

THE NATIONAL ASSEMBLY **REPORT**

DATE: 05 JUL 2023

DAY:
WED

PARLIAMENT
OF KENYA
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TABLED
BY:

Hon Owen Baya CBS, MP
Deputy leader, majority party

CLERK-AT
THE TABLE:

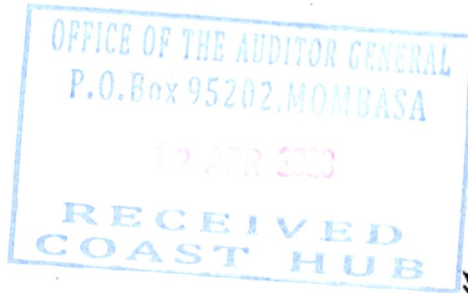
Finlays Muriuki

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - KINANGO CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2022**



Revised Template 30th June 2022



KINANGO CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

- i. National Government Constituencies Development Fund Board (NGCDFB)

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ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Flora Mutua
2.	Sub-County Accountant	Stephen K Mwachia
3.	Chairman NGCDFC	Augustino Mukamba Ngao
4.	Member NGCDFC	Josephine Mwaka Mwandoro

(d) Fiduciary Oversight Arrangements

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

(e) Kinango Constituency NGCDF Headquarters

NGCDF Kinango Constituency Offices
Kinango NGCDF Office Building Kinango
Sub-county Head Quarters
P.O. Box 41
Kinango, Kwale County - Kenya

(f) Kinango Constituency NGCDF Contacts

Telephone: (254) 710 629 633
E-mail: cdfkinango@ngcdf.go.ke
Website: www.cdf.go.ke

(g) Kinango Constituency NGCDF Bankers

KCB Bank (K)
Limited Kwale
Branch
A/C NO 1108631142
P.O. Box 60-
80500 Kwale,
Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

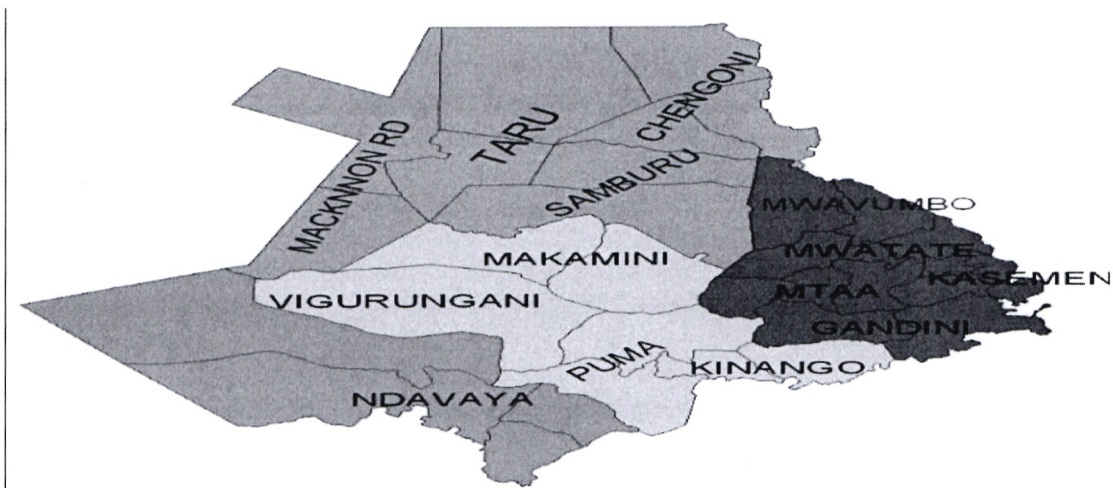
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC Chairman's Report

Background

Kinango Constituency is geographically located in Kwale County in the southern region of coastal Kenya. It covers a total area of 4,011 square kilometers and borders Lungalunga in the south, Matuga and Changamwe in the east, Kaloleni, Ganze in the North and Voi in West. According to the most recent census data, it has a total population of 249,560 people with a poverty index of 84.5%. Most of Kinango land mass is semi arid.

Administratively, Kinango Constituency is composed of 7 electorate wards; namely: Kinango ward, Mwavumbo ward, Kasemeni ward, Puma ward, Samburu ward, Mackinnon road ward and Ndavaya ward.



Financial Statement FY 2021-2022

I am pleased to forward the Financial Statements and Reports for NGCDF Kinango Constituency for the period ended 30th June 2022 as the expedited Budget for the Financial Year 2021/2022. The actual budget from the NGCDF Board for the referred period was kshs. 137,088,879.00 which represents the total annual Project Proposal Budget for the FY 2021/2022. The actual final budget for the referred period was kshs. 216,987,969 backed up by an Adjustment (unutilized funds balances brought forward) of kshs. **79,899,090**. Total expenditure for the period was Kshs. **202,379,974** which is equivalent to 93.3% of the actual final budget closing with a unutilized funds balance of Kshs. **14,607,995** representing a 6.7% of the final actual budget for the referred period.

2. PROJECTS OUT PUT AND LEVEL OF FUND UTILIZATION

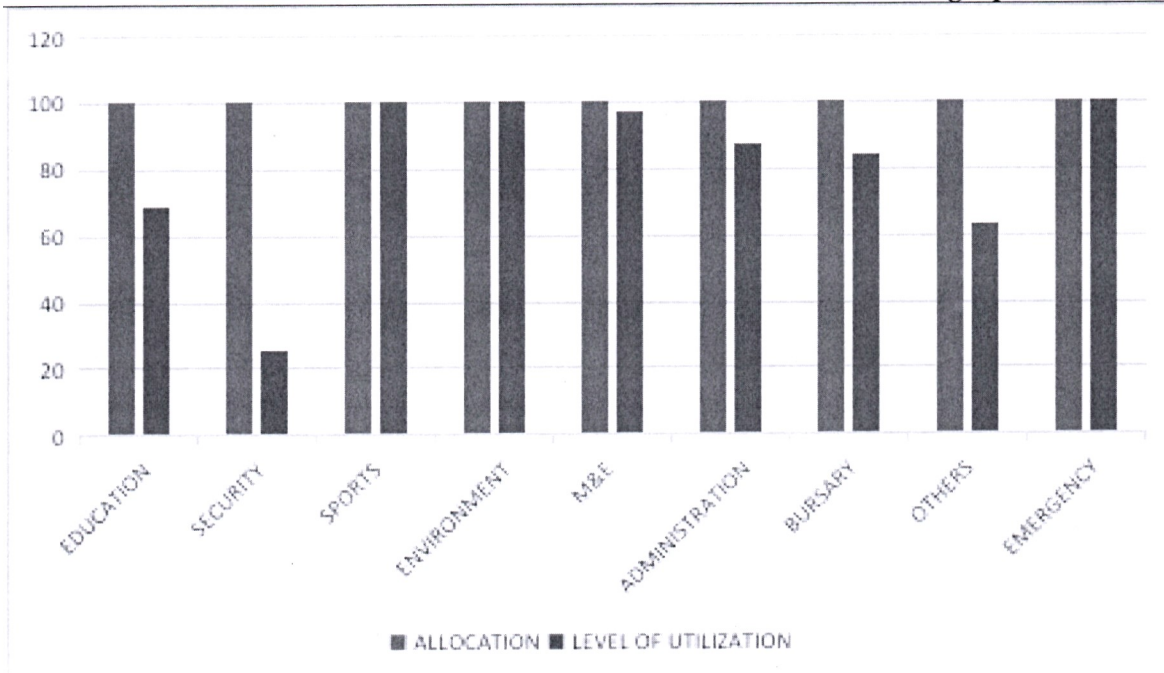
The low level of project implementation was due to delays occasioned by late disbursement of funds by the Board coupled with the bureaucracies in the procurement laws which makes it virtually unviable to expend the budget within the required time frame

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Hence the less than 100% utilization is as shown in the bar-graph below



PERENIAL ISSUES

Kinango Constituency suffers from pre-independence challenges of;

- i. Diseases,
- ii. Illiteracy
- iii. Poverty

As a result, the fund has continuously endeavoured to lead in the fight against illiteracy by supporting education 100% through infrastructure development and students sponsorship, construction of security facilities notable chief's offices and police posts in every village of the constituency and more so promotion of sports and conservation of the environment.

EMERGING ISSUES

- i. Economic collapse caused by covid-19 pandemic
- ii. Climatic changes causing droughts, unpredictable rainfall
- iii. Ban on charcoal burning
- iv. High rural-urban migration by youth due to joblessness thus stripping the community of much needed man-power for development

Despite a few challenges here and there, NG-CDF continues to be one of the most preferred devolved funds at the grassroots by the society due to its broadened and inclusive management style and the visible tangible results that have brought hope to many villages that not so long ago were leaving in despair and ravaging poverty.

.....
Name Augustino Mukamanga Ng'ao
CHAIRMAN NGCDF COMMITTEE

III. Statement Of Performance Against Predetermined Objectives for FY2021/22

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 *Kinango Constituency 2018-2022* plan are to:

Kinango Constituency is mainly made up of the semi-arid lands of Kwale County. Thus the main economic activity is small scale farming and animal husbandry. Arable land is majorly semi-arid though the population practice some crop production mainly food crops such as maize, beans, green grams and sim-sim. They also keep some livestock such as cows and goats.

The constituency has people of diverse culture that co-exist and participate in the development of the constituency but majority of the population is composed of the duruma community

Majority of the population is poor and records high illiteracy rate and perennial food deficit. This is one of the biggest challenges that faces the population of Kinango Constituency. In terms of infrastructural development, the constituency lags behind in poor road network, inadequate safe drinking water, schools, security infrastructure and health facilities.

Majority of the population of Kinango Constituency derive their livelihood from subsistence agriculture and livestock keeping. The area experiences unreliable rainfall and the population has perennial shortage of food and has repeatedly to depend on the government for food relief. Thus 65 per cent of the populations are food poor, 43 per cent are hard-core poor meaning that they cannot meet the basic minimum food requirements even after spending all their income on food alone. About 60 per cent of the adult population cannot meet the minimum cost of food and non-food items essential for human life hence are absolutely poor. In terms of gender, 45 percent of the poor are male and 55 percent are female. The highest poverty incidence is found in the hinterland areas of the constituency where majority inhabitants are duruma.

Lack of sufficient and reliable sources of potable water supply and sanitation services in Kinango Constituency have greatly contributed to the high poverty levels inherent of the area. Provision of readily available potable water supply and improved sanitation will impact positively on the livelihoods of the communities by availing adequate time for engagement in farming and other economic activities, eradication of water borne related diseases, improved food security and better healthcare services

The constituency has endeavoured to come up with strategic objectives and related programmes and projects that have been formulated to better the livelihoods of the constituents as envisaged in the five year strategic plan (2018-2022). This is a commitment by the Kinango NGCDF Committee to initiate projects for a period of five years that is expected to transform the livelihoods of the constituents for the better.

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 have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In the FY 2021/2022 we increased number of classrooms, sanitation blocks, School buses, Multipurpose halls, Administration offices, Staff quarters, Desks, etc in the following institutions - 2no classroom to each of the the following primary schools – Gonzi Rai, Bomani, Vikolani, Kisimani, Cafgem, Gwasheni, Mazeras and Mwarovesa primary Schools - Samburu secondary school bus - Construction of 3no. classrooms at Sembe primary, Renovation of 8no classrooms at Mwanda Primary, Renovation of 5no classrooms at Pemba, Kifyonzo and Gulanze Primary Schools - Construction of modern Kitchen and dining hall, Twin laboratory for Dalu Tayari Girls Secondary School - Bursary beneficiaries at all levels were sponsored with tuition fees totaling kshs.32,158,000
Security	To have all government security agencies within the constituency provided with	Heightened security within the constituency that guarantees safe working	Number of police posts constructed and furnished Number of chiefs offices	In the FY 2021/2022 the following infrastructure was implemented:- Construction of Kibandaongo Police Station

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	administration offices and secured working environment	environment and peaceful co- existence of communities and improved service delivery to the citizens	constructed and furnished	
Environment	Rehabilitation and Conservation of environment	Restoration of nature and protecting nature from degradation and pollution	Number of tree seedlings planted, gabions constructed, water harvesting facilities initiated and pit- latrines constructed	In the FY 2021/2022, we bought water tanks and rain water good to 7no. schools. Mwalukombe Girls Secondary, Nzovuni, Busho, Mtaa, Bofu, Mwakijembe and Makamini Secondary Schools.
Sports	Promotion of Sports and Sporting activities	Harnessing of youth talents and promotion of peaceful coexistence of communities through social welfare activities such as ball games, boat racing and donkey competitions	Number of teams participated in sponsored sporting events Infrastructures constructed in institutions that providing sporting space Sporting gear and equipment procured for sporting teams	In the FY 2021/2022, we procured sports wear, sporting gear and distributed to foot ball teams 16no teams in our 7no electoral wards that were competing in a tournament that we were sponsoring for the constituency
Social Security Programs	Promotion of social welfare programs and activities	Provision of public amenities that cater for public utilities	Construction of public Dias Procurement of Office motor vehicles that enhance service delivery to the public	In the FY 2020/2021, we paid for NHIF for 718 no of needy constituents which covered up to 2021/2022 financial year.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kinango 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

In the FY 2021/2022, we bought water tanks and rain water good to 7no. schools. Mwalukombe Girls Secondary, Nzovuni, Busho, Mtaa, Bofu, Mwakijembe and Makamini Secondary Schools.

3. Employee welfare

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

Kinango 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-

Kinango 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.

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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.

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



.....
Name *FORA MURIA*
FAM

V. 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-Kinango 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, 2022. 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-Kinango 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, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kinango 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.

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

Approval of the financial statements

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

.....
Name: Augustino Muliamba
Chairman – NGCDF Committee

.....
Name: Flora Muriu
Finance Account Manager

Kinango Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

Approval of the financial statements

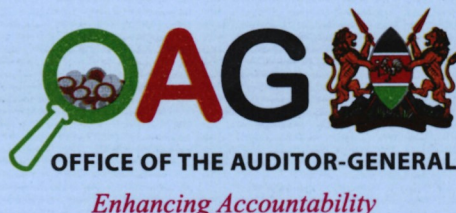
The NGCDF- Kinango Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.

.....
Name: *Augustino Mukamba*
Chairman – NGCDF Committee *Ngao*

.....
Name: *FLORA MURIA*
Finance Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KINANGO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

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 - Kinango Constituency set out on pages 1 to 39, which comprise of the statement of assets and liabilities as at 30 June, 2022, 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 National Government Constituencies Development Fund - Kinango Constituency as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccurate Cash and Cash Equivalents Balance

The statement of assets and liabilities as at 30 June, 2022 reflects a bank balance of Kshs.13,541,318 and as disclosed in Note 10 to the financial statements. Review of the supporting bank reconciliation statement as at 30 June, 2022 reflected unrepresented cheques amounting to Kshs.6,898,464, out of which stale cheques totalling to Kshs.2,115,239 had not been reversed in the cash book and no evidence was provided indicating that they were issued to the beneficiaries before becoming stale. Further, no bank statement was provided to confirm when the valid unrepresented cheques were cleared.

In the circumstances, the accuracy and completeness of bank balance of Kshs.13,541,318 could not be confirmed.

2. Undisclosed Fixed Assets

Annex 4 to the financial statements reflects a summary of fixed assets register with a historical cost of Kshs.51,416,890 as at 30 June, 2022. Review of records provided for audit revealed that the National Government Constituencies Development Fund Board donated fixed assets of undetermined values in 2013 to the Fund. However, the donated assets had not been included in the fixed assets register.

In the circumstances, the accuracy, valuation and ownership of the fixed assets with a historical cost of Kshs.51,416,890 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 - Kinango Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.215,921,292 and Kshs.182,177,758 respectively, resulting in an under-funding of Kshs.33,743,534 or 16% of the budget. Similarly, the Fund expended Kshs.202,379,974 against an approved budget of Kshs.216,987,969, resulting in an under-expenditure of Kshs.14,607,995 or 7% of the budget.

The underfunding and underperformance may have impacted negatively on service delivery to the public.

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.

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved or given any explanation for failure to adhere to the guidelines issued by the Public Sector Accounting Standards Board and The National Treasury's Circular Ref: AG.3/88/ Vol.VII(20) dated 11 May, 2022.

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. Non-return of Unutilized Funds

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.13,565,489 as at 30 June, 2022. Included in these balances is an amount of Kshs.1,789,098 held in various PMC accounts in respect of unutilized balances from completed projects which had not been returned to the Constituency account for about one year, contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires that all unutilized funds of the Project Management Committee are returned to the constituency account.

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

2. Unsupported Statutory Deductions

The statement of receipts and payments reflects Kshs.3,045,895 in respect to compensation of employees which, as disclosed in Note 4 to the financial statements includes Kshs.267,616 for gratuity paid to a member of staff. However, no documentary evidence was provided for audit review in support of the statutory deductions from the payment and eventual remittance to Kenya Revenue Authority. This was contrary to Section 37 of the Income Tax Act, 2007 Cap 470 which states that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed.

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

3. Uninsured Fixed Assets

Annex 4 to the financial statements reflects a summary of fixed assets register historical cost of Kshs.51,416,890. However, the assets were not insured, contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 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 and shall be insured in the name of the Board.

Further, Management indicated that assets with historical cost of Kshs.7,803,702 were damaged but had not been disposed off 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, the Management was in breach of the law.

4. Unreported Expenditure on Emergency Projects

The statement of receipts and payments reflects Kshs.69,694,194 in respect to other grants and transfers which, as disclosed in Note 7 to the financial statements includes Kshs.7,122,815 in respect to emergency projects. This amount in turn includes Kshs.5,879,655 was utilized on emergency projects but not reported in the format prescribed by the Board and within thirty (30) days of occurrence, contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

5. Unauthorized Re-allocation of Funds

Review of records maintained by Management revealed that Kshs.10,250,000 and Kshs.750,000 allocated for Dalu Tayari Girls Secondary School and social security projects respectively were re-allocated to bursary projects without the approval of the National Government Constituencies Development Fund Board. This was contrary to Section 6(2) of the National Government Constituencies Development Fund Act, 2015 which provides that once funds are allocated for a particular project, they shall remain

allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

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

6. Anomalies in Projects Implementation

Projects inspection carried out in the month of March, 2023 revealed that twelve (12) projects valued at Kshs.72,300,055 had anomalies as summarised below;

No.	Project Name	Approved Activity	Amount Disbursed (Kshs.)	Anomalies
1	Gonzi Rai Primary School	Construction of two classrooms, rainwater harvesting goods, 5,000-litre water tank, thirty desks and tiled floor.	3,000,000	<ul style="list-style-type: none"> Project was complete and in use. However, louver windows were installed instead of window casement costing Kshs.165,000. Skirting costing Kshs.5,400 was not done for the floor finishes. Wrot hardwood beading and hardwood chalk rail costing Kshs.5,500 had not been fixed on the black board.
2	CAFGEM Primary School	Construction of two classrooms, rainwater harvesting goods, 5,000-litre water tank, thirty desks and tiled floor.	3,000,000	<ul style="list-style-type: none"> Project was complete and in use. However, louver windows were installed instead of window casement costed at Kshs.165,00. Skirting costing Kshs.5,400 was not done for the floor finishes. Wrot hardwood beading and hardwood chalk rail costing Kshs.5,500 were not fixed on the black board.
3	Kisimani Primary School	Construction of two classrooms, rainwater harvesting goods, 5,000-litre water tank, thirty desks and tiled floor	3,300,000	<ul style="list-style-type: none"> Project was complete and in use. However, part of UPVC gutter fixed at cost of Kshs.36,000 was broken. Steel doors were installed instead of wrot hardwood costing Kshs.54,800. Windows were not fixed with permanent vents with mosquito gauze. Skirting costing Kshs.5,400 was not done for the floor finishes. Wrot hardwood beading and hardwood chalk rail costing Kshs.5,500 had not been fixed on the black board.
4	Mwarovesa Primary School	Construction of two classrooms, rainwater harvesting goods, 5,000-litre	3,300,000	<ul style="list-style-type: none"> Project complete and in use. However, louver windows were installed instead of window casement costing Kshs.165,000.

No.	Project Name	Approved Activity	Amount Disbursed (Kshs.)	Anomalies
		water tank, thirty desks and tiled floor		<ul style="list-style-type: none"> • Skirting costing Kshs.5,400 was not done for the floor finishes. • Wrot hardwood beading and hardwood chalk rail costing Kshs.5,500 had not been fixed on the black board.
5	Sembe Primary School	Construction of three classrooms, rainwater harvesting goods, 5,000-litre water tank, forty-five desks and tiled floor.	4,950,000	<ul style="list-style-type: none"> • Complete and in use, but louver windows were installed instead of window casement, costed at Kshs. 165,000 while skirting costing Kshs.5,400 was not done for the floor finishes.
6	Samburu Secondary School	Additional cost for purchase of school bus	5,500,000	Bus purchased and in use, but the logbook and project file not provided for audit review.
7	Dalu Tayari Secondary School -	Construction of twin lab @ Kshs.9.5 million and dining hall/kitchen @Kshs.10.5 million	20,000,000	<ul style="list-style-type: none"> • Complete but not in use. • Laboratory's PVC ceiling had started to fall while some parts were vandalised. • In the dining hall and Kitchen, there were visible cracks on the floor, the roof was leaking and the windows were poorly fixed.
8	Kinango NG-CDF Office	Emergency Project Construction two three-door modern toilets	1,879,555	Complete and in use but there was no water.
9	Kinango Boys Secondary School -	Construction of 100 bed capacity dormitory.	10,700,000	Complete and in use. However, BoQ required use of gloss painting costing Kshs.19,500 which was not used.
10	Kinango Education Complex -	Completion of construction of Sub-County Education Complex	11,000,000	<ul style="list-style-type: none"> • Complete but not in use. • The building had no electricity. • Part of the boardroom ceiling was falling off.
11	Kibandaongo Police Post -	Construction of Police post to completion.	4,000,000	<ul style="list-style-type: none"> • Complete but not in use. • There were visible cracks on the slab while gutters were dislodged and hanging loose.
12	Kinango NG-CDF Office	Refurbishment of Buildings-Renovation of office block	1,670,500	<ul style="list-style-type: none"> • Completed and in use, • Roofing costing Kshs.678,128 was not changed and gloss paint costing Kshs.53,000 was not used.
		Total	72,300,055	

In the circumstances, value for Kshs.72,300,055 spent on these projects may not have been achieved.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal 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 Fund's policies and procedures may deteriorate.

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

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

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 June, 2023

Kinango Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

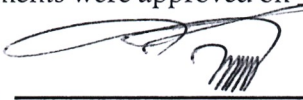
	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	182,177,758	165,801,047
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		182,177,758	165,801,047
PAYMENTS			
Compensation of employees	4	3,045,895	3,258,090
Use of goods and services	5	8,454,034	9,986,414
Transfers to Other Government Units	6	119,515,351	69,388,318
Other grants and transfers	7	69,694,194	56,534,069
Acquisition of Assets	8	1,670,500	-
Other Payments	9		150,000
TOTAL PAYMENTS		202,379,974	139,316,891
SURPLUS/DEFICIT		(20,202,216)	26,484,156

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


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



Fund Account Manager



National Sub-County Accountant



Chairman NG-CDF Committee

Name: *Flora Muriu*

Name: *STEPHEN-K TAVIHEWA*
 ICPAK M/No: *78959*

Name: *Augustino Mwikanda Ngao*


Kinango Constituency
National Government Constituencies Development Fund (NGCDF)
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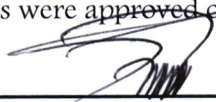
VIII. Statement of Assets and Liabilities As At 30th June, 2022

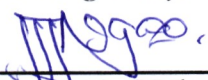
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per The Cash Book)	10A	13,541,318	33,743,534
Cash Balances (Cash At Hand)	10B	-	-
Total Cash And Cash Equivalents		13,541,318	33,743,534
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		13,541,318	33,743,534
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Net Financial Ssets		13,541,318	33,743,534
Represented By			
Fund Balance B/Fwd 1st July...	13	33,743,534	7,259,378
Prior Year Adjustments	14	-	
Surplus/Defict For The Year		(20,202,216)	26,484,156
Net Financial Position		13,541,318	33,743,534

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

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


Fund Account Manager
Name: FLORA MURIU


National Sub-County Accountant
Name: STEPHEN K. KARIUKI
ICPAK M/No: 78659


Chairman NG-CDF Committee
Name: Augustino Mukumbi

Kimango Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts		Opening Balance (C/Bk) and AIA				
		Previous years Outstanding Disbursement				
Transfers From NG-CDF Board	137,088,879	45,088,879	215,921,292	182,177,758	33,743,534	
Proceeds From Sale Of Assets			0	-	-	0.0%
Other Receipts			0	-	-	
Total Receipts	137,088,879	45,088,879	215,921,292	182,177,758	33,743,534	84.4%
Payments						
Compensation Of Employees	3,852,800		4,749,962	3,045,895	1,704,067	64.1%
Use Of Goods And Services	8,485,199		8,626,409	8,454,034	172,375	98.0%
Transfers To Other Govt Units	76,500,000	31,950,000	130,614,173	119,515,351	11,098,822	92.1%
Other Grants And Transfers	48,250,880	13,138,879	70,235,658	69,694,194	541,464	98.2%
Acquisition Of Assets		1,695,090	1,695,090	1,670,500	24,590	98.5%
Other Payments	0	0	0	-	-	
Funds pending Approval		1,066,677	1,066,677	0	1,066,677	
Total	137,088,879	46,155,556	216,987,969	202,379,974	14,607,995	93.7%

Budget Notes

**Kinango Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

**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.
Explanatory Notes.

- (a) *Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)*
 (b) The original budget varies with the final budget because of balances brought forward from the previous years.
 (c) Compensation of employees- gratuity payment was not paid within the financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	14,607,995
Less undisbursed funds receivable from the Board as at 30 th June 2022	1,066,677
Add Accounts payable	13,541,318
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	13,541,318

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

[Signature]

Fund Account Manager

Name: *Rosea MURITA*

[Signature]

National Sub-County Accountant

Name: *STEPHEN K. NUNWA*
ICPAK M/No: *78959*

[Signature]

Chairman NG-CDF Committee

Name: *Augustino MUKAMBYI NGAA*

Kimango Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a) 2021/2022 Kshs	Adjustments(b)		Final Budget c = (a+b) 2021/2022 Kshs	Actual on comparable basis(d) 30/06/2022 Kshs	Budget utilization difference(e = c-d) Kshs	% of Utilisation(f= d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,852,800	897,162		4,749,962	3,045,895	1,704,067	64.1
1.2 Committee allowances	2,200,000	14,247		2,214,247	2,214,000	247	100.0
1.3 Use of goods and services	2,172,533	3,000		2,175,533	2,004,034	171,499	92.1
Total	8,225,333	914,409	-	9,139,742	7,263,929	1,875,813	79.5
2.0 Monitoring and evaluation							
2.1 Capacity building	1,412,666	94,453.37		1,507,120	1,507,000	120	100.0
2.2 Committee allowances	2,000,000	29,509.76		2,029,510	2,029,000	510	100.0
2.3 Use of goods and services	700,000	-		700,000	700,000	-	100.0
Total	4,112,666	123,963	-	4,236,629	4,236,000	629	100.0
3.0 Emergency	7,192,207						
3.1 Primary Schools				-		-	
3.2 Secondary schools				-		-	
3.3 Tertiary institutions				-		-	
3.4 Security projects				-		-	
3.5 Unutilised	7,192,207	27,815.90		7,220,023	7,122,815	97,208	98.7
Total	7,192,207	27,816		7,220,023	7,122,815	97,208	98.7
4.0 Bursary and Social Security							

**Kinango Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f = d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
4.1 Secondary Schools	17,000,673	3,268.27		17,003,941	17,000,500	3,441	100.0
4.2 Tertiary Institutions	15,158,000	-		15,158,000	15,158,000	-	100.0
4.3 Social Security		4,308,000.00		4,308,000	3,876,000	432,000	90.0
Kinango Educaton Office Complex			11,000,000	11,000,000	11,000,000		100.0
Total	32,158,673	4,311,268	11,000,000	47,469,941	47,034,500	435,441	99.1
5.0 Sports				-		-	
5.1	2,700,000	2,006,607.00	600,000	5,306,607	5,300,000	6,607	99.9
Total	2,700,000	2,006,607	600,000	5,306,607	5,300,000	6,607	99.9
6.0 Environment							
Mwalukombe Girls Secondary School	400,000			400,000	400,000	-	100.0
Nzovuni Secondary School	300,000			300,000	300,000	-	100.0
Busho Secondary School	300,000			300,000	300,000	-	100.0
Mtaa Secondary School	300,000			300,000	300,000	-	100.0
Bofu Secondary School	300,000			300,000	300,000	-	100.0
Mwakijembe Secondary School	300,000			300,000	298,000	2,000	99.3
Makamini Secondary School	300,000			300,000	300,000	-	100.0
Mgalani Primary School		100,208		100,208	100,000	208	99.8

Kamango Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e) = c-d	% of Utilisation(f= d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Mnyenzi Secondary School	2021/2022	300,000		2021/2022	300,000	-	100.0
Gandini Primary School		300,000			300,000	-	100.0
Kisimani Primary School		300,000			300,000	-	100.0
Shauri Moyo Primary School		300,000			300,000	-	100.0
Chizini Primary School		300,000			300,000	-	100.0
Yapha Primary School		300,000			300,000	-	100.0
Baha Kwenu Primary School		300,000			300,000	-	100.0
Mubande Primary School		300,000			300,000	-	100.0
Total	2,200,000	2,500,208	-	4,700,208	4,698,000	2,208	100.0
7.0 Primary Schools Projects							
Gwasheni Primary School	3,000,000				3,000,000	-	100.0
Gonzi Rai Primary School	3,000,000				3,000,000	-	100.0
Mazeras Primary School	3,000,000				3,000,000	-	100.0
Bomani Primary School	3,300,000				3,300,000	-	100.0
CAFEM Primary School	3,000,000				3,000,000	-	100.0
Kisimani Primary School	3,300,000				3,300,000	-	100.0
Vikolani Primary School	3,000,000				3,000,000	-	100.0
Mwarovesa Primary School	3,300,000				3,300,000	-	100.0
Sembe Primary School	4,950,000				4,950,000	-	100.0

**Kinango Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f= d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Pemba Primary School	2,750,000			2,750,000	2,750,000	-	100.0
Gulanze Primary School	2,750,000			2,750,000	2,750,000	-	100.0
Mwanda Primary School	4,400,000.00			4,400,000	4,400,000	-	100.0
Kinango Primary School	2,000,000.00			2,000,000	2,000,000	-	100.0
Mwaluganje Primary School	1,500,000			1,500,000	1,500,000	-	100.0
Kifyonzo Primary School	2,750,000			2,750,000	2,750,000	-	100.0
Chengoni Primary School		2,400,000.00		2,400,000	2,400,000	-	100.0
Mabamani Primary School		1,600,000.00		1,600,000	1,600,000	-	100.0
Tsunza Primary School		5,500,000.00		5,500,000	5,500,000	-	100.0
Dumbule Primary School		500,000.00		500,000	500,000	-	100.0
Kazamoyo Primary School		136,179		136,179	136,179	-	100.0
Kilibasi Special Unit		4,733,323.00		4,733,323	4,733,323	-	100.0
Bishop Kalu Primary School		1,000,000.00		1,000,000	1,000,000	-	100.0
Taru Primary School		85,849.00		85,849	85,849	-	100.0
Desks		62,808.70		62,809	60000	2,809	95.5
Moyeni Primary School		3,600,000.00		3,600,000	3,600,000	-	100.0
Total	46,000,000	19,618,160	-	65,618,160	65,615,351	2,809	100.0
8.0 Secondary Schools Projects							
DaluTayari Girls Secondary School	20,000,000.00			20,000,000	20,000,000.0	-	100.0

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f= d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
Samburu Secondary School	5,500,000.00			5,500,000	5,500,000.00	-	100.0
Salim Mvurya Secondary School	5,000,000.00			5,000,000	5,000,000.00	-	100.0
Kinango Boys Secondary School			10,700,000	10,700,000	10700000		100.0
Mtaa Secondary School		2,296,013.00		2,296,013	2200000	96,013	95.8
Dalu Tayari Girls Secondary School			21,250,000.00	21,250,000	10250000	11,000,000	48.2
Mwakijembe Secondary School		250,000.00		250,000	250,000	-	100.0
				-		-	
Total	30,500,000	2,546,013	31,950,000	64,996,013	53,900,000	11,096,013	82.9
9.0 Tertiary institutions Projects				-		-	
				-		-	
Total	-		-	-	-	-	
10.0 Security Projects				-		-	
Kibandaongo Police Post	4,000,000.00			4,000,000	4,000,000	-	100.0
Samburu Police Post			1,538,879.00	1,538,879	1,538,879	-	100.0
				-		-	
				-		-	
Total	4,000,000	-	1,538,879	5,538,879	5,538,879	-	100.0
11.0 Acquisition of assets				-		-	

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Programme/Sub-programme	Original Budget(a) 2021/2022	Adjustments(b)		Final Budget c = (a+b) 2021/2022	Actual on comparable basis(d) 30/06/2022	Budget utilization difference(e = c-d)	% of Utilisation(f = d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Renovation of Office	-	1,670,521.00	-	1,670,521	1,670,500	21	100.0
Motor Vehicle	-	24,569.00	-	24,569	-	24,569	0.0
Total	-	1,695,090	-	1,695,090	1,670,500	24,590	98.5
12.0 Other payments							
Total							
13.0 unallocated fund							
Unapproved projects			1,066,677	1,066,677		1,066,677	0.0
AIA							
PMC savings							
Total	137,088,879	33,743,534	46,155,556	216,987,969	202,379,974	14,607,995	93.3

Kimango Constituency
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STATEMENT OF APPROPRIATION EXTRACT (FOR COMPARISON OF APPROPRIATION STATEMENT PAYMENTS TOTALS AND BUDGET EXECUTION TOTALS)

Receipt/Expense Item	Original Budget a	Opening Balance (C/Bk) and AIA	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
PAYMENTS			Previous years Outstanding Disbursements				
Compensation of Employees	3,852,800	897,162	-	4,749,962	3,045,895	1,704,067	64.12
Use of goods and services	8,485,199	141,210	-	8,626,409	8,454,034	172,375	98.00
Transfers to Other Government Units	76,500,000	22,164,173	31,950,000	130,614,173	119,515,351	11,098,822	91.50
Other grants and transfers	48,250,880	8,845,899	13,138,879	70,235,658	69,694,194	541,464	99.23
Acquisition of Assets	-	1,695,090	-	1,695,090	1,670,500	24,590	98.55
Other payments	-	-	-	-	-	-	-
UNALLOCATED FUND	-	-	1,066,677	1,066,677	-	1,066,677	-
TOTAL	137,088,879	33,743,594	46,155,556	216,987,969	202,379,974	14,607,995	93.27

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kinango 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 Equivalents.

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

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 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description		2021-2022	2020 - 2021
		Kshs	Kshs
Normal Allocation	AIE NO. B096924		15,000,000.00
	AIE NO. B104618		20,000,000.00
	AIE NO. A823544		34,067,724.00
	AIE NO. B124561		9,000,000.00
	AIE NO. B124998		8,500,000.00
	AIE NO. B119850		12,000,000.00
	AIE NO. B128139		6,900,000.00
	AIE NO. B128451		7,000,000.00
	AIE NO. B132195		6,000,000.00
	AIE NO. B138863		13,000,000.00
	AIE NO. B126157		7,000,000.00
	AIE NO. B126451		10,600,000.00
	AIE NO. B105171		4,733,323.00
	AIE NO. B105171		12,000,000.00
	AIE NO. B 126451	23,838,879.30	
	AIE NO. B 105470	44,000,000.00	
	AIE NO. B 105815	24,000,000.00	
	AIE NO. B 128556	5,000,000.00	
	AIE NO. B 128868	12,000,000.00	
	AIE NO. B 154064	12,000,000.00	
	AIE NO. B 164405	20,000,000.00	
	AIE NO. B 096578	20,088,879.00	
		21,250,000.00	
TOTAL		182,177,758.30	165,801,047

Kinango Constituency

National Government Constituencies Development Fund (NGCDF)

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2. Proceeds From Sale of Assets

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
TOTAL	-	-

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	-

4. Compensation Of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,611,959.00	2,594,128
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	267,616.00	522,434
Employer Contributions Compulsory national social security schemes	166,320.00	141,528
TOTAL	3,045,895.00	3,258,090

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5. Use Of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	305,651.00	0
Electricity	-	0
Water & sewerage charges	-	21,230
Office rent	-	
Communication, supplies and services	138,417.00	0
Domestic travel and subsistence	-	0
Printing, advertising and information supplies & services	-	0
Rentals of produced assets		
Training expenses	929,440.00	1,453,450
Hospitality supplies and services	-	0
Other committee expenses	2,481,650.00	2,548,500
Committee allowance	2,192,250.00	2,830,995
Insurance costs	340,291.00	357,974
Specialised materials and services	-	
Office and general supplies and services	366,396.00	1,786,894
Fuel , oil & lubricants	799,939.00	565,192
Other operating expenses	-	0
Bank service commission and charges	12,000.00	17,836
Other Operating Expenses	-	-
Security operations	-	
Routine maintenance - vehicles and other transport equipment	888,000.00	404,343
Routine maintenance- other assets	-	
TOTAL	8,454,034.00	9,986,414

6. Transfer To Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	65,615,351.00	55,178,318
Transfers to Secondary Schools	53,900,000.00	14,200,000
Transfers to Tertiary Institutions	-	
TOTAL	119,515,351.00	69,378,318

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Notes To The Financial Statements (Continued)

7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	17,000,500.00	16,000,000
Bursary -Tertiary (see attached list)	15,158,000.00	19,483,000
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	3,876,000.00	
Security Projects (see attached list)	5,538,879.30	400,000
Sports Projects (see attached list)	5,300,000.00	2,100,000
Environment Projects (see attached list)	4,698,000.00	2,374,912
Emergency Projects (see attached list)	7,122,815.00	7,186,157
Education Office	11,000,000.00	9,000,000
TOTAL	69,694,194.30	56,544,069

8. Acquisition Of Assets

Non Financial Assets	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	1,670,500.00	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and and General Equipment	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	1,670,500.00	0

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Notes To the Financial Statements (Continued)

9. Other Payments

9 Other Payments	2021-2022	2020 - 2021
Strategic Plan		150,000
ICT Hubs	-	-
		-
TOTAL	-	150,000

10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
<i>Kenya Commercial Bank, Kwale Branch . Kinango NG-CDF</i>	<i>A/C no. 1146215614</i>	13,541,318.00	0
KCB Bank Limited			33,743,534
		-	-
TOTAL		13,541,318.00	33,743,534

11: Outstanding Imprests

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2022)
	Date imprest taken	Kshs	Kshs	Kshs
			-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
TOTAL		-	-	-

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

Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs.	KShs.
Retention as at 1st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	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	-	-

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	33,743,534	7,259,378
Cash in hand		
Imprest		
TOTAL	33,743,534	7,259,378

[Provide short appropriate explanations as necessary]

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14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjusments	Adjusted Balance** b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-		-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020- 2021
	Kshs	Kshs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Closing accounts receivable as at 30 th June 2022 (D=A+B-C)	-	-
Net changes in accounts receivables A-D		

16. Changes in Accounts Payable – Deposits and Retentions

	2020- 2021	2019- 2020
	Kshs	Kshs
Deposits and Retention as a t 1 st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30 th June (D=A+B-C)	-	-
Net changes in accounts payables A-D		

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020- 2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020- 2021
	Kshs	Kshs
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	1,704,067.00	897,162
Use of goods and services	172,375.13	141,250
Amounts due to other Government entities (see attached list)	11,098,822.00	52,719,723
Amounts due to other grants and other transfers (see attached list)	541,464.00	24,445,897
Acquisition of assets	24,590.00	1,695,096
Others (<i>specify</i>)	-	0
Funds pending approval	1,066,677.00	
Total	14,607,995.13	79,899,089.00

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Annual Report and Financial Statements for The Year Ended June 30, 2022*

17.4: PMC account balances (See Annex 5)

	2021-2022	2020- 2021
	Kshs	Kshs
PMC account balances (see attached list)	7,057,682.81	24,180,829.09

**Kinango Constituency
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**Annexes
Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	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

***Kinango Constituency
National Government Constituencies Development Fund (NGCDF)
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Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Land		-	0	0.00
Buildings and structures	9,530,431.00	1,670,500.00	0	11,200,931.00
Transport equipment	470,026.00	-	0	470,026.00
Office equipment, furniture and fittings	1,082,623.00			1,082,623.00
ICT Equipment, Software and Other ICT Assets	27,700,394.00			27,700,394.00
Other Machinery and Equipment	10,962,916.00	-	0	10,962,916.00
Heritage and cultural assets				
Intangible assets				
Total	49,746,390.00	1,670,500.00		51,416,890.00

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Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance	Bank Balance
			2021/22	2020/2021
Chengoni Chief's Office	KCB –Mariakani	1156881722	825	825
Magodzoni Primary School	KCB - Kwale	1153451182	CLOSED	CLOSED
Vigurungani Primary School	KCB - Kwale	1205174230	0	0
Guro Primary School	KCB –Mariakani	1207183156	CLOSED	0
Mafundani Primary School	KCB - Kwale	1207293490	CLOSED	0
Kaphingo Primary School	KCB –Mariakani	1206236817	1644.5	1,644.50
Kilibasi Unit for Mentally	KCB - Kwale	1178409996	16,274.50	16,274.50
Malungoni Primary School	KCB - Kwale	1205111565	CLOSED	CLOSED
Chidzaya Primary School	KCB - Kwale	1205178872	619	619
Muungano Primary School	KCB-Mwembe Tayari	1205179216	483	483
Mtulu Primary School	KCB –Mariakani	1157473830	632	632
Mbita Primary School	KCB-Ukunda	1156786436	670.95	670.95
Ziaradundo Primary School	KCB - Kwale	1204342588	CLOSED	CLOSED
Karyaka Primary School	KCB - Kwale	1164763722	CLOSED	CLOSED
Mbandi Primary School	KCB - Kwale	1151739189	101,306	101,306
Dzimanya Primary School	KCB - Kwale	1178415619	3,708.05	3,708.05
Gwadu Primary School	KCB - Kwale	1203953668	CLOSED	CLOSED
Nyari Primary School	KCB –Mariakani	1205634789	568.5	568.5
Maji ya Chumvi Primary School	KCB –Mariakani	1205630899	CLOSED	CLOSED
Dumbule Primary School	KCB - Kwale	1206849495	918.5	918.5
Gandini South Primary School	KCB - Kwale	1206013664	2,819	2,819.00

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Wamasa Primary School	KCB - Kwale	1206573643	270	270
Kinango School for the Deaf	KCB - Kwale	1137131519	757.5	757.5
Nyango Primary School	KCB - Kwale	1159081441	5,656.64	5,656.64
Kilibasi Primary School	KCB -Mariakani	1210455528	54.5	54.5
Moyeni Secondary School	KCB - Kwale	1124985220	16,467.87	16,467.87
Bofu Secondary School	KCB - Mvita	1128005107	1,946.70	1,946.70
Mwalukombe Girls Sec School	KCB - Kwale	1135345880	543	543
Makamini Secondary School	KCB - Kwale	1132977479	1,441	3,355,299
Mwarovesa Secondary School	KCB - Kwale	1120495644	CLOSED	CLOSED
Tsunza Secondary School	KCB-Mwembe Tayari	1154843262	10,091	10,091
Mwavumbo Secondary School	KCB -Mariakani	1125113677	9,110.00	1,009,112.50
Kinagoni Secondary School	KCB-Mwembe Tayari	3335235931	NOT KCB ACCOUNT	NOT KCB ACCOUNT
	Mwembe Tayari			
Nzovuni Secondary School	KCB - Kwale	1129646009	CLOSED	Closed
Mtaa Secondary School	KCB - Mvita	1129066215	5,495	2,002,038
Mwabila Secondary School	KCB -Mariakani	1120799996	6,672.50	6,672.50
Matumbi Secondary School	KCB -Mariakani	11077898234	801,620	801,620.85
Mazeras High School	KCB -Mariakani	1126413976	11,933.90	11,933.90
Mwakijembe Secondary School	KCB - Kwale	1126323403	6,199.75	6,199.75
Bang'a Secondary School	KCB - Kwale	1149843888	4,016.50	4,016.50
Mnyenzeni Secondary School	KCB -Mariakani	1126261327	CLOSED	Closed
Mackinnon Road Sec School	KCB -Mariakani	1107818370	192,961.65	192,961.65
Kinango Secondary School	KCB - Kwale	1125632984	191,182.00	118,691.10
Salim Mvurya Secondary School	KCB -Mariakani	1150968303	4,999,999.00	340.08

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Vigurungani Secondary School	KCB -Mariakani	1112696687	0	0
Malomani AP Post	KCB - Mvita	1178518213	4,209.25	4,209.25
Bofu AP Post	KCB -Mariakani	1178228177	159.35	159.35
Mavirivirini Police Station	KCB -Mariakani	11061325643	1,606.35	1,606.35
St. Joseph Primary School	KCB - Kwale	1258614030	26,115	26,115.00
Mafufuni Primary School	KCB -Mariakani	1258898314	720	720
Mlola Primary School	KCB -Mariakani	1258614030	26,115	26,115.00
Tumaini Primary School	KCB - Kwale	1257081551	CLOSED	CLOSED
Yapha Primary School	KCB - Kwale			
Majengo Primary School	KCB - Kwale	1154913643	1,005.75	1,005.75
Kinango Primary School	KCB - Kwale	1259725243	7,124	7,124.00
Mazola Primary School	KCB - Kwale	1274101018	21,937.70	21,937.70
Chizini Primary School	KCB - Kwale	1178485587	0	0
Ng'onzini Primary School	KCB - Kwale	1278073922	137,950	137,950
Dzivani Primary School	KCB - Kwale	1274588960	30,840	30,840
Mwashanga Primary School	KCB -Mariakani	1.14E+12	NOT KCB	Invalid A/c
Dzombo Primary School	Co-operative- Mariakani	1.14E+12	NOT KCB	Invalid A/c
Kafuduni Primary School	KCB -Mariakani	1274661943	959	959
Mgandini Primary School	KCB -Mariakani	1273892437	1,609.85	1,609.85
Miyani Primary School	Co-operative- Nkurmah	1.14E+12		
Mbwaleni Primary School	KCB -Mariakani Mariakani	1274696380	18,358	18,358
Mbita Primary School	KCB - Kwale	1277891494	2,655.00	73,,655
Mwangea Primary School	KCB -Mariakani	1276015461	18,293	18,293

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Kituoni Primary School	KCB –Mariakani	1273713389	18,293.85	18,293.85
Taru Primary School	KCB –Mariakani	1257097717	13,274.00	214,274.50
Busho Primary School	KCB - Kwale	1274768446	1,365	1,365
Mnyenzeni Primary School	KCB –Mariakani	1274973287	2,311.85	23,11.85
Kaluweni Primary School	Co-operative- Mariakani	1.14E+12		
Taru girls secondary school	KCB –Mariakani	1274668336	16,116.05	16,116.05
	Mariakani			
Bang'a Chiefs Office	KCB – Kwale			
Makamini Chiefs Office	KCB – Kwale	1260552454	237.2	237.2
Mtaa Chiefs Office				
Gandini Chiefs Office	KCB – Kwale	1268344125	17,170.80	17,170.80
Kinango Police	KCB – Kwale	1239656726	CLOSED	CLOSED
Vinyunduini Primary School	KCB –Mariakani	1268426555	2,137	2,137.00
Mabanda Primary School	KCB – Kwale	1268212180	625	625
Nzovuni Primary School	KCB – Kwale	1257961624	2,132.30	2,132.30
Ndavaya Primary School	KCB – Kwale	1267412933	1,098.50	1,098.50
Makuluni Primary School	KCB –Mariakani			
Tsunza Secondary School	KCB - Mvita	1154843262	10,091	10,091
Vitsakaviri Primary School	KCB –Mariakani	1178414191	1,485.20	1,485.20
Fuleye Primary School	KCB –Mariakani	1261563352	77	158,077
Lutsangani Primary School	KCB – Kwale	1258447142	17,556	17,556
Mnyenzeni Primary	KCB – Kwale	1274973287	2,311.85	2,311.85
Mwangea Primary	KCB – Kwale	1276015461	18,293.00	18,293.85
Gona Primary	KCB – Kwale	1166135411	CLOSED	-4,100
Ng'onzini Primary	KCB – Kwale	1278073922	137,950.00	137,950

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Kituu Primary	KCB – Kwale	1273713389	29,529.00	29,529
Mwalukombe Primary	KCB – Kwale	1276870957	7,615.00	7,615
Kasageni Primary	KCB – Kwale			
Matumbi Primary	KCB – Kwale	1285992121	688.00	2,398,975.00
Boyani Primary	KCB – Kwale	1286826349	15,130.00	2,398,975.00
Mitaa Primary	KCB – Kwale	1285154762	1,628.45	
Mabamani Primary	KCB – Kwale			1,578,974
Bonje Primary	KCB – Kwale	1284948137	1,262.00	2,400,000
Chengoni Primary	KCB – Kwale	1286349397	16,093.00	2,398,975
Makamini Secondary School	KCB – Kwale	1132977479	1,441.00	3,355,299
Taru Girls	KCB – Kwale	1274668336	16,116.00	16,116.05
Mwavumbo Secondary	KCB – Kwale	1125113677	9,110.00	1,009,112.50
Dalu Tayari Girls Secondary School	KCB – Kwale	1292871113	6,507,806.75	0
Total			13,565,488.81	24,180,829.94

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>Unsupported Statutory Deductions</p> <p>The statement of receipts and payments and corresponding to Note 4 to the financial statements for the year ended 30 June, 2021 reflects gratuity to contractual employees of Kshs. 522,434. Available records indicated that the gratuity was paid to four (4) members of staff during the year under review. However, documentary evidence of statutory deductions from the payments, and accounting for the same to Kenya Revenue Authority in line with Section 37 of the Income Tax Act, 2007 Cap 470 was not provided for audit.</p>	<p>The employment contracts of the said staff had come to an end hence the payment of the gratuity amount. However, their contracts were renewed and are still working with the fund so the anomaly will be rectified in subsequent payments.</p>	<p>Payments were made and remitted.</p>	<p>September 2022</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.0	<p>Budgetary Control and Performance</p> <p>The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.219,215,981 and Kshs.173,060,425 respectively resulting to shortfall of Kshs.46,155,556 or 21% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.219,215,980 and Kshs.139,316,891 respectively, resulting in underperformance amounting to Kshs. 79,899,089 or 36% of the budget.</p> <p>The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Kinango constituency.</p>	<p>The under-funding is caused by delayed disbursements of the funds from the Board thereby leading to delayed implementation of projects.</p>	N/A	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.0	<p>Projects Implementation Status</p> <p>The projects implementation status report as at 30 June, 2021 provided for audit review indicated that the National Government Constituencies Development Fund - Kinango Constituency, had 22 projects with approved budget of Kshs. 83,250,000. Out of this amount, one (1) project with a funding allocation of Kshs. 21,250,000 had not been completed and was ongoing at roofing level. Delay in implementation of the projects may have denied residents of Kinango Constituency the intended benefits, and value for money since the allocated funds remain idle.</p>	<p>The management shall ensure timely implementation of projects as per the flow of funds from the Board.</p>	Resolved	

..... Name **Flora Muna**
Fund Account Manager.

