede Mixed secondary school (Toilet)	-		1,000,000	1,000,000		1,000,000
8.3 St. Thomas Girls' sec school	13,863,924			13,863,924	7,105,054	6,758,870
8.4 Bofa secondary school	1,500,000			1,500,000	500,000	1,000,000
8.5 Korosho Secondary school	2,400,000			2,400,000		2,400,000
8.6 Korosho Secondary school (Lockers)	930,000			930,000		930,000
8.7 Konjora sec school	2,400,000			2,400,000		2,400,000
8.8 Konjora sec school (Lockers)	775,000			775,000		775,000
8.9 Majaoni secondary school	6,000,000			6,000,000		6,000,000

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8.10 Mkwangani secondary school	4,800,000			4,800,000		4,800,000
Total	45,660,609	-	1,000,000	46,660,609	7,605,054	39,055,555
9.0 Tertiary institutions Projects						
Total	-	-	-	-	-	-
10.0 Security Projects						
10.1 Jimba Chief's office	1,500,000			1,500,000		1,500,000
10.2 Kilifi North DCC's office	1,522,000			1,522,000	1,522,000	-
10.3 Kilifi North DCC's office	-		850,000.00	850,000	-	850,000
10.4 Mayungu police post	-		500,000.00	500,000	500,000	-
10.5 Dabaso chiefs office	-		500,000.00	500,000	500,000	-
Total	3,022,000	-	1,850,000	4,872,000	2,522,000	2,350,000
11.0 Acquisition of assets						
11.1 NGCDF Office repair	-	532,042.00		532,042	530,468	1,574
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	-	-
Total	-	532,042	-	532,042	530,468	1,574
12.0 Oversight Committee Expenses (itemize)						
12.1 Oversight Committee allowances	500,000.00			500,000.00	108,000	392,000.00
12.2 Oversight Committee Daily subsistence allowances	350,000.00			350,000.00		350,000.00
12.3 Other operating expenses	380,000.00			380,000.00	292,000	88,000.00
12.4 Travel Allowance on training	70,000.00			70,000.00		70,000.00
Total	1,300,000	-	-	1,300,000	400,000	900,000
13.0 Other payments						

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13.1 Kilifi North NGCDF Strategic plan	2,200,000			2,200,000.00		2,200,000.00
				-		
Total	2,200,000	-	-	2,200,000	-	2,200,000
14.0 Unallocated fund						
14.1 AIA	-	635,000.00		635,000		635,000
14.2 PMC savings	-	150,788.00		150,788		150,788
14.3 Fund pending approval	-	-	10,158,062	10,158,062		10,158,062
Total	-	785,788	10,158,062	10,943,850	-	10,943,850
	158,832,745	7,002,028	13,246,941	179,081,714	55,155,331	123,926,383

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

XIV. Significant Accounting Policies

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

1. Statement of compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-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.

Significant Accounting Policies continued

Transfers from the National Government Constituency Development Fund (NG-CDF)
Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board Normal Allocation		
AIE NO. B 140808		6,209,662.00
AIE NO. B 140941		33,000,000.00
AIE NO. B 105465		44,000,000.00
AIE NO. B 105810		24,000,000.00
AIE NO. B 128551		5,000,000.00
AIE NO. B 128863		12,000,000.00
AIE NO. B 154059		15,000,000.00
AIE NO. B 164500	-	20,000,000.00
AIE NO. B 155902	-	17,088,879.00
AIE NO. B185108	7,000,000.00	
AIE NO. B185642	15,000,000.00	
AIE NO. B185520	6,000,000.00	
AIE NO. B206142	5,000,000.00	
AIE NO. B206407	12,000,000.00	
AIE NO. B205780	12,000,000.00	
AIE NO. B205651	1,000,000.00	
AIE NO. B207541	20,000,000.00	
AIE NO. B207803	17,000,000.00	
TOTAL	95,000,000.00	176,298,541

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-

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Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

Description	2022-2023 Kshs	2021-2022 Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	30,000.00	83,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	150,388.00	400
Other Receipts Not Classified Elsewhere		
TOTAL	180,388.00	83,400

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Notes to the Financial Statements (Continued)

4. Compensation of Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,943,940.00	3,019,250
Casual wages	40,000.00	-
Personal allowances paid as part of salary		
House allowance	205,270.00	-
Transport allowance	157,000.00	-
NHIF	91,800.00	-
Gratuity to contractual employees	1,403,667.00	402,653
Employer Contributions Compulsory national social security schemes	60,880.00	18,600
TOTAL	4,902,557.00	3,440,503

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,743,500	1,916,815
Other committee expenses	780,720	1,529,295
Total	2,524,220	3,446,110

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6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	7,000	51,875
Communication, supplies and services	56,520	53,970
Domestic travel and subsistence	179,450	0
Printing, advertising and information supplies & services	-	101,050
Rentals of produced assets	-	-
Training expenses	702,000	1,902,830
Hospitality supplies and services	274,100	11,150
Insurance costs	-	136,019
Specialized materials and services	-	-
Office and general supplies and services	851,290	870,112
Fuel , oil & lubricants	969,472	624,353
Other operating expenses	-	-
Bank charges	19,800	25,560
Routine maintenance - vehicles and other transport equipment	33,400	997,220
Routine maintenance- other assets	-	-
TOTAL	3,093,032	4,774,139

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Notes to the Financial Statements (Continued)

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	8,578,000	47,243,725
Transfers To Secondary Schools (See Attached List)	7,605,054	45,433,552
Transfers To Tertiary Institutions (See Attached List)	-	10,000,000
Total	16,183,054	102,677,277

8. Other Grants and Other transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	18,200,000	34,877,000
Bursary -Tertiary (see attached list)	5,400,000	13,620,476
Bursary- Special Schools	-	1,750,000
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	2,522,000	6,994,466
Sports Projects (see attached list)	-	1,500,000
Environment Projects (see attached list)	1,400,000	2,899,999
Emergency Projects (see attached list)	-	9,392,207
Roads Projects	-	-
TOTAL	27,522,000	71,034,148

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Notes to the Financial Statements (Continued)

9. Acquisition of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	530,468	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	530,468	-

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Committee allowances	108,000	-
Other committee expenses	292,000	-
	400,000	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, A/C no. 1060279716245, Branch: Kilifi. (main account)</i>	46,846,897	6,821,640
<i>Equity Bank, A/C no. Branch. (deposit account)</i>	-	-
Total	46,846,897	6,821,640

12 B: Cash on Hand	2022-2023	2021-2022
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

13. Outstanding Imprests

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

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Notes to the Financial Statement Continued
14. Retention and Gratuity

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

14 B. Gratuity	2022-2023	2021-2022
	Kshs	Kshs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	1,403,667	-
Gratuity paid during the Year (C)	1,403,667	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1 st July 2022-2023)	(1 st July 2021-2022)
	Kshs	Kshs
Bank accounts	6,821,640	15,811,876
Cash in hand	-	-
Imprest	-	-
Total	6,821,640	15,811,876
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	6,821,640	15,811,876

16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements 2021-2022	Adjustments	Adjusted Balance** BF 2021-2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances (CB error)	-	10,200	10,200
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>Recalled lapsed cheque</i>)	-	(10,000)	(10,000)
Total	-	200	200

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

17. Changes in Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	Kshs	Kshs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	3,572,620	3,902,695
Imprest surrendered during the Year (C)	3,572,620	3,902,695
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes in Accounts Payable – Deposits and Retentions

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

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Notes to the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	-	744,024
Others (<i>specify</i>)	-	-
Total	-	744,024

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,419,993	2,853,433
Committee expenses	2,857,687	11,512
Use of goods and services	3,099,734	2,196,146
Amounts due to other Government entities (see attached list)	73,596,555	1,508,951
Amounts due to other grants and other transfers (see attached list)	27,907,190	1,873,091
Acquisition of assets	1,574	-
Oversight Committee Expenses	900,000	-
Other Payments (<i>specify</i>)	2,200,000	1,467,386
Funds pending approval	10,943,850	10,158,062
Total	123,926,583	20,068,581

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	13,654,152	20,980,342
Total	13,654,152	20,980,342

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022/2023	2021/2022	
Compensation of employees				
Compensation of employees		2,149,014	2,152,906	
Staff gratuity		252,379	663,327	
NSSF		18,600	37,200	
Sub- Total		2,419,993.00	2,853,433	
Use of goods & Services				
Committee expenses		2,857,687	11,512	
Use of goods & Services		3,099,734	2,196,146	
Sub- Total		5,957,421.00	2,207,658	
Amounts due to other Government Entities				
Kibaoni primary school		2,400,000		
Old Ferry pry school		2,400,000		
Chando pry school		2,400,000		
Mkombe pry school (Renovation)		500,000		
Mkombe pry school (Toilet)		1,000,000		
Mbogolo pry school		4,800,000		
Kilifi North Desks project		1,500,000		
Kiriba pry school (Renovations)		700,000		
Mkomani pry school (Toilet)		1,000,000		
Madevu pry school		2,400,000		
Kadzinuni pry school (Toilet)		1,000,000		
Sidzeni pry school		2,400,000		
Kiringi pry school		2,400,000		
Mwambani pry school		2,400,000		

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Uyombo Maweni pry school		2,400,000	
Dongo Kundu pry school		2,400,000	
Mkangagani pry school(Renovations)		661,000	
Msabaha pry school		1,780,000	
Gede mixed sec. school		12,991,685	
St. Thomas Girls' sec school		6,758,870	
Bofa sec. school		1,000,000	
Korosho sec school		2,400,000	
Kilifi North Chairs & lockers		1,705,000	
Konjora sec school		2,400,000	
Majaoni sec school		6,000,000	
Mkangagani sec school		4,800,000	
Mavueni primary school			10,693
Zowerani primary school			163,961
Soyosoyo primary school (Tezo)			34,389
Jacaranda Beach primary school			33,960
Gede Mixed Secondary school		1,000,000	1,000,000
Fumbini secondary school			16,848
Kadzinuni secondary school			124,550
Bofa secondary school			124,550
Sub- Total		73,596,555	1,508,951
Amounts due to other grants and other Transfers			
Bursary – Secondary schools		11,800,000	
CB Adjustment		21,000	
Bursary – Tertiary Institutions		2,600,000	
Bursary – Special schools		2,000,000	
Emergency Fund		7,636,190	
Constituency sports		1,500,000	

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Kilifi North Sub- County DCC's office		850,000	850,000	
Jimba Chief's office		1,500,000		
Mayungu Chief's camp			500,000	
Gede Resource Centre			500,000	
Dabaso Asst Chief's office			11,999	
Dabaso Asst Chief's office toilet			11,092	
Sub- Total		27,907,190	1,873,091	
Oversight committee expenses				
Oversight committee expenses		900,000	-	
Sub- Total		900,000	-	
Others (Specify)				
NGCDFC office repair		1,574	532,042	
Kilifi North NGCDF Strategic plan		2,200,000	-	
Sub- Total		2,201,574	532,042	
Funds pending approval				
Funds from PMC Accounts		150,788	330,344	
AIA from sale of tender documents - 2019		194,000	194,000	
AIA from sale of tender documents - 2020			127,000	
AIA from sale of tender documents - 2021		201,000	201,000	
AIA from sale of tender documents - 2022		83,000	83,000	
AIA from sale of tender documents - 2023		30,000	-	
Projects funds pending approval		10,158,062	10,158,062	
Sub- Total		10,943,850	11,111,406	
Grand Total		123,926,583	20,068,581	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/2023
Land	-	-	-	-
Buildings and structures	4,500,000	530,468	-	5,030,468
Transport equipment	7,026,866	-	-	7,026,866
Office equipment, furniture and fittings	4,480,957	-	-	4,480,957
ICT Equipment, Software and Other ICT Assets	392,455	-	-	392,455
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	16,400,278	530,468	-	16,930,746

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

PMC	Bank	Account No.	Bank Balance 2022/2023	Bank Balance 2021/2022
ST. THOMAS GIRLS' SEC SCHOOL	COOPERATIVE	1141779533800	131,037	1,827,310
NGERENYA SEC SCHOOL	COOPERATIVE	1141779534000	-	-
MNARANI SEC SCHOOL	COOPERATIVE	1141779749600	-	-
WATAMU SEC SCHOOL	COOPERATIVE	1141779758900	-	-
WATAMU SEC SCHOOL	COOPERATIVE	1141779533400	-	-
KIWANDANI SEC SCHOOL	COOPERATIVE	1141779748200	-	-
KILIFI NORTH SUB COUNTY DCC	COOPERATIVE	1141779756400	17,259	2,821,779
BAHATI PREPARATORY	COOPERATIVE	1109779490500	-	-
MABIRIKANI CHIEF'S OFFICE	COOPERATIVE	1141779749700	43,914	43,914
DABASO CHIEF'S OFFICE	COOPERATIVE	1141779749300	516,415	16,415
MIDA SEC SCHOOL	COOPERATIVE	1141779749900	-	-
GEDE PRY SCHOOL	COOPERATIVE	1141779607600	-	-
MTSANGANYIKO PRY SCHOOL	COOPERATIVE	1141779749500	-	-
ARABUKO PRY SCHOOL	COOPERATIVE	1141779275000	-	-
MAJAJANI SEC SCHOOL	COOPERATIVE	1141779749400	-	-
MAJAJANI PRY SCHOOL	COOPERATIVE	1109779494000	-	-
NGALA MEM. GIRLS SEC SCHOOL	COOPERATIVE	1141779533000	92,121	92,121

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DONGO KUNDU PRY SCHOOL	COOPERATIVE	1109779266600	-	-
RESERVE PRY SCHOOL	COOPERATIVE	1141779751100	-	1,200
SITA PRY SCHOOL	COOPERATIVE	1141779760400	-	-
SOYOSOYO PRY SCHOOL	COOPERATIVE	1141779750900	-	-
DABASO PRY SCHOOL	COOPERATIVE	1141779751500	-	-
UYOMBO MAWENI PRY SCHOOL	COOPERATIVE	1141779750600	53	19,552
JIMBA GEDE SEC SCHOOL	COOPERATIVE	1141779533300	-	9,886
MENYHEART SEC SCHOOL	COOPERATIVE	1141779751300	-	-
KILIFI NORTH CONSTITUENCY CASHEWNUT	COOPERATIVE	1141779598800	396,075	
JIMBA SEC SCHOOL	KCB	1162646152	43,183	-
MKWAJUNI SEC SCHOOL	EQUITY	1060280759111	-	-
SIDZENI PRY SCHOOL	EQUITY	1060280756719	-	-
MZIZIMA PRY SCHOOL	EQUITY	1060280997997	-	23,240
MADEVU PRY SCHOOL	EQUITY	1060281024053	-	661
MITANGONI PRY SCHOOL	EQUITY	1060280960394	-	23,800
ARABUKO PRY SCHOOL	EQUITY	1060280895448	-	1,160
JACARANDA BEACH PRY SCH	EQUITY	1060280986844	-	1,159
MTSANGANYIKO PRY SCHOOL	EQUITY	1060280714369	-	-
MTSANGANYIKO PRY SCHOOL	EQUITY	1060280951613	-	-
MTSANGANYIKO PRY SCHOOL	EQUITY	1060280639666	-	12,614
MRIMA WA KUKU PRY SCHOOL	EQUITY	1060280960713	-	9,830

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MSABAHA PRY SCHOOL	EQUITY	1060280762318	37,088	37,088
DERA TUMAINI PRY SCHOOL	EQUITY	1060280758364	-	315
MABUWANI PRY SCHOOL	EQUITY	1060280794161	-	2,000
MBARAKACHEMBE PRY SCHOOL	EQUITY	1060280760780	-	3,108
MBARAKACHEMBE SEC SCHOOL	EQUITY	1060280149430	-	-
MATSANGONI DIV. HDQS	EQUITY	1060280747628	-	1,160
JIMBA GEDE PRY SCHOOL	EQUITY	1060281031566	23,000	23,000
JIMBA GEDE PRY SCHOOL	EQUITY	1060280764961	-	84,720
DONGO KUNDU PRY SCHOOL	EQUITY	1060280628501	-	-
DONGO KUNDU PRY SCHOOL	EQUITY	1060280641734	-	-
JEZA ZHOMU PRY SCHOOL	EQUITY	1060280627704	-	1,405
EZAMOYO PRY SCHOOL	EQUITY	1060280627117	-	1,338
KIWANDANI SEC SCHOOL	EQUITY	1060280705239	-	-
MABIRIKANI CHIEF'S OFFICE	EQUITY	1060280255775	-	-
UYOMBO GIRLS' SEC SCHOOL	EQUITY	1060280162416	-	-
WATAMU SEC SCHOOL	EQUITY	1060280982126	-	-
KOROSHO SEC SCHOOL	EQUITY	1060280758399	20,334	20,334
MTONDIA PRY SCHOOL	EQUITY	1060281022506	122,743	122,743
SITA PRY SCHOOL	EQUITY	1060280823892	-	-
FB TUVA SEC SCHOOL	EQUITY	1060280714877	-	-
KILIFI NORTH DESKS PROJECT	EQUITY	1060280774641	-	3,980
KANANI PRY SCHOOL	EQUITY	1060280141571	-	-

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FUMBINI PRY SCHOOL	EQUITY	1060280124711	-	910
MIKINGIRINI PRY SCHOOL	EQUITY	1060280140972	-	-
GEDE PRY SCHOOL	EQUITY	1060280142267	-	-
KADZINUNI PRY SCHOOL	EQUITY	1060282017187	-	276,942
KOROSHO SEC SCHOOL	EQUITY	1060282009845	-	2,170
RESERVE PRY SCHOOL	EQUITY	1060282013004	-	72,182
MARAFIKI SEC SCHOOL	EQUITY	1060282021303	449,300	1,325,694
LABORATORY STOOLS	EQUITY	1060282384167	-	1,400
SPORTS PROJECT COMMITTEE	EQUITY	1060282047314	-	1,300
PRIMARY SCHOOL DESKS	EQUITY	1060282374675	-	240
CHAIRS & LOCKERS PMC	EQUITY	1060282053228	-	1,200
GEDE MIXED SECONDARY SCHOOL	EQUITY	1060281133395	1,600,000	1,600,000
KILIFI SECONDARY SCHOOL	EQUITY	1060281204481	-	420
GEDE MIXED SECONDARY SCHOOL	EQUITY	1060281133417	2,747,488	587,950
MABUANI PRIMARY SCHOOL (2 CLASSROOMS)	EQUITY	106028115447	40,837	163,437
MITANGONI PRY SCHOOL	EQUITY	1060281314877	55,489	55,489
MTSANGANYIKO PRY SCHOOL(RAIN WATER HARVESTING)	EQUITY	1060280951568	-	697
SOYOSOYO PRY SCHOOL (SOLAR)	EQUITY	1060280998202	-	23,240
KIWANDANI SEC SCHOOL	EQUITY	1060282014393	-	967,500
EMERGENCY SOYOSOYO	EQUITY	1060282374133	226,100	

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				1,000,000
UYOMBO PRY SCHOOL-RENOVATION	EQUITY	1060282431128	-	152,000
EMERGENCY MKOMBE PRY SCHOOL 2NO CLASSROOMS	EQUITY	1060282376343	-	683,884
KIWANDANI PRIMARY SCHOOL-RENOVATION WORK	EQUITY	1060282012595	128,481	400,800
DABASO ASSISTANT CHIEFS OFFICE	EQUITY	1060282022448	91,700	566,527
GEDE PRY SCHOOL-6 DOOR TOILET	EQUITY	1060282010412	11,284	83,020
JACARANDA BEACH PRY SCH-RENOVATION WORKD	EQUITY	1060282014697	-	376,040
SOYOSOYO PRIMARY SCHOOL (WATAMU)-6 DOOR TOILET	EQUITY	1060282079334	13,484	511,040
MABUANI PRIMARY SCHOOL (6 DOOR TOILET BLOCK)	EQUITY	1060282013862	11,104	82,240
DABASO ASSISTANT CHIEFS TOILET BLOCK	EQUITY	1060282022430	-	588,908
JEZA ZHOMU PRY SCHOOL-2NO CLASSROOMS BLOCK	EQUITY	1060282014930	24,576	74,576
BOFA SECONDARY SCHOOL-2NO CLASSROOM BLOCK	EQUITY	1060282013229	-	286,492
NGERENYA PRY SCHOOL-2 NO CLASSROOM BLOCK	EQUITY	1060282017417	95,290	254,117
FUMBINI SECONDARY SCHOOL-SINGLE LAB	EQUITY	1060282014136	28,200	609,052
NGALA PRY SCHOOL- RENOVATION WORK	EQUITY	1060282088052	70,600	438,542
KONJORA SECONDARY SCHOOL	EQUITY	1060282012962	-	400,400
ZOWERANI PRY SCHOOL-RENOVATION WORK	EQUITY	1060282012024	285,202	285,202
BAHARI PRY SCHOOL	EQUITY	1060282022962	19,633	70,233
SOYOSOYO SECONDARY SCHOOL (TEZO) 6DOOR TOILET	EQUITY	1060282022438	-	624,400
SOYOSOYO SECONDARY SCHOOL (TEZO) RENOVATION	EQUITY	1060282012688	-	2,400

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KILIMO PRIMARY SCHOOL-RENOVATION	EQUITY	1060282013283	-	58,730
KOROSHO SEC SCHOOL-TOILET BLOCK	EQUITY	1060282009845	-	2,170
MAVUENI PRY SCHOOL-3CLASSROOM BLOCK	EQUITY	1060282095888	600	589,707
TAKAUNGU PRY SCHOOL-2NO CLASSROOM BLOCK	EQUITY	1060282022438	-	624,400
RESERVE PRY SCHOOL-6 DOOR TOILET BLOCK	EQUITY	1060282013004	-	72,182
MKONGANI SECONDARY SCHOOL	EQUITY	1060282013561	-	1,569,400
MKONGANI SECONDARY SCHOOL-6 DOOR TOILET BLOCK	EQUITY	1060282013587	-	141,120
KILIFI NORTH NG CDF RAINWATER HARVESTING	EQUITY	1060282286430	-	141,777
KILIFI NORTH NG CDF CHAIRS & LOCKERS PROJECT	EQUITY	1060282053228	-	1,200
KILIFI NORTH DESK PROJECT	EQUITY	1060282374675	-	240
MABUANI PRIMARY SCHOOL-2 CLASSROOMS	EQUITY	1060282374675	-	240
KILFI NORTH LABORATORY STOOLS	EQUITY	1060282384167	-	1,400
KILIFI NORTH NG-CDF KILIFI NORTH SPORTS PROJECT	EQUITY	1060282047314	-	1,300
KIBAONI PRIMARY SCHOOL	EQUITY	1060284121972	-	-
MKANGAGANI PRIMARY SCHOOL	EQUITY	1060284137896	-	-
MKANGAGANI PRIMARY SCHOOL-4NO CLASSROOM	EQUITY	1060284149905	-	-
MBOGOLO PRIMARY SCHOOL	EQUITY	1060284164977	-	-
BOFA SECONDARY SCHOOL-TOILET	EQUITY	1060284114531	-	-
MSABAHA PRIMARY SCHOOL	EQUITY	1060284149667	1,065,018	-
DONGOKUNDU PRIMARY SCHOOL	EQUITY	1060284130786	-	-
CHANDO PRIMARY SCHOOL	EQUITY	1060284130105	-	-

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OLDFERRY PRIMARY SCHOOL	EQUITY	1060284130464	-	-
KIRIBA PRIMARY SCHOOL	EQUITY	1060284133809	1,000,000	-
ST. THOMAS GIRLS SECONDARY SCHOOL	EQUITY	1060284122412	224,544	-
MKOMBE PRIMARY SCHOOL	EQUITY	1060284150062	500,000	-
MKOMBE PRIMARY SCHOOL	EQUITY	1060284147434	1,000,000	-
KOROSHO SECONDARY SCHOOL	EQUITY	1060284121299	-	-
KILIFI NORTH DESKS PROJECTS	EQUITY	1060284165087	-	-
KILIFI NORTH CHAIRS & LOCKERS PROJECT	EQUITY	1060284164015	-	-
KILIFI NORTH ENVIRONMENT PROJECT	EQUITY	1060284164772	-	-
MADEVU PRIMARY SCHOOL	EQUITY	1060284147692	-	-
JIMBA CHIEF'S OFFICE	EQUITY	1060284126110	-	-
KONJORA SECONDARY SCHOOL	EQUITY	1060284114724	-	-
KIRINGI PRIMARY SCHOOL	EQUITY	1060284118427	-	-
KADZINUNI PRIMARY SCHOOL-TOILET	EQUITY	1060284219112	500,000	-
MDZONGOLONI PRIMARY SCHOOL	EQUITY	1060284213925	-	-
MKOMANI PRIMARY SCHOOL-TOILET	EQUITY	1060284133753	500,000	-
MAJAONI SECONDARY SCHOOL-DINING HALL	EQUITY	1060284147109	-	-
SIDZENI PRIMARY SCHOOL-2 NO CLASSROOM	EQUITY	1060284121934	-	-
MWAMBANI PRIMARY SCHOOL	EQUITY	1060284157355	-	-
UYOMBO MAWENI PRIMARY SCHOOL	EQUITY	1060284121721	-	-
KILIFI NORTH DCC FURNITURE PROJECT	EQUITY	1060284201890	-	-

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			1,522,000	-
EMERGENCY- MDZONGOLONI PRIMARY SCHOOL	EQUITY	1060284213919	-	-
EMERGENCY-MIKINGIRINI PRIMARY SCHOOL	EQUITY	1060284215129	-	-
TOTAL			13,654,152	20,980,342

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1. Other grants and Transfers The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.71, 043,148 in respect of other grants and transfers. Included in the amount is bursary-tertiary institutions Kshs.13, 620, 476, out records provided for enrollment for driving revealed that the bursary applicants requested for bursary after enrolling in various driving schools. Management did not provide evidence of vetting of the applicants to confirm their eligibility. Further, out of Kshs.272.000 paid to</p>	<p>The minutes for vetting, the minutes of NGCDFC adopting the bursary sub- committee assignments, sub-committee minutes acknowledgement receipts and licences have been provided for review</p>	<p>Unresolved</p>	<p>3 months</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the driving schools as bursaries, an amount of Kshs.182,000 was not supported by acknowledgement receipts. Further, no evidence was provided to confirm completion of the training and award of driving licenses to the beneficiaries.</p> <p>In the circumstances, the occurrence and completeness of other grants and transfers amount of Kshs71,034,148 could not be confirmed.</p>			
	<p>2. Budgetary Control and Performance The summary statements of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.205,440,758 and Kshs.192,193,817 respectively, resulting in an under-funding of Kshs.13,246,941 (6%)</p>	<p>The Kilifi North NGCDF had a total budget of Ksh.211,360,696 for utilization in the financial year 2020/2021. However, only Kshs.162,990,350 was made available for expenditure where Kshs.147,178,474 was spent leaving a balance of Kshs.15,811,876 in the Account.</p> <p>At the close of the financial year, the Constituency was still expecting to receive a balance of Kshs. 52,456,603 from the Board.</p> <p>The reason for under absorption of budget by 30% was:</p> <p>i) Late disbursement of funds; Kshs20,000,000 vide AIE No. B105162 and AIE No. B140590 was received on 20/6/2021, the NGCDFC approved the disbursement of these funds to PMCs on 23/6/2021 thus was not possible for the funds relating to bursary and emergency to be absorbed immediately.</p>	Unresolved	3 months

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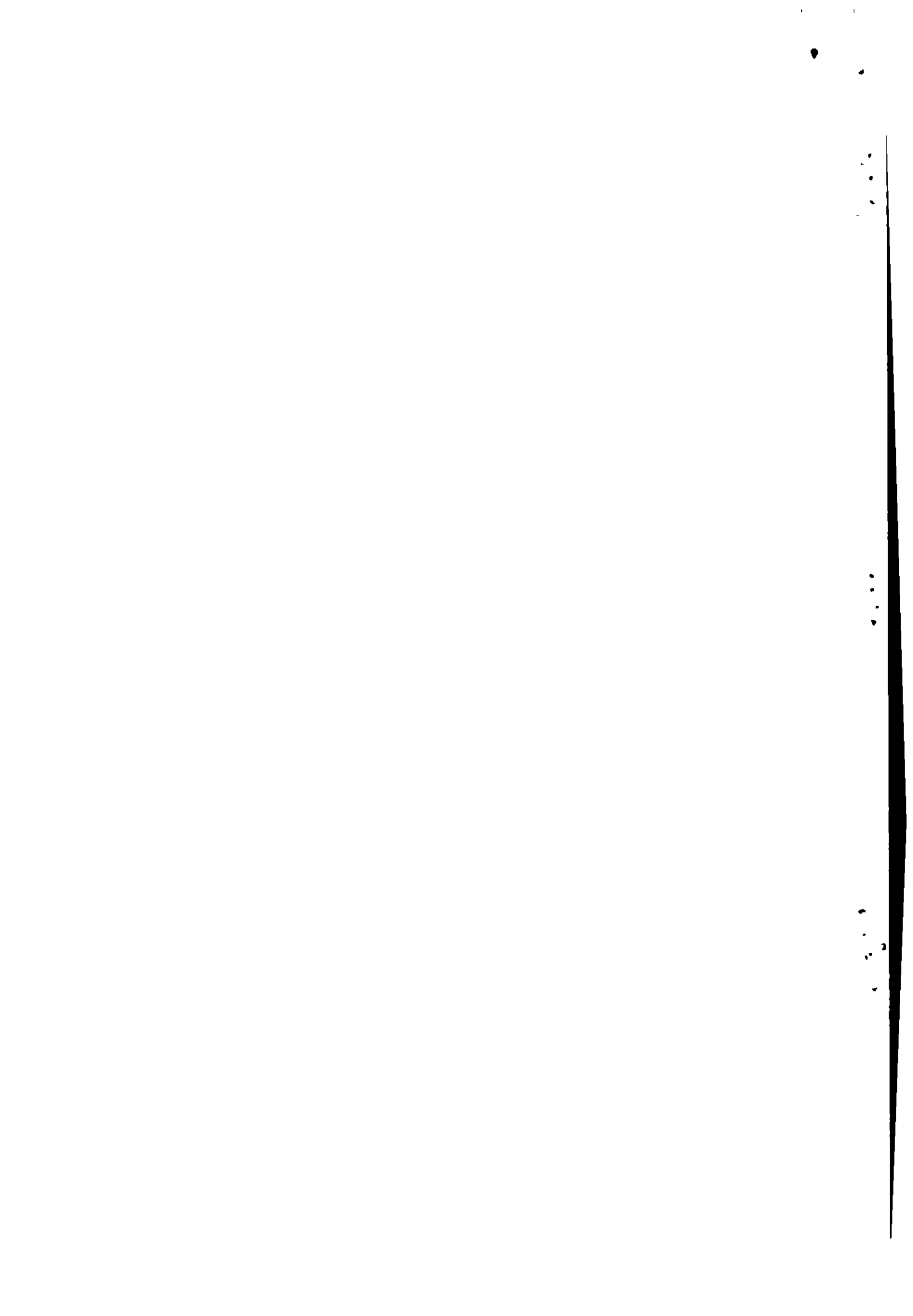
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	percent of the budget .Similarly ,the Fund expended Kshs.185,372,177 against an approved budget of Kshs.205,440,758, resulting in an under – expenditure of Kshs,20,068,581 (10%) percent of the budget.	<p>ii) Non receipt of Kshs. 52,456,603 from the Board during the financial year thus exhaustively execution of the budget on fund that had not been received was not possible.</p> <p>Otherwise continuous follow up is being done to improve on this.</p> <p>The AIEs and schedule of outstanding disbursement provided for review</p>		
	<p>3. Unresolved Prior Year Matters In the audit report of the previous year, several issues were raised. Management has not resolved and disclosed the disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board.</p>	<p>I. The beneficiaries’ registration or admission numbers have been provided for review</p> <p>ii. The Kilifi North NGCDF had a total budget of Ksh.211, 360,696 for utilization in the financial year 2020/2021. However, only Kshs.162, 990,350 was made available for expenditure where Kshs.147, 178,474 was spent leaving a balance of Kshs.15, 811,876 in the Account.</p> <p>At the close of the financial year, the Constituency was still expecting to receive a balance of Kshs. 52,456,603 from the Board.</p> <p>The reason for under absorption of budget by 30% was:</p> <p>i) Late disbursement of funds; Kshs20, 000,000 vide AIE No. B105162 and AIE No. B140590 was received on 20/6/2021, the NGCDFC approved the disbursement of these funds to PMCs on 23/6/2021 thus was not possible for the funds relating to bursary and emergency to be absorbed immediately.</p>	Unresolved	3 months
	Management has not provided satisfactory explanation for the delay in resolving the audit issues.	<p>ii) Non receipt of Kshs. 52,456,603 from the Board during the financial year thus exhaustively execution of the budget on fund that had not been received was not possible.</p> <p>Otherwise continuous follow up is being done to improve on this.</p>		

**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)																		
		<p>The AIEs and schedule of outstanding disbursement provided for review</p> <p>iii) For the projects that had not started, there was land challenge where someone claimed to own the land where the projects were to be built though it was a public land thus legal redress was to be sought before implementing the projects on the land.</p> <p>Certificates of completion of projects have been provided for review</p> <p>iv. The projects were three of which two were being implemented at Mkwajuni Secondary school and the other one at Mikingirini primary school NOT Mkgirani primary school. The disbursement was done as below:</p> <table border="1" data-bbox="649 805 1668 1460"> <thead> <tr> <th>School</th> <th>Project Description</th> <th>Project allocation as approved</th> <th>Project Cost - Kshs</th> <th>Amount disbursed as per - Kshs</th> <th>Variance - Kshs</th> </tr> </thead> <tbody> <tr> <td>Mkwajuni Secondary School</td> <td>Construction of 2 classrooms of a capacity of 65 people to completion (A/C NO. 106028075911)</td> <td>2,200,000</td> <td>2,190,486</td> <td>2,200,000</td> <td>9,514</td> </tr> <tr> <td>Mkwajuni Secondary School</td> <td>Construction of 2 classrooms @ Kshs.2,200,000, Administration section of 65 people capacity @Kshs.2,900,000 and six (6)</td> <td>6,700,000</td> <td>6,532,598</td> <td>8,228,000</td> <td>167,402</td> </tr> </tbody> </table>	School	Project Description	Project allocation as approved	Project Cost - Kshs	Amount disbursed as per - Kshs	Variance - Kshs	Mkwajuni Secondary School	Construction of 2 classrooms of a capacity of 65 people to completion (A/C NO. 106028075911)	2,200,000	2,190,486	2,200,000	9,514	Mkwajuni Secondary School	Construction of 2 classrooms @ Kshs.2,200,000, Administration section of 65 people capacity @Kshs.2,900,000 and six (6)	6,700,000	6,532,598	8,228,000	167,402		
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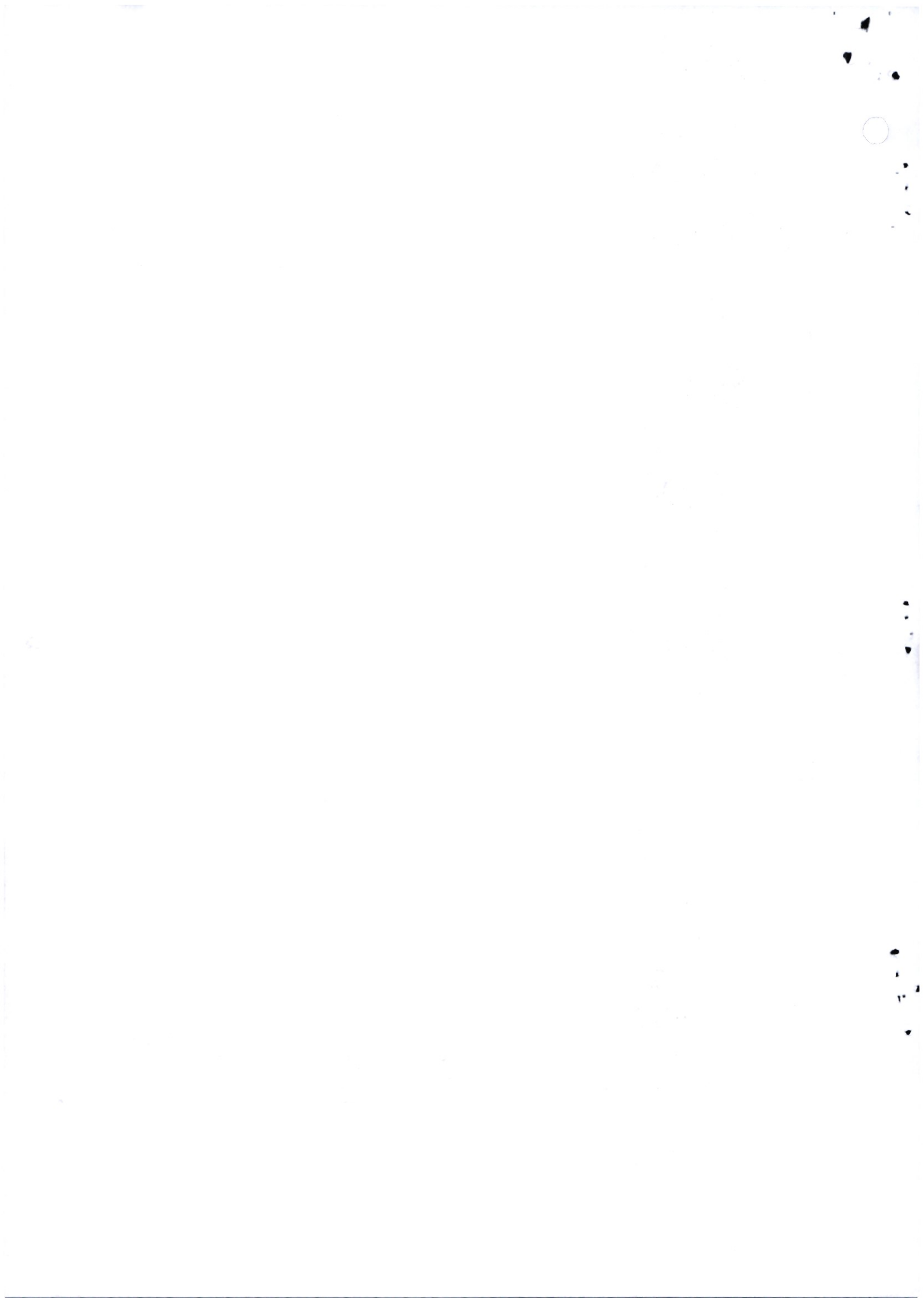
**Kilifi North Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

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)
			door flush toilets block @Kshs.1.6M (A/C NO. 011417797305 00)						
		Mikingirini Primary School	Construction of 2 classrooms of a capacity of 65 people to completion (A/C NO. 106028014097 2)	2,200,000	2,199,417	3,400,000	583		
		Total					177,499		
		<p>The reason as to why the disbursements are done according to those approved by the Board is that there may arise an extra work that's necessary or a variation that the implementation could not do without and be addressed in good time during implementation of the projects.</p> <p>Bank statements for the three projects have been provided for review</p> <p>v. The reconciliation statements are normally prepared and submitted by the Sub- County National Treasury Accountant to the National Treasury, NGCDF Board and copy the NGCDFC.</p> <p>The Kilifi North will endeavour to submit a copy of the bank reconciliation monthly to the Office of the Auditor –General henceforth as stipulated by the law.</p>							
	4. Delayed Project Implementation The statement of	The management had been allocated land by the existing primary school which later another person claimed ownership of the land. Since the school has been in existence for a long period of time, it was assumed that there was no problem.						Unresolved	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)
	<p>receipts and payments and as disclosed Note 6 to the financial statements reflects an amount of Kshs.102, 677,277 in respect of transfers to other Government units. Included in this amount is transfers to secondary schools of Kshs.45, 433, 552, out of which Kshs.6, 000,000 was in respect of construction of a secondary school at Gede primary school. Review of records provided and an interview with the Fund's Clerk Of Works revealed that the contract for the construction of a storey building consisting of eight (8) classrooms for sixty five (65) persons and administration section was awarded on 19 August, 2021 at a contact sum of Kshs.19, 991,685 but the project had not started as at</p>	<p>The project has now been relocated to another Government land and it's ongoing.</p>		





*Kilifi North Constituency
National Government Constituencies Development Fund (NGCDF)
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NELSON ALFAYO
Fund Account Manager.

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)
	March 2023 due to an ongoing dispute over ownership of the land on which the building was to be erected.			
	<p>5.Failure to provide for retention money The statement of receipts and payments reflects transfers to Government units of Kshs. 102,677,277 as disclosed in Note 6 to the financial statements. However, the tender forms/documents for fifty three (53) projects with a total expenditure of Kshs.93, 077,276 did not provide for retention money under special or general conditions of the contract to cater for defects before expiry of the defects liability period. This exposed the fund to risk of poor workmanship without recourse In the circumstances, in case of poor workmanship, the risk of funds loss is high.</p>	<p>The management will endeavour to ensure that the tender forms will have the special and general conditions of contracts and retain moneys to cater for any defects that will occur in implementation of the projects.</p> <p>All the same the management usually releases the 5% last moiety after lapse of the defects liability period.</p> <p>All these projects are complete and certificate of completion have been provided</p>	Unresolved	3 months