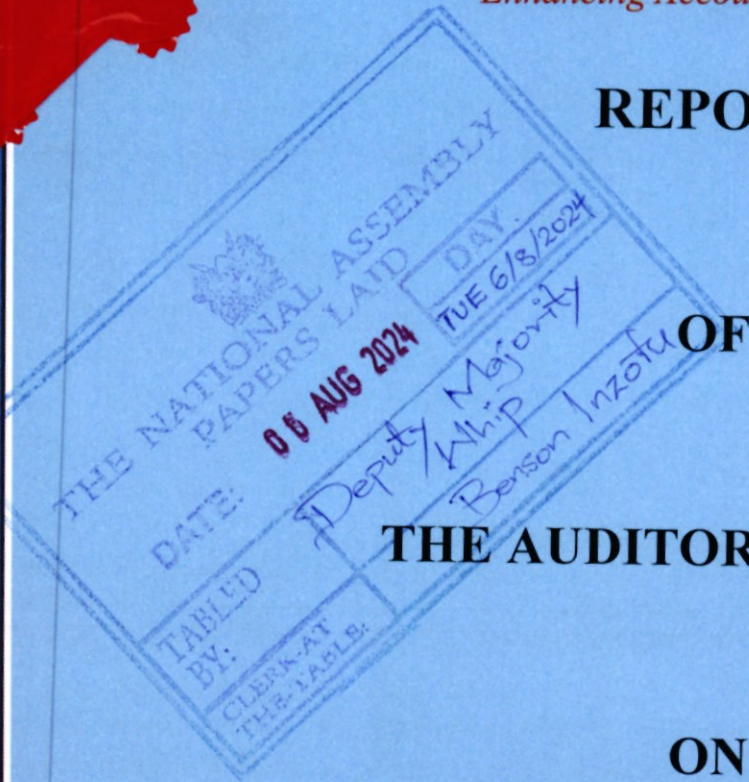
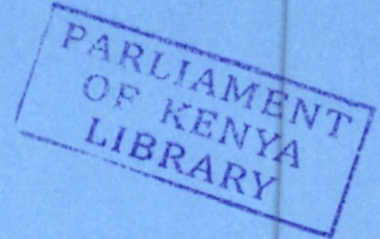


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

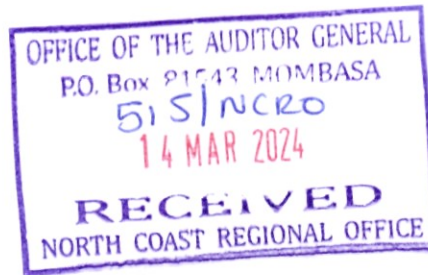


THE AUDITOR-GENERAL

ON

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

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



KILIFI SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

Table of Content	Page
I. Acronyms and Abbreviations.....	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23	xi
V. Statement of Governance.....	xiii
VI. Environmental and Sustainability Reporting.....	xvi
VII. Statement Of Management Responsibilities	xx
VIII. Report of the Independent Auditors On The NGCDF- Kilifi South Constituency.....	xxii
IX. Statement of Receipts and Payments for the Year Ended 30th June 2023.....	1
X. Statement Of Assets and Liabilities As At 30th June, 2023	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023.....	3
XII. Summary Statement of Appropriation for The Year Ended 30 th June 2023.....	4
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2023	6
XIV. Significant Accounting Policies	12
XV. Notes To the Financial Statements.....	18
XVI. Annexes	29

I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

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 South Constituency NGCDF day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Amina Ali
2.	Sub-County Accountant	Nancy Nazi Mwarabu
3.	Chairman NGCDFC	Richard .M. Mwambura
4.	Member NGCDFC	Ruth Riziki Kadanga

(c) Fiduciary Oversight Arrangements

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

(d) Kilifi South Constituency NGCDF Headquarters

P.O. Box 1368-80108,
NG-CDF Building-Vipingo
Off Mombasa Malindi Highway
Kilifi, Kenya

(e) Kilifi South Constituency NGCDF Contacts

Telephone: (254) 724-169951
E-mail: cdfkilifisouth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Kilifi South Constituency NGCDF Bankers

Co-operative Bank
A/C No.01141143001500
Mtwapa Branch
P.O. Box 521-80109
Mtwapa

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



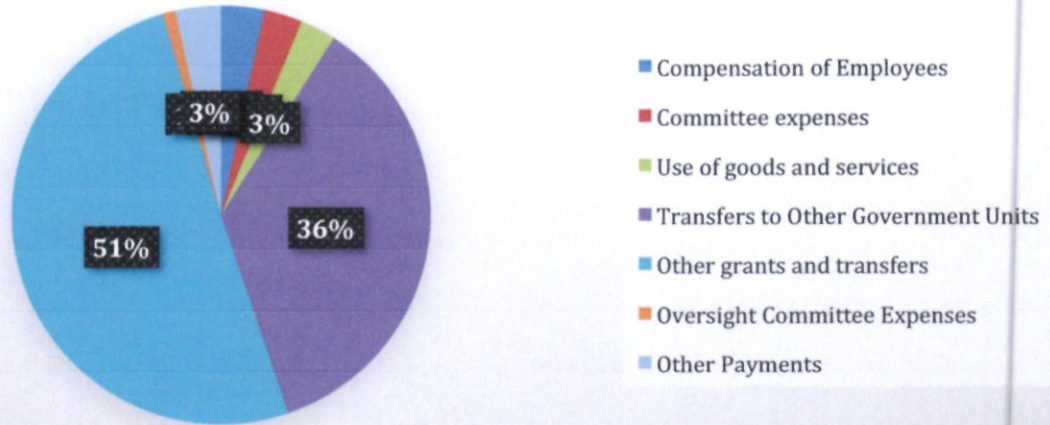
Richard .M. Mwambura
NGCDF Kilifi south -Chairman

It gives me great pleasure to thank the people of Kilifi South Constituency for giving me the opportunity to serve them in this transformative, people driven and Nation building position. It is with great joy that I present to you the unaudited accounts and collaborative annual report for the year ended 30th June 2023.

Kilifi South Constituency is in Kilifi County. The constituency borders Kaloleni Constituency to the west, Kilifi North to the north, Kisauni Constituency to the south and the Indian Ocean to the east. It borders Mombasa County and Mombasa City which is the second largest metropolis in the country and also which has the Kenya's main seaport of Kilindini; the centre of trade and commerce for east and central Africa.

This financial year the average allocation to individual students improved by 37% the same applies to tertiary institutions. This means an increase in the population of students retained in schools was higher. Subsequently the youth's talents have been improved through the sports kits the entity provided during the financial year organised during the FY 2022/2023. We also recognize the continuous support we have had from the management of the NGCDF board. I take this opportunity on behalf of the NG CDF Kilifi South to highlight on achievements, challenges and my opinion on the way forward on better utilization of this fund and delivery of service to my constituents. We have received funds from the NG CDF Board and have utilized the funds efficiently. The original budget was 146,087,603 out of this budget we allocated 52,326,669 towards Education projects. Which is equivalent to 36% of the original budget for education projects. This amount is meant to fund primary schools, secondary schools and tertiary institution projects. Which will highly improve education in the region. Then kshs.46, 572,480. Which is 32 % of the original budget was channelled towards bursary for secondary school and tertiary institution needy students. This makes 68% for promotion of education and further eradicates poverty. I take this opportunity on behalf of the NG CDF Kilifi South to highlight on achievements, challenges and my opinion on the way forward on better utilization of this fund and delivery of service to my constituents.

BUDGET APROPRIATION



Summary of Key Achievements

1. Construction of Ken Chonga Education Centre f/y 2020-21/2021-22



2. Construction of 2No. Classroom block at Tsalu primary school f/y 2020/21



3. Construction of Dormitory at Lutsangani secondary school



CHALLENGES

- Insufficient funds for monitoring and evaluation, capacity building and training is are big challenge.
- Late disbursement of funds for Re-allocations should be fast tracked.
- Delay in disbursing funds from NG-CDF Board.


WAY FORWARD.

-NG-CDF Board to release funds to the constituencies on time.

-Allocation of monitoring & evaluation vote and capacity building should be improved.

-Oversight committee should have their vote managed by the FAM.

-Employment of FAM should be reviewed often to avoid the shortages being experience I wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions even performing better and attaining better assessments in its performance targets for FY 2022/2023



Name: Richard .M. Mwambura
CHAIRMAN 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 South Constituency 2022-2027** plan are to:

- 1) To improve access to education and training
- 2) To improve learning environment
- 3) To improve the working environment of security and interior personnel
- 4) To enhance environmental conservation
- 5) To build youth talents and skills in sports
- 6) To improve access to ICT infrastructure

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	To improve access to education and training	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Increased number of students accessing education - Increased number of schools with adequate facilities and equipment - Improved performance in national examinations - Increased number of schools with adequate sanitation facilities 	<p>In FY 12/23 -we increased number of useable classrooms by 66 through renovations and constructed 14 new ones for students and added new secondary 2 schools and 1 tertiary institution</p> <p>3000 students benefited from Bursary</p>
Security	To improve the working and living conditions of security personnel in the Constituency	Increase and Improve the conditions of police stations within the constituency	<ul style="list-style-type: none"> - Increased number of housing units and offices for security personnel 	In FY 22/23 we worked on completion of 3 Chief's offices and fenced other two offices
Environment	To promote environmental conservation in	Increase in knowledge, skills and passion for	<ul style="list-style-type: none"> - Increased number of institutions with adequate sanitation 	In FY 2022/23 we invested in water harvesting program in 10 schools by providing

Constituency Program	Objective	Outcome	Indicator	Performance
	the Constituency	sustainable environment practices	facilities and water storage facilities and increase afforestation	10,000 litres water tanks, water harvesting gutters for hygiene and improved sanitation & tree planting.
Sports	To build and enhance youth skills through sports interventions	Promotion of youth initiatives in building and nurturing their talents and skills in sports	- Increased sports activities through annual sports tournaments, Building more facilities in schools, provision of equipment and sports kits	In FY 2022/23 hosting of constituency tournament which involved youths teams from all 6 wards.
EMERGENCY	To establish risk register for the constituency	Reduction in Risk Levels/Increased Risk and disaster preparedness	- Improved Constituency Internal Control System - Reduced level of complaints; resolved past cases and reduced reporting of present cases - Securing the services of a security firm	In the FY 2022/23 We improved internal control system through checks and Strengthening corporate governance by inculcating a culture of best practices on NG-CDF mandate Installed fire extinguishers and bought sanitizers, face masks, thermos-guns, detergents, fumigation chemicals and water tanks for fight against COVID19 global pandemic Maintained an open door policy of feed- back and respecting criticism while taking corrective measures and drawing valuable lessons learnt from reported complaints

V. Statement of Governance

National Government Constituency Development Fund Committee.

Each Constituency Committee shall comprise of:

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

Key notes on NGCDF Committees

- The first meeting of the NGCDFC shall be convened by the National Government official or in his absence by the FAM within sixty days of a new parliamentary term or by-election or on such day as may be designated the Cabinet secretary (Section 43 (6))
- The quorum of the Committee shall be one half of the total membership (Section 43 (7))
- The term of office of the committee shall be two years renewable but shall expire upon appointment of a new committee in a manner provided for in the Act (Section 43 (8))
- Whenever a vacancy occurs in the constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of thirty days Section 43 (10)
- The Committee shall meet at least six (6) times in a year but shall not hold more than twenty four (24) meetings in the same financial year section 43 (11)
- A member of the Constituency Committee may be removed from office on any one or more of the following ground

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

- ❖ Lack of integrity;
- ❖ Gross misconduct;
- ❖ Embezzlement of public funds;
- ❖ Bringing the committee into disrepute through unbecoming personal public conduct;
- ❖ Promoting unethical practices; Causing disharmony within the committee;
- ❖ Physical or mental infirmity. Section 43 (13)

Decision to remove a member shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made

- ❖ A vacancy arising as a result of the removal of a member shall be filled in the manner set out in section 43 (1) and the minutes of the meeting shall indicate the fact of the removal or appointment of a member
- ❖ Dissolution of the Committee as provided for in section 44 of the Act
- ❖ During its first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of its functions

A person shall qualify to be appointed to NGCDF Committee if that person:

- ❖ is a citizen of Kenya; is ordinarily a resident and a voter within the Constituency; is able to read and write and to communicate in English and Kiswahili; meets the requirements of Chapter Six of the Constitution; is available to participate in the activities of a Constituency Committee
- ❖ A person who has previously served in a Constituency Committees constituted under the Fund or served in a leadership position in the Community may be appointed to NGCDFC

Functions of the NGCDF Committee

- ❖ Build the capacity of project management committees and sensitize the Community on the operations of the Fund;
- ❖ Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ❖ Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 13
- ❖ Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- ❖ In approving a project and before submitting the to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution
- ❖ Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- ❖ **In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects**

Appointment of the Chairperson and Secretary

- ❖ A Constituency Committee shall elect the chairperson and secretary of a Constituency Committee during its first meeting and shall notify the Board of the appointments
- ❖ A person shall qualify to be elected as Chairperson or Secretary to a Constituency Committee if that person is the holder of a Kenya Certificate of Secondary Education

Chairperson

- ❖ Carry out consultations with the Officer of the Board seconded to the Constituency and other relevant stakeholders;
- ❖ Ensure members and staff of a Constituency Committee are properly trained;

- ❖ Encourage a culture of transparency and teamwork among the committee members;
- ❖ Be a signatory to the Constituency Fund Account; and
- ❖ Co-ordinate the compilation of project status reports every six months

The Secretary shall

- ❖ Be responsible for
- ❖ Carrying into effect the decisions of a Constituency Committee;
 - The day to day administration and management of the affairs of a Constituency Committee;
 - Supervision of the staff of the Constituency Committee;
 - In consultation with the Chairperson and the officer of the Board seconded to the Constituency, convene Constituency Committee meetings;
- ❖ Circulate notices and the agenda of meetings;
- ❖ Accurately record the proceedings of every Constituency Committee meeting and after confirmation and execution of the minutes transmit the minutes to the officer of the Board seconded to the Constituency for safe custody.
- ❖ Provide guidance to a Constituency Committee on management of meetings;
- ❖ Ensure minutes are readily available during subsequent meetings; and
- ❖ Ensure and facilitate effective communication amongst the members of a Constituency committee

VI. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kilifi South NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Uncontrolled environmental degradation and effects of climate change negatively impact on the socio-economic development of the constituency. Major contributors to environmental degradation are human activity. These activities include deforestation through illegal logging, charcoal burning, forest clearing for agricultural activities, overstocking and subsequent overgrazing, illegal quarrying and water pollution through waste disposal. The depletion of mangrove forest reduces reproduction of marine life, deforestation and overgrazing leads to desertification and reduce rainfall and water sources, water pollution leads to water borne diseases while climate change has increased the frequency of high tide flooding.

Kilifi south Constituency depends heavily on wood fuel for domestic use. Forest resources contribute heavily towards household budget through the burn and sell of charcoal. Widespread poverty, unemployment and climate change are the major driving forces to environmental degradation in the constituency.

We have created Environmental Sustainability guidelines to;

1. Ensure that the NGCDFC Kilifi south has establishes systems of environmental impact assessment, environmental audit, monitoring and reporting of the environmental activities undertaken both at the Wards and Constituency levels.
2. Ensure that the schools and community continue to priorities and improve environmental sustainability projects.
3. Encourage Community participation in identification, protection and conservation of environment.
4. Improve on planning and utilization of allocation for environmental sustainability funds in all wards
5. We have implemented water harvesting and tree planting project in every school.

3. Employee welfare

We invest in providing the best working environment for our employees. Kilifi South 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 South 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 South 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 South 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 South NG-CDF has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....
Name: Gladys Ngala

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 South 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 South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kilifi South 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.

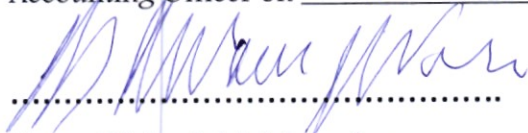
The Accounting Officer in charge of the NGCDF Kilifi South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted

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

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 South Constituency financial statements were approved and signed by the Accounting Officer on 15th March 2024.



.....
Name: Richard .M. Mwambura

Chairman – NGCDF Committee



.....
Name: Gladys Ngala

Fund Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KILIFI SOUTH 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 South Constituency set out on pages 1 to 35,

Report of the Auditor-General on National Government Constituencies Development Fund - Kilifi South 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 summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Bursary Disbursements

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and transfers amount of Kshs.33,602,520 which includes bursary payments amounting to Kshs.27,403,400 and Kshs.459,120 disbursed to secondary schools and tertiary institutions respectively. However, bursary vetting minutes, bursary application list detailing the number of applicants and status of their applications and vetting criteria were not provided for audit. In addition, review of bursary records revealed that bursary payments totalling Kshs.1,297,000 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 bursary disbursements of Kshs.27,862,520 could not be confirmed.

2. Unconfirmed Payment on Renovation Works

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfer to other Government units of Kshs.25,052,088 which includes an amount of Kshs.12,200,419 transferred to primary schools. Included in the amount is Kshs.1,250,000 transferred to Chodari Primary School Project Management Committee in respect of renovation of the head teacher's office and one classroom which was indicated and labelled as having been undertaken by Kilifi Integrated Wash and Education, funded by Islamic Relief Stiftung (Germany).

In the circumstances, the completeness and regularity of the payment on renovations amounting to Kshs.1,250,000 could not be confirmed.

3. Unsupported Project Management Committee Balances

Note 18.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balance totalling Kshs.1,976,505. However, the cashbooks, bank

reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.1,976,505 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 South 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 budgeted receipts and actual on comparable basis of Kshs.182,977,768 and Kshs.111,601,286 respectively, resulting to an under-funding of Kshs.71,376,482 or 39% of the budget. Similarly, the Fund spent a balance of Kshs.70,252,776 against actual receipts of Kshs.111,601,286 resulting to an under-utilization of Kshs.41,348,510 or 37% 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, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given explanation for failure to implement recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Payments on Compensation of Employees

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects an amount of Kshs.4,392,356 in respect of compensation of employees which includes an amount of Kshs.811,275 in respect of gratuity to contractual employees. However, the gratuity amount was computed on 31% of the gross salary instead of basic salary resulting to an overpayment of Kshs.84,740. This is contrary to Kenya Gazette Notice Number 6516 of 7 July, 2017 which states that a State Officer serving or appointed to a fixed term of Office shall be paid a service gratuity at the rate of 31% of the basic remuneration package for the term served.

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

2. Irregular Payments on Emergency Projects

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and other transfers of Kshs.33,602,520 out of which, Kshs.2,600,000 was incurred on emergency projects. However, Management did not report to the National Constituencies Development Fund Board the utilization of the emergency funds within thirty (30) days. This was contrary to Regulation 20(2) of the National Government Constituency Development Fund Regulations, 2016 which requires that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

3. Uninsured Assets and Maintenance of Damaged Assets

Annex 4 to the financial statements reflects summary of fixed asset register with historical cost of Kshs.46,915,862. However, the assets were not insured contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022). In addition, review of the detailed fixed assets register revealed assets with historical cost of Kshs.2,016,800 which were indicated as damaged and not in use but had not been disposed. This was contrary to Section 163(1) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer to establish a disposal committee as and when prescribed for the disposal of unserviceable, obsolete and obsolescent or surplus store, equipment or assets.

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

4. Delay in Implementation of Projects

The budget execution by sectors and projects reflects sixty-two (62) approved projects for implementation totalling Kshs.182,977,768 out of which twenty-seven (27) projects

costing Kshs.70,257,776 were implemented. Review of approved code list and project implementation status report revealed that seven (7) primary school projects with an approved budget of Kshs.32,110,000 were not funded and therefore not implemented. Further, one project whose approved funding was Kshs.12,500,000 only received an amount of Kshs.2,000,000.

In the circumstances, the Public did not obtain benefits which would have accrued from the implementation of the projects.

5. Undisclosed Fixed Assets

Annex 4 to the financial statements reflects summary of fixed asset register with a historical cost of Kshs.46,915,862. As previously reported, the assets register excluded land located on Mombasa-Malindi Road where the Constituency office block is situated. The title deed for the land is registered under Kilifi South Constituency Development Fund. This is contrary to Section 36(3) of National Government Constituencies Development Fund Act, 2015, (Amended 2022) which states that, all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 June, 2024

*Kilifi South 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

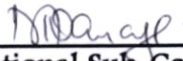
	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	92,000,000	164,888,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	62,120	334,668
Total Receipts		92,062,120	165,223,547
Payments			
Compensation Of Employees	4	4,392,356	5,152,199
Committee expenses	5	4,628,961	4,065,000
Use Of Goods and Services	6	2,581,851	4,932,565
Transfers To Other Government Units	7	25,052,088	91,126,057
Other Grants and Transfers	8	33,602,520	60,376,000
Acquisition Of Assets	9	-	606,070
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		70,257,776	166,257,891
Surplus/(Deficit)		21,804,344	(1,034,344)

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

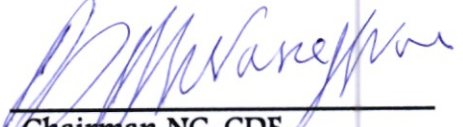
The Constituency financial statements were approved by the NGCDFC on 15th MARCH 2024 and signed by:


Fund Account Manager

Name: Gladys Ngala


National Sub-County
Accountant

Name: Nancy Nazi Mwarabu
ICPAK M/No:15006


Chairman NG-CDF
Committee

Name: Richard Mwambura

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

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

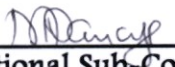
	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	41,343,510	19,539,166
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		41,343,510	19,539,166
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		41,343,510	19,539,166
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		41,343,510	19,539,166
Represented By			
Fund Balance B/Fwd.	15	19,539,166	20,573,510
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		21,804,344	(1,034,344)
Net Financial Position		41,343,510	19,539,166

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

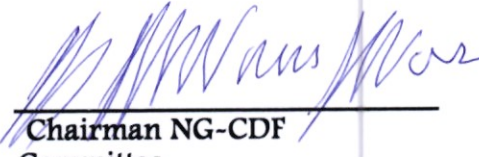
The Constituency financial statements were approved by NG CDFC on 15TH MARCH 2024 and signed by:


Fund Account Manager

Name: Gladys Ngala


National Sub-County
Accountant

Name: Nancy Nazi Mwarabu
ICPAK M/No:15006


Chairman NG-CDF
Committee

Name: Richard Mwambura

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

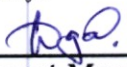
XI. Statement of Cash Flows for the Year ended 30th June 2023

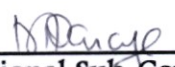
	Notes	2022-2023 Kshs	2021-2022 Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	92,000,000	164,888,879
Other Receipts	3	62,120	334,668
Total Receipts		92,062,120	165,223,547
Payments			
Compensation Of Employees	4	4,392,356	5,152,199
Committee Expenses	5	4,628,961	4,065,000
Use Of Goods and Services	6	2,581,851	4,932,565
Transfers To Other Government Units	7	25,052,088	91,126,057
Other Grants and Transfers	8	33,602,520	60,376,000
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		70,257,776	165,651,821
Total Receipts Less Total Payments		-	-
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		21,804,344	(428,274)
Cash flow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(606,070)
Net Cash Flows from Investing Activities		-	(606,070)
Net Increase In Cash And Cash Equivalent		21,804,344	(1,034,344)
Cash & Cash Equivalent At Start Of The Year	15	19,539,166	20,573,510
Cash & Cash Equivalent At End Of The Year	12	41,343,510	19,539,166

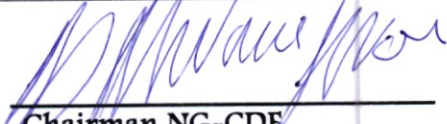
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 15th March 2024

and signed by:


 Fund Account Manager


 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Gladys Ngala

Name: Nancy Nazi Mwarabu
 ICPAK M/No:15006

Name: Richard Mwambura

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

XII. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	<i>2022-2023</i>	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	<i>2022-2023</i>	<i>2022-2023</i>		
Receipts							
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	146,087,603	19,539,166	17,288,879	182,915,648	111,539,166	71,376,482	
Proceeds From Sale of Assets				0	-	-	0%
Other Receipts		62,120		62,120	62,120	-	100%
Totals	146,087,603	19,601,286	17,288,879	182,977,768	111,601,286	71,376,482	61%
Payments							
Compensation Of Employees	4,818,704	810,593	128,879	5,758,176	4,392,356	1,365,820	76%
Committee Expenses	4,362,000	1,917,454		6,279,454	4,628,961	1,650,493	74%
Use Of Goods and Services	3,967,180	330,799		4,297,979	2,581,851	1,716,128	60%
Transfers To Other Government Units	52,326,669	11,030,880	13,260,000	76,617,549	25,052,088	51,565,461	33%
Other Grants and Transfers	74,052,174	4,706,400	3,900,000	82,658,574	33,602,520	49,056,054	41%
Acquisition of Assets				-	-	-	0%
Oversight Committee Expenses	1,460,876			1,460,876	-	1,460,876	0%
Other Payments	5,100,000			5,100,000	-	5,100,000	0%
Funds Pending Approval**		805,160		805,160	-	805,160	0%
Totals	146,087,603	19,601,286	17,288,879	182,977,768	70,257,776	112,719,992	38%

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

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

Explanatory Notes.

- I. The adjustments figure on receipts column represent the roll receipts from previous year fy 2020/21 17,288,879 yet to be received from board, cash book B/F ksh. 19,539,166 and A.I.A of ksh 62,120.
- II. Underutilization for all other items was occasioned by delays in disbursement of funds from NG-CDF Board,
- III. Underutilisation of compensation of employees resulted from accrued gratuity for the NGCDFC continuing staff.
- IV. Underutilisation of transfers to other grants and other grants and transfers was due late disbursement/release of funds from the board.

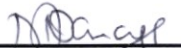
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	112,719,992
Less undisbursed funds receivable from the Board as at 30 th June 2023	71,376,482
	41,343,510
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	41,343,510

The Constituency financial statements were approved by NG CDFC on 15th March 2024 and signed by:




Fund Account Manager

Name: Gladys Ngala



**National Sub-County
 Accountant**

Name: Nancy Nazi Mwarabu
ICPAK M/No:15006



**Chairman NG-CDF
 Committee**

Name: Richard Mwambura

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	45,107	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration And Recurrent						
1.1 Compensation Of Employees	4,818,704	810,592.89	128,879	5,758,176	4,392,356	1,365,820
1.2 Committee Allowances	832,000	1,735,879.67		2,567,880	2,500,000	67,880
1.3 Use Of Goods And Services	3,114,552	-		3,114,552	2,581,851	532,701
Total	8,765,256	2,546,473	128,879	11,440,608	9,474,207	1,966,401
2.0 Monitoring And Evaluation						
2.1 Capacity Building				-		-
2.2 Committee Allowances	3,530,000	181,574		3,711,574	2,128,961	1,582,613
2.3 Use Of Goods And Services	852,628	330,799		1,183,427		1,183,427
Total	4,382,628	512,373	-	4,895,001	2,128,961	2,766,040
3.0 Emergency						
3.1 Primary Schools						
3.1.1 Mapawa Primary school		1,300,000.00		1,300,000	1,300,000	-
3.1.1 Mwangaza Primary school		1,300,000.00		1,300,000	1,300,000	-
3.2 Secondary Schools						
3.3 Tertiary Institutions						
3.4 Security Projects						

*Kilifi South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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)
		Opening Balance (C/Bk) And AIA	Previous Years Outstanding Disbursements			
	2022-2023			2022-2023	45,107	
3.5 Unutilized	7,636,190			7,636,190		7,636,190
Total	7,636,190	2,600,000		10,236,190	2,600,000	7,636,190
4.0 Bursary And Social Security				-		-
4.1 Secondary Schools	27,500,000	60,400.00		27,560,400	27,403,400	157,000
4.2 Tertiary Institutions	18,072,480			18,072,480	459,120	17,613,360
4.3 Social Security	900,000	1,146,000.00		2,046,000		2,046,000
4.4 Special Needs	1,000,000			1,000,000	-	1,000,000
Total	47,472,480	1,206,400	-	48,678,880	27,862,520	20,816,360
5.0 Sports				-		-
5.1 Sports Tournament	2,509,906			2,509,906	2,240,000	269,906
5.2 Regional Sports Tournament	411,846			411,846		411,846
5.3 Constituency Sports Tournament			2,400,000	2,400,000		2,400,000
Total	2,921,752		2,400,000	5,321,752	2,240,000	3,081,752
				-		-
6.0 Environment				-		-
6.1 Kikambala Primary School	650,000			650,000		650,000
6.2 Ziani Primary School	1,300,000			1,300,000		1,300,000
6.3 Junju Secondary School	300,000			300,000		300,000
6.4 Mtomondoni Primary School	335,876			335,876		335,876
6.5 Shariani Primary School	335,876			335,876		335,876
				-		-

*Kilifi South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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)
		Opening Balance (C/Bk) And AIA	Previous Years Outstanding Disbursements			
	2022-2023			2022-2023	45,107	
				-		-
				-		-
Total	2,921,752	-	-	2,921,752	-	2,921,752
7.0 Primary Schools Projects				-		-
7.1 Bundacho Primary School.	350,000.00			350,000	350,000	-
7.2 Barani Primary School	540,000.00			540,000	540,000	-
7.3 Kaole Primary School	4,460,000			4,460,000		4,460,000
7.4 Tsalu Primary School	4,740,000			4,740,000		4,740,000
7.5 Mapawa Primary School	4,200,000			4,200,000		4,200,000
7.6 Kapecha Primary School	2,600,000			2,600,000	1,144,539	1,455,461
7.7 Kikambala Primary School	650,000			650,000		650,000
7.8 Matandale Primary School	875,000			875,000	875,000	-
7.9 Mtomondoni Scheme Primary School	12,500,000			12,500,000		12,500,000
7.10 Barani Primary School		300,000.00		300,000	300,000	-
7.11 Chengoni Primary School		740,000.00		740,000	740,000	-
7.12 Chije Primary School		740,000.00		740,000	740,000	-
7.13 Chodari Primary School		1,250,000.00		1,250,000	1,250,000	-
7.14 Shariani Primary School		500,880.20		500,880	500,880	-
7.15 Mtomondoni Scheme Primary School		2,000,000.00		2,000,000	2,000,000	-
7.16 Madzi Meruhe Primary School		1,000,000.00		1,000,000	1,000,000	-

*Kilifi South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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)
		Opening Balance (C/Bk) And AIA	Previous Years Outstanding Disbursements			
	2022-2023			2022-2023	45,107	
7.17 Chonyi Sub-County Education Office		940,000.00		940,000	940,000	-
7.18 Madzi Meruhe Primary School		2,760,000.00		2,760,000	2,760,000	-
7.19 Gandini Primary School			1,850,000.00	1,850,000		1,850,000
7.20 Shariani Primary School			1,850,000.00	1,850,000		1,850,000
7.21 Chonyi Sub-County Education Office			2,500,000.00	2,500,000		2,500,000
7.22 Madzi Meruhe Primary School			3,760,000.00	3,760,000		3,760,000
7.23 Madzi Meruhe Primary School			800,000.00	800,000		800,000
7.24 Kilifi Sub-County Education Office			500,000.00	500,000		500,000
Total	30,915,000	10,230,880	11,260,000	52,405,880	13,140,419	39,265,461
8.0 Secondary Schools Projects				-		-
8.1 Lutsangani Secondary School	11,111,669.00			11,111,669	11,111,669	-
8.2 Pingilikani Secondary School	2,800,000.00			2,800,000		2,800,000
8.3 Kolongoni Secondary School	7,500,000.00			7,500,000		7,500,000
8.4 Mtepeni Secondary school		200,000.00		200,000	200,000	-
8.5 Mtepeni Secondary school		600,000.00		600,000	600,000	-
8.6 Chasimba Secondary School			2,000,000.00	2,000,000		2,000,000
				-		-
Total	21,411,669	800,000	2,000,000	24,211,669	11,911,669	12,300,000
9.0 Tertiary Institutions Projects				-		-
				-		-

*Kilifi South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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	45,107	
Total	-		-	-	-	-
10.0 Security Projects				-		-
10.1 Chonyi Sub-County D.C.C Office	13,100,000.00			13,100,000		13,100,000
10.2 Chasimba Chief's office		650,000.00		650,000	650,000	-
10.3 Shariani Chief's office		250,000.00		250,000	250,000	-
Chonyi Police Station			1,500,000	1,500,000		1,500,000
Total	13,100,000	900,000	1,500,000	15,500,000	900,000	14,600,000
11.0 Acquisition Of Assets				-		-
	-			-		-
Total	-		-	-		-
12.0 Oversight Committee Expenses (Itemize)				-		-
12.1 Committee Allowances	648,000			648,000		648,000
12.2 Use Of Goods And Services	812,876		-	812,876	-	812,876
	-		-	-		-
Total	1,460,876		-	1,460,876		1,460,876
13.0 Other Payments				-		-
Kilifi South NG-CDF Strategic Plan	2,200,000			2,200,000		2,200,000
Kilifi South NG-CDF Office	2,900,000			2,900,000		2,900,000
	-			-		-
Total	5,100,000	-	-	5,100,000	-	5,100,000

*Kilifi South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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	45,107	
14.0 Unallocated Fund				-		-
Unapproved Projects				-		-
AIA		415,000.00		415,000		415,000
PMC Savings		390,160.00		390,160		390,160
Total		805,160	-	805,160	-	805,160
	146,087,603	19,601,286	17,288,879	182,977,768	70,257,776	112,719,992

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 South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board		
AIE NO. B 140942	-	33,000,000
AIE NO. B 105466		44,000,000
AIE NO. B 105811		24,000,000
AIE NO. B 128552		5,000,000
AIE NO. B 128864		12,000,000
AIE NO. B 154060		15,000,000
AIE NO. B 164401		20,000,000
AIE NO. B 155903		11,888,879
AIE NO. B 185109	7,000,000	
AIE NO. B 185521	6,000,000	
AIE NO. B 185643	15,000,000	
AIE NO. B 206143	5,000,000	
AIE NO. B 206408	12,000,000	
AIE NO. B 205781	12,000,000	
AIE NO. B 205971	5,000,000	-
AIE NO. B 207542	15,000,000	-
AIE NO. B 207804	15,000,000	-
TOTAL	92,000,000	164,888,879

2. Proceeds From Sale of Assets

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

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

3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents(AIA)	47,000	24,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		170,200
Unutilized funds from PMCs		140,468
Other Receipts Not Classified Elsewhere (Reversed cheque)	15,120	-
Total	62,120	334,668

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

Notes to the Financial Statements (Continued)

4. Compensation of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,313,441	3,949,514
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	811,275	1,104,405
Other personnel payments (NHIF)	86,200	-
Employer Contributions Compulsory national social security schemes	181,440	98,280
Total	4,392,356	5,152,199

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	4,079,245	4,050,000
Other committee expenses	549,716	15,000
Total	4,628,961	4,065,000

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

6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	515,309	307,105
Communication, supplies and services	-	196,000
Domestic travel and subsistence	-	261,250
Printing, advertising and information supplies & services	-	251,216
Rentals of produced assets	-	-
Training expenses	-	1,513,000
Hospitality supplies and services	-	210,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	557,403
Fuel, oil & lubricants	962,980	798,494
Other operating expenses	-	101,952
Security operations	360,000	389,482
Routine maintenance – vehicles and other transport equipment	694,562	48,160
Routine maintenance – other assets	49,000	298,503
Total	2,581,851	4,932,565

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

Notes to the Financial Statements (Continued)

7. Transfer to Other Government Units

Description	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	12,200,419	70,159,120
Transfers To Secondary Schools (See Attached List)	11,911,669	20,966,937
Transfers To Tertiary Institutions (See Attached List)	940,000	
Total	25,052,088	91,126,057

8. Other Grants and Other transfers

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Bursary – secondary schools (see attached list)	27,403,400	42,239,000
Bursary – tertiary institutions (see attached list)	459,120	6,283,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	654,000
Security projects (see attached list)	900,000	1,200,000
Sports projects (see attached list)	2,240,000	-
Environment projects (see attached list)	-	500,000
Emergency projects (see attached list)	2,600,000	9,500,000
Roads projects (see attached list)	-	-
Total	33,602,520	60,376,000

Notes to the Financial Statements (Continued)

9. Acquisition of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	606,070
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	-	606,070

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>Insert Previous FY</i>
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
	-	-

11. Other Payments

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

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

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)	Kshs(30/6/2023)	Kshs(30/6/2022)
<i>Co-operative Bank, Mtwapa Branch, A/C no.011411430001500,</i>	41,343,510	19,539,166
-	-	-
Total	41,343,510	19,539,166
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

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

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

Notes to the Financial Statement Continued

14. Retention and Gratuity

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

15. Fund Balance B/F

	<i>(1st July 2022)</i>	<i>(1st July 2021)</i>
	Kshs	Kshs
Bank accounts	19,539,166	20,573,510
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	19,539,166	20,573,510

16. Prior Year Adjustments

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

17. Changes in Accounts Receivable – Outstanding Imprests

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

18. Changes in Accounts Payable – Deposits and Retentions

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

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

Notes to the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	1,365,820	5,277,261
Committee expense	1,650,493	63,074
Use of goods and services	1,716,128	
Amounts due to other Government entities (see attached list)	51,565,461	28,123,943
Amounts due to other grants and other transfers (see attached list)	49,056,054	22,901,070
Acquisition of assets	-	
Oversight Committee Expenses	1,460,876	-
Other Payments (<i>specify</i>)	5,100,000	
Funds pending approval	805,160	701,340
Total	112,719,992	57,066,688

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

18.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	1,976,505	11,494,890
Total	1,976,505	11,494,890

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					

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				

Kilifi South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023
Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
Compensation Of Employees		1,365,820	5,277,261	
Use Of Goods & Services		3,366,621	63074	
Amounts Due To Other Government Entities			28123943	
Transfers To Primary schools				
1 Kaole Primary School		4,460,000		
2.Tsalu Primary School		4,740,000		
3. Mapawa Primary School		4,200,000		
4. Kapecha Primary School		1,455,461		
5. Kikambala Primary School		650,000		
6. Mtomondoni Scheme Primary School		12,500,000		
7. Gandini Primary School		1,850,000		
8. Shariani Primary School		1,850,000		
9. Chonyi Sub-County Education Office		2,500,000		
10. Madzi Meruhe Primary School		3,760,000		
11. Madzi Meruhe Primary School		800,000		
12. Kilifi Sub-County Education Office		500,000		
Transfers To Secondary Schools				
1. Pingilikani Secondary School		2,800,000		
2. Kolongoni Secondary School		7,500,000		
3. Chasimba Secondary School		2,000,000		
Sub-Total		51,565,461	33,464,278	
Amounts Due To Other Grants And Other Transfers			22,901,070	
Bursary - Secondary		157,000		
Bursary -Tertiary		17,613,360		
Bursary- Special Schools		1,000,000		
Social Security Programmes (NHIF)		2,046,000		
Security Projects				
1 Chonyi Sub-County D.C.C Office		13,100,000		

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

2.Chonyi Police Station		1,500,000		
Sports Projects		3,081,752		
Environment Projects				
1 Kikambala Primary School		650,000		
2 Ziani Primary School		1,300,000		
3 Junju Secondary School		300,000		
4 Mtomondoni Primary School		335,876		
5 Shariani Primary School		335,876		
Emergency Projects		7,636,190		
Sub-Total		49,056,054	22,901,070	
Acquisition Of Assets				
Oversight Committee Expenses(Itemize)		1,460,876		
Others (Specify)				
Kilifi South NG-CDF Strategic Plan		2,200,000		
Kilifi South NG-CDF Office		2,900,000		
Sub-Total		5,100,000		
Funds Pending Approval		805,160	701340	
Grand Total		112,719,992	57,066,688	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	31,054,456	-	-	31,054,456
Transport equipment	11,367,892	-	-	11,367,892
Office equipment, furniture and fittings	2,232,180	-	-	2,232,180
ICT Equipment, Software and Other ICT Assets	721,839	-	-	721,839
Other Machinery and Equipment	1,539,495	-	-	1,539,495
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	46,915,862			46,915,862

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

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


PMC NAME	Account number	Bank	DATE A/C OPENED	Bank Balance 2022/23	Bank Balance 2021/22
Chengoni Primary School	0114114074700	Co-operative		414	414
Chije Primary School	01141140547200	Co-operative		620	3,320,000
Barani Primary School	01141141537900	Co-operative		1,000	1,314,805
Bundacho Secondary School	01141140885700	Co-operative		1,000	312,723
Mtundani Primary School	01141142759900	Co-operative		1,001	327,445
Chasimba Chiefs Office	0114114083910	Co-operative		1,443	
Mapawa Primary school	01141140545300	Co-operative		1,821	
Bureni Primary School	01141142754900	Co-operative		1,946	1,946
Matandale Primary School	01141142757300	Co-operative		2,488	2,845,961
Mwangaza Primary School	01141142755700	Co-operative		2,570	
Gandini Primary School	01141779627300	Co-operative		2,886	74,283
Mtomondoni Scheme Primary School	01141144901700	Co-operative		2,897	1,789
Chonyi Sub-County Education Office	01141141005700	Co-operative		3,938	1,728
Bodoi Primary School	01141142756400	Co-operative		4,398	4,398
Shariani Chief's Office	01141140937900	Co-operative		4,782	402,364
Chonyi Police Station	01141143937900	Co-operative		4,976	1,484,440
Vipingo secondary school	01141144635900	Co-operative		5,636	
Lutsangani Secondary School	01141142755600	Co-operative		6,703	1,125
Mtepeni Secondary School	01141143549301	Co-operative		7,079	502,844
Shariani Primary School	01141140936700	Co-operative		12,214	391,187
Chodari Primary School	01141144169600	Co-operative		49,077	501,802
KLF South NG-CDF Madzimeruhe primary	01141141142500	Co-operative		126,009	
Kapecha Primary school	01141925321200	Co-operative		7,130	
Kilifi south Constituency sports	01141143370200	Co-operative		1,724,477	
Vipingo Central Primary School	01141142755100	Co-operative			5,636
Total				1,976,505	11,494,890

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

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Unaccounted committee allowances	Validity of committee allowances of Kshs. 637,000 could not be confirmed	Schedules for the committee allowances are availed	Resolved	1.0 Unaccounted committee allowances
2.0 Unaccounted Bursary-Tertiary Institutions	The validity, occurrence and lawfulness of bursary-tertiary institutions expenditure of Kshs. 1,500,000 and accuracy of Kshs. 12,005,700 could not be confirmed	The necessary schedules, application forms and receipts are produced	Resolved	2.0 Unaccounted Bursary-Tertiary Institutions
3.0 Summary of fixed assets Register	The accuracy, completeness and rights and obligations of the fixed assets balance of Kshs. 48,193,731 could not be confirmed	The Fixed assets register has been updated	Resolved	3.0 Summary of fixed assets Register

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Name: Gladys Ngala
Fund Account Manager.