

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

LIBRARY
OF KENYA
PARLIAMENT

LIBRARY
OF KENYA
PARLIAMENT

OF

THE NATIONAL ASSEMBLY	
DATE: 02 AUG 2023	DAY: WED
TABLED BY:	Hon Naomi Wago, MP Deputy Majority Whip
CLERK AT THE TABLE:	Enlaya Mundi

THE AUDITOR-GENERAL

ON

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

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB
02 MAY 2023
RECEIVED



MASINGA 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)

Table of Contents

	Page
I. Key Constituency Information and Management	iii
II. NG-CDFC Chairman's Report	vii
III. Statement Of Performance Against Predetermined Objectives for FY2021/22	xv
IV. Environmental and Sustainability Reporting	xvii
V. Statement Of Management Responsibilities.....	xxi
VI. Report Of the Independent Auditors On The NGCDF- xx Constituency	xxiii
VII. Statement Of Receipts and Payments for the Year Ended 30 th June 2022	1
VIII. Statement Of Assets and Liabilities As At 30 th June, 2022.....	2
IX. Statement Of Cash Flows for The Year Ended 30 th June 2022	4
X. Summary Statement of Appropriation for The Year Ended 30 th June 2022	6
X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022	9
XI. Significant Accounting Policies	19
XII. Notes To the Financial Statements	25

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;

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

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

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

Masinga Constituency

National Government Constituencies Development Fund (NGCDF)

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

(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	Daniel K. Mwaluko
2.	Sub-County Accountant	Michael M. Kairuhu
3.	Chairman NGCDFC	Stephen Ndeto
4.	Member NGCDFC	Ruth Munguti

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Masinga 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) Masinga Constituency NG-CDF Headquarters

P.O. Box 121-90141,
CDF Office
Masinga Market
Kenya

(f) Masinga Constituency NG-CDF Contacts

Telephone: (254) 710128510
E-mail: masingangcdf@ngcdf.go.ke
Website: www.cdf.go.ke

Masinga Constituency NG-CDF Bankers

Bank Name	Kenya Commercial Bank.
Branch	Matuu Branch.
Account Name	Masinga Constituency NG-CDF.
Account Number	1105310906
Address	P.O. Box 36, Matuu.

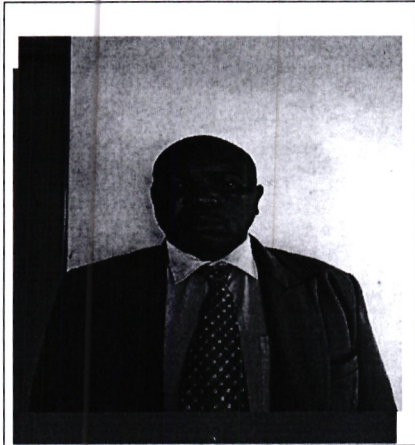
(g) Independent Auditors

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

(h) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report



MASINGA Constituency is in Masinga Subcounty, Machakos County, it was created in 2009 from the larger Yatta District. The overall population by 2019 census figures were 148,522 with the population expected to grow in the next ten years.

TOTAL POPULATION			NUMBER OF HOUSEHOLDS	AVERAGE HOUSEHOLD SIZE	AREA IN KM2	POPULATION DENSITY
MALE	FEMALE	INTERSEX	36,251	4.1	1405.7	106
73,519	75,001	2				
148,522						

SOURCE: KNHPC (KNBS; 2019 CENSUS)

The NG-CDFC Masinga has always dedicated time to ensure prudent allocation of resources received from the NG-CDF board within the five wards of the constituency. We are pleased to present to you the annual report and financial statements for the financial year 2021-2022 for Masinga Constituency on behalf of the Masinga NG-CDF committee. In the year under review, the constituency received Kshs.**186,477,758.00** from the board, Ksh.**245,000.00** from sale of tenders and had an opening cash book balance of Kshs.**12,714,539.00** The Constituency spent Kshs.**190,057,986.00** and closed with a cashbook balance of Kshs.**9,379,313.00** which was **95.3%** compared to last **FYR 2020/2021** of **70.9%** which is a great improvement.

Fig 1. Bar Graph of Final Budget for FYR 2021/2022

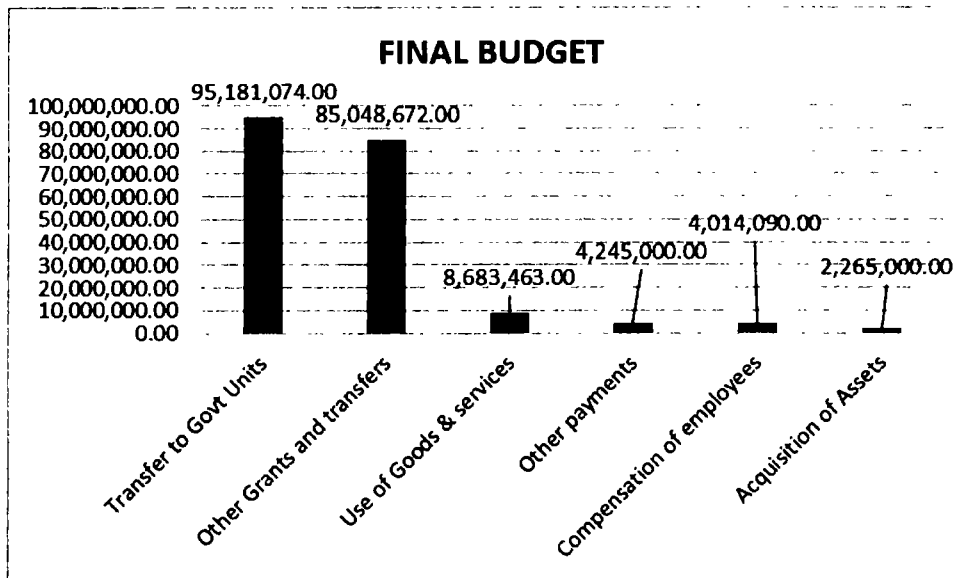


Fig 2. Pie Chart of Percentage of Utilization for FYR 2021/2022

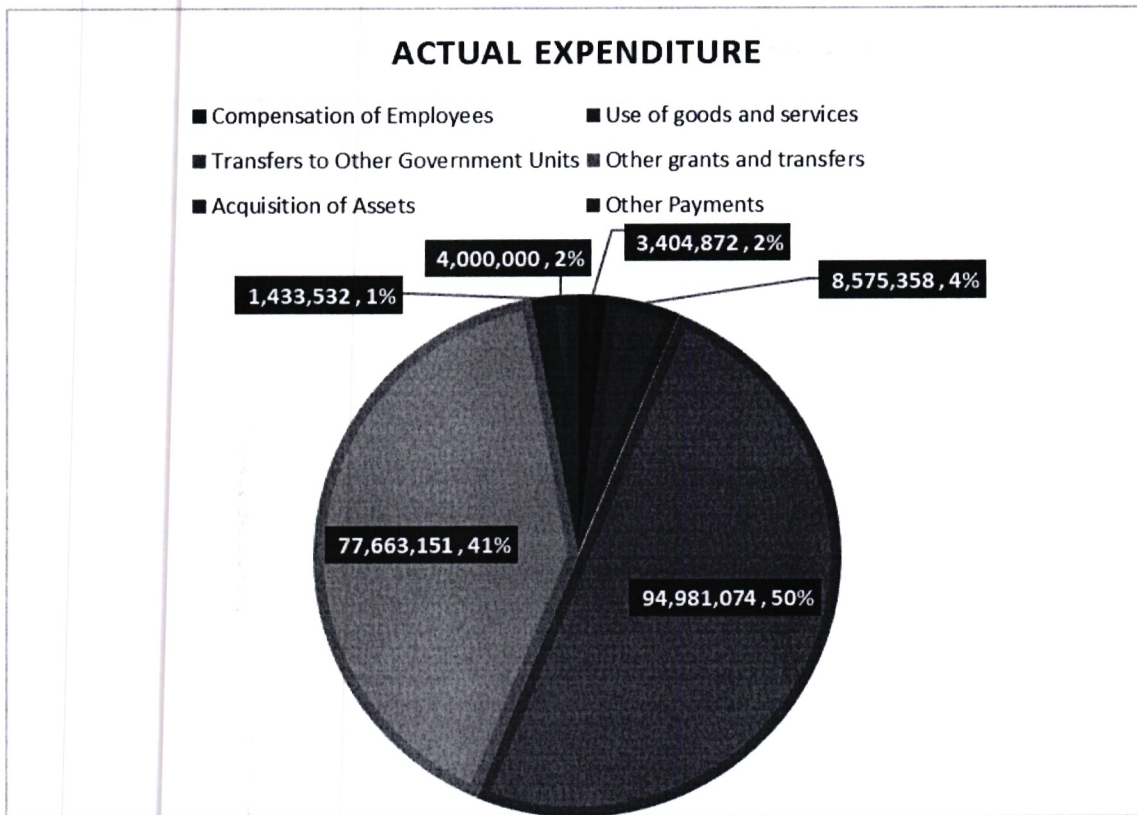
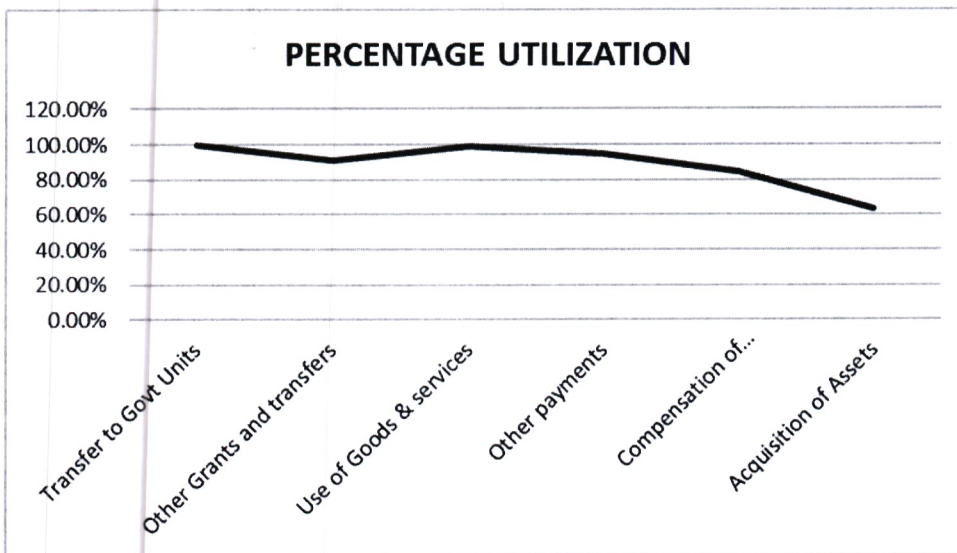


Fig 3. Percentage Utilization for FYR 2021/2022



The mean aggregate was 95.3% , an increment from last FYR 2020/2021 percentage of 70.9%.

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

The following projects were funded by MASINGA NG-CDF within the Financial Year 2021/2022:

50 Primary Schools and 22 Secondary Schools received funding to improve infrastructure in their institutions. 9 security project was also funded to improve infrastructure. 9 Primary schools and 1 security project were funded from the emergency kitty to improve their infrastructure. Needy students in Secondary Schools and needy students in Tertiary institutions benefited from the Bursary Kitty. The MASINGA Staff and all the Project Management Committees underwent training to perfect their knowledge in NG-CDF operations.



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



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





Challenges during the Financial

The major challenges experienced during the financial year 2021-2022 included:

- The lack of sewer drainage/laterals within the constituency means the use of septic tanks which pushes the cost of building modern toilets high.
- Inadequate funds for capacity building, Monitoring and Evaluation of NG-CDF funded projects.
- Inadequate funds to finance Projects proposed by constituencies.


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

➤ The residents lack the knowhow of what the reconstituted NG-CDF does and hence require civic education.

The following are the recommendation and what the committee is doing to overcome them;

- The committee agreed to ensure they ensure that as time goes by, they will implement ways on how to acquire the sewer drainage upon given the permission from the necessary authority so as to lower the use of septic tanks.
- On political interference we have been able to educate the society on effect of politicizing projects. We have also ensured transparency in our implementation process from inception to completion.
- NG-CDF Board should increase funds allocated for Monitoring and Evaluation.

We look forward to improved efficiency in project implementation.


.....
Stephen M. Ndeto

CHAIRMAN NG-CDF 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 *Masinga Constituency 2018-2022* plan are to:

1. Improve access to education.
2. Improve learning environment.
3. Enhance security infrastructure.
4. Enhance environmental conservation.
5. Enhance youth talents through sports.
6. Increase access to ICT infrastructure.
7. Improve organizational performance.

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 Sector	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	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiar 	In FY 21/22 we increased number of classrooms, dormitories, laboratories etc from 33 to 72 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules

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

			ies at all levels	
Security	To improve the working and living conditions of security personnel	Increased number of housing units and offices for security personnel	Number of housing/office units built/refurbished for security personnel.	In FY 2021/22 -9 security projects were funded to improve their infrastructure.
Environment	To enhance environmental conservation	Increased environmental activities such as control of soil erosion through construction of gabions and planting of trees.	Number of trees planted and gabions constructed	In FY 2021/22 4 schools benefited from the environment kitty by receiving water tanks and building the tank bases.
Sports	To build and enhance youth talents through sports	Increased number of youths involved in gainful activities.	Number of clubs that benefited from sports activities	In FY 2021-2022 10 football clubs benefited from the sports kitty by being awarded with uniforms, boots, trophies and certificates.
Emergency	To cater for any unforeseen occurrences within the constituency	Ensure that the constituency is conducive to the people especially in times of emergency occurrences	Number of schools and security projects	In FY 2021/22 9 schools and one security project benefited from the emergency kit

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Masinga 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; NG-CDF 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

- As part of Environmental Conservation activity and in implementing the Masinga Constituency NG-CDF strategic plan 2018-2022 we embarked on purchasing 4-ten thousand liters tanks in four primary schools and constructed the tank bases and metallic gutters.
- The NG-CDF staff also participated in planting trees in the financial year 2021/22 to better the environment and encouraged the members of the society to plant more trees.

3. Employee welfare

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

Masinga 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-

Masinga 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

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

policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

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



.....
Name

Daniel Mwaluko.

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 NG-CDF-Masinga 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 NG-CDF-Masinga 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 NG-CDF- Masinga 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.

***Masinga 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 Masinga 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.

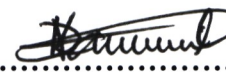
Approval of the financial statements

The NGCDF- Masinga Constituency financial statements were approved and signed by the Accounting Officer on 2/5/2023.


.....

Name: Stephen M. Ndeto.

Chairman – NGCDF Committee

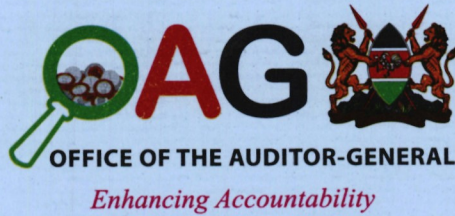

.....

Name: Daniel K. Mwaluko.

Finance Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MASINGA 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 the National Government Constituencies Development Fund - Masinga Constituency set out on pages 1 to 44, 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 the National Government Constituencies Development Fund - Masinga Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects transfers from National Government Constituency Development Fund Board of Kshs.199,437,298. However, the corresponding Note 1 to the financial statements shows Kshs.186,477,758 resulting to unreconciled and unexplained variance of Kshs.12,959,540.

In the circumstances, the accuracy and completeness of the transfers from the National Board of Kshs.199,437,298 could not be confirmed.

2. Inaccurate Disclosure of Bank Balances

The statement of assets and liabilities and as disclosed in Note 10A to the financial statements reflects bank balances of Kshs.9,213,082. However, review of the bank reconciliation statements revealed the following anomalies:

- i. Payments in cash book not in the bank statements amounted to Kshs.7,844,462, out of which Kshs.1,808,526.63 were stale cheques, some dating back to 20 January, 2020. No explanation was provided for failure by the beneficiaries to present the cheques for payment and why the stale cheques had not been written back in the cashbook.
- ii. Receipts which were in bank statements and not recorded in cash book amounted to Kshs.10,465. No explanation was given for failure to update the cash book to include these receipts.
- iii. Payments which were in bank statements but not recorded in the cash book amounted to Kshs.69,300. No explanation was provided for the failure to update the cash book to include these payments.

In the circumstances, the accuracy and completeness of the bank balances balance of Kshs.9,213,082 could not be confirmed.

3. Unsupported Sports Expenditure

The statement of receipt and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.77,663,150. Included in the expenditure is an amount of Kshs.3,808,200 incurred on supply and delivery of sports items and uniforms. However, there was an omission of payment voucher No. 232 dated 12 April, 2022 amounting to Kshs.1,200,000 from the support schedules. Further, procurement documents such as advertisements, regret letters, notification of award, acceptance of award and signed contract agreement were missing from the project files.

In the circumstances, the accuracy, completeness and validity of the sports expenditure of Kshs.3,808,200 could not be confirmed.

4. Errors in Presentation of the Financial Statements

Review of the financial statements indicated errors as detailed here below:

- i. Page ii to the financial statements on table of contents should have been blank.
- ii. Presentation of the Notes to the financial statements from page 25 to 38 does not conform to the requirements of the financial statements reporting template for 2021/2022.
- iii. Annex six (6) on progress on follow up of auditor recommendations on page 44 is blank and this is misleading since Management has not given any progress on various prior year audit issues raised.

In the circumstances, the financial statements were not prepared in accordance with the recommended financial reporting template as prescribed by the Public Sector Accounting Standards Board.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Masinga Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Lack of Value for Money on Incomplete Projects

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other government units of Kshs.94,981,074. Included in the expenditure are four (4) projects with a total allocation of Kshs.6,400,000 which had some anomalies as in Appendix 1.

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

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. Failure to Comply with the Ethnic Diversity Rule

Review of the Fund's staff establishment revealed that it had a total of seven (7) employees, all from the dominant ethnic community in the County. This is contrary to the provisions of Section 7(1) and (2) of the National Cohesion and Integration Act 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Un-surrendered Project Management Committee (PMC) Closing Balances

Annex 5 to the financial statements reflects a balance Kshs.36,520,032 in respect of funds held by various Project Management Committees. However, the amount includes Kshs.250,858 relating to balances held by various Project Management Committee accounts after the projects were completed but the same was not surrendered to the Fund main bank account contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.

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

3. Irregular Procurement of Insurance Costs

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects use of goods and services expenditure amounting to Kshs.8,575,358.

Included in this amount is Kshs.299,341 relating to insurance costs. This amount was paid to an insurance agency for provision of insurance for the Fund vehicle registration number GKB 176W. However, a review of the tender evaluation report showed that the insurance agency as well as the other two bidders for the tender were non-responsive in the preliminary evaluation report. In addition, this is contrary to Section 4(3) of the Insurance Third Party Risks Act, 2012, that exempts Government owned vehicles from insurance except for those displaying private plates.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy and Disaster Recovery Plan

Review of records provided for audit revealed that the Fund operated without a risk management policy and thus had no framework for management of risks. In addition, the Fund did not have disaster recovery or business continuity plan. In the absence of a disaster recovery or business continuity plan, the company lacks a blueprint for identifying, preventing and mitigating disasters and ensuring that its operations are not interrupted. Further, there are no mechanisms in place to recover lost data in case of a disaster.

In circumstances the existence of an effective risk management system could not be confirmed.

2. Non-Updating of Fixed Assets Register

Annex 4 to the financial statements reflects fixed assets valued at Kshs.37,127,396. Examination of schedules for motor vehicle disposals provided showed that the Fund disposed vehicle registration number GKA 224U at Kshs.525,600. However, the sale was not included in the disposal's column of the summary of fixed assets register.

In the circumstances, the summary of fixed assets register is incomplete and the accuracy of the value of the fixed assets of Kshs.525,600 could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control 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 control 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 July, 2023

Appendix 1

Projects Anomalies

S/No.	Project Name	Activity	Amount (Kshs.)	Remarks
1	Kwakalunde Primary School	Renovation of 6 (six) Classrooms-Roofing, Plastering, Flooring, Painting, Construction of Veranda, Adding new windows and Doors	1,500,000	No work done except roofing
2	Kyeeteni Sec. School	Completion of 80 capacity girl's dormitory by fixing doors, windows, plastering, flooring, tiling and painting	2,850,000	No drainage was done in the ablution section. Drainage holes were placed in an area where it does not serve the purpose
3	Wamboo Sec. School	Completion of 80 capacity dormitory by fixing doors, windows, plastering flooring, tiling and painting	2,800,000	Electrical system was disconnected while doing completion works but has never been reconnected.
4	Musingini Pri. School	Construction of 4 door pit latrine (Emergency)	750,000	Pit latrine doors do not close due to poor workmanship and the wall adjacent to the latrine cracked.
		Total	6,400,000	

*Masinga 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	199,437,298	157,567,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		-
TOTAL RECEIPTS		199,437,298	157,567,724
PAYMENTS			
Compensation of employees	4	3,404,872	2,201,970
Use of goods and services	5	8,575,358	10,583,786
Transfers to Other Government Units	6	94,981,074	67,482,635
Other grants and transfers	7	77,663,150	66,688,447
Acquisition of Assets	8	1,433,532	3,514,627
Other Payments	9	4,000,000	-
TOTAL PAYMENTS		190,057,986	150,471,464
SURPLUS/DEFICIT		9,379,312	7,096,260

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 2/5/2023 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Daniel K. Mwaluko

Name: Michael M. Kairuhu
ICPAK M/No: 11631

Name: Stephen M. Ndeto.

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	9,213,082	12,714,540
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		9,213,082	12,714,540
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		9,213,082	12,714,540
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	
Gratuity	12B	166,230	
NET FINANCIAL SSETS		9,379,312	12,714,540
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	12,714,540	5,618,280
Prior year adjustments	14		
Surplus/Defict for the year		(3,335,228)	7,096,260
NET FINANCIAL POSITION		9,379,312	12,714,540


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

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 2/5/ 2023 and signed by:



Fund Account Manager



National Sub-County
Accountant



Chairman NG-CDF
Committee

Name: Daniel K. Mwaluko

Name: Michael M. Kairuhu
ICPAK M/No: 11631

Name: Stephen M Ndeto.

IX. Statement of Cash Flows for the Year Ended 30th June 2022.

		2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	186,477,758	157,567,724
Other Receipts	3	245,000	-
		186,722,758	157,567,724
Payments for operating activities			
Compensation of Employees	4	3,404,872	2,201,970
Use of goods and services	5	8,575,358	9,983,575
Transfers to Other Government Units	6	94,981,074	67,288,658
Other grants and transfers	7	77,663,150	61,903,418
Other Payments	9	4,000,000	-
		188,624,454	146,956,838
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(1,901,696)	10,610,886
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,433,532)	(3,514,627)
Net cash flows from Investing Activities		(1,433,532)	(3,514,627)
NET INCREASE IN CASH AND CASH EQUIVALENT		(3,335,228)	7,096,259
Cash and cash equivalent at BEGINNING of the year	10	12,714,539	5,618,280
Cash and cash equivalent at END of the year		9,379,311	12,714,539

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

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 2/5/ 2023 and signed by:



Fund Account Manager

Name: Daniel K Mwaluko



**National Sub-County
Accountant**

Name: Michael M Kairuhu
ICPAK M/No: 11631



**Chairman NG-CDF
Committee**

Name: Stephen M Ndeto

Masinga 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				
Transfers from NG-CDF Board	137,088,879	12,714,540	199,192,298	199,192,298	0	100.0%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts		245,000	245,000	245,000	-	0.0%
TOTAL RECEIPTS	137,088,879	12,959,540	199,437,298	199,437,298	0	100.0%
PAYMENTS						
Compensation of Employees	2,980,000	1,034,090	4,014,090	3,404,872	609,218	84.8%
Use of goods and services	7,474,564	1,208,898	8,683,462	8,575,358	108,104	98.8%
Transfers to Other Government Units	64,200,000		95,181,074	94,981,074	200,000	99.8%
Other grants and transfers	58,434,315	10,154,357	85,048,672	77,663,151	7,385,521	91.3%
Acquisition of Assets	-	317,196	2,265,000	1,433,532	831,468	63.3%
Other Payments	4,000,000	245,000	4,245,000	4,000,000	245,000	94.2%
TOTAL	137,088,879	12,959,541	199,437,299	190,057,987	9,379,312	95.3%

**Masinga 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.*

ITEM	PERCENTAGE	REMARKS
COMPENSATION OF EMPLOYEES	84.8%	The underutilized funds forms part of 15.2% of employee's gratuity and Employees' salaries not paid.
ACQUISITION OF ASSETS	63.3%	Underutilization resulted from funds meant for completion of NG-CDF office which is an ongoing process.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	9,379,313
Less undisbursed funds receivable from the Board as at 30th June 2022	0
	9,379,313
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 / 2022	9,379,313

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

The Constituency financial statements were approved on 21/5/2023 and signed by;


Fund Account Manager

Name: Daniel K Mwaluko



National Sub-County Accountant

Name: Michael M Kairuhu
ICPAK M/No: 11631



Chairman NG-CDF Committee

Name: Stephen M Ndeto

*Masinga 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)	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		
				Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	2,980,000	1,034,090.00		4,014,090	3,404,872	609,218	84.8%
1.2 Committee allowances	1,248,000	207,000.00		1,455,000	1,455,000	-	100.0%
1.3 Use of goods and services	2,926,564	790,115.09		3,716,679	3,608,575	108,104	97.1%
Total	7,154,564		-	9,185,769	8,468,447	717,322	92.2%
2.0 Monitoring and evaluation							
2.1 Capacity building	800,000			800,000	800,000	-	100.0%
2.2 Committee allowances	2,000,000	211,185.00		2,211,185	2,211,185	-	100.0%
2.3 Use of goods and services	500,000	598.10		500,598	500,598	0	100.0%
Total	3,300,000	2,242,988	-	3,511,783	3,511,783	0	100.0%

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

Musingini primary school	150,000				-	150,000	150,000	-	100.0%
Mukusu Primary school	150,000				150,000	150,000	150,000	-	100.0%
Kakuku Primary School	150,000				150,000	150,000	150,000	-	100.0%
Wambo Primary School	150,000				150,000	150,000	150,000	-	100.0%
					-			-	0.0%
Unutilized	300,000				300,000			300,000	0.0%
Total	900,000	-			900,000	600,000	300,000		66.7%
7.0 Primary Schools Projects									0.0%
DM primary school	1,050,000				1,050,000	1,050,000	1,050,000	-	100.0%
Kakuku Primary school	700,000				700,000	700,000	700,000	-	100.0%
Kamaimba primary school	700,000				700,000	700,000	700,000	-	100.0%
Kamangulu primary school	1,400,000				1,400,000	1,400,000	1,400,000	-	100.0%
Katulye primary school	700,000				700,000	700,000	700,000	-	100.0%
Kiambani primary school	450,000				450,000	450,000	450,000	-	100.0%
Kiatineni primary school	700,000				700,000	700,000	700,000	-	100.0%
Kithoni primary school	1,000,000				1,000,000	1,000,000	1,000,000	-	100.0%
Kivuthi primary	495,000				495,000	495,000	495,000	-	100.0%

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

school										
Kwambo primary school	700,000				700,000	700,000			700,000	100.0%
Kwasuvu primary school	2,500,000				2,500,000	2,500,000			2,500,000	100.0%
Makila Primary school	700,000				700,000	700,000			700,000	100.0%
Mananja primary school	700,000				700,000	700,000			700,000	100.0%
Manguli primary school	700,000				700,000	700,000			700,000	100.0%
Masaku primary school	700,000				700,000	700,000			700,000	100.0%
Mavia maiu primary school	700,000				700,000	700,000			700,000	100.0%
Mbusyani primary school	700,000				700,000	700,000			700,000	100.0%
Mikameni primary school	700,000				700,000	700,000			700,000	100.0%
Milaani primary	700,000				700,000	700,000			700,000	100.0%
Misewani primary school	350,000				350,000	350,000			350,000	100.0%
Mukameni primary school	350,000				350,000	350,000			350,000	100.0%
Mukusu primary school	700,000				700,000	700,000			700,000	100.0%
Musingini primary school	630,000				630,000	630,000			630,000	100.0%
Musumaa primary school	700,000				700,000	700,000			700,000	100.0%
Ndelekeni primary school	700,000				700,000	700,000			700,000	100.0%

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

Ndithini primary school	700,000			700,000	700,000	-	100.0%
Ndovoini primary school	700,000			700,000	700,000	-	100.0%
Ngomola primary school	700,000			700,000	700,000	-	100.0%
Nzii primary school	700,000			700,000	700,000	-	100.0%
Tumutumu primary school	1,050,000			1,050,000	1,050,000	-	100.0%
Tana primary school	700,000			700,000	700,000	-	100.0%
Wambo primary school	700,000			700,000	700,000	-	100.0%
Mutwamwaki primary school	360,000			360,000	360,000	-	100.0%
Nunguni primary school	700,000		1,525,000	2,225,000	2,225,000	-	100.0%
Twamakaa primary school	700,000			700,000	700,000	-	100.0%
Ulutya primary school	700,000			700,000	700,000	-	100.0%
Tulimiyumbu primary school			980,625	980,625	980,625	0	100.0%
Masinga Primary school			750,000	750,000	750,000	-	100.0%
Kyaani primary school			650,000	650,000	650,000	-	100.0%
Kwakalunde primary school			1,500,000	1,500,000	1,500,000	-	100.0%
Kathoya Primary school			975,000	975,000	975,000	-	100.0%
Kaonyweni Primary school			500,000	500,000	500,000	-	100.0%

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

Muthesya Primary school			635,000	635,000	635,000	-	100.0%
Kiangeni primary school			1,300,000	1,300,000	1,300,000	-	100.0%
Kituneni kivaa primary school			1,050,000	1,050,000	1,050,000	-	100.0%
Makongeni primary school			500,000	500,000	500,000	-	100.0%
Manguli primary school			1,050,000	1,050,000	1,050,000	-	100.0%
Mukusu primary school			500,000	500,000	500,000	-	100.0%
Kavwea primary school			500,000	500,000	500,000	-	100.0%
Masaku primary school			500,000	500,000	500,000	-	100.0%
Kaonyweni primary school			200,000	200,000	200,000	200,000	0.0%
Total	27,135,000	-	13,115,625	40,250,625	40,050,625	200,000	99.5%
8.0 Secondary Schools Projects							
Iiani secondary school	7,500,000			7,500,000	7,500,000.00	-	100.0%
Kasuvilo secondary school	380,000			380,000	380,000	-	100.0%
Ielanthi secondary school	2,500,000			2,500,000	2,500,000	-	100.0%
Masinga Boys High school	2,500,000			2,500,000	2,500,000	-	100.0%

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

Masinga Boys High school	1,050,000			1,050,000	1,050,000	-	100.0%
Mathauta Secondary school	3,385,000			3,385,000	3,385,000	-	100.0%
Murifarm Secondary school	7,500,000			7,500,000	7,500,000	-	100.0%
Musingini secondary school	2,500,000			2,500,000	2,500,000	-	100.0%
Musumaa secondary school	2,000,000			2,000,000	2,000,000	-	100.0%
ST. John Iiani secondary school	2,100,000			2,100,000	2,100,000	-	100.0%
Kyeeteni secondary school	2,850,000			2,850,000	2,850,000	-	100.0%
Wambo secondary school	2,800,000			2,800,000	2,800,000	-	100.0%
Kiseunu secondary school			640,249	640,249	640,249	-	100.0%
Wambo secondary school			1,400,000	1,400,000	1,400,000	-	100.0%
Kyeeteni secondary school			1,400,000	1,400,000	1,400,000	-	100.0%
Iuuma Secondarys school			562,000	562,000	562,000	-	100.0%
Kituneni secondary school			1,500,000	1,500,000	1,500,000	-	100.0%
Kiatineni secondary school			1,500,000	1,500,000	1,500,000	-	100.0%

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

Kaseve secondary school			3,700,000	3,700,000	3,700,000	-	100.0%
Kaonyweni secondary school			2,000,000	2,000,000	2,000,000	-	100.0%
Kamunyu secondary school			2,000,000	2,000,000	2,000,000	-	100.0%
Kwawanzilu secondary school			2,490,000	2,490,000	2,490,000	-	100.0%
Kiseuni secondary school			673,200	673,200	673,200	-	100.0%
Total	37,065,000	-	17,865,449	54,930,449	54,930,449	-	100.0%
9.0 Tertiary institutions Projects							
Total	-	-	-	-	-	-	0.0%
10.0 Security Projects							
Ekalakala ACC	150,000			150,000	150,000	-	100.0%
Kivaa chiefs office	325,000			325,000	325,000	-	100.0%
Kikumini police station	4,898,000			4,898,000	4,898,000	-	100.0%
Kaewa Assistant chief			1,000,000	1,000,000	1,000,000	-	100.0%
Mikuyuni assistant chief			800,000	800,000	800,000	-	100.0%

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

Masinga administration police		650,000	650,000	650,000	-	100.0%
Kikumini Assistant chief		825,000	825,000	825,000	-	100.0%
Kiatineni ACC		325,000	325,000	325,000	-	100.0%
Kivuthi Assistant chiefs office		300,000	300,000	300,000	-	100.0%
Total	5,373,000	3,900,000	9,273,000	9,273,000	-	100.0%
11.0 Acquisition of assets						
Purchase of fridge		-	110,000	110,000	110,000	0.0%
Purchase of projector		247,804	455,000	455,000	455,000	0.0%
NG-CDF OFFICE		1,700,000	1,700,000	1,433,532	266,468	84.3%
Total	-	1,947,804	2,265,000	1,433,532	831,468	63.3%
12.0 Other payments						
Electrical matching			4,000,000	4,000,000	-	100.0%
Total			4,000,000	4,000,000	-	100.0%
13.0 unallocated fund						
Unapproved projects						
AIA		245,000	245,000	245,000	245,000	0.0%
FMC savings						0.0%

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

Total		245,000	-	245,000	-	245,000	0.0%
	137,088,879	12,959,541	49,388,879	199,437,299	190,057,987	9,379,312	95.3%

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference
	a	b	c=a+b	d	e=c-d
PAYMENTS		Previous years Outstanding Disbursements			
Compensation of Employees	2,980,000	-	4,014,090	3,404,872	609,218
Use of goods and services	7,474,564	-	8,683,463	8,575,358	108,105
Transfers to Other Government Units	64,200,000	30,981,074	95,181,074	94,981,074	200,000
Other grants and transfers	58,434,315	16,460,001	85,048,672	77,663,151	7,385,521
Acquisition of Assets	-	1,947,804	2,265,000	1,433,532	831,468
Other payments	4,000,000	-	4,000,000	4,000,000	-
UNALLOCATED FUND	-	-	245,000	-	245,000
TOTAL	137,088,879	49,388,879	199,437,299	190,057,987	9,379,312

(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-Masinga 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.

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 10th June 2022 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.

14. Errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i.e., 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.

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

XII. Notes to the Financial Statements

GFS CODES					
	1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2021 - 2022	2020 - 2021	
			Kshs	Kshs	
		AIE NO. B096978		18,000,000.00	
		AIE NO. B104642		28,000,000.00	
		AIE NO. A823679		23,367,724.10	
		AIE NO. B124610		9,000,000.00	
		AIE NO. B119565		12,000,000.00	
		AIE NO. B128334		300,000.00	
		AIE NO. B119956		15,000,000.00	
		AIE NO. B128197		6,900,000.00	
		AIE NO. B129159		8,000,000.00	
		AIE NO. B132252		6,000,000.00	
		AIE NO. B138920		15,000,000.00	
		AIE NO. B126214		6,000,000.00	
		AIE NO. B105009		10,000,000.00	
1E+06	Normal Allocation	B140652	15,000,000.00		
		B105204	34,188,879.30		
		B105507	68,000,000.00		
		B105980	10,000,000.00		

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

		B128615	16,000,000.00		
		B128928	26,000,000.00		
		B154125	17,088,879.00		
		A895040	200,000.00		
1E+06	Conditional Grants				
1E+06	Receipt from other Constituency				
	TOTAL		186,477,758	157,567,724	
4E+06	2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
	Description		2021 - 2022	2020 - 2021	
			Kshs	Kshs	
4E+06	Receipts from the Sale of Buildings		-	-	
4E+06	Receipts from the Sale of Vehicles and Transport Equipment		-	-	
4E+06	Receipts from the Sale Plant Machinery and Equipment		-	-	
4E+06	Receipts from the Sale of Office and General Equipment		-	-	
	TOTAL		-	-	
1E+06	3 OTHER RECEIPTS				
	Description		2021 - 2022	2020 - 2021	
			Kshs	Kshs	
1E+06	Interest Received		-	-	
1E+06	Rents		-	-	
1E+06	Receipts Sale of Tender Documents		245,000.00	-	

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

	Hire of plant/equipment/facilities		-	-	
	Unutilized funds from PMCs			-	
1E+06	Other Receipts Not Classified Elsewhere (specify)		-	-	
	TOTAL		245,000	-	
2E+06	4 COMPENSATION OF EMPLOYEES				
	Description		2021 - 2022	2020 - 2021	
			Kshs	Kshs	
2E+06	NG-CDFC Basic staff salaries		1,556,500.00	2,020,530	
2E+06	NHIF Contribution		68,800.00		
2E+06	NSSF Contribution		90,720.00		
2E+06	PAYE		41,280.00		
2E+06	Attachee allowances		396,082.00		
	Personal allowances paid as part of salary		214,000		
2E+06	House allowance		378,000	-	
2E+06	Transport allowance			-	
2E+06	Leave allowance		35,000	-	
3E+06	Gratuity-contractual employees		533,770.00		
2E+06	Employer Contributions Compulsory national social security schemes		90,720	181,440.00	
	TOTAL		3,404,872	2,201,970	
2E+06	5 USE OF GOODS AND SERVICES				

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

	Description		2021 - 2022	2020 - 2021	
			Kshs	Kshs	
2E+06	Utilities, supplies and services			523,455	
2E+06	Electricity		70,592	0	
2E+06	Water & sewerage charges		18,248	-	
2E+06	Office rent		-	-	
2E+06	Communication, supplies and services		289,299	539,543	
2E+06	Domestic travel and subsistence		518,600	270,215	
2E+06	Printing, advertising and information supplies & services			812,231	
2E+06	Rentals of produced assets			-	
2E+06	Training expenses		360,200	1,523,511	
2E+06	Hospitality supplies and services			171,450	
2E+06	Other committee expenses		3,041,600	2,807,000	
2E+06	Committee allowance		1,193,800	2,423,000	
2E+06	Insurance costs		299,341	-	
2E+06	Specialised materials and services			-	
2E+06	Office and general supplies and services		1,466,758	1,383,200	
2E+06	Fuel , oil & lubricants		441,666	130,180	
2E+06	Other operating expenses		0	0	
2E+06	Bank service commission and charges			0	
2E+06	Other Operating Expenses		817,742	-	
2E+06	Security operations		-	-	
2E+06	Routine maintenance - vehicles and other		57,512	0	

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

	transport equipment				
2E+06	Routine maintenance- other assets		0	0	
	TOTAL		8,575,358	10,583,785	
3E+06	6 TRANSFER TO OTHER GOVERNMENT ENTITIES				
	Description		2021 - 2022	2020 - 2021	
			Kshs	Kshs	
3E+06	Transfers to Primary Schools		40,050,625	33,792,635	
3E+06	Transfers to Secondary Schools		54,930,449	33,690,000	
3E+06	Transfers to Tertiary Institutions				
	TOTAL		94,981,074	67,482,635	
3E+06	7 OTHER GRANTS AND OTHER PAYMENTS				
	Description		2021 - 2022	2020 - 2021	
			Kshs	Kshs	
3E+06	Bursary - Secondary (see attached list)		31,246,520	46,788,580	
3E+06	Bursary -Tertiary (see attached list)		22,660,429		
3E+06	Social Security programmes (NHIF) to needy people		3,360,000	-	
3E+06	Mocks & CAT (see attached list)		-	-	
3E+06	Social Security programmes (NHIF)				
3E+06	Security Projects (see attached list)		9,273,000	10,147,262	

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

3E+06	Sports Projects (see attached list)		3,808,200	1,603,390	
3E+06	Environment Projects (see attached list)		600,000	999,216	
3E+06	Emergency Projects (see attached list)		6,715,000	7,150,000	
	TOTAL		77,663,149	66,688,448	
3E+06	8 ACQUISITION OF ASSETS				
	<u>Non Financial Assets</u>		2021 - 2022	2020 - 2021	
			Kshs	Kshs	
3E+06	Purchase of Buildings			-	
3E+06	Construction of Buildings		1,433,532.00	2,314,627	
3E+06	Refurbishment of Buildings			-	
3E+06	Purchase of Vehicles and Other Transport Equipment			1,200,000	
3E+06	Purchase of Bicycles & Motorcycles			-	
3E+06	Overhaul of Vehicles and Other Transport Equipment			-	
	Purchase of Household Furniture and Institutional Equipment				
	Purchase of office furniture and and General Equipment			0	
	Purchase of computers ,printers and other IT equipments			0	
	Purchase of ICT Equipment, Software and Other ICT Assets			0	
	Purchase of Specialized Plant, Equipment and Machinery			-	

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

	Rehabilitation and Renovation of Plant, Machinery and Equip.			-	
	Acquisition of Land			-	
	Acquisition of Intangible Assets				
	TOTAL		1,433,532.00	3,514,627	
	9 Other Payments				
2E+06	Strategic Plan		-	-	
2E+06	Electrical matching (see attached list)		4,000,000		
2E+06	ICT Hubs		-	-	
			-	-	
	TOTAL		4,000,000	-	
	10A: Bank Balances (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, Matuu Branch . NG-CDF</i>	<i>A/C no. 1105310906</i>	<u>9,379,311.80</u>	12,714,540	
	KCB			-	
				-	
	TOTAL		<u>9,379,311.80</u>	12,714,540	
	10B: CASH IN HAND)				

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

			2021 - 2022	2020 - 2021	
			Kshs (30/6/2022)	Kshs (30/6/2021)	
	Location 1		-	-	
	Location 2		-	-	
	Location 3		-	-	
	Other receipts (specify)		-	-	
	TOTAL		-	-	
					[Provide cash count certificates for each]
	11: OUTSTANDING IMPRESTS				
	<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2021)</i>
		Date imprest taken	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
				-	-
			-	-	-
			-	-	-
			-	-	-
			-	-	-
			-	-	-
	<i>TOTAL</i>		-	-	-
					-
	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		-	-	

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

	12 B Gratuity				
			2021 - 2022	2020 - 2021	
			KShs	KShs	
	Gratuity as at 1 st July (A)		-	-	
	Gratuity held during the year (B)		700,000	-	
	Gratuity paid during the Year (C)		533,770	-	
	Closing Gratuity as at 30 th June D= A+B-C		166,230	-	
	13 BALANCES BROUGHT FORWARD				
			2021 - 2022	2020 - 2021	
			Kshs (1/7/2022)	Kshs (1/7/2021)	
	Bank accounts		-	-	
	Cash in hand		9,379,311.80	12,714,540	
	Imprest				
	TOTAL		9,379,311.80	12,714,540	
		<i>[Provide short appropriate explanations as necessary]</i>			
	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

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

	Bank accounts balances		9,379,311.80		12,714,540
	Cash in hand		-	-	-
	Accounts Payable		-	-	-
	Receivables		-	-	-
	Others (specify)			-	
	Total		9,379,312	-	12,714,540
	<i>**The adjusted balances are not carried down on the face of the financial statement.</i>				
	<i>(Entity to provide disclosure on the adjusted amounts)</i>				
	Clarification note included				
	15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST				
			2021 - 2022	2020 - 2021	
			Kshs	Kshs	
	Outstanding Imprest as at 1st July (A)		-	-	
	Imprest issued during the year (B)		-	-	
	Imprest surrendered during the Year (C)		-	-	
	Net changes in accounts receivables (D=A+B-C)		-	-	
YA	16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTION				
			2021 - 2022	2020 - 2021	
			Kshs	Kshs	
	Deposits and Retention as at 1st July 2019 (A)		-	-	
	Deposits and Retention held during the year (B)		-	-	
	Deposits and Retention paid during the year ©		-	-	

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

	Closing accounts payable at 30th June (D=A+B-C)		-	-	
	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: UNUTILISED FUNDS (See Annex 3)				
			2021 - 2022	2020 - 2021	
			Kshs	Kshs	
	Compensation of employees		609,218		
	Use of goods and services		108,104		

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

	Amounts due to other Government entities (see attached list)		200,000		
	Amounts due to other grants and other transfers (see attached list)		7,385,521		
	Acquisition of assets		831,468		
	Others (<i>specify</i>)		245,000		
	Funds pending approval		9,379,311		
	17.4: PMC ACCOUNT BALANCES (See Annex 4)				
			2021 - 2022	2020 - 2021	
			Kshs	Kshs	
	PMC account balances (see attached list)		36,520,032	2,094,509	
	Total		36,520,032	2,094,509	

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES				
Name of Staff	Designation	Date employed	Outstanding Balance	Comments
			30th June 2022	
NG-CDFC Staff				
1.				

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

2.				
3.				
Sub-Total				
Grand Total				
ANNEX 3 - UNUTILIZED FUND				
Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/22	2020/21	
Compensation of employees		609,218.00	3,026,325.00	
Use of goods & services		108,104.00	2,080,076.38	
Amounts due to other Government entities		200,000.00	36,290,074.48	
Sub-Total		917,322.00	41,396,475.86	
Amounts due to other grants and other transfers		7,385,521.00		
Sub-Total		7,385,521.00	22,448,913.59	
Acquisition of assets		831,468.00	824,164.20	
Others (<i>specify</i>)		245000		
Sub-Total		1,076,468.00		

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

Funds pending approval				
Grand Total		9,379,311.00	64,669,553.65	
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER				
Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
Land	200,000.00			200,000.00
Buildings and structures	18,208,209.00	1,433,532.00		19,641,741.00
Transport equipment	10,700,000.00			10,700,000.00
Office equipment, furniture and fittings	4,495,000.00	317,190.00		4,812,190.00
ICT Equipment, Software and Other ICT Assets	1,323,465.00			1,323,465.00
Other Machinery and Equipment	450,000.00			450,000.00
Heritage and cultural assets				
Intangible assets				
Total	35,376,674.00	1,750,722.00		37,127,396.00
ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 202xx				

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2021/22	2020/21
MUAMBANI PRIMARY SCHOOL	KCB	1268697656		71,099.00
MATHENGE PRIMARY SCHOOL	KCB	1268695769		62,819.00
MANANJA PRIMARY SCHOOL	KCB	1270085212		72,217.00
KISEUNI SECONDARY SCHOOL	KCB	1252341296		1,421,932.00
KWAWANZILU SECONDARY SCHOOL	KCB	1268694274		177,700.00
MURI FARM PRIMARY SCHOOL	KCB	1273472411		3,332.15
MWATUNGO PRIMARY SCHOOL	KCB	1273448952		27,000.00
KWAMULINGA PRIMARY SCHOOL	KCB	1257837117		1,561.00
IUMA SECONDARY SCHOOL	KCB	1257960911		244,018.45
KYEETENI SECONDARY SCHOOL	KCB	1257827944		3,811.00
IKAATINI CHIEFS OFFICE	KCB	1275236863		9,019.30
TOTAL				2,094,508.90
MURIFARM PRIMARY SCHOOL	KCB	1292506024	79,813	
KAKUKU PRIMARY SCHOOL	KCB	1292635053	110,135	
NDOVOINI PRIMARY SCHOOL	KCB	1292678747	97,593	
KWAKAINDI PRIMARY SCHOOL	KCB	1292634758	401,456	
MUSINGINI PRIMARY SCHOOL	KCB	1292096365	92,921	
KATHIANI PRIMARY SCHOOL	KCB	1293236241	104,675	
MANANJA POLICE POST	KCB	1294933388	31,759	
MIKUNYUNI PRIMARY SCHOOL	KCB	1293944904	55,520	
KITHONI PRIMARY	KCB	1292333057	37,126	

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

SCHOOL				
NDITHINI PRIMARY SCHOOL	KCB	1292098481	69,443	
KAKUKU PRIMARY SCHOOL(Re-roofing0	KCB	1292635339	70,559	
KITHONI PRIMARY SCHOOL (RE-ROOFING)	KCB	1293484180	998,975	
ENG.DM MUTUKU PRIMARY SCHOOL	KCB	1294112708	1,050,000	
NZII PRIMARY SCHOOL	KCB	1292688548	103,062	
WAMBOO PRIMARY SCHOOL	KCB	1292635851	1,398,975	
NGOMOLA PRIMARY SCHOOL	KCB	1287292925	71,168	
TANA RANCH PRIMARY SCHOOL	KCB	1285640284	66,456	
KIAMBANI PRIMARY SCHOOL	KCB	1294389629	57,933	
KAVWEA PRIMARY SCHOOL	KCB	1285351312	49,334	
KAMAIMBA PRIMARY SCHOOL	KCB	1295359553	70,162	
KAMANGULU PRIMARY SCHOOL	KCB	1296377458	1,400,000	
KATULYE PRIMARY SCHOOL	KCB	1294670778	103,675	
KIVUTINI PRIMARY SCHOOL	KCB	1294389831	70,646.70	
KIVUTHI PRIMARY SCHOOL	KCB	1292635754	493,975	
KWAMBOO PRIMARY SCHOOL	KCB	1285939778	700,000	
KWASUVI PRIMARY SCHOOL	KCB	1293692956	533,233	
MAKILA PRIMARY SCHOOL	KCB	1288345151	698,978	
MANGULI PRIMARY SCHOOL	KCB	1295404745	71,804	
MASAKU PRIMARY SCHOOL	KCB	1285705831	771,617	
MAVIA MAIU PRIMARY SCHOOL	KCB	1285534611	698,809	
MBUSYANI PRIMARY SCHOOL	KCB	1294670697	68,399	

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

MIKAMENI PRIMARY SCHOOL	KCB	1284735559	381,683	
MILAANI PRIMARY SCHOOL	KCB	1294899589	70,403	
MISEWANI PRIMARY SCHOOL	KCB	1286489733	48,161	
MUKAMENI PRIMARY SCHOOL	KCB	1294867652	34,626	
MUKUSU PRIMARY SCHOOL	KCB	1284368491	144,903	
MUSINGINI PRIMARY SCHOOL	KCB	1292096365	92,921	
MUSUMAA PRIMARY SCHOOL	KCB	1292434678	70,945	
NDELEKENI PRIMARY SCHOOL	KCB	1294475258	70,148	
NDITHINI PRIMARY SCHOOL	KCB	1292098481	69,443	
NDOVOINI PRIMARY SCHOOL	KCB	1292678747	97,593	
TUMUTUMU PRIMARY SCHOOL	KCB	1294670735	52,795	
TWAMAKAA PRIMARY SCHOOL	KCB	1286396964	129,679	
ULUTYA PRIMARY SCHOOL	KCB	1285457390	69,413	
NUNGUNI PRIMARY SCHOOL	KCB	1283297035	647,467	
MUTWAMWAKI PRIMARY SCHOOL	KCB	1279338709	44,821	
IELANTHI SECONDARY SCHOOL	KCB	1293693154	292,528	
ST.JOHN IIANI SECONDARY SCHOOL	KCB	1293201804	245,602	
KASUVILO SECONDARY SCHOOL	KCB	1255041161	388,074	
MASINGA BOYS SCHOOL(RENOVATION)	KCB	1293723959	1,050,000	
MATHAUTA SECONDARY SCHOOL	KCB	1293692654	368,533	
MUSINGINI SECONDARY SCHOOL	KCB	1293638110	291,923	
KYEETENI SECONDARY	KCB	12792551867	277,591	

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

SCHOOL				
KAONYWENI SECONDARY SCHOOL	KCB	1257848747	142,449	
MUSUMAA SECONDARY SCHOOL	KCB	1160184615	1,391,959	
IIANI SECONDARY SCHOOL	KCB	1294871528	332,795	
EKALAKALA	KCB	1257706284	361,240.75	
KIVAA CHIEF'S OFFICE	KCB	1293693243	32,158	
KIKUMINI POLICE POST	KCB	1285229940	501,145	
KAONYWENI PRIMARY SCHOOL	KCB	1289032432	62,699	
KATOTHYA PRIMARY SCHOOL	KCB	1283916746	599	
KIANGENI PRIMARY SCHOOL	KCB	1233730932	326,273	
KITUNENI-KIVAA PRIMARY SCHOOL	KCB	1277092214	105,565	
KITUNENI-KIVAA PRIMARY SCHOOL	KCB	1277092109	57,658	
KWAKALUNDE PRIMARY SCHOOL	KCB	1253398313	1,510,395	
KWAKALUNDE PRIMARY SCHOOL	KCB	1279204235	95,272	
KYAANI PRIMARY SCHOOL	KCB	1239414277	69,985	
MAKONGENI PRIMARY SCHOOL	KCB	1283654652	497,744	
MANANJA PRIMARY SCHOOL	KCB	1270085212	72,217	
MANGULI PRIMARY SCHOOL	KCB	1283883740	102,970	
MASINGA PRIMARY SCHOOL	KCB	1285538250	398	
MUTHESYA PRIMARY SCHOOL	KCB	1279720123	633,310	
TULIMYUMBU PRIMARY SCHOOL	KCB	1252536054	439,493	
IUUMA SECONDARY SCHOOL	KCB	1257960911	244,018	
WAMBOO SECONDARY SCHOOL	KCB	1278134328	2,265,084	
KIATINENI SECONDARY	KCB	1279211660	1,498,990	

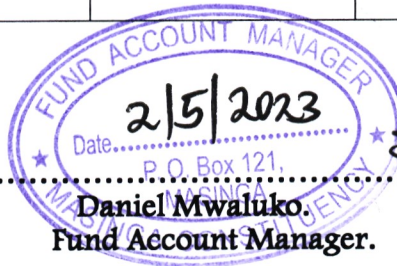
Masinga Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

SCHOOL				
KWAWANZILU SECONDARY SCHOOL	KCB	1276930690	759	
KWAWANZILU SECONDARY SCHOOL	KCB	1268694274	177,700	
KASEVE SECONDARY SCHOOL	KCB	1279012056	740,204	
KAMUNYU SCONDARY SCHOOL	KCB	1257676792	2,002,331	
KISEUNI SECONDARY SCHOOL	KCB	1252341296	1,421,932	
KITUNENI SECONDARY SCHOOL	KCB	1258174987	1,708,289	
MASINGA BOYS SCHOOL	KCB	1294911678	2,500,012	
MURIFARM SECONDARY SCHOOL	KCB	1293308188	332,795	
KIKUMINI ASST. CHIEFS OFFICE	KCB	1285354192	187,437	
ACC KIATINENI	KCB	1258914778	4,773	
MIKUYUNI ASST. CHIEFS OFFICE	KCB	1285351991	800,000	
MASINGA ADMINISTRATION POLICE	KCB	1285348761	129,753	
KAWEA ASST. CHIEFS OFFICE	KCB	1240348703	1,295	
KIVUTHI ASST. CHIEFS OFFICE	KCB	1284395421	167,848	
MASINGA YOUTH EMPOWERMENT	KCB	1278326405	33,032.35	
TOTAL			36,520,032.4	

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 issues.

Reference No. on the external audit report	Issue/Observations from Auditor	Management comments	Status: (Resolved/ Not resolved)	Time Frame: (put a date when you want the issue to be resolved)



 Date: 2/5/2023
 P.O. Box 121
 Daniel Mwaluko
 Fund Account Manager.