

Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
KINANGO CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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



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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 Socioeconomic development countrywide

Mission

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

Core Values

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

(b) Key Management

The NGCDF Kinango 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 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Beatrice Kulaphira Tembe
2.	Sub-County Accountant	Maxwell Buni
3.	Chairman NGCDF Committee	Fredrick Ndegwa
4.	Member NGCDF Committee	Lilian Nyanje

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF - Kinango 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 Kinango Constituency Offices

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

(f) NGCDF Kinango Constituency Contacts

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

(g) NGCDF Kinango Constituency Bankers

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

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Background

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

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



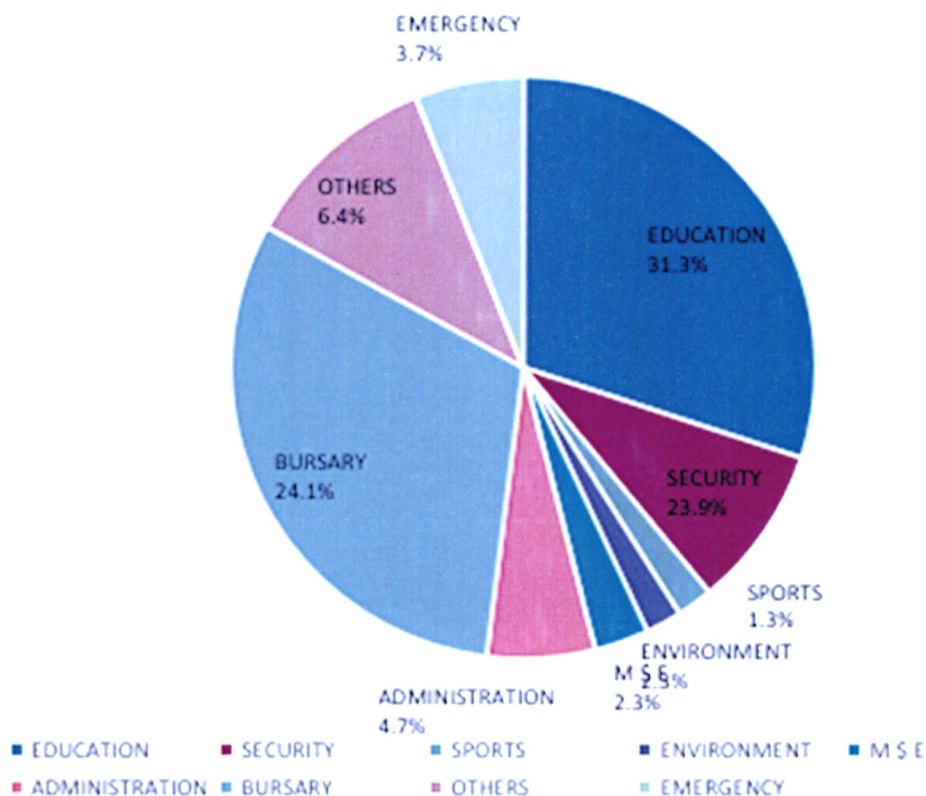
Financial Statement FY 2019-2020

I am pleased to forward the Financial Statements and Reports for NGCDF Kinango Constituency for the period ended 30th June 2020 as the expended Budget for the Financial Year 2019/2020. The actual budget from the NGCDF Board for the referred period was kshs.137,367,724.10 which represents the total annual Project Proposal Budget for the FY 2019/2020. The actual final budget for the referred period was kshs.126,019,713 backed up by an Adjustment (unutilized funds balances brought forward) of kshs.63,519,712.

Total expenditure for the period was kshs.118,760,334 which is equivalent to 59.1% of the actual final budget closing with a unutilized funds balance of kshs.82,127,102 representing a 37.3% of the final actual budget for the referred period

Budget allocations for the period have been summarized in a pie-chart as captured below

1. SECTOR ALLOCATION OF FUNDS FY 2019-2020



As depicted in the pie-chart, education has remained a major priority as it takes a lion’s share of the entire budget totaling 55.4% comprised of 31.3% being for education infrastructure projects such as construction of classrooms, dormitories, libraries, laboratories, administration blocks, ablution blocks among others and 24.1% being bursaries for needy and bright students both in secondary and tertiary institutions of learning.

Environment allocation has gone along way to conserve the environment through implementation of projects such as construction of VIP toilets to improve waste disposal and planting of trees in schools and public compounds.

Sports allocation has awoken talents harnessing for the youths as they engage in various sporting activities and competitions.

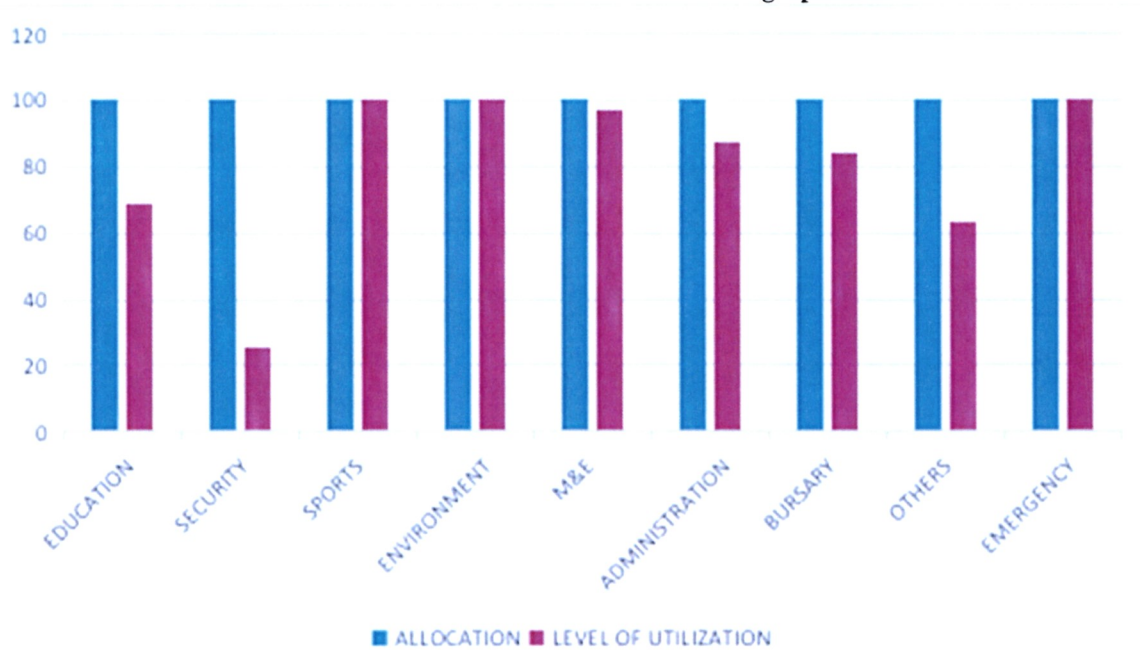
Emergency allocation has come in hand to arrest life threatening calamities mostly caused by mother nature that may not have been prior planned for as they are unforeseen in nature

Administration allocation capacitates the committee to manage the fund efficiently and effectively

2. PROJECTS OUT PUT AND LEVEL OF FUND UTILIZATION

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

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



PERENIAL ISSUES

Kinango Constituency suffers from pre-independence challenges of;

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

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

EMERGING ISSUES

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

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

Signed

Chairman - NGCDF Kinango Constituency

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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 including a statement of the national government entity's performance against predetermined objectives.

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

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

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

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

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

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

The vision statement is “To be a leader in promoting citizen’s driven socio-economic programmes for sustainable development”.

The strategic objectives include:

- To improve the quality of the socio-economic well-being of the marginalized and vulnerable local communities.
- To contribute in enhancing infrastructure improvement.
- To promote conservation and management of the environment.
- To contribute in reducing unemployment among the youth in the constituency
- To develop and sustain institutional capacity of Kinango Constituency NGCDF Committee

The key development objectives of NGCDF Kinango Constituency’s 2018-2022 plan are to:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrollment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In the FY 2019/2020 we increased number of classrooms, sanitation blocks, School buses, Multipurpose halls, Administration offices, Staff quarters, Desks, etc in the following institutions - 2no classrooms to each of the the following primary schools - Mbita, Mwangea, Kituoni, Mnyenzeni, Kaluweni, Mazola, Chizini, Ngonzini, Dzivani, Mwashanga, Busho, Kafuduni, Mgandini, Miyani, Mbwaleni, Dzombo primary Schools - Ndavaya secondary school bus - Desks to 15no primary schools each allocated kshs.210,000 - Staff quarters at Makamini secondary school - Bursary beneficiaries at all levels were sponsored with tuition fees totaling kshs.35,000,000

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For the year ended June 30, 2020

Security	To have all government security agencies within the constituency provided with administration offices and secured working environment	Heightened security within the constituency that guarantees safe working environment and peaceful co-existence of communities and improved service delivery to the citizens	Number of police posts constructed and furnished Number of chiefs offices constructed and furnished	In the FY 2019/2020 the following infrastructure was implemented:- Construction of Chiefs Offices at:- - Makamini Location - Mtaa Location - Gandini Location
Environment	Rehabilitation and Conservation of environment	Restoration of nature and protecting nature from degradation and pollution	Number of tree seedlings planted, gabions constructed, water harvesting facilities initiated and pit-latrines constructed	In the FY 2019/2020, we constructed 15no primary schools were each funded with kshs.100,000 to buy and plant tree seedlings - Nyango, Mwangani, Bumani, Lutsangani, Ndavaya, Sembe, Bandi, Kumbulu, Gangani, Makululu, Muungano primary school
Sports	Promotion of Sports and Sporting activities	Harnessing of youth talents and promotion of peaceful coexistence of communities through social welfare activities such as ball games, boat racing and donkey competitions	Number of teams participated in sponsored sporting events Infrastructures constructed in institutions that providing sporting space Sporting gear and equipment procured for sporting teams	In the FY 2019/2020, we procured sports wear, sporting gear and distributed to foot ball teams - 5no teams in each of our 7no electoral wards that were competing in a tournament that we were sponsoring for the constituency
Social Security Programs	Promotion of social welfare programs and activities	Provision of public amenities that cater for public utilities	Construction of public Dias Procurement of Office motor vehicles that enhance service delivery to the public	In the FY 2019/2020, we purchased a NGCDF Office motor vehicle to assist in service delivery

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF - Kinango 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 -

Kinango NGCDF Committee endeavored to work within the existing policy guidelines that help in focusing on the service delivery and drive to better performance with the involvement of both internal and external stakeholders on matters of development. The relevance of this is attributed to our vision, mission and core values as provided for in our strategic plan.

Vision

To be a leader in promoting citizen's driven socio-economic programmes for sustainable development

Mission

To provide an enabling environment to accelerate implementation of socio-economic programmes and projects for the benefit of the communities in Kinango Constituency.

Goal

The goal of Kinango Constituency Development Fund Committee is to improve the socio-economic well being of the marginalized and underprivileged communities.

Core Values

The core values are integral part of an organization's culture and create a sense of identity belonging and purpose. Kinango NGCDF Committee has therefore agreed to uphold the following principles as its core values:-

Team work - *We are deliberately nurturing team spirit, collaboration and consultation and we shall maximize our synergies in working together.*

Customer Satisfaction - *We are committed to satisfying both our internal and external customers.*

Integrity - *We aim to be accountable, transparent, ethical and honest and at the same time adopt a zero tolerance to corruption.*

Gender Equity - *We shall embrace the principles of gender equity, fairness and balance across gender.*

Creativity and Innovativeness - *We shall remain open and pro-active in seeking better methods of delivery of service.*

Commitment - *We will be committed to our set objectives.*

Respect to diverse culture - *We will accommodate every stakeholder regardless of cultural background.*

2. ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Kinango NGCDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which we carry out our operations.

Our Environmental Policy

In this policy statement Kinango NGCDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Kinango NGCDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts. These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> ● Promote environmental awareness by sensitizing the Kinango NGCDFC, NG CDFC staff and PMCs on good conservation practices ● To encourage, through regular communication to Kinango NGCDFC, staff, and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none"> ● To maximize use of available technologies to remove the need to use paper ● To encourage our clients to engage with us using electronic means where possible ● To maximize on rain water harvesting ● To make energy efficiency a key factor in the selection of any new energy device being purchased ● To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	<ul style="list-style-type: none"> ● To promote use of volt guards to control power surges ● We have constructed culverts and gabions to prevent soil erosion ● To encourage tree planting in the constituency to improve the forest cover. ● To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires

Pollution Control and Waste Management	<ul style="list-style-type: none"> • To ensure that all paper waste is recycled • To ensure segregation of waste • To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks
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3. EMPLOYEE WELFARE.

Employee welfare is a specialty within the broader field of management that focuses on managing employees. It is the efficient and effective process of acquisition, development, motivation and maintenance of labour at optimum levels. It is strategic; and it matches people to the strategic and operational needs of the organization, and ensures that the human resources are fully utilized. It is also holistic in nature, and is concerned with the overall people requirements of an organization. It ensures that an organization's people as the most important resource are taken in consideration, as well as, its financial and technological resources.

Categories of Employment

Kinango NGCDF offers two categories of employment, namely - Contractual employment which engages employees for 3 years on a renewable contract subject to satisfactory performance and Temporary employment that offers a 1 year open contract also renewable subject to satisfactory performance and assignments availability.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payments system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

Available job vacancies are advertised by the NGCDF Office - Kinango constituency with the blessings of the NGCDF Committee Kinango constituency

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job.
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the NGCDF Committee Chairman is then issued, which stipulates specifications of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Health, Safety and Well Being

This provides guidelines on the health, safety and well-being of the office staff

Guidelines to General Safety

The office has to maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, flood etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedures set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits Act 2007.

Guidance and Counseling

The current challenges in the workplace and family environment affect the performance and well-being of an officer. To address these challenges, the office undertakes guidance and counseling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offense for any person to discriminate another on the ground of actual, perceived or suspected HIV status. It is the responsibility of the Fund Account Manager in liaison with NGCDF

Committee to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screenings shall not be a requirement for job seekers, recruitment or for persons in employment. Screenings shall be confidential, voluntary and shall be after counseling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NGCDF Committee.

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities. The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities.

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use of visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying—which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or

humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believe that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

4. MARKET PLACE PRACTICES

The National Government Constituencies Development Fund NGCDF was designed to support constituencies at the grassroots fight inequalities of the marginalized and alleviate poverty. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and ensure equitable distribution of development in line with the NGCDF Act 2015 (as amended in 2016)

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

a) Responsible competition practice.

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and material to the projects.

How the organization ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) Responsible marketing and advertisement-outline effort to maintain ethical marketing practices

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) Product stewardship

In order to safeguard consumer rights and interests, Kinango NGCDF came up with a service charter and the complaints handling policy, principles and procedures brochure.

The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complain handling and to resolve complaints as quickly as possible

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification, Implementation and Monitoring and Evaluation is a core indicator of transparency and accountability in the management of public resources

The NGCDF Act 2015 (as amended in 2016) stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NGCDF Committee shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NGCDF Committee shall then deliberate on project proposals from all the wards in the constituency and any other projects

which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NGCDF Committee to the NGCDF Board.

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

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs.

When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognizing that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensure their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

Public Awareness

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

Public Awareness and Sensitization Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NGCDF projects.
- Ensuring implementation of NGCDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carry out social audits as means to enhanced accountability in management of other devolved funds apart from NGCDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NGCDF
- Identify control and report any irregularities witnessed during NGCDF project implementation cycle
- Measure the impact of the projects funded by NGCDF
- Enable people to exercise their rights by instilling democratic culture through enhanced

social accountability and transparency among state and non stateactors.

- PromoteawarenesscreationonconstitutionanddevolvedgovernancesysteminKenya

Covid-19 Mitigation Measures

TakingintoconsiderationthecurrentCoronaVirusepidemic,inlinewiththeGovernments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionarymeasures.

- Through Kenya Ports Authority distributed 2,000 bottles of 500mls alcoholic sanitizers to the community free ofcharge.
- Theofficepurchased120handwashpotsandbasinsthatweredistributedtothe Government offices within theconstituency
- Through The National Youth Service the office distributed 4,000 facialmasks
- Printing of brochures disseminating information regarding Corona Virus protection measures

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


The Accounting Officer in charge of the NGCDF Kinango 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 Kinango Constituency financial statements were approved and signed by the Accounting Officer on 30/09/2020 2020



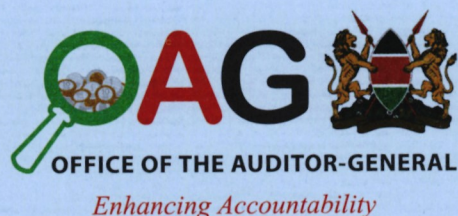
Fund Account Manager
Name: Beatrice Kulaphira Tembe
ICPAK Member Number:



Sub-County Accountant
Name: Maxwell Buni.
ICPAK Member Number:.....

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kinango Constituency set out on pages 22 to 68, which comprise the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and 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 - Kinango Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituency Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccurate Bank Balance

The statement of assets and liabilities as at 30 June, 2020 reflects Kshs.7,259,378 in respect of bank balance. The supporting bank reconciliation statement as at 30 June, 2020 reflects unrepresented cheques amounting to Kshs.28,235,110. However, included in the unrepresented cheques of Kshs.28,235,110 were stale cheques totalling Kshs.421,426 which had not been reversed in cash book, thereby understating the cash and bank balance by the same amount.

Further, the bank reconciliation reflected Kshs.42,052 as payments in bank statements not yet recorded in cashbook. No explanation was provided for the failure to record the same in cashbook.

Consequently, the accuracy and completeness of bank balance of Kshs.7,259,378 as at 30 June, 2020 could not be confirmed.

*Report of the Auditor-General on National Government Constituencies Development Fund - Kinango Constituency
for the year ended 30 June, 2020*

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kinango Constituency 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

1.0 Budgetary Controls and Performance

The statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects a revenue budget of Kshs.200,887,436 against actual receipts of Kshs.126,019,713 , resulting to an under collection of Kshs.74,867,723 or 37% of the budget. Similarly, the statement reflects expenditure budget of Kshs.200,887,436 against actual expenditure of Kshs.118,760,334, resulting to under absorption of Kshs.82,127,102 or 41% of the approved budget.

Based on the approved estimates, under funding and expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Project Implementation Status

The project implementation status report availed for audit review indicated that sixty-four (64) projects worth Kshs.57,750,000 were budgeted to be implemented. However, twenty-two (22) projects with a budget of Kshs.4,550,000 (34%) were completed and in use as at 31 December, 2020 while fourteen (14) projects with a budget of Kshs.30,500,000 (22%) were ongoing and twenty-eight (28) projects with a budget of Kshs.22,700,000 (44%) had not started.

Further, audit inspection of ten (10) projects with a total allocation of Kshs.27,363,429.81 in the month of February, 2021 revealed that eight (8) projects were completed and in use; one (1) project for construction of administration block at Gandini Chief's office had cracks on the pavement and wall was falling and one (1) project for purchase of school bus for Ndavoyo Secondary School, confirmed the existence of the bus. However, the log book was not provided for review.

Poor implementation of development projects may impact on service delivery to the residents of Kinango Constituency. Further, the defects noted in workmanship means that value for money may not have been realized from the projects.

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

Bank Balances for Closed Projects

Annex 5 to the financial statements reflects bank balances in fifty-six (56) project management committees' bank accounts totaling Kshs.11,473,853.77. Included in the annex are bank balances for eight (8) closed projects totaling Kshs.369,486 and which had not been refunded to the Fund's main account.

This is contrary to Section 12(8) of National Government Constituencies Development Fund Act, 2015 which states that "all unutilized funds of the Project Management Committee shall be returned to the constituency account".

Therefore, the 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.

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 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 such 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 ability of the Fund 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 abolish 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 Fund's 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 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 Fund's 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 Fund's financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


10 February, 2022


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

VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	117,540,876	65,379,310
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		117,540,876	65,379,310
PAYMENTS			
Compensation of employees	4	1,454,278	2,258,669
Use of goods and services	5	9,129,249	8,511,680
Transfers to Other Government Units	6	51,500,000	48,800,000
Other grants and transfers	7	47,146,376	38,692,500
Acquisition of Assets	8	9,530,431	314,980
Other Payments	9	0	0
TOTAL PAYMENTS		118,760,334	98,577,829
SURPLUS/(DEFICIT)		<u>(1,219,459)</u>	<u>(33,198,519)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Kinango Constituency financial statements were approved on 30/09/2020 and signed by:



 Fund Account Manager
 Name: Beatrice Kulaphira Tembe
 ICPAK Member Number:



 National Sub-County Accountant
 Name: Maxwell Buni
 ICPAK Member Number:.....

VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	7,259,378	8,478,837
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		7,259,378	8,478,837
Accounts Receivable			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		7,259,378	8,478,837
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0	0
Deposits (Gratuity)	12B	0	0
TOTAL FINANCIAL LIABILITES		0	0
NET FINANCIAL ASSETS		7,259,378	8,478,837
REPRESENTED BY			
Fund balance b/fwd	13	8,478,837	41,677,356
Prior year adjustments	14	0	0
Surplus/(Deficit) for the year		(1,219,459)	(33,198,519)
NET FINANCIAL POSITION		7,259,378	8,478,837

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Kinango Constituency financial statements were approved on 30/09/2020 and signed by:


 Fund Account Manager
 Name: Beatrice Kulaphira Tembe
 ICPAK Member Number:


 National Sub-County Accountant
 Name: Maxwell Buni
 ICPAK Member Number:.....

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

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

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	117,540,876	65,379,310
Other Receipts	3	0	0
Total receipts		117,540,876	65,379,310
Payments for operating expenses			
Compensation of Employees	4	1,454,278	2,258,669
Use of goods and services	5	9,129,249	8,511,680
Transfers to Other Government Units	6	51,500,000	48,800,000
Other grants and transfers	7	47,146,376	38,692,500
Other Payments	9	0	0
Total payments		109,229,903	98,262,849
Total Receipts Less Total Payments		8,310,972	(32,883,539)
Adjusted for:			
Prior year adjustments	14	0	0
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	0	0
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	0	0
Net cash flow from operating activities		8,310,972	(32,883,539)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	9,530,431	314,980
Net cash flows from Investing Activities		(9,530,431)	(314,980)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT		(1,219,459)	(33,198,519)
Cash and cash equivalent at BEGINNING of the year	13	8,478,837	41,677,356
Cash and cash equivalent at END of the year		<u>7,259,378</u>	<u>8,478,837</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF Kinango Constituency financial statements were approved on

30/09/ 2020 and signed by:

Beatrice

Maxwell Buni

Fund Account Manager
 Name: Beatrice Kulaphira Tembe
 ICPAK Member Number:

National Sub-County Accountant
 Name: Maxwell Buni
 ICPAK Member Number:.....

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	63,519,712	200,887,436	126,019,713	74,867,724	62.7%
Proceeds from Sale of Assets	0.00	0.00	0.00	0.00	0.00	0.00%
Other Receipts	0.00	0.00	0.00	0.00	0.00	0.00%
TOTAL RECEIPTS	137,367,724	63,519,712	200,887,436	126,019,713	74,867,724	62.7%
PAYMENTS						
Compensation of Employees	3,140,000	116,730	3,256,730	1,454,278	1,802,452	44.7%
Use of goods and services	9,223,095	48,579	9,271,674	9,129,249	142,425	98.5%
Transfers to Other Government Units	67,680,000	42,668,041	110,348,041	51,500,000	58,848,041	46.7%
Other grants and transfers	55,724,629	10,910,835	66,635,464	47,146,376	19,489,087	70.8%
Acquisition of Assets	1,600,000	9,625,527	11,225,527	9,530,431	1,695,096	84.9%
Other Payments	0.00	150,000	150,000	0.00	150,000	0.00%
TOTALS	137,367,724	63,519,712	200,887,436	118,760,334	82,127,102	59.1%

The actual receipts from the NGCDF Board for the referred period was kshs.117,540,876 which represents 85.6% of the total Annual Project Proposal Budget for the FY 2019/2020. The actual final budget for the referred period was kshs.200,887,436 backed up by an Adjustment (unutilized funds balances brought forward) of kshs.63,519,712

Total expenditure for the period was kshs.118,760,334 which is equivalent to 59.1% of the actual final budget closing with an unutilized funds balances of kshs.82,127,102 representing a 40.9% of the final actual budget for the referred period. Under Compensation of Employees, the savings is gratuity for staff contracts that are yet to mature while funds for Goods and Services were utilized optimally. Under Acquisition of Assets and Other grants and transfers, funds utilization was above average while Transfers to other Government units performed decimally below average due to delays occasioned by late disbursement of funds by the NGCDF Board coupled with the bureaucracies in the procurement laws.

The NGCDF Kinango Constituency financial statements were approved on 30/06/2020 and signed by:

 Fund Account Manager
 Sub-County Accountant

Name: **Beatrice Kulaphira Tembe** Name: **Maxwell Buni**

ICPAK Member Number:

ICPAK Member Number:.....

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on	Budget utilization
	2019/2020 Kshs	Kshs	2019/2020 Kshs	comparable basis 30/06/2020 Kshs	difference Kshs
	A(2019/2020)	BAL(B/F)	C(A+B)	D	E(C-D)
1.0 Compensation of Employees					
1.1 Employee Salaries	2,587,200	116,730	2,703,930	1,320,190	1,383,740
1.2 NSSF	492,800	0.00	492,800	99,288	393,512
1.3 NHIF	60,000	0.00	60,000	34,800	25,200
Sub-total	3,140,000	116,730	3,256,730	1,454,278	1,802,452
2.0 Use of Goods and Services					
Administration and Recurrent					
2.1 Committee Expenses	2,602,063	23,169	2,625,232	2,579,990	45,242
2.2 Use of goods and services	2,500,000	23,273	2,523,273	2,522,089	1,184
Monitoring and evaluation					
2.3 Capacity building	1,621,032	1,375	1,622,407	1,537,170	85,236.99
2.4 Committee Expenses	2,500,000	762	2,500,762	2,490,000	10,762
Sub-total	9,223,095	48,579	9,271,674	9,129,249	142,425
3.0 Transfers to Other Government Units					
3.1 Primary Schools					
Kasageni Primary School	2,200,000	0.00	2,200,000	0.00	2,200,000
Mwalukombe Primary School	2,200,000	0.00	2,200,000	0.00	2,200,000
Gona Primary School	2,200,000	0.00	2,200,000	0.00	2,200,000
Kituu Primary School	1,100,000	0.00	1,100,000	0.00	1,100,000
Mbandi Primary School	400,000	0.00	400,000	0.00	400,000
Bishop Kalu Primary School	1,000,000	0.00	1,000,000	0.00	1,000,000
Gwadu Primary School	140,000	0.00	140,000	0.00	140,000
Bumani Primary School	140,000	0.00	140,000	0.00	140,000
Chengoni Primary School	210,000	0.00	210,000	0.00	210,000
Matumbi Primary School	200,000	0.00	200,000	0.00	200,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Gandini South Primary School	210,000	0.00	210,000	0.00	210,000
Pemba Primary School	210,000	0.00	210,000	0.00	210,000
Mbilini Primary School	210,000	0.00	210,000	0.00	210,000
Amani Primary School	210,000	0.00	210,000	0.00	210,000
Mtaa Primary School	210,000	0.00	210,000	0.00	210,000
Samburu Primary School	210,000	0.00	210,000	0.00	210,000
Gulanze Primary School	210,000	0.00	210,000	0.00	210,000
Kifyonzo Primary School	210,000	0.00	210,000	0.00	210,000
Kituoni Primary School	210,000	0.00	210,000	0.00	210,000
Mwanda Primary School	210,000	0.00	210,000	0.00	210,000
Mulunguni Primary School	210,000	0.00	210,000	0.00	210,000
Mabamani Primary School	210,000	0.00	210,000	0.00	210,000
Gozani Primary School	210,000	0.00	210,000	0.00	210,000
Mazeras Primary School	210,000	0.00	210,000	0.00	210,000
Bofu Primary School	210,000	0.00	210,000	0.00	210,000
Kibandaongo Primary School	210,000	0.00	210,000	0.00	210,000
Chigutu Primary School	210,000	0.00	210,000	0.00	210,000
Magale Primary School	210,000	0.00	210,000	0.00	210,000
Egu Primary School	210,000	0.00	210,000	0.00	210,000
Tumaini Primary School	300,000	0.00	300,000	0.00	300,000
Busho Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Mnyenzi Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Kaluweni Primary School	2,400,000	0.00	2,400,000	2400000	0.00
Mazola Primary School	2,400,000	0.00	2,400,000	2400000	0.00
Chizini Primary School	2,400,000	0.00	2,400,000	2400000	0.00
Ngonzini Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Dzivani Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Mwashanga Primary School	2,400,000	0.00	2,400,000	2400000	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Dzombo Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Kafuduni Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Mgandini Primary School	2,400,000	0.00	2,400,000	2400000	0.00
Miyani Primary School	2,400,000	0.00	2,400,000	2400000	0.00
Mbwaleni Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Mbita Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Mwangea Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Kituoni Primary School	2,400,000	0.00	2,400,000	2400000	0.00
Taru Primary School	2,400,000	0.00	2,400,000	0.00	2,400,000
Mbandi Primary School	0.00	4,000,000	4,000,000	4000000	0.00
Nzovuni Primary School	0.00	2,600,000	2,600,000	2600000	0.00
Nyango Primary School	0.00	2,600,000	2,600,000	2600000	0.00
Fuleye Primary School	0.00	2,600,000	2,600,000	2600000	0.00
Vinyunduni Primary School	0.00	2,600,000	2,600,000	2600000	0.00
Mabanda Primary School	0.00	2,600,000	2,600,000	2600000	0.00
Ndavaya Primary School	0.00	2,600,000	2,600,000	2600000	0.00
Vitsakaviri Primary School	0.00	2,600,000	2,600,000	2600000	0.00
Makuluni Primary School	0.00	2,600,000	2,600,000	2,600,000	0.00
Lutsangani Primary School	0.00	2,400,000	2,400,000	2,400,000	0.00
Dumbule Primary School	0.00	500,000	500,000	0.00	500,000
Kazamoyo Primary School	0.00	136,179	136,179	0.00	136,179
Kilibasi Special Unit	0.00	5,500,000	5,500,000	0.00	5,500,000
Sub-Total	54,880,000	33,336,179	88,216,179	44,000,000	44,216,179
3.2 Secondary Schools					
Makamini Secondary School	4,000,000.00	0.00	4000000	0.00	4000000
Taru Girls Secondary School	1,200,000.00	0.00	1200000	0.00	1200000
Vigurangani Secondary School	1,600,000	0.00	1600000	0.00	1600000
Ndavaya Secondary School	5,000,000.00	0.00	5000000	5000000	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Mwavumbo Secondary School	1,000,000.00	0.00	1000000	0.00	1000000
Moyeni Girls Secondary School	0.00	3,200,000	3200000	0.00	3200000
Mackinnon Road Girls Secondary School	0.00	3,200,000	3,200,000	0.00	3,200,000
Mwakijembe Secondary School	0.00	250,000	250,000	0.00	250,000
Tsunza Secondary School	0.00	2,500,000	2,500,000	2,500,000	0.00
Mtaa Secondary School	0.00	96,013	96,013	0.00	96,013
Taru Girls Secondary School	0.00	85,849	85,849	0.00	85,849
Sub-Total	12,800,000	9,331,862	22,131,862	7,500,000	14,631,862
Total	67,680,000	42,668,041	110,348,041	51,500,000	58,848,041
4.0 Other Grants and Transfers					
4.1 Emergency	7,198,241	3,221,424	10,419,666		
Vigurungani Secondary School construction of 2no classroom	0.00	0.00	0.00	76,445.00	0.00
Kinagoni AP Camp construction of 4no room for accomodation	0.00	0.00	0.00	203,520.00	0.00
Kinagoni AP Camp construction of 4no room for accomodation	0.00	0.00	0.00	101,760.00	0.00
Vigurungani Secondary School construction of 2no classroom	0.00	0.00	0.00	152,889.00	0.00
Kinango Boys - Supply and Delivery of murrum to the school	0.00	0.00	0.00	380,000.00	0.00
NGCDF Office - Supply and Delivery of Murrum for the entire office compound	0.00	0.00	0.00	580,000.00	0.00
Sembe Primary School - Construction of 2no door pit latrine	0.00	0.00	0.00	320,000.00	0.00
Covi-19 Sensitization Forum Facilitation	0.00	0.00	0.00	200,000.00	0.00
Covi-19 Sensitization Forum Facilitation	0.00	0.00	0.00	150,000.00	0.00
Nyango Primary School-supply and delivery of	0.00	0.00	0.00	470,000.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
murrum to the school					
Kilibasi Primary School - Supply and delivery of murrum	0.00	0.00	0.00	355,000.00	0.00
NGCDF Office - Supplies	0.00	0.00	0.00	250,000.00	0.00
Construction of 80bed dormitory	0.00	0.00	0.00	184,008.00	0.00
Chigato Dispensary- construction of twin house	0.00	0.00	0.00	111,065.00	0.00
Latoberg Engineering	0.00	0.00	0.00	88,779.00	0.00
Lutsangani AP Post	0.00	0.00	0.00	74,140.00	0.00
Construction of Science Lab	0.00	0.00	0.00	48,447.00	0.00
Gangani Primary School - Supply and delivery of murrum to the school	0.00	0.00	0.00	275,000.00	0.00
Kazamoyo Primary School - Supply and delivery of murrum to the school	0.00	0.00	0.00	363,747.00	0.00
NG-CDF Office- Provision of fumigation services to all Offices in the quarters	0.00	0.00	0.00	299,000.00	0.00
Mtaa, Gandini Chief's Office - Supply and delivery of Office furniture	0.00	0.00	0.00	400,000.00	0.00
Gora Primary School - Supply, delivery and installation of school gate	0.00	0.00	0.00	247,000.00	0.00
Bang'a, Makamini Chief's Office - Supply and delivery of Office furniture	0.00	0.00	0.00	460,000.00	0.00
NGCDF Office - Supply and Delivery of Office Furniture	0.00	0.00	0.00	400,000.00	0.00
Kinango Police Offices - General Repairs	0.00	0.00	0.00	489,600.00	0.00
DCC's Office - Repairs of the Office	0.00	0.00	0.00	499,500.00	0.00
BONJE BEACH MGT UNIT	0.00	0.00	0.00	195,000.00	0.00
NG-CDF Office - Delivery of furniture	0.00	0.00	0.00	98,000.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Mbita Primary School - Supply and Delivery of Murrum to the inaccessible school compound	0.00	0.00	0.00	325,000.00	0.00
MGANDINI PRY - Renovation of 6no. Classroom	0.00	0.00	0.00	2,600,000.00	0.00
Sub-Total	7,198,241	3,221,424.45	10,419,665.83	10,397,900	21,766
4.2 Bursary and Social Security					
Bursary Secondary Schools	17,026,388	1,207	17,027,595	17,025,000	2,595
Bursary Tertiary Schools	18,000,000	0.00	18,000,000	12,517,000	5,483,000
Kinango Education Complex	9,000,000	0.00	9,000,000	0.00	9,000,000
Sub-Total	44,026,388	1,207	44,027,595	29,542,000	14,485,595
4.3 Sports					
Kinango Constituency Sports Committee	2,100,000	1,700,000.00	3,800,000	0	0.00
Technocore Solutions - Sports Gear Supplies	0.00	0.00	0.00	66,380.00	0.00
MIRIKA GEN SUPPLIES - Sports Gear Supplies	0.00	0.00	0.00	578,513.00	0.00
MIRIKA GEN SUPPLIES - Sports Gear Supplies	0.00	0.00	0.00	587,500.00	0.00
Sports	0.00	0.00	0.00	162,000.00	0.00
Sports	0.00	0.00	0.00	124,000.00	0.00
Sports	0.00	0.00	0.00	175,000.00	0.00
Sub-Total	2,100,000	1,700,000	3,800,000	1,693,393	2,106,607
4.4 Environment					
Chizini Primary School	100,000.00	0.00	100,000	0.00	0.00
Ng'onzini Primary School	100,000.00	0.00	100,000	0.00	0.00
Dzivani Primary School	100,000.00	0.00	100,000	0.00	0.00
Mwashanga Primary School	100,000.00	0.00	100,000	0.00	0.00
Dzombo Primary School	100,000.00	0.00	100,000	0.00	0.00
Kafuduni Primary School	100,000.00	0.00	100,000	0.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Mgandini Primary School	100,000.00	0.00	100,000	0.00	0.00
Miyani Primary School	100,000.00	0.00	100,000	0.00	0.00
Mbwaleni Primary School	100,000.00	0.00	100,000	0.00	0.00
Kasageni Primary School	100,000.00	0.00	100,000	0.00	0.00
Mwalukombe Primary School	100,000.00	0.00	100,000	0.00	0.00
Gona Primary School	100,000.00	0.00	100,000	0.00	0.00
Kaluweni Primary School	100,000.00	0.00	100,000	0.00	0.00
Taru Primary School	100,000.00	0.00	100,000	0.00	0.00
Kituoni Primary School	100,000.00	0.00	100,000	0.00	0.00
Mwache Primary School	100,000.00	0.00	100,000	0.00	0.00
Busho Primary School	100,000.00	0.00	100,000	0.00	0.00
Mbita Primary School	100,000.00	0.00	100,000	0.00	0.00
Mazola Primary School	100,000.00	0.00	100,000	0.00	0.00
Amani Primary School	100,000.00	0.00	100,000	0.00	0.00
Nyango Primary School	0.00	100,000	100,000	0.00	0.00
Mwangani Primary School	0.00	100,000	100,000	0.00	0.00
Bumani Primary School	0.00	100,000	100,000	0.00	0.00
Lutsangani Primary School	0.00	100,000	100,000	0.00	0.00
Ndavaya Primary School	0.00	100,000	100,000	0.00	0.00
Sembe Primary School	0.00	100,000	100,000	0.00	0.00
Bandi Primary School	0.00	100,000	100,000	0.00	0.00
Mafuluni Primary School	0.00	100,000	100,000	0.00	0.00
Mwangea Primary School	0.00	100,000	100,000	0.00	0.00
Kumbulu Primary School	0.00	100,000	100,000	0.00	0.00
Gangani Primary School	0.00	100,000	100,000	0.00	0.00
Makuluni Primary School	0.00	100,000	100,000	0.00	0.00
Muungano Primary School	0.00	100,000	100,000	0.00	0.00
Mgalani Primary School	0.00	100,000	100,000	0.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Vinyunduni Primary School	0.00	100,000	100,000	0.00	0.00
Sub-Total	2,000,000	1,500,000	3,500,000	1,024,880	2,475,120
4.5 Security Projects					
Mavirivirini Police Post	400,000.00	0.00	400000	0.00	400000
Bang'a Chiefs's Office	0.00	1,122,050.82	1,122,051	1,122,051	0.00
Makamini Chiefs's Office	0.00	1,122,050.82	1,122,051	1,122,051	0.00
Gandini Chiefs's Office	0.00	1,122,050.82	1,122,051	1,122,051	0.00
Mtaa Chiefs's Office	0.00	1,122,050.81	1,122,051	1,122,051	0.00
Sub-Total	400,000	4,488,203	4,888,203	4,488,203	400,000
Total	55,724,629	10,910,834.72	66,635,464	47,146,376	19,489,087
5.0 Acquisition of Assets					
Refurbishment of NGCDF Office Building	1,600,000	70,527.00	1670527	0.00	1670527
Purchase of Office Motor vehicle	0.00	9,555,000	9555000	9,530,431	24569
Sub-Total	1,600,000	9,625,527	11,225,527	9,530,431	1,695,096
6.0 Other Payments					
Strategic Plan	0.00	150,000	150000	0.00	150,000
Sub-Total	0.00	150,000	150,000	0.00	150,000
GRAND TOTAL	137,367,724	63,519,712	200,887,435	118,760,334	82,127,101

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

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 Imprest and salary advances and b) payable that include deposits and retention.

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

The Entity recognizes 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.

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 30th 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 recognizes 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.

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 authorized 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 retention held on behalf of third parties have been recognized on an accrual basis (as accounts payable). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfillment 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. UN-utilized Fund

UN-utilized 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.

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 1st July 2019 to 30th 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 UN-utilized 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 30th 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.

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
FY 2019/2020	AIE NO	Kshs	Kshs
Receipts from NGCDF Board			
	B 047177	49,540,875.50	
	B 047472	4,000,000.00	
	B 041479	20,000,000.00	
	B 047928	6,000,000.00	
	B 049318	14,000,000.00	
	B 104343	15,000,000.00	
	B 096588	9,000,000.00	
	B 005352		8,000,000.00
	B 030031		3,379,310.00
	B 030074		10,000,000.00
	B 030446		12,000,000.00
	B 00691		8,000,000.00
	A 699133		11,000,000.00
			13,000,000.00
TOTAL		117,540,876	65,379,310

2. PROCEEDS FROM SALE OF ASSETS

Description	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

3. OTHER RECEIPTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

Description	Notes	2019-2020	2018-2019
		Kshs	Kshs
Basic wages of temporary employees		1,405,455	2,258,669
Basic wages of Casual Labour		0.00	0.00
Personal allowances paid as part of salary		0.00	0.00
Pension and other social security contributions (Gratuity)		0.00	0.00
Employer Contributions Compulsory - NSSF		48,823	0.00
Total		1,454,278	2,258,669

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,579,990	2,913,877
Other Committee Expenses	2,490,000	2,340,500
Utilities, supplies and services	45,903	0.00
Office Rent	0.00	0.00
Communication, supplies and services	0.00	0.00
Domestic travel and subsistence	0.00	0.00
Printing, advertising and information supplies & services	0.00	0.00
Rentals of produced assets	0.00	0.00
Training expenses	1,537,170	1,278,500
Hospitality supplies and services	0.00	0.00
Insurance costs	532,602	0.00
Specialized materials and services	0.00	0.00
Office and general supplies and services	1,405,855	1,978,803
Fuel, Oil & Lubricants	459,414	0.00
Other operating expenses	0.00	0.00
Routine maintenance - vehicles and other transport equipment	76,998	0.00
Bank service commission and charges	1,317	0.00
Routine maintenance - other assets	0.00	0.00
Total	9,129,249	8,511,680

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	44,000,000	40,800,000
Transfers to secondary schools	7,500,000	8,000,000
Transfers to tertiary institutions	0.00	0.00
TOTAL	51,500,000	48,800,000

7. OTHER GRANTS AND TRANSFERS

Description	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	17,025,000	15,036,000
Bursary – tertiary institutions	12,517,000	13,001,000
Bursary – special schools	0.00	0.00
Mock & CAT	0.00	0.00
Security projects	4,488,203	5,000,000
Roads and Bridges	0.00	0.0
Sports projects	1,693,393	1,500,000
Environment projects	1,024,880	0.00
Emergency projects	10,397,900	4,005,500
Preparation of 5 year Strategic Plan	0.00	150,000
Total	47,146,376	38,692,500

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Description	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings	0.00	0.00
Refurbishment of Buildings	0.00	314,980
Purchase of Vehicles and Other Transport Equipment	9,530,431	0.00
Overhaul of Vehicles and Other Transport Equipment	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	0.00	0.00
Purchase of Office Furniture and General Equipment	0.00	0.00
Purchase of ICT Equipment, Software and Other ICT Assets	0.00	0.00
Purchase of Specialized Plant, Equipment and Machinery	0.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	0.00	0.00
Acquisition of Land	0.00	0.00
Acquisition of Intangible Assets	0.00	0.00
Total	9,530,431	314,980

9. OTHER PAYMENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
Kcb Bank - Kwale Branch - NGCDF Kinango Constituency Account No. A/C NO 1108631142	7,259,378	8,478,837
Total	7,259,378	8,478,837
10B: CASH IN HAND	2019-2020	2018-2019
	Kshs	Kshs
Location 1	0	0
Location 2	0	0
Other Locations (specify)	0	0
Total	0	0
[Provide cash count certificates for each]		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2020)
	Date imprest taken	Kshs	Kshs	Kshs
		0	-	0
TOTAL				-

12A. RETENTION

Description	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	0	0
Name 2	0	0
Name 3	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	8,478,837	41,677,356
Cash in hand	0	0
Imprest	0	0
Total	8,478,837	41,677,356

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
	0	0	0

15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

17.2: PENDING STAFF PAYABLES (See Annex 2)

Description	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	130,749.00
Others (specify)	0	0
Total	0	0

17.3: UNUTILIZED FUND (See Annex 3)

Description		2019-2020	2018-2019
		Kshs	Kshs
1. Compensation of Employees		1,802,452	116,730
2. Use of Goods and Services		142,425	48,579
3. Transfer to Other Government Units		58,848,041	42,668,041
4. Other Grants and Transfers		19,489,087	10,910,834.72
5. Acquisition of Assets		1,695,096	9,625,527
6. Other Payments		150,000	150,000
Total		82,127,102	63,519,712

SUMMARY OF ASSET REGISTER (Annex 4)

Asset Category/ Class	Historical Costs Bal. B/fwd 2018/2019 Kshs.	Additions during the Year Kshs.	Disposals during the Year Kshs.	Historical Cost Bal. C/fwd 2019/2020 Kshs.
Total	40,215,959.00	9,530,431.00	0.00	49,746,390

17.4: PMC account balances (See Annex 5)

Description	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances	11,473,853.77	17,537,667.60
Total	11,473,853.77	17,537,667.60

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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	
Construction of buildings					
1.	0	0	0	0	
2.	0	0	0	0	
3.	0	0	0	0	
Sub-Total	0			0	
Construction of civil works					
4.	0	0	0	0	
5.	0	0	0	0	
6.	0	0	0	0	
Sub-Total	0			0	
Supply of goods					
7.	0	0	0	0	
8.	0	0	0	0	
9.	0	0	0	0	
Sub-Total	0			0	
Supply of services					
10.	0	0	0	0	
11.	0	0	0	0	
12.	0	0	0	0	
Sub-Total	0			0	
Grand Total	0			0	

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
Senior Management						
1.	0	0	0	0	0	
2.	0	0	0	0	0	
3.	0	0	0	0	0	
Sub-Total		0			0	
Middle Management						
4.	0	0	0	0	0	
5.	0	0	0	0	0	
6.	0	0	0	0	0	
Sub-Total						
Unionisable Employees						
7.	0	0	0	0	0	
8.	0	0	0	0	0	
9.	0	0	0	0	0	
Sub-Total		0			0	
Others (specify)						
10.	0	0	0	0	0	
11.	0	0	0	0	0	
12.	0	0	0	0	0	
Sub-Total		0			0	
Grand Total		0			0	

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balances 2019/2020	Outstanding Balances 2018/2019	Comments
		Kshs	Kshs	
1.0 Compensation of Employees				
1.1 Employee Salaries		1,383,740	116,730	
1.2 NSSF		393,572	0.00	
1.3 NHIF		25,200	0.00	
Sub-total		1,802,452	116,730	
2.0 Use of Goods and Services				
Administration and Recurrent				
2.1 Committee Expenses		45,242	23,169	
2.2 Use of goods and services		1,184	23,273	
Monitoring and evaluation				
2.3 Capacity building		85,236.99	1,375	
2.4 Committee Expenses		10,762	762	
Sub-total		142,425	48,579	
3.0 Transfers to Other Government Units				
3.1 Primary Schools				
Kasageni Primary School		2,200,000	0.00	
Mwalukombe Primary School		2,200,000	0.00	
Gona Primary School		2,200,000	0.00	
Kituu Primary School		1,100,000	0.00	
Mbandi Primary School		400,000	0.00	
Bishop Kalu Primary School		1,000,000	0.00	
Gwadu Primary School		140,000	0.00	

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Name	Brief Transaction Description	Outstanding Balances 2019/2020	Outstanding Balances 2018/2019	Comments
Bumani Primary School		140,000	0.00	
Chengoni Primary School		210,000	0.00	
Matumbi Primary School		200,000	0.00	
Gandini South Primary School		210,000	0.00	
Pemba Primary School		210,000	0.00	
Mbilini Primary School		210,000	0.00	
Amani Primary School		210,000	0.00	
Mtaa Primary School		210,000	0.00	
Samburu Primary School		210,000	0.00	
Gulanze Primary School		210,000	0.00	
Kifyonzo Primary School		210,000	0.00	
Kituoni Primary School		210,000	0.00	
Mwanda Primary School		210,000	0.00	
Mulunguni Primary School		210,000	0.00	
Mabamani Primary School		210,000	0.00	
Gozani Primary School		210,000	0.00	
Mazeras Primary School		210,000	0.00	
Bofu Primary School		210,000	0.00	
Kibandaongo Primary School		210,000	0.00	
Chigutu Primary School		210,000	0.00	
Magale Primary School		210,000	0.00	
Egu Primary School		210,000	0.00	
Tumaini Primary School		300,000	0.00	
Busho Primary School		2,400,000	0.00	
Mnyenzeni Primary School		2,400,000	0.00	
Ng'onzini Primary School		2,400,000	0.00	

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Name	Brief Transaction Description	Outstanding Balances	Outstanding Balances	Comments
		2019/2020	2018/2019	
Dzivani Primary School		2,400,000	0.00	
Dzombo Primary School		2,400,000	0.00	
Kafuduni Primary School		2,400,000	0.00	
Mbwaleni Primary School		2,400,000	0.00	
Mbita Primary School		2,400,000	0.00	
Mwangea Primary School		2,400,000	0.00	
Taru Primary School		2,400,000	0.00	
Mbandi Primary School		0.00	4,000,000	
Nzovuni Primary School		0.00	2,600,000	
Nyango Primary School		0.00	2,600,000	
Fuleye Primary School		0.00	2,600,000	
Vinyunduni Primary School		0.00	2,600,000	
Mabanda Primary School		0.00	2,600,000	
Ndavaya Primary School		0.00	2,600,000	
Vitsakaviri Primary School		0.00	2,600,000	
Makuluni Primary School		0.00	2,600,000	
Lutsangani Primary School		0.00	2,400,000	
Dumbule Primary School		500,000	500,000	
Kazamoyo Primary School		136,179	136,179	
Kilibasi Special Unit		5,500,000	5,500,000	
Sub-Total		44,216,179	33,336,179	
3.2 Secondary Schools				
Makamini Secondary School		4000000	0.00	
Taru Girls Secondary School		1200000	0.00	
Vigurangani Secondary School		1600000	0.00	
Mwavumbo Secondary School		1000000	0.00	

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Name	Brief Transaction Description	Outstanding Balances 2019/2020	Outstanding Balances 2018/2019	Comments
Moyeni Girls Secondary School		3200000	3,200,000	
Mackinnon Road Girls Secondary School		3,200,000	3,200,000	
Mwakijembe Secondary School		250,000	250,000	
Tsunza Secondary School		0.00	2,500,000	
Mtaa Secondary School		96,013	96,013	
Taru Girls Secondary School		85,849	85,849	
Sub-Total		14,631,862	9,331,862	
Total		58,848,041	42,668,041	
4.0 Other Grants and Transfers				
4.1 Emergency				
Sub-Total		21,766	3,221,424.45	
4.2 Bursary and Social Security				
Bursary Secondary Schools		2,595	1,207	
Bursary Tertiary Schools		5,483,000	0.00	
Kinango Education Complex		9,000,000	0.00	
Sub-Total		14,485,595	1,207	
4.3 Sports				
Sub-Total		2,106,607	1,700,000	
4.4 Environment				
Nyango Primary School		0.00	100,000	
Mwangani Primary School		0.00	100,000	
Bumani Primary School		0.00	100,000	
Lutsangani Primary School		0.00	100,000	
Ndavaya Primary School		0.00	100,000	
Sembe Primary School		0.00	100,000	
Bandi Primary School		0.00	100,000	

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Name	Brief Transaction Description	Outstanding Balances 2019/2020	Outstanding Balances 2018/2019	Comments
Mafufuni Primary School		0.00	100,000	
Mwangea Primary School		0.00	100,000	
Kumbulu Primary School		0.00	100,000	
Gangani Primary School		0.00	100,000	
Makuluni Primary School		0.00	100,000	
Muungano Primary School		0.00	100,000	
Mgalani Primary School		0.00	100,000	
Vinyunduni Primary School		0.00	100,000	
Sub-Total		2,475,120	1,500,000	
4.5 Security Projects				
Mavirivirini Police Post		400000	0.00	
Bang'a Chiefs Office		0	1,122,050.82	
Makamini Chiefs Office		0	1,122,050.82	
Gandini Chiefs Office		0	1,122,050.82	
Mtaa Chiefs Office		0	1,122,050.81	
Sub-Total		400,000	4,488,203	
Total		19,489,087	10,910,834.72	
5.0 Acquisition of Assets				
Refurbishment of NGCDF Office Building		1670527	70,527.00	
Purchase of Office Motor vehicle		24569	9,555,000	
Sub-Total		1,695,096	9,625,527	
6.0 Other Payments				
Strategic Plan		150,000	150,000	
Sub-Total		150,000	150,000	
GRAND TOTAL		82,127,102	63,519,712	

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SUMMARY OF ASSET REGISTER (Annex 4)

Asset Category/ Class	Historical Costs Bal. B/fwd 2018/2019 Kshs.	Additions during the Year Kshs.	Disposals during the Year Kshs.	Historical Cost Bal. C/fwd 2019/2020 Kshs.
Land, Buildings and Structures	10,962,916.00	0.00	0.00	10,962,916
Transport equipment	0.00	9,530,431	0.00	9,530,431
Office equipment, furniture and fittings	470,026.00	0.00	0.00	470,026.00
ICT Equipment, Software and Other ICT Assets	1,082,623	0.00	0.00	1,082,623
Other Machinery and Equipment	27,700,394.00	0.00	0.00	27,700,394.00
Total	40,215,959.00	9,530,431.00	0.00	49,746,390

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ANNEX 5 - PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	BANK	ACCOUNT NUMBER	BALANCE 30/06/2020	BALANCE 30/06/2019
Chengoni Chief's Office	KCB - Mariakani	1156881722	825.00	825
Magodzoni Primary School	KCB - Kwale	1153451182	0.00	0
Vigurungani Primary School	KCB - Kwale	1205174230	0.00	0
Guro Primary School	KCB - Mariakani	1207183156	0.00	450
Mafundani Primary School	KCB - Kwale	1207293490	0.00	40
Kaphingo Primary School	KCB - Mariakani	1206236817	1,644.50	1,644.50
Kituoni Primary School	KCB - Mariakani	1183965044	0.00	235.00
Kilibasi Unit for Mentally	KCB - Kwale	1178409996	16,274.50	19,679.50
Malungoni Primary School	KCB - Kwale	1205111565	4,858.00	725,298.00
Chidzaya Primary School	KCB - Kwale	1205178872	619.00	619.00
Muungano Primary School	KCB - Mwembe Tayari	1205179216	735.00	47,926.00
Mtulu Primary School	KCB - Mariakani	1157473830	632.50	632.50
Mbita Primary School	KCB - Ukunda	1156786436	670.95	796.95
Ziaradundo Primary School	KCB - Kwale	1204342588	479.50	0.00
Karyaka Primary School	KCB - Kwale	1164763722	949.00	0.00

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PMC	BANK	ACCOUNT NUMBER	BALANCE 30/06/2020	BALANCE 30/06/2019
Mbandi Primary School	KCB - Kwale	1151739189	605,270.00	374.00
Dzimanya Primary School	KCB - Kwale	1178415619	3,708.05	3,708.05
Gwadu Primary School	KCB - Kwale	1203953668	0.00	0.00
Nyari Primary School	KCB - Mariakani	1205634789	568.50	368.50
Maji ya Chumvi Primary School	KCB - Mariakani	1205630899	0.50	98,191.50
Dumbule Primary School	KCB - Kwale	1206849495	918.50	918.50
Gandini South Primary School	KCB - Kwale	1206013664	2,819.00	2,819.00
Wamasa Primary School	KCB - Kwale	1206573643	270.00	270.00
Kinango School for the Deaf	KCB - Kwale	1137131519	757.50	270.00
Nyango Primary School	KCB - Kwale	1159081441	232,647.89	3,678.00
Kilibasi Primary School	KCB - Mariakani	1210455528	54.50	54.50
Moyeni Secondary School	KCB - Kwale	1124985220	16,467.87	17,532.87
Bofu Secondary School	KCB - Mvita	1128005107	1,946.70	1,946.70
Mwalukombe Girls Sec School	KCB - Kwale	1135345880	543.00	543.00
Makamini Secondary School	KCB - Kwale	1132977479	-700.00	0.00
Mwarovesa Secondary School	KCB - Kwale	1120495644	0.00	0.00
Tsunza Secondary School	KCB - Mwembe Tayari	1154843262	689,020.00	1,562.00

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PMC	BANK	ACCOUNT NUMBER	BALANCE 30/06/2020	BALANCE 30/06/2019
Mwavumbo Secondary School	KCB - Mariakani	1125113677	8,312.50	8,312.50
Kinagoni Secondary School	KCB - Mwembe Tayari	3335235931		
Nzovuni Secondary School	KCB - Kwale	1129646009	Closed	0.00
Mtraa Secondary School	KCB - Mvita	1129066215	2,164.00	616.00
Mwabila Secondary School	KCB - Mariakani	1120799996	6,672.50	7,863.50
Matumbi Secondary School	KCB - Mariakani	11077898234	801,620.85	0.00
Mazeras High School	KCB - Mariakani	1126413976	12,385.90	12,385.90
Mwakijembe Secondary School	KCB - Kwale	1126323403	6,199.75	6,199.75
Bang'a Secondary School	KCB - Kwale	1149843888	4,839.50	1,839.50
Mnyenzi Secondary School	KCB - Mariakani	1126261327	Closed	0.00
Mackinnon Road Sec School	KCB - Mariakani	1107818370	192,961.65	192,961.65
Kinango Secondary School	KCB - Kwale	1125632984	118,517.10	119,582.10
Salim Mvurya Secondary School	KCB - Mariakani	1150968303	340.08	340.08
Vigurungani Secondary School	KCB - Mariakani	1112696687	0.00	0.00
Malomani AP Post	KCB - Mvita	1178518213	4,037.20	3,872.60
Bofu AP Post	KCB - Mariakani	1178228177	152.80	146.60
Mavivirini Police Station	KCB - Mariakani	11061325643	1,606.35	1,606.35

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KINANGO CONSTITUENCY
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PMC	BANK	ACCOUNT NUMBER	BALANCE 30/06/2020	BALANCE 30/06/2019
St. Joseph Primary School	KCB - Kwale	1258614030	26,115.00	2,600,000
Maufufuni Primary School	KCB - Mariakani	1258898314	72,846.00	2,600,457
Mlola Primary School	KCB - Mariakani	1258614030	26,115.00	2,600,000
Tumaini Primary School	KCB - Kwale	1257081551	273,227.00	3,595,890
Yapha Primary School	KCB - Kwale		500.50	2,000,000
Majengo Primary School	KCB - Kwale	1154913643	1,005.75	2,600,188.50
Kinango Primary School	KCB - Kwale	1259725243	7,124.00	1,000,000
Mazola Primary School	KCB - Kwale	1274101018	0.00	0.00
Chizini Primary School	KCB - Kwale	1178485587	Closed	0.00
Ng'onzini Primary School	KCB - Kwale	1278073922	0.00	0.00
Dzivani Primary School	KCB - Kwale	1274588960	0.00	0.00
Mwashanga Primary School	KCB - Mariakani	01139251178900	Invalid A/c	0.00
Dzombo Primary School	Co-operative - Mariakani	01139250685500	Invalid A/c	0.00
Kafuduni Primary School	KCB - Mariakani	1274661943	0.00	0.00
Mgandini Primary School	KCB - Mariakani	1273892437	675,241.30	0.00
Miyani Primary School	Co-operative - Nkrumah	01141446433200		0.00
Mbwaleni Primary School	KCB - Mariakani	1274696380	0.00	0.00

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PMC	BANK	ACCOUNT NUMBER	BALANCE 30/06/2020	BALANCE 30/06/2019
Mbita Primary School	KCB - Kwale	1277891494	0.00	0.00
Mwangea Primary School	KCB - Mariakani	1276015461	0.00	0.00
Kituoni Primary School	KCB - Mariakani	1273713389	2,299,975.00	0.00
Taru Primary School	KCB - Mariakani	1257097717	72,802.00	0.00
Busho Primary School	KCB - Kwale	1274768446	200.00	0.00
Mnyenzi Primary School	KCB - Mariakani	1274973287	0.00	0.00
Kaluweni Primary School	Co-operative - Mariakani	01141764031000		0.00
Taru girls secondary school	KCB - Mariakani	1274668336	0.00	0.00
Bang'a Chiefs Office	KCB - Kwale			0.00
Makamini Chiefs Office	KCB - Kwale	1260552454		0.00
Mtaa Chiefs Office				0.00
Gandini Chiefs Office	KCB - Kwale	1268344125	129,501.80	0.00
Kinango Police	KCB - Kwale	1239656726	188,587.00	0.00
Vinyunduni Primary School	KCB - Mariakani	1268426555	2,137.00	0.00
Mabanda Primary School	KCB - Kwale	1268212180	158,877.43	0.00
Nzovuni Primary School	KCB - Kwale	1257961624	1,646,321.00	0.00
Ndavaya Primary School	KCB - Kwale	1267412933	1,161,678.50	0.00

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PMC	BANK	ACCOUNT NUMBER	BALANCE 30/06/2020	BALANCE 30/06/2019
Makuluni Primary School	KCB - Mariakani			0.00
Dumbule Primary School	KCB - Kwale			0.00
Tsunza Secondary School	KCB - Mvita	1154843262	689,020.00	0.00
Vitsakaviri Primary School	KCB - Mariakani	1178414191	34,279.35	0.00
Fuleye Primary School	KCB - Mariakani	1261563352	618,204.00	0.00
Mbandi Primary School	KCB - Kwale	1151739189	605,270.00	0.00
Lutsangani Primary School	KCB - Kwale	1258447142	43,036.00	0.00
TOTAL			11,473,853.77	17,537,667.60

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XIV. 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	Time frame: (Date when the issue is expected to be resolved)
1.0	<p>Bank Balances The statement of assets as at 30 June 2018 reflects Kshs. 41,677,356 in respect of bank balance. The bank reconciliation statement as at 30 June 2018 reflects unrepresented cheques amounting to Kshs.2,388,838. However, audit verification revealed that included in the unrepresented cheques of Kshs.2,388,838 were eighteen (18) stale cheques totaling Kshs.157,036. The cheques had not been reversed in the cash book as at the time of audit, 8 March 2019. In addition, the bank reconciliation statement reflected unrecorded payment of Kshs.2,000 in the bank statements which related to bank charges. It was not clearly explained why the cashbook had not been updated with the bank charges. Consequently, the accuracy and completeness of bank balance of Kshs.41,677,356 as at 30 June 2018 could not be confirmed.</p>	<p>Cashbook have since been updated Stale cheques canceled and reversed in cashbook Bank charges have also been post</p>	Treasury Sub-county Accountant	Resolved	June 2019
2.0	<p>Revenue Budget Analysis During the year under review, National Government Constituencies Development Fund - Kinango</p>	<p>This is a policy issue. Funds trickle to</p>	NGCDF Board Secretariat	Resolved	June 2019

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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	Time frame: (Date when the issue is expected to be resolved)
	<p>Constituency had a revenue budget of Kshs. 99,792,493 against actual receipts of Kshs. 86,810,345 or 87% resulting to an under disbursement of budget of Kshs. 12,982,148 or 13% from the Constituency Development Fund Board.</p> <p>The Fund received the last installment of Kshs. 43,405,172 on 28/06/2019 which is contrary to budget mechanism of releasing funds on a quarterly basis. Failure by the Board to disburse funds as per budget, may adversely affect delivery of goods and services to the residents of Kinango Constituency contrary to values and principles of public service as provided for under Article 232 (1-c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.</p>	<p>constituencies as disbursed from National Treasury through the NGCDF Board</p>			
3.0	<p><u>Expenditure Budget Analysis</u> According to National Government Constituencies Development Fund Board's appropriation, Kinango Constituency had a final budget of Kshs.99,792,493 where Kshs.68,824,730 being 69% of the total budget was allocated to projects being; transfers to other government units of Kshs.33,615,938 and other grants and transfers of Kshs.35,208,792. The overall budget for the year under review was Kshs.99,792,493 against total expenditure of Kshs.46,831,840 resulting to under absorption of Kshs.52,960,654 or 53% as summarized below:</p>				

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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	Time frame: (Date when the issue is expected to be resolved)
			Actual Expenditure Kshs.	Unspent Balance Kshs.		
Budget line	Final Budget Kshs.	Actual Expenditure Kshs.				
Compensation of Employees	2,029,638	1,619,012		410,626		80%
Use of goods and services	10,992,133	10,013,406		978,727		91%
Transfers to Other Government Units	33,615,938	9,551,422		24,064,516		28%
Other grants and transfers	35,208,792	25,648,000		9,560,792		73%
Acquisition of Assets	6,200,000	0		6,200,000		80%
Other Payments	11,745,993	0		11,745,993		
TOTALS	99,792,494	46,831,840		52,960,654		47%
	The Fund had a total under-expenditure of Kshs.53,056,666 representing 53% of the budget. This implies that public funds were lying idle at the expense of other deserving areas. Although the management has attributed the situation to delays in receiving funds from the National Government Constituencies Development Fund Board, this may affect delivery of goods and services to the residents of Kinango Constituency contrary to values and principles of public service as provided for under Article 232 (1 - c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.	This is a policy issue. Funds trickle to constituencies as disbursed from National Treasury through the NGCDF Board	NGCDF Board Secretariat	Resolved	June 2019	
4.0	Project Implementation Status According to the project implementation status report as at 30 June 2018, the following(18) projects with a total budget of Kshs.40,928,449 were not implemented during the period under review:	Projects have since been implemented	NGCDF Committee Kinango Constituency	Resolved	June 2019	

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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	Time frame: (Date when the issue is expected to be resolved)
No	Financial year	Project name	Approved Activities	Amount Disbursed (Kshs.)	Implementation Status/Level
1	2017/2018	Mwangani Primary school	Construction of 3no. Classrooms	3,051,422	Not started
2	2017/2018	Mwandimu Primary School	Construction of 2no. Classrooms	2,000,000	Not started
3	2017/2018	Mulunguni Primary School	Construction of 2no. Classrooms	2,000,000	Not started
4	2017/2018	Gandini Central Primary School	Construction of 2no. Classrooms	2,000,000	Not started
5	2017/2018	AIC Gangani Primary School	Construction of 2no. Classrooms	2,000,000	Not started
6	2017/2018	Lutsangani North Primary School	Construction of 2no. Classrooms	2,000,000	Not started
7	2017/2018	Kazamoyo Primary School	Construction of 2no. Classrooms	2,000,000	Not started
8	2017/2018	Muungano Primary School	Construction of 2no. Classrooms	2,000,000	Not started
9	2017/2018	Dumbule Primary School	Renovation of 3no. Classrooms	2,000,000	Not started
10	2017/2018	Majiyachumvi Primary School	Renovation of 4no. Classrooms	2,000,000	Not started
11	2017/2018	Kumbulu Primary School	Renovation of 4no. Classrooms	2,000,000	Not started

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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	Time frame: (Date when the issue is expected to be resolved)
12	2017/2018	Mwache Primary School	Renovation of 4no. Classrooms	2,000,000	Not started
13	2017/2018	Kinango Police Station	Construction of 4no. Bedsitters	2,000,000	Not started
14	2017/2018	NG-CDF Office	Buying of a new office vehicle	5,000,000	Not started
15	2017/18	Kinango Youth Empowerment Centre	Installation of necessary ICT equipment.	6,200,000	Not started
16	2017/18	Kasemeni Youth Empowerment Centre	Installation of necessary ICT equipment	1,169,257	Not started
17	2017/18	Ndavaya Youth Empowerment Centre	Installation of necessary ICT equipment	1,169,257	Not started
18	2017/18	Samburu Youth Empowerment Centre	Installation of necessary ICT equipment	1,169,257	Not started
			Total	40,928,450	
5.0	Project Inspection Audit inspection of three (3) projects with a total allocation of Kshs.7,051,422 during the month of February 2019 indicated the following state of affairs of the following specific projects: -	Contractors tasked to stick to BQs, drawings and plans.	Sub-county Public Works Officer	Resolved	June 2019
No	Project Verified	Project Activity	Amount (Kshs)	Observations	
1	Bumani Primary School	Construction of class rooms	2,000,000	-Piers not constructed -Details of expenditure on provisional sum of Kshs.250,000 not availed	

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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	Time frame: (Date when the issue is expected to be resolved)
2	Mwangani Primary School Construction of class rooms	3,051,422	-Types of windows installed vary with approved bills of quantities -Roofing sheets vary with approved bills of quantities -Details of expenditure on provisional sum of Kshs.250,000 not availed		
3	Karyaka Primary School Construction of class rooms	2,000,000	-Piers not constructed -Details of expenditure on provisional sum of Kshs.250,000 not availed		
	Total	7,051,422			
6.0	Bank Balances for Closed Projects Annex 4 to the financial statements reflects bank balances in forty five (45) project management committees' bank accounts totaling Kshs.2,800,759. The annex includes balances for nine (9) closed projects totaling of Kshs. 673,021 and which had not been refunded to the Fund's main account as detailed below				
No.	Project Management Committee	Account number			Bank Balance
1	Chidzaya Primary School			1205178872	36,245.00
2	Mtulu Primary School			1157473830	11,949.50
3	Nyari Primary School			1205634789	38,694.50
4	Nyango Primary School			1159081441	126,695.00
5	Mwabila Secondary School			1120799996	91,338.00
6	Mazeras High School			1126413976	13,576.90
7	Mackinnon Road Sec School			1107818370	196,612.65
8	Kinango Secondary School			1125632984	122,443.10

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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	Time frame: (Date when the issue is expected to be resolved)
9	Salim Mvurya Secondary School			1150968303	35,466.08
	Total				673,020.73
	This was contrary to Section 12 (8) of National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account. Therefore, the management was in breach of the laws.	The balances in the PMC accounts were either for Retention monies or administration expenses	NGCDF Committee Kinango constituency	Resolved	June 2019

