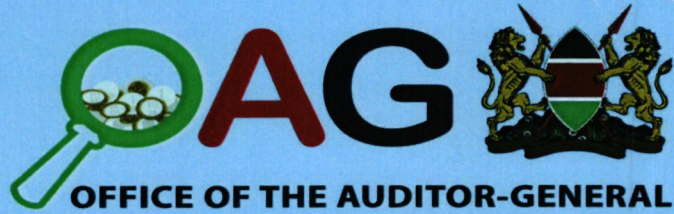



REPUBLIC OF KENYA



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 <b>REPORT</b> THE NATIONAL ASSEMBLY PAPERS LAID	
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CLERK-AT THE-TABLE: B. Inzofu	

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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*Revised Template 30<sup>th</sup> June 2020*



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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KILIFI  
NORTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

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**KILIFI NORTH CONSTITUENCY**  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KILIFI NORTH CONSTITUENCY  
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**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.

**(b) Key Management**

The NGCDF KILIFI NORTH Constituency day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

N	Designation	Name
o		
1.	A.I.E holder	Gladys Ngala
2.	Sub- County Accountant	Aisha Muchile Mohamed
3.	Chairperson NGCDFC	Jenter Kahindi
4.	Member NGCDFC	Fredrick Kutakasa

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF –KILIFI NORTH Constituency. 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) NGCDF KILIFI NORTH Constituency Headquarters**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KILIFI NORTH CONSTITUENCY  
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**(f) NGCDF KILIFI NORTH Constituency Contacts**

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

**(g) NGCDF KILIFI NORTH Constituency Bankers**

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

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

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

In the financial year 2019/2020 NGCDF Kilifi North has shown some slight improvement in utilisation of available resources from 64% in 2018/2019 to around 64.1% in the current financial year.

Unfortunately, at the close of the financial year the Constituency had not yet received Ksh. 70,367,724 from the Board thus could not accomplish all projects as planned within the financial year.

**Achievements**

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

Kilifi North has in the years allocated almost half of its allocation to education and has been able to achieve the following as at 30<sup>th</sup> June 2020.

*Primary school projects*

- Completion of two classrooms at Nzombere primary school
- Completion of two classrooms at Tezo primary school
- Completion of two classrooms at Chando primary school
- Completion of two classrooms at Madevu primary school
- Completion of two classrooms at Mawe ya Kati primary school
- Renovation of five classrooms at Mdzongoloni primary school

*Secondary school projects*

- Completion of four classrooms and administration block at Watamu secondary school
- Completion of four classrooms and administration block at Ngala memorial Girls secondary school
- Completion of two classrooms at Jimba Gede secondary school
- Completion of a four door toilet block at Roka Maweni Girls secondary school
- Completion of a hall at Ngerenya secondary school
- Completion of two classrooms at Korosho secondary school
- Completion of renovation of a kitchen at Canon Mweri secondary school

Below are some of the Photographs of the completed projects:

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**NGERENYA SECONDARY SCHOOL HALL**





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**NGALA MEMORIAL GIRLS ADMINISTRATION BLOCK & CLASSROOMS**



**Challenges**

Among others Kilifi North has faced the following challenges:

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

**Recommendation**

For the continuous success of the Fund in Kilifi North the Board should disburse the funds timely, consider employment of Engineers in every constituency.

Sign 

**CHAIRPERSON NGCDF COMMITTEE**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

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

The key development objectives of NGCDF-Kilifi North Constituency's 2018-2022 plan are:

**1. Education**

**Objectives**

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

**2. Youth , women and Girls**

**Objectives**

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

**3. Agriculture**

**Objectives**

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

**4. Health**

**Objectives**

- Expand infrastructure for health
- Increase coverage of essential health services

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- Increase access to preventive health care
- Mobilize constituents to enrol with NHIF for universal health care

**5. Infrastructure and Security Objectives**

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

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

**Objectives**

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

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve access to quality education and performance	Improved academic performance, infrastructure in schools, increased transition rates from primary to secondary schools and parents' participation in education.	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary beneficiaries at all levels</li> <li>- number of community meetings held</li> </ul>	<p>In FY 19/20 -27 classrooms, 2 halls, 1 toilet and 2 administration blocks were completed</p> <p>- A total of 4060 students benefitted from the bursary fund at all levels.</p>
Youth, Women and Girls	Improve Socio-Economic		<ul style="list-style-type: none"> <li>- Number of youth and women</li> </ul>	-Two women companies were awarded tenders

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	Empowerment of youth, Women and girls		awarded with tenders - Number of Innovation hubs established	Two Innovation hubs have been established
Infrastructure and Security	Increase rural electrification, road network and improve security		- Number of school walls constructed - Number of police posts and chiefs offices constructed and renovated	- Walls for four schools constructed  - Three school walls constructed
Collaboration, Partnerships and Legislative agenda	Strengthen and expand strategic partnerships and resource mobilisation		- Amount equivalent of contribution by partners over the years - Number of partnerships formalised	Ksh. 12.5 M allocated to St. Thomas Girls a co-funded projects with the school through the Ministry of Education

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – KILIFI NORTH Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

**1. Sustainability strategy and profile –**

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

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

**2. Environmental performance**

**Environmental Policy and Action plan**

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

It sets out our key aims and principles which include:

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

**Environmental action plan**

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

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

### 3. Employee welfare

Kilifi North employs both on casuals and contractual basis. In the financial year 2019/2020, it had a total of nine employees, five (5) on contract and four (4) on casual basis. The ratio of males to females is 4:5.

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

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

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

#### HIV/AIDS

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

#### Persons Living with Disability

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

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

#### Drug and substance Abuse

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

### 4. Market place practices-

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

a) **Responsible competition practice.**

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

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

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- Timelines and transparency are observed in dealing with suppliers and contractors. Before payments works are verified by the inspection and acceptance committee ,if all is well them payments are executed in due time
- c) **Responsible marketing and advertisement**  
Tenders are advertised openly and whoever wins is given the opportunity to carryout works or deliver goods and services.
  - d) **Product stewardship**  
The NGCDF Kilifi North ensures that equal opportunities in awarding of bursary is observed. The needy and vulnerable cases are given first priority.

**5. Community Engagements-**

The NGCDF Kilifi North has been engaging the communities through:

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

**Emerging Issues**

- i. In prevention of spread of corona virus, the office distributed 150 face masks to all Departmental Heads and others in Kilifi North Sub-County and Through the Youth and Gender office, it participated in distribution of sanitary towels to girls in an effort to avoid cases of early pregnancies

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the NGCDF-KILIFI NORTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-KILIFI NORTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-KILIFI NORTH Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

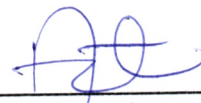
The Accounting Officer in charge of the NGCDF-KILIFI NORTH Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the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

**Approval of the financial statements**

The NGCDF-KILIFI NORTH Constituency financial statements were approved and signed by the Accounting Officer on 15<sup>th</sup> March 2020.



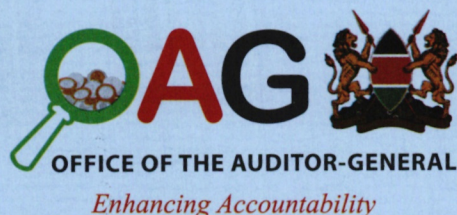
Fund Account Manager  
Name: Gladys Ngala



Sub-County Accountant  
Name: CPA Aisha Muchile Mohamed  
ICPAK Member Number: 21016

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KILIFI NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kilifi North Constituency set out on pages 16 to 59, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kilifi North Constituency as at 30 June, 2020, 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. Unsupported Bursaries**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers totalling to Kshs.42,328,797. The balance includes bursary payments amounting to Kshs.1,512,500 issued to one hundred and ninety-nine (199) students. However, as previously reported, the students' registration or admission numbers were missing.

Consequently, the accuracy, completeness and validity of bursaries totalling to Kshs.1,512,500 for the year ended 30 June, 2020 could not be confirmed.

## **2. Unsupported Training Expenses**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.6,754,096. The balance includes training expenses amount of Kshs.1,126,852. However, the training plan and training needs assessment were not provided.

Consequently, the accuracy, completeness and validity of training expenses totalling to Kshs.1,126,852 for the year ended 30 June, 2020 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.209,706,519 and Kshs.139,338,795 respectively, resulting to an under-funding amounting to Kshs. kshs.70,367,724 or 34% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.209,706,519 and Kshs.135,434,702 respectively, resulting to an under expenditure amounting to Kshs.74,271,817 or 35% of the budget. The Management attributed the under absorption to delay in disbursements from the Board.

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

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

In the audit report of the previous year, several issues were raised. However, the Management has not resolved all the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Delay in Project Implementation**

According to Projects Implementation Status Report as at 30 June, 2020, the Fund had seventy (51) approved projects with a budget allocation totalling to Kshs.83,142,497. Thirty-four (34) projects with an allocation totalling to Kshs.42,850,000 were completed and in use, sixteen (16) projects with a budget amount of Kshs.39,092,497 were ongoing and one project with a total budget of Kshs.1,200,000 had not started during the audit in the month of February, 2021.

In the circumstances, I am unable to confirm whether the public obtained value for money for the delayed projects for the year ended 30 June, 2020.

### **2. Irregular Funding of Sports Project**

The Management paid an amount of Kshs.238,000 as cash prizes to winners of the annual Kilifi Dhow Race held on 31 December, 2019. This is contrary to Section 25(1) of the National Government Constituencies Development Fund Act, 2015 which states that 'A project or any part thereof which involves personal awards to any person in cash or in kind, shall be excluded from the list of projects submitted in accordance with Section 12 of the Act'.

Consequently, the Management is in breach of the law.

### **3. Irregular use of Emergency Funds**

The Management paid an amount of Kshs.1,101,540, under emergency projects, for lockers and chairs in secondary schools. This is contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which states that 'Emergency' shall be construed to mean an 'urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents'. The payment in purchase of lockers and chairs was not unforeseen and therefore did not qualify to be treated as an emergency.

Consequently, the Management is in breach of the law.

#### **4. Irregular Procurement of Projects**

The Management incurred an amount of Kshs.38,778,938 on construction of classrooms in three (3) secondary schools. However, the Project Management Committees used restricted tendering method instead of open tender method. This is contrary to Section 102(c) of the Public Procurement and Asset Disposal Act, 2015, which states that 'An accounting officer of a procuring entity may use restricted tendering if there is evidence to the effect that there are only a few known suppliers of the whole market of the goods, works or services'.

Consequently, Management is in breach of the law.

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

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

##### **Conclusion**

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

##### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 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 financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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.

  
Nancy Gathungu  
AUDITOR-GENERAL

Nairobi

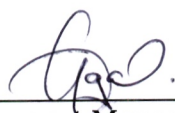
15 November, 2021

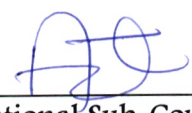
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**KILIFI NORTH CONSTITUENCY**  
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**VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	125,540,876	68,879,310
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	292,203	194,000
<b>TOTAL RECEIPTS</b>		<b>125,833,079</b>	<b>69,073,310</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,997,140	2,320,141
Use of goods and services	5	6,754,096	11,593,458
Transfers to Other Government Units	6	82,843,254	46,323,454
Other grants and transfers	7	42,328,797	34,694,804
Acquisition of Assets	8	511,415	-
Other Payments	9	-	2,338,514
<b>TOTAL PAYMENTS</b>		<b>135,434,702</b>	<b>97,270,371</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(9,601,623)</u></b>	<b><u>(28,197,060)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILIFI NORTH Constituency financial statements were approved on 15th March 2020 and signed by:

  
 Fund Account Manager  
 Name: Gladys Ngala


  
 National Sub-County Accountant  
 Name: CPA Aisha Muchile Mohamed  
 ICPAK Member Number: 21016

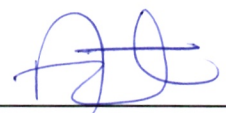
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KILIFI NORTH CONSTITUENCY  
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**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	3,904,093	13,505,716
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>3,904,093</b>	<b>13,505,716</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,904,093</b>	<b>13,505,716</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b><u>3,904,093</u></b>	<b><u>13,505,716</u></b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd.</b>	<b>13</b>	13,505,716	41,702,776
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(9,601,623)	(28,197,060)
<b>NET FINANCIAL POSITION</b>		<b><u>3,904,093</u></b>	<b><u>13,505,716</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILIFI NORTH Constituency financial statements were approved on ~~15th March~~ 2020 and signed by:

  
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Fund Account Manager  
Name: Gladys Ngala

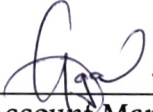
  
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National Sub-County Accountant  
Name: CPA Aisha Muchile Mohamed  
ICPAK Member Number: 21016

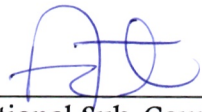
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**IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	125,540,876	68,879,310
Other Receipts	3	292,203	194,000
		<b>125,833,079</b>	<b>69,073,310</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,997,140	2,320,141
Use of goods and services	5	6,754,096	11,593,458
Transfers to Other Government Units	6	82,843,254	46,323,454
Other grants and transfers	7	42,328,797	34,694,804
Other Payments	9	-	2,338,514
		<b>134,923,287</b>	<b>97,270,371</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(9,090,208)</b>	<b>(28,197,060)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(511,415)	-
<b>Net cash flows from Investing Activities</b>		<b>(511,415)</b>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(9,601,623)</b>	<b>(28,197,060)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>13,505,716</b>	<b>41,702,776</b>
<b>Cash and cash equivalent at END of the year</b>		<b>3,904,093</b>	<b>13,505,716</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILIFI NORTH Constituency financial statements were approved on 15<sup>th</sup> March 2020 and signed by:

  
Fund Account Manager  
Name: Gladys Ngala

  
National Sub-County Accountant  
Name: CPA Aisha Muchile Mohamed  
ICPAK Member Number: 21016

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2020**

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 %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	72,017,795	209,385,519	139,017,795	70,367,724	66.4%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	194,000	127,000	321,000	321,000	-	100.0%
<b>TOTAL RECEIPTS</b>	<b>137,561,724</b>	<b>72,144,795</b>	<b>209,706,519</b>	<b>139,338,795</b>	<b>70,367,724</b>	<b>66.4%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,508,040	2,108,212	4,616,252	2,997,140	1,619,112	64.9%
Use of goods and services	9,872,515	1,395,912	11,268,427	6,754,096	4,514,331	59.9%
Transfers to Other Government Units	57,148,100	41,850,661	98,998,761	82,843,254	16,155,507	83%
Other grants and transfers	47,683,069	23,296,997	70,980,066	42,328,797	28,651,269	59.6%
Acquisition of Assets	550,000	362,297	912,297	511,415	400,882	56.1%
Other Payments	-	2,838,513	2,838,513	-	2,838,513	0.0%
Unapproved projects	19,800,000	-	19,800,000	-	19,800,000	0.0%
<b>Unallocated funds</b>	<b>-</b>	<b>292,203</b>	<b>292,203</b>		<b>292,203</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>137,561,724</b>	<b>72,144,795</b>	<b>209,706,519</b>	<b>135,434,702</b>	<b>74,271,817</b>	<b>64.6%</b>

(a) *Adjustments column: Transfers from the Board amounting to Ksh. 72,017,795; these were funds that had not been spent at the beginning of the financial year. Ksh. 68,416,556 related to 2018/2019, Ksh 101,239 related to 2017/2018, Ksh. 2,500,000 related to 2016/2017 and Ksh. 1,000,000 related to 2015/2016 financial years.*

*Other receipts of Ksh. 321,000: These moneys were generated through sale of tender documents which were not budgeted for; Ksh. 194,000 related to 2018/2019 and Ksh. 127,000 relates to 2019/2020*

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*b) Utilization (below 90%)*

- i. Transfers from NGCDF Board of 66.4%; The funds were not received as at the closure of the financial year which the NGCDF committee had no control.*
- ii. Compensation of employees of 64.9%; The funds were not paid as they had been set aside as gratuity awaiting payment after expiry of staff employment contracts.*
- iii. Other grants and transfers of 59.6%; This was as a result of untimely receipt of funds from the Board*

The NGCDF-KILIFI NORTH Constituency financial statements were approved on 15<sup>th</sup> March 2020 and signed by:



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Fund Account Manager  
Name: Gladys Ngala



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Sub-County Accountant  
Name: CPA Aisha Muchile Mohamed  
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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**XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2020**

<b>Programme/Sub-programme</b>	<b>Original Budget (a)</b>	<b>Adjustments (b)</b>	<b>Final Budget (c=a+b)</b>	<b>Actual on comparable basis (d)</b>	<b>Budget utilization difference</b>
	<b>2019/2020</b>				
	<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>
<b>1.0 Office Administration &amp; Recurrent</b>					
1.1 Compensation of employees	2,508,040	2,108,212	4,616,252	2,997,140	1,619,112
1.2 Committee expenses	3,000,000	-	3,000,000	1,081,247	1,918,753
1.3 Use of goods and services	2,745,663	546,956	3,292,619	1,325,325	1,967,294
<b>Sub-Total</b>	<b>8,253,703</b>	<b>2,655,168</b>	<b>10,908,871</b>	<b>5,403,712</b>	<b>5,505,159</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,126,852	239	1,127,091	1,126,852	239
2.2 Committee expenses	1,500,000	23,433	1,523,433	1,685,172	(161,739)
2.3 Use of goods and services	1,500,000	825,283	2,325,283	1,535,500	789,783
<b>Sub-Total</b>	<b>4,126,852</b>	<b>848,955</b>	<b>4,975,807</b>	<b>4,347,524</b>	<b>628,283</b>
<b>3.0 Transfer to other Government units</b>					
<b>3.1 Primary Schools Projects</b>					
3.1.1 Primary school desks project	3,600,000	3,300,000	6,900,000	3,300,000	3,600,000
3.1.2 Arabuko Primary School	2,200,000	-	2,200,000	1,400,000	800,000
3.1.3 Mtsanganyiko Primary School	2,200,000	-	2,200,000	2,400,000	(200,000)
3.1.4 Nzombere Primary School	-	1,400,000	1,400,000	1,400,000	-
3.1.5 Tezo Primary School	-	2,400,000	2,400,000	2,400,000	-
3.1.6 Sidzeni Primary School	-	-	-	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

<b>Programme/Sub-programme</b>	<b>Original Budget (a)</b>	<b>Adjustments (b)</b>	<b>Final Budget (c=a+b)</b>	<b>Actual on comparable basis (d)</b>	<b>Budget utilization difference</b>
	<b>2019/2020</b>				
	<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>
		1,200,000	1,200,000	1,200,000	
3.1.7 Chando Primary School	-	2,400,000	2,400,000	2,400,000	-
3.1.8 Mkwajuni Primary School	-	795,154	795,154	795,154	-
3.1.9 Dabaso Primary School	1,500,000	-	1,500,000	-	1,500,000
3.1.10 Makonde Primary School	-	94,400	94,400	-	94,400
3.1.11 Mkwajuni Primary School	-	4,000	4,000	-	4,000
<b>Sub-Total</b>	<b>9,500,000</b>	<b>11,593,554</b>	<b>21,093,554</b>	<b>15,295,154</b>	<b>5,798,400</b>
<b>3.2 Secondary Schools Projects</b>					
3.2.1 Mdzongoloni Secondary School	-	1,800,000	1,800,000	1,800,000	-
3.2.2 Ngerenya Secondary School	-	2,400,000	2,400,000	2,400,000	-
3.2.3 Korosho Secondary School	-	2,400,000	2,400,000	2,400,000	-
3.2.4 Majajani Secondary School	2,200,000	-	2,200,000	2,400,000	(200,000)
3.2.5 Uyombo Girls Secondary School (Dorm)	3,498,100	2,000,000	5,498,100	5,498,100	-
3.2.6 Uyombo Girls Secondary School (Renovation)	1,500,000	-	1,500,000	-	1,500,000
3.2.7 Jimba Gede Secondary School	-	2,400,000	2,400,000	2,400,000	-
3.2.8 Ngala Memorial Girls High school	3,000,000	8,000,000	11,000,000	11,000,000	-
3.2.9 St Thomas Girls Secondary School	8,150,000	4,400,000	12,550,000	12,550,000	-
3.2.10 Watamu Secondary School	4,100,000	8,500,000	12,600,000	12,600,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget (a)	Adjustments (b)	Final Budget (c=a+b)	Actual on comparable basis (d)	Budget utilization difference
	2019/2020				
	Ksh	Ksh	Ksh	Ksh	Ksh
3.2.11 Kiwandani Secondary School	8,000,000	-	8,000,000	8,000,000	-
3.2.12 Mnarani Secondary School	1,500,000	-	1,500,000	-	1,500,000
3.2.13 Roka Maweni Girls Secondary School	-	800,000	800,000	800,000	-
3.2.14 Ngerenya Secondary School (Hall)	4,100,000	-	4,100,000	4,100,000	-
3.2.15 Watamu Secondary School (Lockers & chairs)	800,000	-	800,000	800,000	-
3.2.16 Mida Secondary School	800,000	-	800,000	800,000	-
<b>Sub-Total</b>	<b>37,648,100</b>	<b>32,700,000</b>	<b>70,348,100</b>	<b>67,548,100</b>	<b>2,800,000</b>
<b>3.3 Tertiary Institutions Project</b>					
3.3.1 Kilifi North Tech.Tr & Vocational College	10,000,000	-	10,000,000	-	10,000,000
<b>Sub-Total</b>	<b>10,000,000</b>	<b>-</b>	<b>10,000,000</b>	<b>-</b>	<b>10,000,000</b>
<b>4.0 Other Grants and payments</b>					
<b>4.1 Bursary and Social Security</b>					
4.1.1 Secondary Schools	20,000,000	6,610,000	26,610,000	20,111,360	6,498,640
4.1.2 Tertiary Institutions	14,390,431	11,658,600	26,049,031	15,936,200	10,112,831
<b>Sub-Total</b>	<b>34,390,431</b>	<b>18,268,600</b>	<b>52,659,031</b>	<b>36,047,560</b>	<b>16,611,471</b>
<b>4.2 Emergency Fund</b>					
4.2.1 Secondary schools	7,198,241	1,000,000	8,198,241	1,101,540	7,096,701
<b>Sub-Total</b>	<b>7,198,241</b>	<b>1,000,000</b>	<b>8,198,241</b>	<b>1,101,540</b>	<b>7,096,701</b>
<b>4.3 Sports</b>					

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Programme/Sub-programme	Original Budget (a)	Adjustments (b)	Final Budget (c=a+b)	Actual on comparable basis (d)	Budget utilization difference
	2019/2020				
	Ksh	Ksh	Ksh	Ksh	Ksh
4.3.1 Constituency sports	1,000,000	1,085,504	2,085,504	1,085,300	1,000,204
<b>Sub-Total</b>	<b>1,000,000</b>	<b>1,085,504</b>	<b>2,085,504</b>	<b>1,085,300</b>	<b>1,000,204</b>
<b>4.4. Environment</b>					
4.4.1 Environment	1,000,000	-	1,000,000	-	1,000,000
<b>Sub-Total</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
<b>4.5 Security Projects</b>					
4.5.1 Kilifi North Sub-County DCC Office	2,094,397	-	2,094,397	2,094,397	-
4.5.2 Mibirikani Chief's Office	1,000,000	-	1,000,000	1,000,000	-
4.5.3 Dabaso Chief's Office	1,000,000	-	1,000,000	1,000,000	-
4.5.4 Mayungu Chief's camp	-	500,000	500,000	-	500,000
<b>Sub-Total</b>	<b>4,094,397</b>	<b>500,000</b>	<b>4,594,397</b>	<b>4,094,397</b>	<b>500,000</b>
<b>4.6 Others</b>					
4.6.1 Gede Resource centre	-	500,000	500,000	-	500,000
4.6.2 ICT Hubs	-	2,338,514	2,338,514	-	2,338,514
<b>Sub-Total</b>	<b>-</b>	<b>2,838,514</b>	<b>2,838,514</b>	<b>-</b>	<b>2,838,514</b>
<b>5.0 Acquisition of assets</b>					
5.1 Purchase of motor vehicle	550,000	362,297	912,297	511,415	400,882
<b>Sub-Total</b>	<b>550,000</b>	<b>362,297</b>	<b>912,297</b>	<b>511,415</b>	<b>400,882</b>
<b>6.0 Unapproved funds</b>					

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Programme/Sub-programme	Original Budget (a)	Adjustments (b)	Final Budget (c=a+b)	Actual on comparable basis (d)	Budget utilization difference
	2019/2020				
	Ksh	Ksh	Ksh	Ksh	Ksh
6.1.1 Gede Primary School	2,200,000	-	2,200,000	-	2,200,000
6.1.2 Mikingirini Primary School	2,200,000	-	2,200,000	-	2,200,000
6.1.3 Reserve Primary School	2,200,000	-	2,200,000	-	2,200,000
6.1.4 Sita Primary School	2,200,000	-	2,200,000	-	2,200,000
3.1.5 Uyombo Maweni Primary School	2,200,000	-	2,200,000	-	2,200,000
6.1.6 Meanyheart Secondary School	2,200,000	-	2,200,000	-	2,200,000
6.1.7 Mkwajuni Secondary School	2,200,000	-	2,200,000	-	2,200,000
6.1.8 Soyosoyo Secondary School	2,200,000	-	2,200,000	-	2,200,000
6.1.9 Watamu Secondary School (toilets)	1,200,000	-	1,200,000	-	1,200,000
6.1.10 Mabirikani Chief's Office (toilets)	500,000	-	500,000	-	500,000
6.1.11 Dabaso Chief's Office (toilets)	500,000	-	500,000	-	500,000
<b>Sub-Total</b>	<b>19,800,000</b>	<b>-</b>	<b>19,800,000</b>	<b>-</b>	<b>19,800,000</b>
<b>7.0 Unallocated funds</b>	-	292,203	292,203	-	292,203
<b>Sub-Total</b>	<b>-</b>	<b>292,203</b>	<b>292,203</b>	<b>-</b>	<b>292,203</b>
<b>GRAND TOTALS</b>	<b>137,561,724</b>	<b>72,144,795</b>	<b>209,706,519</b>	<b>135,434,702</b>	<b>74,271,817</b>

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

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**XII. 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 and retentions.

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

**2. Reporting Entity**

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

**Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

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**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

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**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity 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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and 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 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they 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 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.

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**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2020.

**14. Errors**

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

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

**15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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**XIII. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019 - 2020	2018 - 2019
NGCDF Board	AIE NO.	Kshs	Kshs
	B 005046		11,379,310
	B 030072		10,000,000
	B 030044		12,000,000
	B 006384		8,000,000
	B 699130		11,000,000
	B 042692		3,500,000
	B 047010		13,000,000
	B 047133	2,500,000	
	B 047175	55,040,876	
	B 047467	4,000,000	
	B 041298	18,000,000	
	B 047718	5,000,000	
	B 047924	6,000,000	
	B 049313	14,000,000	
	B 104338	21,000,000	
<b>TOTAL</b>		<b>125,540,876</b>	<b>68,879,310</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**3. OTHER RECEIPTS**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	127,000	194,000
Other Receipts (PMC accounts unutilized funds transferred back to the main account)	165,203	-
<b>TOTAL</b>	<b>292,203</b>	<b>194,000</b>

**4. COMPENSATION OF EMPLOYEES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	1,884,000	1,819,341
Basic wages of casual labour	517,000	488,000
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	12,100	12,800
Gratuity-contractual employees	584,040	-
<b>TOTAL</b>	<b>2,997,140</b>	<b>2,320,141</b>

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**5. USE OF GOODS AND SERVICES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	420,084	261,027
Electricity	19,600	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	325,741	167,800
Domestic travel and subsistence	86,000	-
Printing, advertising and information supplies & services	-	25,800
Rentals of produced assets	-	-
Training expenses	1,126,852	1,000,000
Hospitality supplies and services	92,421	204,288
Other committee expenses	4,400	624,235
Committee allowance	3,828,000	4,567,990
Insurance costs	141,509	144,823
Specialised materials and services	-	-
Office and general supplies and services	160,719	24,250
Fuel , oil & lubricants	417,969	400,566
Other operating expenses	-	123,419
Bank service commission and charges	14,880	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	115,921	49,260
Routine maintenance- other assets	-	-
Strategic plan	-	4,000,000
<b>TOTAL</b>	<b>6,754,096</b>	<b>11,593,458</b>

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**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	15,295,154	19,680,972
Transfers to Secondary Schools	67,548,100	26,642,482
Transfers to Tertiary Institutions	-	-
Transfers to Health Institutions	-	-
<b>TOTAL</b>	<b>82,843,254</b>	<b>46,323,454</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	20,111,360	17,092,586
Bursary - Tertiary	15,936,200	9,720,800
Bursary- Special Schools	-	-
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	-	-
Roads and Bridges	4,094,397	1,500,000
Sports	-	-
Environment	1,085,300	175,000
Cultural Projects	-	1,000,000
Agriculture	-	-
Emergency Projects	-	-
<b>TOTAL</b>	<b>1,101,540</b>	<b>5,206,418</b>
	<b>42,328,797</b>	<b>34,694,804</b>

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**8. ACQUISITION OF ASSETS**

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	511,415	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b>511,415</b>	<b>-</b>

**9. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic Plan	-	-
ICT Hubs	-	2,338,514
	-	-
<b>TOTAL</b>	<b>-</b>	<b>2,338,514</b>

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

Name of Bank, Account No. & currency	2019 - 2020	2018 - 2019
	Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Cooperative Bank, Kilifi Branch . Kilifi North NG-CDF A/C no.01141466629200</i>	3,904,093	13,505,716
	<b>3,904,093</b>	<b>13,505,716</b>

**10 B: CASH IN HAND**

	2019 - 2020	2018 - 2019
	Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
<b>TOTAL</b>	-	-

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*NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (Continued)*

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

	2019 - 2020	2018 - 2019
	Kshs	Kshs
<b>Supplier 1</b>	-	-
<b>Supplier 2</b>	-	-
<b>Supplier 3</b>	-	-
<b>TOTAL</b>	-	-

**12B. GRATUITY DEPOSITS**

	2019 - 2020	2018 - 2019
	Kshs	Kshs
<b>Name 1</b>	-	-
<b>Name 2</b>	-	-
<b>Name 3</b>	-	-
<b>TOTAL</b>	-	-

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**13. BALANCES BROUGHT FORWARD**

	2019 - 2020	2018 - 2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	13,505,716	41,702,776
Cash in hand		
Imprest		
	<b>13,505,716</b>	<b>41,702,776</b>

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY2019 - 2020 per Financial statements	Adjustments	Adjusted balance b/f 2018 - 2019
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST**

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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**17. OTHER IMPORTANT DISCLOSURES**

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

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	584,040	678,087
Others (specify)	-	-
<b>TOTAL</b>	<b>584,040</b>	<b>678,087</b>

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

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Compensation of employees	1,470,136	1,981,136
Use of goods and services	5,618,548	2,240,440
Amounts due to other Government entities (see attached list)	37,204,400	44,293,554
Amounts due to other grants and transfers (see attached list)	29,686,530	23,337,462
Others ( PMC Accounts unutilized funds transferred back to main account)	165,203	-
AIA from sale of tenders	127,000	194,000
<b>TOTAL</b>	<b>74,271,817</b>	<b>72,046,592</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KILIFI NORTH CONSTITUENCY**  
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*NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (Continued)*

17.4: PMC account balances (See Annex 5)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
PMC Accounts Balances (see attached list)	16,258,764	1,926,859
<b>TOTAL</b>	<b>16,258,764</b>	<b>1,926,859</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2020	2019	
		a	b	c	d=a-c		
<b>Senior Management</b>							
1. Venseslous Deche Mwatsuma		152,520	01.11.2018	-	152,520.00	99,820.00	
2. Fredrick Mangale Fwadzi		145,080	19.02.2018	-	145,080.00	193,307.00	
3.							
<b>Sub-Total</b>		<b>297,600</b>		<b>-</b>	<b>297,600.00</b>	<b>293,127.00</b>	
<b>Middle Management</b>							
4. Yahya Ahmed		115,320	16.02.2018	-	115,320.00	161,820.00	
5. Ali Bakari Mzee		96,720	16.02.2018	-	96,720.00	129,049.00	
6. Beatrix Kwamboka Arisi		74,400	16.02.2018		74,400.00	94,091.00	
<b>Sub-Total</b>		<b>286,440</b>		<b>-</b>	<b>286,440.00</b>	<b>384,960.00</b>	
<b>Unionisable Employees</b>							
7.							
8.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
9.							
<b>Sub-Total</b>							
<b>GRAND TOTAL</b>		<b>584,040</b>		<b>-</b>	<b>584,040.00</b>	<b>678,087.00</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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**ANNEX 3 – UNUTILIZED FUNDS**

Name	Outstanding Balance		Comments
	2019/2020	2018/2019	
Compensation of employees	1,470,136.00	1,981,136.00	
Use of goods & services	5,618,548.00	2,240,440.00	
<b>Sub-Total</b>	<b>7,088,684.00</b>	<b>4,221,576.00</b>	
<b>Amounts due to other Government entities</b>			
<b>Primary schools</b>			
Makonde primary school	94,400.00	94,400.00	
Mkwajuni primary School	4,000.00	4,000.00	
Primary school desks project	3,406,000.00	3,300,000.00	
Nzombere Primary school	-	1,400,000.00	
Tezo Primary school	-	2,400,000.00	
Sidzeni Primary school	-	1,200,000.00	
Chando Primary school	-	2,400,000.00	
Mkwajuni Primary School	-	795,154.00	
Mtsanganyiko Primary School	- 200,000.00	-	
Arabuko Primary School	800,000.00	-	
Dabaso Primary School	1,500,000.00	-	
Gede Primary School	2,200,000.00	-	
Mikingirini Primary School	2,200,000.00	-	
Reserve Primary School	2,200,000.00	-	
Sita Primary School	2,200,000.00	-	
Uyombo Maweni Primary School	2,200,000.00	-	
<b>Sub-Total</b>	<b>16,604,400.00</b>	<b>11,593,554.00</b>	
<b>Secondary schools</b>			
Ngala Memorial Girls High school	-	8,000,000.00	
Mdzongoloni Secondary school	-	1,800,000.00	
Ngerenya Secondary school	-	2,400,000.00	
St. Thomas Girls Secondary school	-	4,400,000.00	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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Name	Outstanding Balance	Outstanding Balance	Comments
	2019/2020	2018/2019	
Korosho Secondary school	-	2,400,000.00	
Uyombo Girls Sec Sch	1,500,000.00	2,000,000.00	
Jimba Gede Secondary school	-	2,400,000.00	
Roka Maweni Girls secondary school	-	800,000.00	
Watamu Secondary School	1,200,000.00	8,500,000.00	
Majajani Secondary School	- 200,000.00	-	
Mnarani Secondary School	1,500,000.00	-	
Meanyheart Secondary School	2,200,000.00	-	
Mkwajuni Secondary School	2,200,000.00	-	
Soyosoyo Secondary School	2,200,000.00	-	
<b>Sub-Total</b>	<b>10,600,000.00</b>	<b>32,700,000.00</b>	
<b>Tertiary Institution</b>			
Kilifi North Tech.Tr & Vocational College	10,000,000.00	-	
<b>Sub-Total</b>	<b>10,000,000.00</b>	<b>-</b>	
<b>Amounts due to other grants and other transfers</b>			
1. Bursary- secondary schools	8,993,640.00	6,610,000.00	
2. Bursary -Tertiary institutions	9,493,649.00	13,539,418.00	
3. Sports Projects	1,001,000.00	1,086,504.00	
4. Emergency projects	7,198,241.00	1,101,540.00	
5. Environmental Projects	1,000,000.00	-	
6. Security projects	1,500,000.00	500,000.00	
7. Gede Resource centre	500,000.00	500,000.00	
<b>Sub-Total</b>	<b>29,686,530.00</b>	<b>23,337,462.00</b>	
<b>Others</b>			
PMC Accounts unutilized funds transferred back to the main account	165,203.00	-	
AIA from sale of tenders	127,000.00	194,000.00	
<b>Sub-Total</b>	<b>292,203.00</b>	<b>194,000.00</b>	
<b>Grand Total</b>	<b>74,271,817.00</b>	<b>72,046,592.00</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f Kshs 2018/2019</b>	<b>Additions during the year</b>	<b>Disposals during the year</b>	<b>Historical Cost Kshs 2019/2020</b>
Land	-	-	-	-
Buildings and structures	4,500,000	-	-	4,500,000.00
Transport equipment	6,500,000	511,415	-	7,011,415.00
Office equipment, furniture and fittings	4,480,957	-	-	4,480,957.00
ICT Equipment, Software and Other ICT Assets	178,200	-	-	178,200.00
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>15,659,157</b>	<b>511,415</b>	<b>-</b>	<b>16,170,572.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account No.	Bank Balance 2019/2020	Bank Balance 2018/2019
MKWAJUNI PRY SCHOOL	COOPERATIVE	1109779364900	-	3,958
NZOMBERE PRY SCHOOL	COOPERATIVE	1192779533600	-	-
TEZO PRY SCHOOL	COOPERATIVE	1141779607400	-	-
SIDZENI PRY SCHOOL	COOPERATIVE	1109779533200	-	-
CHANDO PRY SCHOOL	COOPERATIVE	1109779533700	-	-
MADEVU PRY SCHOOL	COOPERATIVE	1109779422300	-	200,112
MAWE YA KATI PRY SCHOOL	COOPERATIVE	1109779435100	-	1,196
MDZONGOLONI SEC SCHOOL	COOPERATIVE	1109779272900	-	599,940
WATAMU SEC SCHOOL	COOPERATIVE	1192779533400	-	-
NGALA MEMORIAL GIRLS' SEC SCHOOL	COOPERATIVE	1109779533000	-	-
ST. THOMAS GIRLS' SEC SCHOOL	COOPERATIVE	1109779265300	-	622,471
ST. THOMAS GIRLS' SEC SCHOOL	COOPERATIVE	1141779533800	5,213,162	-
JIMBA GEDE SEC SCHOOL	COOPERATIVE	1109779533300	-	-
ROKA MAWENI GIRLS' SEC SCHOOL	COOPERATIVE	1109779542300	-	-
UYOMBO GIRLS' SEC SCHOOL	COOPERATIVE	1109779534100	-	-
MAJAONI SEC SCHOOL	COOPERATIVE	1109779533900	-	-
MAJAONI SEC SCHOOL	COOPERATIVE	1109779533901	-	-
WATAMU SEC SCHOOL	COOPERATIVE	1141779758900	22,997	-
KOROSHO SEC SCHOOL	COOPERATIVE	1192779570800	-	-
KIWANDANI SEC SCHOOL	COOPERATIVE	1109779533500	-	-
KIWANDANI SEC SCHOOL	COOPERATIVE	1141779748200	1,801	-
CANON MWERI SEC SCHOOL	COOPERATIVE	1192779546100	-	-
FUMBINI SEC SCHOOL	COOPERATIVE	1109779408700	-	50
DZUNGUNI EZAMOYO WATER PROJECT	COOPERATIVE	1109691727300	-	499,132
SITA PRY SCHOOL	COOPERATIVE	1141779760400	-	-
UYOMBO MAWENI PRY SCHOOL	COOPERATIVE	1141779750600	-	-
KILIFI NORTH NGCDF DESKS PROJECT	COOPERATIVE	1141779756300	-	-
MABIRIKANI CHIEF'S OFFICE	COOPERATIVE	1141779749700	1,000,000	-
DABASO CHIEF'S OFFICE	COOPERATIVE	1141779749300	1,000,000	-
SOYOSOYO SEC SCHOOL	COOPERATIVE	1141779750900	-	-
MIDA SEC SCHOOL	COOPERATIVE	1141779749900	800,000	-
GEDE PRY SCHOOL	COOPERATIVE	1141779607600	19	-
MTSANGANYIKO PRY SCHOOL	COOPERATIVE	1141779749500	2,400,000	-
MIKINGIRINI PRY SCHOOL	COOPERATIVE	1141779753300	-	-
MENYHART SEC SCHOOL	COOPERATIVE	1141779751300	-	-
DABASO PRY SCHOOL	COOPERATIVE	1141779751500	-	-
ARABUKO PRY SCHOOL	COOPERATIVE	1141779275000	1,400,000	-
MAJAJANI SEC SCHOOL	COOPERATIVE	1141779749400	2,400,000	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KILIFI NORTH CONSTITUENCY  
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<b>PMC</b>	<b>Bank</b>	<b>Account No.</b>	<b>Bank Balance 2019/2020</b>	<b>Bank Balance 2018/2019</b>
RESERVE PRY SCHOOL	COOPERATIVE	1141779751100	-	-
MAJAJANI SEC SCHOOL	COOPERATIVE	1141779749600	-	-
NGALA MEMORIAL GIRLS SEC. SCHOOL	COOPERATIVE	1141779533000	177,881	-
DONGO KUNDU PRY SCHOOL	COOPERATIVE	1109779266600	1,499,175	-
JIMBA SEC SCHOOL	KCB	1162646152	343,729	-
<b>TOTAL</b>			<b>16,258,764</b>	<b>1,926,859.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1.	<p><b>Presentation of financial statements</b></p> <ul style="list-style-type: none"> <li>i) The statement of appropriation for the year ended 30 June 2019 reflects total receipts of Ksh. 104,276,086 while the statement of receipts and payments reflects total receipts of Ksh. 69,073,310, thus resulting to unreconciled nor unexplained variance of Ksh. 35,202,776</li> <li>ii) The financial statements for the year ended 30 June are not signed by the Sub-County Accountant on pages 11, 12,13, 14 and 16 contrary to the template issued by the Public Sector Accounting Standards Board</li> <li>iii) The date of the statement of assets and liabilities, statement of receipts and payments, statement of cash flow and statement of appropriation: recurrent and development combined are not indicated contrary to International Public Sector Accounting Standards No. 1 paragraph 63 (c) which requires that the reporting date or the period covered by the financial statements to be displayed prominently, and repeated when it is necessary for a proper understanding of the information presented.</li> <li>iv) Page no. 30 of the financial statements is blank yet page 31 and others following have notes</li> <li>v) The statement of receipts and payments for the year ended 30 June 2019 reflects</li> </ul>	The errors have been identified and corrected in the financial statements	FAM- Gladys Ngala	Resolved	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)												
	<p>transfer to other government units of Ksh. 46,323,454 while the Note 6 to the financial statements reflects an amount of Ksh. 36,323,454 resulting from a casting error of Ksh. 10,000,000 which has not been corrected.</p> <p>vi) Note 2 to the financial statements is missing</p> <p>vii) The restatement comparative balances on page 13 and 14 is not explained</p> <p>viii) Balance brought forward reflects Ksh. 41,702,776 while at page 34 reflects Ksh. 35,202,776, resulting to unreconciled nor explained variance of Ksh. 6,500,000</p> <p>ix) Annex 1 is missing in the financial statements</p> <p>x) The project Management accounts (PMC) balance of Ksh.1,926,858.60 does not tally with our casted balance at page 43 of Ksh. 1,427,726.10, thus resulting to unreconciled nor explained variance of Ksh. 499,132</p> <p>Consequently, the financial statements for the year ended 30 June 2019 are not prepared in accordance with the requirements of international Public Sector Accounting Standard 1 as prescribed and published by the Public Sector Accounting Standards Board</p>																
1.1	<p><b>Unpresented cheques</b></p> <p>Note 10 A to the financial statements for the year ended 30 June 2019 reflects bank balances of Ksh. 13,505,716. This amount included unpresented cheques totalling to Ksh. 76,360 as summarised below:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Payee</th> <th>Chq no.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>13.02.19</td> <td>Al- Miraj Academy</td> <td>5534</td> <td>5,000</td> </tr> <tr> <td>13.02.19</td> <td>Al-</td> <td>5537</td> <td>10,000</td> </tr> </tbody> </table>	Date	Payee	Chq no.	Amount	13.02.19	Al- Miraj Academy	5534	5,000	13.02.19	Al-	5537	10,000	The cheques were reallocated to other needy cases	FAM- Gladys Ngala	Resolved	
Date	Payee	Chq no.	Amount														
13.02.19	Al- Miraj Academy	5534	5,000														
13.02.19	Al-	5537	10,000														

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)																																				
	<table border="1"> <tr> <td></td> <td>Munawarah college</td> <td></td> <td></td> </tr> <tr> <td>28.02.19</td> <td>Matsangoni orphanage</td> <td>5544</td> <td>5,000</td> </tr> <tr> <td>13.03.19</td> <td>Embu college</td> <td>5557</td> <td>7,000</td> </tr> <tr> <td>13.03.19</td> <td>Moi University</td> <td>5558</td> <td>10,000</td> </tr> <tr> <td>13.03.19</td> <td>Lugulu Girls</td> <td>5586</td> <td>7,000</td> </tr> <tr> <td>13.03.19</td> <td>Ribe Girls</td> <td>5606</td> <td>21,000</td> </tr> <tr> <td>13.03.19</td> <td>Vitengeni Baptist</td> <td>5621</td> <td>5,000</td> </tr> <tr> <td>23.03.19</td> <td>Kenya High</td> <td>5646</td> <td>6,360</td> </tr> <tr> <td></td> <td><b>Total</b></td> <td></td> <td><b>76,360</b></td> </tr> </table> <p>However at the time of audit in November 2019, the cheques had not cleared and were all more than six months old.</p> <p>Consequently, the validity, accuracy and completeness of the bank balances of Ksh. 13,505,716 as at 30 June 2019 could not be ascertained.</p>		Munawarah college			28.02.19	Matsangoni orphanage	5544	5,000	13.03.19	Embu college	5557	7,000	13.03.19	Moi University	5558	10,000	13.03.19	Lugulu Girls	5586	7,000	13.03.19	Ribe Girls	5606	21,000	13.03.19	Vitengeni Baptist	5621	5,000	23.03.19	Kenya High	5646	6,360		<b>Total</b>		<b>76,360</b>				
	Munawarah college																																								
28.02.19	Matsangoni orphanage	5544	5,000																																						
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23.03.19	Kenya High	5646	6,360																																						
	<b>Total</b>		<b>76,360</b>																																						
2.0	<p><b>Use of Goods and services</b></p> <p>Note 5 to the financial statements for the year ended 30 June 2019 reflects other operating expenses amounting to Ksh. 123,419. However, the supporting schedule availed for audit reflects an amount of Ksh. 163, 510, thus resulting to unreconciled nor explained variance of Ksh. 40,091. Consequently, the accuracy and completeness of other operating expenses of Ksh. 123,419 for the year ended 30 June 2019 could not be confirmed</p>	<p>The corrected schedule for other operating expenses is as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Date</th> <th>PV no.</th> <th>Chq no.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Olenoor Engineering Ltd</td> <td>12.03.19</td> <td>80</td> <td>5630</td> <td>123,200</td> </tr> <tr> <td>Co-operative</td> <td>28.02.19</td> <td>71</td> <td>5554</td> <td>219</td> </tr> </tbody> </table>		Date	PV no.	Chq no.	Amount	Olenoor Engineering Ltd	12.03.19	80	5630	123,200	Co-operative	28.02.19	71	5554	219	FAM- Gladys Ngala	Resolved																						
	Date	PV no.	Chq no.	Amount																																					
Olenoor Engineering Ltd	12.03.19	80	5630	123,200																																					
Co-operative	28.02.19	71	5554	219																																					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																								
		<table border="1"> <tr> <td>Ban</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td>123,4</td> <td>19</td> </tr> </table>	Ban						Total				123,4	19															
Ban																													
Total				123,4	19																								
1.0	Other matter																												
1.1	<p><b>Revenue Budget</b>                      During the year under review NGCDF Kilifi North Constituency had a final receipts budget of Ksh. 162,622,276,963 against actual receipts of Ksh. 104,276,086, resulting to a net shortfall of Ksh. 58,346,877 representing 36% of total budgeted amounts as detailed below:</p> <table border="1"> <thead> <tr> <th>Vote item</th> <th>Final Budget</th> <th>Actual Receipt</th> <th>Over collection</th> <th>Under collection</th> <th>% over/under collection</th> </tr> </thead> <tbody> <tr> <td>Transfer from NGCDF Board</td> <td>162,622,963</td> <td>104,082,086</td> <td>-</td> <td>58,540,877</td> <td>36</td> </tr> <tr> <td>Other receipts</td> <td>-</td> <td>194,000</td> <td>194,000</td> <td>-</td> <td>100</td> </tr> <tr> <td><b>Total</b></td> <td><b>162,622,963</b></td> <td><b>104,276,086</b></td> <td><b>119,000</b></td> <td><b>58,540,877</b></td> <td><b>36</b></td> </tr> </tbody> </table> <p>Scrutiny of the budget also revealed that the entity did not budget for receipts from sale of tender. No explanation or justification was obtained for failure to budget for the receipts. Therefore, the budget</p>	Vote item	Final Budget	Actual Receipt	Over collection	Under collection	% over/under collection	Transfer from NGCDF Board	162,622,963	104,082,086	-	58,540,877	36	Other receipts	-	194,000	194,000	-	100	<b>Total</b>	<b>162,622,963</b>	<b>104,276,086</b>	<b>119,000</b>	<b>58,540,877</b>	<b>36</b>	<p>The changes between the original and the final budget are as a result of adjustments in the summary statement of appropriation.</p> <p>The shortfall was attributed by late disbursement of funds from the NGCDF Board since only Ksh. 54,000,000 (50%) relating to 2018/2019 financial year had been received as at 30.06.2019</p>	FAM- Gladys Ngala	Resolved	
Vote item	Final Budget	Actual Receipt	Over collection	Under collection	% over/under collection																								
Transfer from NGCDF Board	162,622,963	104,082,086	-	58,540,877	36																								
Other receipts	-	194,000	194,000	-	100																								
<b>Total</b>	<b>162,622,963</b>	<b>104,276,086</b>	<b>119,000</b>	<b>58,540,877</b>	<b>36</b>																								

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
**Reports and Financial Statements**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)																														
	making process was not complete and realistic and the management needs to come up with strategies of formulating budgets which as realistic as possible																																		
1.2	<p><b>Expenditure Budget</b>            During the year under review NGCDF Kilifi North Constituency had a final budget of Ksh. 162,622,276,963 against actual expenditure of Ksh. 97,270,371 resulting to an under absorption of Ksh. 65,352,592 or 40% as summarized below:</p> <table border="1"> <thead> <tr> <th>Receipt /Expenditure item</th> <th>Final budget</th> <th>Actual on comparable basis</th> <th>Under Absorption</th> <th>Under Absorption %</th> </tr> </thead> <tbody> <tr> <td>Compensation of Employees</td> <td>4,428,353</td> <td>2,320,141</td> <td>2,108,212</td> <td>47.6</td> </tr> <tr> <td>Use of goods and services</td> <td>12,989,370</td> <td>11,593,458</td> <td>1,395,912</td> <td>10.7</td> </tr> <tr> <td>Transfer to other government Units</td> <td>81,674,115</td> <td>46,323,454</td> <td>35,350,661</td> <td>43</td> </tr> <tr> <td>Other grants and transfers</td> <td>57,991,801</td> <td>34,694,804</td> <td>23,296,997</td> <td>40</td> </tr> <tr> <td>Acquisition</td> <td>362,29</td> <td>-</td> <td>362,29</td> <td>100</td> </tr> </tbody> </table>	Receipt /Expenditure item	Final budget	Actual on comparable basis	Under Absorption	Under Absorption %	Compensation of Employees	4,428,353	2,320,141	2,108,212	47.6	Use of goods and services	12,989,370	11,593,458	1,395,912	10.7	Transfer to other government Units	81,674,115	46,323,454	35,350,661	43	Other grants and transfers	57,991,801	34,694,804	23,296,997	40	Acquisition	362,29	-	362,29	100	<p>The under absorption is attributed to the delay in funds disbursement from the NGCDF Board. Only Ksh. 54,000,000 (50%) relating to 2018/2019 financial year had been received as at 30.06.19. This contributed to the overall underutilization of funds by 30.06.18. Fund management will however follow up with the NGCDF Board to ensure that future funds are disbursed in good time for the benefit of residents of Kilifi North Constituency.</p>	FAM- Gladys Ngala	Resolved	
Receipt /Expenditure item	Final budget	Actual on comparable basis	Under Absorption	Under Absorption %																															
Compensation of Employees	4,428,353	2,320,141	2,108,212	47.6																															
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	<table border="1"> <tr> <td>tion of Assets</td> <td>7</td> <td></td> <td>7</td> <td></td> </tr> <tr> <td>Other Payments</td> <td>5,177,027</td> <td>2,338,514</td> <td>2,838,513</td> <td>54.8</td> </tr> <tr> <td><b>Total</b></td> <td><b>162,622,963</b></td> <td><b>97,270,371</b></td> <td><b>65,352,592</b></td> <td><b>40</b></td> </tr> </table> <p>The management attributed to the under absorption to delay in fund disbursements from the Board. There is need therefore, for the fund management and the Board to ensure quick disbursement of the funds so that all planned and budgeted for projects and activities can be implemented in time for the benefit of the residents of Kilifi North Constituency</p>	tion of Assets	7		7		Other Payments	5,177,027	2,338,514	2,838,513	54.8	<b>Total</b>	<b>162,622,963</b>	<b>97,270,371</b>	<b>65,352,592</b>	<b>40</b>				
tion of Assets	7		7																	
Other Payments	5,177,027	2,338,514	2,838,513	54.8																
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2.	<p><b>Projects Inspection</b></p> <p>During the year under review, six (6) projects with a total allocation of Ksh. 21,327,398 were visited for verification in the month of November,2019 and the following anomalies were observed:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Project name</th> <th>Activity</th> <th>Contract price</th> <th>Audit observations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Ngala Memorial Girls</td> <td>Construction of administration block, staffroom &amp; staff toilets</td> <td>13,527,398</td> <td>The building was complete with two water closets ,however there</td> </tr> </tbody> </table>	No	Project name	Activity	Contract price	Audit observations	1	Ngala Memorial Girls	Construction of administration block, staffroom & staff toilets	13,527,398	The building was complete with two water closets ,however there	<p>The fund management will ensure that all projects are properly supervised to ensure that quality projects are implemented as outlined in the Bills of Quantities</p>	FAM- Gladys Ngala	Not resolved	3 months					
No	Project name	Activity	Contract price	Audit observations																
1	Ngala Memorial Girls	Construction of administration block, staffroom & staff toilets	13,527,398	The building was complete with two water closets ,however there																

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Reference No. on the external audit Report	Issue / Observations from Auditor					Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
			and 4 classrooms		was no provision for septic tank and connections to septic tank				
	2	Ngala Memorial Girls	Purchase of 20 desktop computers	900,000	The computers were delivered and put into use. However, two computers out of seven sampled were not working hence value for money could not be confirmed.				

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					No warranty provided for the computers				
	3	Ngerenya sec school	Purchase of 20 desktop computers	900,000	Computers not in use and were still packed in boxes hence value for money and public participation could not be confirmed. No warranty provided for the computers				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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	4	Kararacha primary	Construction of 2 classrooms	2,400,000	Floors were not properly constructed with cracks and chippings clearly noticeable				
	5	Watamu primary	Construction of 1 classroom	1,200,000	The construction did not include safety standards for the intended users considering the foundation slab height. Therefore, students injuries				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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					sustains as a result of accidental fall ,				
	6	Chumani sec school	Renovation of burnt Dormitory	2,400,000	The wooden logs supporting iron sheets appear to be of poor quality since they are already loose and not holding the roof firmly				
	<b>Total</b>			<b>21,327,398</b>					
<p>The anomalies may be attributed to lack of proper supervision by the NGCDFC which may be in turn be detrimental to projects of Kilifi North constituents. There is need, therefore, to ensure that all projects are properly supervised to ensure satisfactory completion and to specifications outlined in the Bills of Quantities for the benefit of the constituency.</p>									

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI NORTH CONSTITUENCY**  
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1.0	<p><b>Other grants and Transfers</b>  <b>Bursary – students without Admission/Registration numbers</b>                      The statement of financial performance for the year ended 30 June 2019 reflects other grants and transfers of Ksh. 34,694,804. However, this balance includes an amount of Ksh. 2,320,500 in respect to bursary payments to students without registration or admission numbers as summarised below:</p> <table border="1"> <thead> <tr> <th>N o.</th> <th>Bursary phase</th> <th>No. of students</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2018/2019 phase 1</td> <td>151</td> <td>1,400,000</td> </tr> <tr> <td>2</td> <td>2018/2019 phase 2</td> <td>23</td> <td>160,000</td> </tr> <tr> <td>3</td> <td>2018/2019 phase 3b</td> <td>50</td> <td>378,000</td> </tr> <tr> <td>4</td> <td>2018/2019 phase 4</td> <td>51</td> <td>382,500</td> </tr> <tr> <td></td> <td><b>Total</b></td> <td><b>275</b></td> <td><b>2,320,500</b></td> </tr> </tbody> </table> <p>Consequently the validity and propriety of other grants and transfers of Ksh. 34,694,804 for the year ended 30 June 2019 could not be confirmed.</p>	N o.	Bursary phase	No. of students	Amount	1	2018/2019 phase 1	151	1,400,000	2	2018/2019 phase 2	23	160,000	3	2018/2019 phase 3b	50	378,000	4	2018/2019 phase 4	51	382,500		<b>Total</b>	<b>275</b>	<b>2,320,500</b>	<p>The students without admission numbers were new admissions into secondary schools or tertiary institutions. Admission into the institutions was subject to payment of fees. The fund management requested the students to ensure the respective institutions forwarded acknowledgement letters and payment receipts to the NGCDF office</p>	FAM- Gladys Ngala	Resolved	
N o.	Bursary phase	No. of students	Amount																										
1	2018/2019 phase 1	151	1,400,000																										
2	2018/2019 phase 2	23	160,000																										
3	2018/2019 phase 3b	50	378,000																										
4	2018/2019 phase 4	51	382,500																										
	<b>Total</b>	<b>275</b>	<b>2,320,500</b>																										
2.0	<p><b>Project Management Committee (PMC) Bank Balances</b>                      Annex 5 to the financial statements for the year ended 30 June 2019 reflects project management committee bank balance of Ksh. 1,427,726. This balance includes an amount of Ksh. 499,367.50 for Dzunguni Ezamoyo Water project which was approved and budgeted for in 2013/2014 when the function was under National Government. However the project did not take off despite disbursement of funds which remain idle in the project account. The funds can no longer be used to fund the water</p>	<p>The Project Management Committee indicated that the amount was not enough to carry out the project hence the project was not implemented. Considering the new NGCDF Act 2016, the NGCDFC could not allocate more resources to the project as water is a devolved function and the new Act prohibits allocation of funds to devolved functions. The NGCDFC resolved to have the amount returned to the main NGCDFC bank account and request for</p>	FAM- Gladys Ngala	Resolved																									

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	<p>project as it falls under the devolved function and funding the water project will be contrary to NGCDF Act Section 24(8), 2015 which states that ‘a project under this Act shall only be in respect of works and services falling within the functions of the National Government under the Constitution. Further the funds have not been re-allocated to another project. Consequently, the management is in breach of the law.</p>	<p>approval to reallocate to other projects within education or security sectors.</p>			