

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT** NATIONAL ASSEMBLY

DATE: 27 JUL 2023

DAY:

Thursday

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THE-TABLE

Hon. Naomi Wago, MP  
Deputy Majority Whip  
Folays Muriuki

**THE AUDITOR-GENERAL**

**ON**

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

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



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

28 APR 2023

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MAKUENI CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2022

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

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## **I. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

#### **Vision**

Equitable Socio-economic development countrywide

#### **Mission**

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

#### **Core Values**

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

#### **Functions of NG-CDF Committee**

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

#### **(b)Key Management**

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

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

**II. NG-CDFC Chairman's Report**

**TITUS K MUNUVE (NG-CDF CHAIRMAN)**

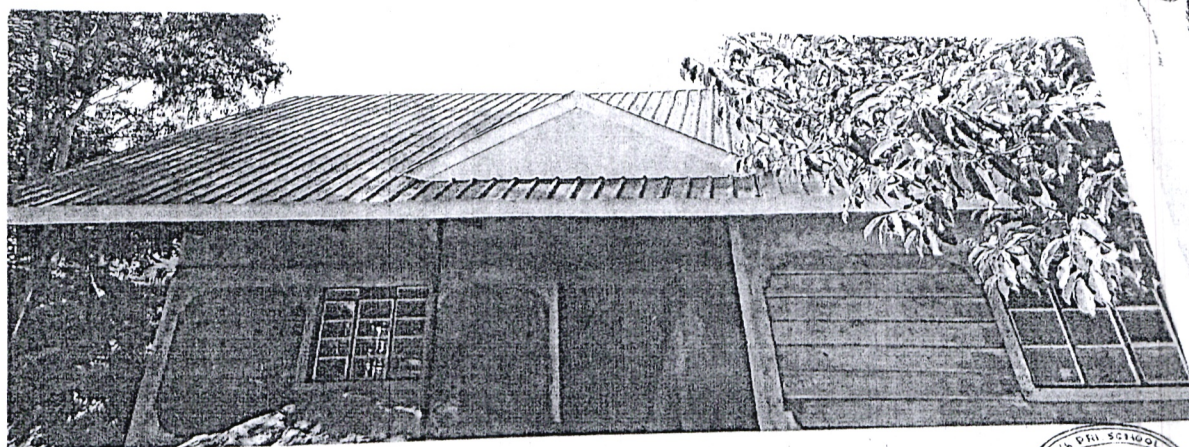


**KEY ACHIEVEMENTS FOR THE CONSTITUENCY**

Makueni NG-CDF is working round the clock to ensure successful implementation of projects ranging from education for schools to security. This has facilitated better learning, boosted administration and enabled security within the constituency.

Below are samples of a wide range of projects completed by the constituency during the financial year 2021/2022:

Figure 1 Katheka Primary School



Makueni NG-CDF has had a significant improvement in utilization of funds received from the board some drawbacks like politics for the August general elections. We have improved overall absorption of funds from 74% last year to about 98% this year. There is also an improvement in the funds absorption in all the various project sectors as shown below.

Receipt/Expense Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>					
Transfers from NG-CDF Board	137,088,879	193,886,453	193,886,453	-	100.0%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	<b>Daniel Maluki</b>
2.	Sub-County Accountant	<b>Julius Muchohi</b>
3.	Chairman NGCDFC	<b>Titus Munuve</b>
4.	Member NGCDFC	<b>Esther Nzula</b>

**(d) Fiduciary Oversight Arrangements**

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

**(e) Makueni Constituency NGCDF Headquarters**

P.O. Box 409-90300 Makueni  
NG-CDF office Wote  
Behind Huduma Centre

**(f) Makueni Constituency NGCDF Contacts**

Telephone: (254) 720 792 224  
E-mail: [cdfmakueni@ngcdf.go.ke](mailto:cdfmakueni@ngcdf.go.ke)  
Website: [www.makueningcdf.go.ke](http://www.makueningcdf.go.ke)

**(g) Makueni Constituency NGCDF Bankers**

The Cooperative Bank of Kenya  
A/C No. 01120539316700  
Wote Branch  
P.O. Box 537- 90300  
Tel: 020259465  
Mobile: 0732 520 845, 0708223372  
Wote, Makueni  
Email: [wotebr@co-opbank.co.ke](mailto:wotebr@co-opbank.co.ke)

**(h) Independent Auditors**

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

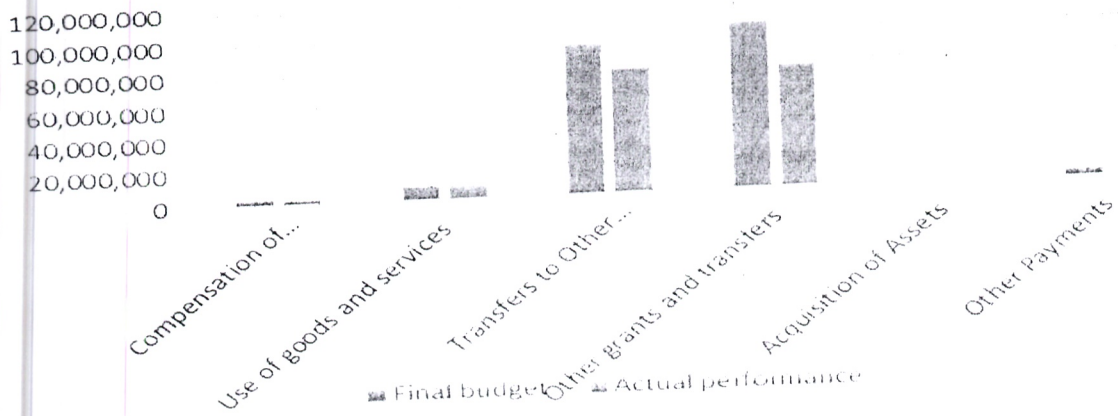
**(i) Principal Legal Adviser**

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

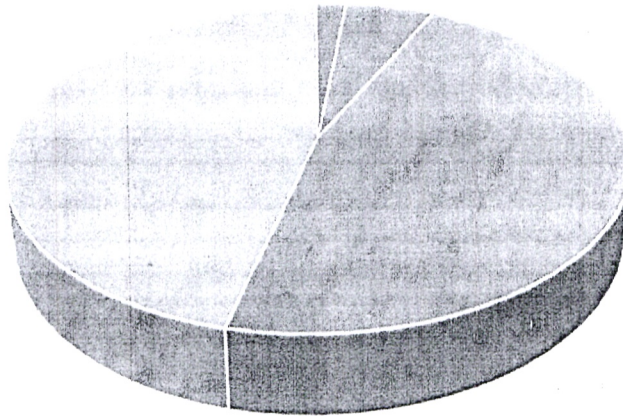
Makueni Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022

<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>193,886,453</b>	<b>193,886,453</b>	-	100.0%
<b>PAYMENTS</b>					100.0%
Compensation of Employees	4,785,041	5,384,507	5,384,507	-	
Use of goods and services	8,364,451	8,364,451	11,765,616	(3,401,165)	
Transfers to Other Government Units	57,478,414	78,563,887	78,563,887	0	100.0%
Other grants and transfers	66,460,973	94,627,398	94,290,761	336,637	99.6%
Acquisition of Assets		1,369,183	720,000	649,183	52.6%
Other Payments	0	5,577,027	944,720	4,632,307	16.9%
Funds pending approval					
<b>TOTAL</b>	<b>137,088,879</b>	<b>193,886,453</b>	<b>191,669,491</b>	<b>2,216,962</b>	<b>98.9%</b>

GRAPH SHOWING BUDGET AGAINST ACTUAL PERFORMANCE



PIE CHART SHOWING ACTUAL PERFORMANCE



- Compensation of Employees
- Use of goods and services
- Transfers to Other Government Units
- Other grants and transfers

### **EMERGING ISSUES RELATED TO MAKUENI NG-CDF**

1. The rapidly increasing population in the constituency demanding for more expenditure on projects eg more classrooms
2. Declining sources of income for constituents leading to needier students for bursary
3. The rapid rate of inflation. This leads to more expenditure on projects than previously projected

### **IMPLEMENTATION CHALLENGES**

1. Lack of knowledge on the part of PMCs on procurement procedures and guidelines. Makueni NG-CDF is conducting frequent PMC training in all the wards to enhance skills for the PMCs.
2. Inadequate funds for emergency projects. Most emergency cases are left unfunded because the available funds are not sufficient to meet the increasing emergency cases due to heavy rainfall and frequent wind storms. The constituency usually seeks support from other government and non-governmental entities to fund all or some of the emergency cases not factored by Makueni NG-CDF.
3. Project identification and implementation especially where members of the public aren't willing to participate. The NG-CDFC are doing their best to sensitize the constituents on the need to attend public participation forums

*Makueni Constituency  
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4. Poor infrastructure- roads, electricity and communication to facilitate implementation
5. High population and growth rate
6. High poverty levels increasing the number of needy constituents
7. Environmental degradation and improper exploitation of natural resources issues
8. Politics for the August 2022 election has affected the PMC and the NGCDF Committee

*Titus K. Muriu*

Name  
CHAIRMAN NGCDF COMMITTEE



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

Introduction

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

The key development objectives of *Makueni Constituency 2018-2022* plan are to:

- To provide integrated planning framework for sustainable management of resources.
- To create and coordinate partnerships and collaboration for resources mobilization, capacity development
- To purpose to have all departments functioning in synergy for timely completion of projects

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions  Number of bursary beneficiaries at all levels	Number of classrooms increased from 98 to 105  Number of laboratories increased from 22 to 24  Number of dormitories increased from 30 to 33  Number of administration blocks increased from 16 to 18
Environment	Conserved environment	Environment conservation	Number of sand dams	Number of sand dams increased

*Makueni Constituency  
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	through natural resources conservation initiatives	Equip schools and public facilities with sanitation		from 11 to 16
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 10 to 12 Number of as assistant chiefs' offices increased from 7 to 9
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 21 to 28
Emergency	Responded to emergency cases as they were reported by various institutions	Restore structures destroyed by natural calamities like wind and floods	Number of structures renovated through emergency	Number of structures increased from 35 to 39

#### IV. Environmental and Sustainability Reporting

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

##### 1. Sustainability strategy and profile -

To ensure sustainability of Makueni NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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

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

## **2. Environmental performance**

The NGCDF committee carried out various programs on environmental matters through sand dams that benefit the society.

We also constructed Makueni police station and Kathonzweni police to sensitize the community and youth on the effects of drug abuse

Makueni NG-CDF also sponsored various sporting activities and bought sports uniforms and equipment.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Makueni constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Makueni constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

#### **4. Market place practices-**

Makueni NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

#### **5. Community Engagements-**

Makueni NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

#### **Public Participation in Project Identification and Implementation and Monitoring**

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

*Makueni Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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

**Public Awareness**

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

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

DANIEL M. MAUKI

Name

*Daniel M. Mauki*

FAM

## V. Statement of Management Responsibilities

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

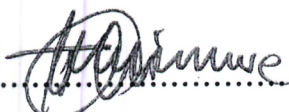
The Accounting Officer in charge of the NGCDF-Makueni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

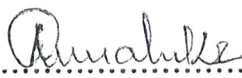
The Accounting Officer in charge of the NGCDF-Makueni Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Makueni Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

#### **Approval of the financial statements**

The NGCDF- Makueni Constituency financial statements were approved and signed by the Accounting Officer on June 30, 2022.

.....  
  
Name: *Titus K. Muniwe*  
Chairman – NGCDF Committee

.....  
  
Name: *Daniel M. Maluku*  
Fund Account Manager

# REPUBLIC OF KENYA



*Enhancing Accountability*

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

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### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Makueni Constituency set out on pages 1 to 39, which comprise of the statement of assets and liabilities as at 30 June, 2022 and the

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*Report of the Auditor-General on National Government Constituencies Development Fund - Makueni Constituency for the year ended 30 June, 2022*

statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Makueni Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, the National Government Constituencies Development Fund Act, 2015 and the National Government Constituencies Development Fund Regulations, 2016.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

#### **1.1 Summary Statement of Appropriation**

The summary statement of appropriation reflects actual on comparable basis of an amount of Kshs.193,886,453 in respect of transfers from National the National Government Constituencies Development (NGCDF) Board. However, the statement of receipts and payments reflects transfers from NGCDF Board of an amount of Kshs.178,277,758 resulting to an unexplained and unreconciled variance of Kshs.15,608,695. Further, the unexplained difference in respect of actual transfers from the NGCDF Board may result to the understatement of the nil amounts of budget utilisation difference in respect of transfers from NGCDF Board. In addition, review of statements reflects budget adjustments amounts of Kshs.15,608,695 and Kshs.41,188,879 in respect of opening balance (cashbook) and previous years outstanding disbursements totalling to Kshs.56,797,574 which is at variance with the comparative balances of Kshs.56,021,574 and as disclosed in Note 17.3 to the financial statements in respect of unutilized funds resulting to an unexplained and unreconciled variance of Kshs.776,000.

In the circumstance, accuracy and completeness of the amounts of Kshs.193,886,453 and Kshs.56,797,574 in respect of transfers from NGCDF Board and budget adjustments respectively could not be confirmed.

#### **1.2 Budget Execution by Sectors and Projects Final Budget**

Review of the budget execution by sectors and projects supporting the summary statement of appropriation reflects sub totals final budgets of Kshs.40,966,989, Kshs.37,196,898 and Kshs.9,400,000 in respect of transfers to other government units for primary and secondary schools and other grants and transfers to security projects respectively. However, casting the accuracy of the subtotals of the original budgets and adjustments revealed amounts of Kshs.42,266,896, Kshs.37,496,898 and Kshs.10,400,000 resulting to an unexplained and unreconciled variance of

- Kshs.1,299,909, Kshs.300,000, Kshs.1,000,000 respectively. Further, budget execution by sectors and projects reflects transfers to Athiani primary school which had zero original budget and an adjustment of an amount of Kshs.706,898 which is at variance with the final budget and actual on comparable basis amounts of Kshs.706,989 resulting to an explained variance of Kshs.91.

In the circumstance, accuracy and completeness of the amounts of Kshs.40,966,989, Kshs.37,196,898 and Kshs.9,400,000 in respect of transfers to other government units for primary and secondary schools and other grants and transfers to security projects respectively could not be confirmed.

### **1.3 Cash and Cash Equivalents**

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.2,216,962 and as disclosed in Note 10A to the financial statements supported with bank reconciliation statement for the month of June, 2022, which includes unrepresented cheques of Kshs.8,191,371. However, review of the details of the unrepresented cheques of Kshs.8,191,371 revealed that cheques totalling Kshs.751,500 were cleared in June, 2022, and therefore did not qualify to be classified as unrepresented cheques. Further, the bank reconciliation statements were not signed by the preparer nor submitted to National Treasury for analysis and review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.2, 216,962 could not be confirmed.

### **1.4 Failure by Project Management Committees (PMCs) to Deduct Retention Money from Contractors**

The statement of financial assets and liabilities reflects accounts payable deposits of Nil balance in respect of retentions. However, review of statement of receipts and payments reflects transfers to other Government entities of Kshs.78,563,887 as disclosed in Note 6 to the financial statements which includes Kshs.20,200,000 disbursed to seventeen (17) projects for learning institutions. Review of the expenditure returns revealed that Project Management Committees of various institutions paid Kshs.18,846,482 to contractors for certified works implemented without deducting retention money amounting to Kshs.1,884,648.

In the circumstances, the accuracy and completeness of the nil balance in respect of retentions could not be confirmed and Management was in breach of the law.

## **2. Unconfirmed Project Management Committees (PMCs) Bank Balances**

Annex 5 to the financial statements reflects PMC bank balances amounting to Kshs.37,450 held in eighteen (18) bank accounts in various commercial banks. However, the bank balance confirmation certificates as at 30 June, 2022 and bank statements were not provided for audit review. Further, the reported PMC bank balances of Kshs.37,450 excluded bank balances of fourteen (14) education projects that had received Kshs.14,800,000 whose project implementation had not commenced as at 30 June, 2022.

In the circumstances, the accuracy and completeness of PMC bank balance of Kshs.37,450 could not be confirmed.

### **3. Unsupported Transfers to Other Government Units**

The statement of receipts and payments reflects transfers to other Government units of Kshs.78,563,887 as disclosed in Note 6 to the financial statements includes an amount of Kshs.15,100,000 disbursed to twelve (12) projects in various learning institutions. However, review of records revealed that supporting documents including professional opinion, opening and tender evaluation minutes, notification of unsuccessful bidders, contract agreements and certificates of practical completion were not provided for audit review.

In the circumstances, the accuracy and completeness of transfers to other Government units of Kshs.15,100,000 could not be confirmed.

### **4. Lack of Motor Vehicle Logbook**

Annex 4 to the financial statements on summary of fixed asset register reflects an amount of Kshs.11,602,833 in respect to historical cost of assets. Included is transport equipment balance of Kshs.8,345,250 which includes Kshs.4,842,600 for a motor vehicle purchase by the NGCDF in 2019/2020 financial year. However, as previously reported, the logbook for the motor vehicle has not been provided for audit review.

In the circumstances, the ownership of the motor vehicle costing Kshs.4,842,600 could not be confirmed.

### **5. Use of Goods and Services**

#### **5.1 Over Expenditure on Use of Goods and Services**

Statements and summary statement of appropriation reflects final budget of an amount of Kshs.8,364,451. However, the actual expenditure on comparable basis reflects an amount of Kshs.11,765,616 in respect of use of goods and services against an approved budget of an amount of Kshs.8,364,451 resulting to an unexplained excess expenditure of Kshs.3,401,165 which is not supported by an approval.

In the circumstances, the regularity accuracy and completeness of expenditure in respect of use of goods and services of an amount of Kshs.11,765,616 could not be confirmed.

#### **5.2 Unsupported Use of Goods and Services**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.11,765,616 which includes fuel, oil and lubricants and training expenses of amounts of Kshs.2,500,000 and Kshs.3,744,000 and as disclosed in Note 5 to the financial statements. The training expenses of Kshs.3,744,000 includes Kshs.900 in respect of capacity building not supported with documents including attendance register of participants and facilitators. Further, the expenditure in respect of fuel, oil and lubricants of an amounts of Kshs.2,500,000 was not supported with documents including fuel register, detail orders and work tickets.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.2,500,000 and Kshs.900 in respect of fuel, oil and lubricants and capacity building could not be confirmed.

## **6. Lack of Criteria for Bursary Award**

The statement of receipts and payments reflects other grants and transfers of Kshs.94,290,761 as disclosed in Note 7 to the financial statements which includes amounts of Kshs.41,222,531, Kshs.19,038,550 and Kshs.219,500 in respect of bursary disbursements to secondary schools, tertiary institutions and special schools respectively, totalling to Kshs.60,480,581. However, the Fund Management did not provide an approved criterion for selection and awarding of bursaries.

In the circumstances, the completeness, accuracy, regularity and completeness of the bursary disbursements of Kshs.60,480,581 could not be confirmed.

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

## **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Report on Utilization of Emergency Reserve**

The statement of receipts and payments reflects other grants and transfers of Kshs.94,290,761 as disclosed in Note 7 to the financial statements which includes emergency projects of an amount of Kshs.2,100,000 in respect of six (6) emergency projects from emergency reserves. However, there was no evidence indicating that the expenditure of Kshs.2,100,00 in respect to emergency projects was utilized in accordance with the provisions of Section 8(3) of the CDF Act, 2015 and a report that was made to

the Board within thirty days of the occurrence of the emergency, in compliance with Regulations 20(1) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

## **2. Unaccounted for Emergency Funds**

The statement of receipts and payments reflects other grants and transfers of Kshs.94,290,761 as disclosed in Note 7 to the financial statements which includes emergency projects of an amount of Kshs.2,100,000. The emergency project of an amount of Kshs.2,100,000 includes disbursement of Kshs.550,000 and Kshs.1,100,000 for two (2) projects in learning institutions. However, the Management did not provide expenditure returns for the two (2) projects implemented, contrary to Regulation 15(1)(d-e) of the National Government Constituencies Development Fund Regulation, 2016 which provides that there shall be appointed a project management committee for each project in a Constituency in accordance with section 36 of the Act which shall prepare returns and file them with a Constituency Committee on a timely basis and account for funds to a Constituency Committee.

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

## **3. Failure to Submit Bank Reconciliation Statements to National Treasury and Office of the Auditor**

Review of financial records revealed that bank reconciliations are not regularly done and checked by senior officers as required by the law. Further, no evidence was provided to confirm that bank reconciliation statements were submitted to the National Treasury and a copy to the Auditor -General as required by Regulation 90. (1) of the Public Finance Management (National Government) Regulations, 2015.

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

## **4. Poor Project Management**

### **4.1 Implementation of Projects Without Signed Contracts and Completion Dates**

The statement of receipts and payments reflects transfers to other Government units of Kshs.78,563,887 and as disclosed in Note 6 to the financial statements which includes an amount of Kshs.27,949,796 disbursed to nineteen (19) projects for learning institutions. However, review of expenditure returns revealed that five (5) Project Management Committees (PMCs) paid Contractors amounts of Kshs.4,974,600 for project implementation without signed contract agreements and fourteen (14) projects amounting to Kshs.22,975,196 had contracts without project completion dates. This is contrary to Regulation 27(1) of the National Government Constituencies Development Fund Regulation, 2016 which provides that the Public Procurement and Disposal laws shall apply with respect to any procurement by a Constituency Committee or Project Management Committee.

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

#### **4.2 Poor Workmanship on Renovation of Three Classrooms at Mwaani Primary School**

The statement of receipts and payments reflects transfers to other Government units of Kshs.78,563,887 and as disclosed in Note 6 to the financial statements which includes an amount of Kshs.2,100,000 in respect of emergency projects. The amounts of Kshs.2,100,000 in respect of emergency projects included Kshs.900,000 disbursed to Mwaani Primary school for renovation of three (3) classrooms. However, site and project visit in March, 2023 revealed that the floor of the three (3) classes had cracks and potholes indicating poor workmanship. Further, the project was not labelled, contrary to Regulations 15(1f) of the National Government Constituency Development Fund Regulation, 2016 which states that there shall be appointed a project management committee for each project in a Constituency in accordance with Section 36 of the NGCDF Act, 2015 which shall undertake project closure, labelling and handover upon completion.

In the circumstances, the completeness and value for money spent on the projects could not be confirmed and the Management was in breach of the law.

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

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

#### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 controls, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the 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 financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal controls would not necessarily disclose all matters in the internal 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 July, 2023

*Makueni Constituency*

*National Government Constituencies Development Fund (NGCDF)*

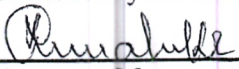
*Annual Report and Financial Statements for The Year Ended June 30, 2022*

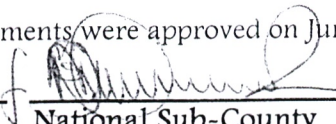
VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

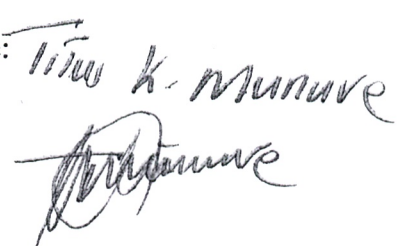
	Note	2021-2022	2020-2021
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	178,277,758	170,911,438
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>178,277,758</b>	<b>170,911,438</b>
<b>PAYMENTS</b>			
Compensation of employees	4	5,384,507	3,138,291
Use of goods and services	5	11,765,616	9,293,399
Transfers to Other Government Units	6	78,563,887	78,125,000
Other grants and transfers	7	94,290,761	76,790,011
Acquisition of Assets	8	720,000	-
Other Payments	9	944,720	-
<b>TOTAL PAYMENTS</b>		<b>91,669,491</b>	<b>67,346,701</b>
<b>SURPLUS/DEFICIT</b>		<b>(13,391,733)</b>	<b>3,564,737</b>

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

The Constituency financial statements were approved on June 30, 2022 and signed by:

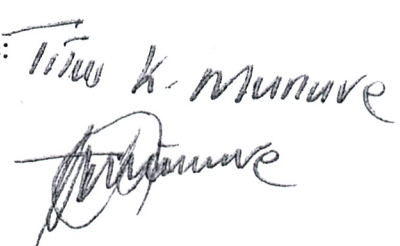
  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

Name: Daniel  
M. Mahuli

Name: Gregory H. Mwangi  
ICPAK M/No: 12536

Name: Titus K. Munire  


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

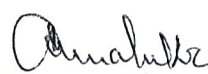
VIII. Statement of Assets and Liabilities As At 30<sup>th</sup> June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	2,216,962	15,608,695
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>2,216,962</b>	<b>15,608,695</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,216,962</b>	<b>15,608,695</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>2,216,962</b>	<b>15,608,695</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	15,608,695	11,267,958
Prior year adjustments	14	-	776,000
Surplus/Deficit for the year		(13,391,733)	3,564,737
<b>NET FINANCIAL POSITION</b>		<b>2,216,962</b>	<b>15,608,695</b>

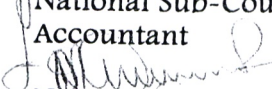
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on June 30, 2022 and signed by:

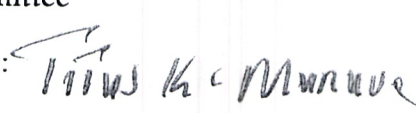

Fund Account Manager

  
Name: Daniel M. Maluki

National Sub-County  
Accountant

  
Name: Gregory M. Mwangi  
ICPAK M/No: P2336

Chairman NG-CDF  
Committee

  
Name: Titus K. Mwangi  


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

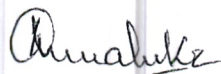
**IX. Statement of Cash Flows for the Year Ended 30th June 2022**

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	178,277,758	170,911,438
Other Receipts	3	-	-
		178,277,758	170,911,438
<b>Payments for operating activities</b>			
Compensation of Employees	4	5,384,507	3,138,291
Use of goods and services	5	11,765,616	9,293,399
Transfers to Other Government Units	6	78,563,887	78,125,000
Other grants and transfers	7	94,290,761	76,790,011
Other Payments	9	944,720	-
		190,949,491	167,346,701
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	776,000
<b>Net Adjustments</b>		-	776,000
<b>Net cash flow from operating activities</b>		(12,671,733)	4,340,737
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(720,000)	-
<b>Net cash flows from Investing Activities</b>		(720,000)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	10	15,608,695	11,267,958
<b>Cash and cash equivalent at END of the year</b>		2,216,962	15,608,695

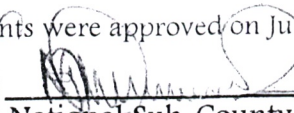
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on June 30, 2022 and signed by:

Fund Account Manager



Name: David M. Maluku

  
National Sub-County  
Accountant

Name: Regan M. Mwangi  
ICPAK M/No: 12536 -

Chairman NG-CDF  
Committee

Name: Tim K. Muriu



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

X. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>				
Transfers from NG-CDF Board	137,088,879	15,608,695	41,188,879	193,886,453	193,886,453	-	100.0%
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>15,608,695</b>	<b>41,188,879</b>	<b>193,886,453</b>	<b>193,886,453</b>	<b>-</b>	<b>100.0%</b>
<b>PAYMENTS</b>							
Compensation of Employees	4,785,041		599,466	5,384,507	5,384,507	-	100.0%
Use of goods and services	8,364,451		0	8,364,451	11,765,616	(3,401,165)	
Transfers to Other Government Units	57,478,414		21,085,473	78,563,887	78,563,887	0	100.0%
Other grants and transfers	66,460,973	15,608,695	12,557,730	94,627,398	94,290,761	336,637	99.6%
Acquisition of Assets			1,369,183	1,369,183	720,000	649,183	52.6%
Other Payments	0		5,577,027	5,577,027	944,720	4,632,307	16.9%
Funds pending approval			0				
<b>TOTAL</b>	<b>137,088,879</b>	<b>15,608,695</b>	<b>41,188,879</b>	<b>193,886,453</b>	<b>191,669,491</b>	<b>2,216,962</b>	<b>98.9%</b>

(a) Commentary on underutilization

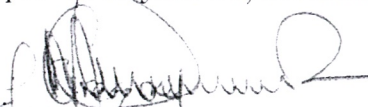
- i. Use of goods & services and acquisition of assets: Procurement in use of goods was not fully complete
- ii. Other grants & transfers: The PMC for one project had not yet presented their documents.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	2,216,962
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	-
	2,216,962
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	2,216,962

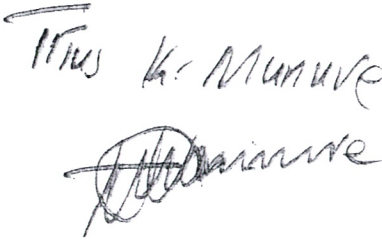
The Constituency financial statements were approved on June 30, 2022 and signed by:

  
 Fund Account Manager

Name: Daniel M. Maluki

  
 National Sub-County Accountant

Name: Gregory N. M. Mutitu  
 ICPAK M/No: 12536-

  
 Chairman NG-CDF Committee

Name: Titus K. Munira

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/6/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,785,041	-	599,466	5,384,507	5,384,507	-	
1.2 Committee allowances	1,200,000	-	(317,000)	883,000	1,557,230	(674,230)	
1.3 Use of goods and services	2,240,292	-	480,633	2,720,925	2,500,000	220,925	
<b>Total</b>	<b>8,225,333</b>		<b>763,099</b>	<b>8,988,432</b>	<b>9,441,737</b>	<b>(453,305)</b>	
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,800,000			1,800,000	3,744,000	(1,944,000)	
2.2 Committee allowances	1,000,000		3,000	1,003,000	1,303,686	(300,686)	
2.3 Use of goods and services	1,312,577	-	644,949	1,957,526	2,660,700	(703,174)	
<b>Total</b>	<b>4,112,577</b>		<b>708,367</b>	<b>4,760,526</b>	<b>7,708,386</b>	<b>(2,947,860)</b>	
<b>3.0 Emergency</b>							
3.1 Primary Schools							
Kyaka Primary School	-	-	-	-	250,000		
Nthangu Primary School	-	-	-	-	300,000		

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Ngoi Pri Sch	-	-	-	-	250,000		
kiuani pri sch	-	-	-	-	500,000		
3.2 Secondary schools							
Kambi Mawe Mixed Sec	-	-	-	-	300,000		
Kaasya Sec School	-	-	-	-	500,000		
	-	-	-	-			
3.3 Tertiary institutions							-
3.4 Security projects							-
	-	-	-	-			
3.5 Unutilised	-	-	5,206,200	5,206,200			-
<b>Total</b>	<b>7,192,207</b>		<b>7,708,407</b>	<b>14,900,614</b>	<b>2,100,000</b>	<b>12,800,614</b>	
4.0 Bursary and Social Security							-
4.1 Secondary Schools	25,000,000	5,780,790		33,447,071	41,222,531	(7,775,460)	
4.2 Tertiary Institutions	9,272,220	1,577,884	282,574	11,132,678	19,258,050	(8,125,372)	
4.3 Social Security	13,146,000	2,550,021	680,589	16,376,610	15,386,726	989,884	-
4.4 Special Needs			-	-			
<b>Total</b>	<b>47,418,220</b>	<b>9,908,695</b>	<b>963,163</b>	<b>60,950,494</b>	<b>75,867,307</b>	<b>(14,910,948)</b>	
5.0 Sports							
5.1	2,741,778		2,870,957	5,612,735	3,502,400		62
<b>Total</b>	<b>2,741,778</b>	<b>-</b>	<b>2,870,957</b>	<b>5,612,735</b>	<b>3,502,400</b>	<b>2,110,335</b>	
6.0 Environment							
Kalui Gully Project		-	340,000	340,000	340,000	-	100%
Muusini Kwa Charity Sand Dam		-	681,778	681,778	681,778	-	100%
Muleu Sand Dam	344,278			344,278	344,276	-	100%

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Kwa Kitavi Sand Dam	685,000				685,000	685,000	-	100%
Kwa Makau Makolongo Sand Dam	342,500				342,500	342,500	-	100%
Kwa Maswii Sand Dam	342,500				342,500	342,500	-	100%
Kwa Musau Sand Dam	685,000	-			685,000	685,000	-	100%
Masong'eni Sand Dam	342,500	-			336,637	-	336,637	0%
<b>Total</b>	<b>2,741,778</b>	-	<b>1,021,778</b>		<b>3,763,556</b>	<b>3,421,054</b>	<b>336,637</b>	<b>91%</b>
<b>7.0 Primary Schools Projects</b>								
Athiani Primary School			706,898		706,989	706,989		100%
Ikangavya Primary School			500,000		500,000	500,000	-	100%
Itandi Primary School			800,000		800,000	800,000	-	100%
Kanthuni Primary School			1,000,000		-	-	-	
Kanyonga Primary School			700,000		700,000	400,000		100%
Kathuma Primary School			500,000		500,000	500,000	-	100%
Kithumba Primary School			500,000		500,000	500,000	-	100%
Kituluni Primary School			500,000		500,000	500,000	-	100%
Kyemole Primary School			500,000		500,000	500,000	-	100%
Matiliku Primary School			800,000		500,000	800,000	-	160%
Mayuu Primary School			600,000		600,000	600,000	-	100%
Mikauni Primary School			500,000		500,000	500,000	-	100%
Muangeri Primary School			500,000		500,000	500,000	-	100%
Mwania Primary School			500,000		500,000	500,000	-	100%
Nzouni Primary School			500,000		500,000	500,000	-	100%
Sia Primary School			500,000		500,000	500,000	-	100%
Syethe Primary School			500,000		500,000	500,000	-	100%
Athiani Primary School	600,000				600,000	600,000	-	100%

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Iiani Primary School-Kathonzwi	700,000		700,000	700,000	-	100%
Ilumani Primary School	500,000		500,000	500,000	-	100%
Itaa Primary School	900,000		900,000	900,000	-	100%
Kalamba Primary School	1,300,000		1,300,000	1,300,000	-	100%
Kaluluini Primary School	600,000		600,000	600,000	-	100%
Kanyonga Primary School	1,160,000		1,160,000	1,160,000	-	100%
Kanzokeani Primary School	600,000		600,000	600,000	-	100%
Kasuvi Primary School	600,000		600,000	600,000	-	100%
Katheka Primary School	600,000		600,000	600,000	-	100%
Kavuthu Primary School	600,000		600,000	600,000	-	100%
Kiangini Primary School	1,000,000		1,000,000	1,000,000	-	100%
Kikome Primary School	900,000		900,000	900,000	-	100%
Kilisa Primary School	600,000		600,000	600,000	-	100%
Kithaathaini Primary School	600,000		600,000	600,000	-	100%
Kithaayoni Primary School	500,000		500,000	500,000	-	100%
Kithembeoni Primary School	600,000		600,000	600,000	-	100%
Kithoni Primary School	900,000		900,000	900,000	-	100%
Kithumani Primary School	600,000		600,000	600,000	-	100%
Kitikyumu Primary School	900,000		900,000	900,000	-	100%
Kwa Mbata Primary School	600,000		600,000	600,000	-	100%
Kwa Waema Primary School	800,000		800,000	800,000	-	100%
Kwanyaa Primary School	900,000		900,000	900,000	-	100%
Kwanzula Primary School	600,000		600,000	600,000	-	100%
Kyemundu Primary School	500,000		500,000	500,000	-	100%
Kyuasini Primary School	600,000		600,000	600,000	-	100%
Kyumbuni Primary School	600,000		600,000	600,000	-	100%

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Makutano Primary School	1,200,000			1,200,000	1,200,000	-	100%
Malivani A.I.C Boarding Primary School	1,000,000			1,000,000	1,000,000	-	100%
Maumba Primary School	600,000			600,000	600,000	-	100%
Mikameni Primary School	600,000			600,000	600,000	-	100%
Mithini Primary School	600,000			600,000	600,000	-	100%
Muambani Primary School	900,000			900,000	900,000	-	100%
Mulenyu Primary School	600,000			600,000	600,000	-	100%
Munathi Primary School	600,000			600,000	600,000	-	100%
Mwaani Primary School	900,000			900,000	900,000	-	100%
Ngangani Primary School	650,000			650,000	650,000	-	100%
Ngomano Primary School	700,000			700,000	700,000	-	100%
Nzeeni Primary School	600,000			600,000	600,000	-	100%
Senda Primary School	600,000			600,000	600,000	-	100%
St Johns Malivani Primary School	600,000			600,000	600,000	-	100%
Unoa Primary School	1,100,000			1,100,000	1,100,000	-	100%
Waimu Primary School	950,000			950,000	950,000	-	100%
Yikithuki Day And Boarding Primary School	600,000			600,000	600,000	-	100%
<b>Total</b>	<b>32,160,000</b>	<b>-</b>	<b>10,106,898</b>	<b>40,966,989</b>	<b>40,966,989</b>	<b>-</b>	
<b>8.0 Secondary Schools Projects</b>							
ABC Kalumbi Secondary School			2,100,000	2,100,000	2,100,000		100%
Itumbule Secondary School			500,000	500,000	500,000		100%
Kambi Mawe Secondary School			1,000,000	1,000,000	1,000,000		100%
Kiuuku Secondary School			800,000	800,000	800,000		100%
Kyunyu Secondary School			800,000	800,000	800,000		100%
Makueni Girls Secondary School			1,000,000	1,000,000	1,000,000		100%
Mathemba Secondary School			600,000	600,000	600,000		100%

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Ngosini Secondary School			2,000,000	2,000,000	2,000,000		100%
Nziu Girls Secondary School			900,000	900,000	900,000		100%
A.I.C Mavindini Boys Secondary School	700,000			700,000	700,000		100%
A.I.C Mavindini Girls Secondary School	700,000			700,000	700,000		100%
A.I.C Muthyoi Secondary School	500,000			500,000	500,000		100%
Gigiri Lions Girls Secondary School	1,100,000			1,100,000	1,100,000		100%
Ikaasu Secondary School	800,000			800,000	800,000		100%
Kaliini Secondary School	1,200,000			1,200,000	1,200,000		100%
Kathonzweni Girls Secondary School	900,000			900,000	900,000		100%
Kiteei Secondary School	600,000			600,000	600,000		100%
Kithoni Secondary School	700,000			700,000	700,000		100%
Kitonyoni Secondary School	1,500,000			1,500,000	1,500,000		100%
Kwa Kavisi Secondary School	500,000			500,000	500,000		100%
Kyangwasi Secondary School	1,200,000			1,200,000	1,200,000		100%
Makueni Boys High School	900,000			900,000	900,000		100%
Mbeletu Secondary School	500,000			500,000	500,000		100%
Mbuvo Secondary School	1,800,000			1,800,000	1,800,000		100%
Ngosini Secondary School	2,500,000			2,500,000	2,500,000		100%
Ngoto Boys High School	1,700,000			1,700,000	1,700,000		100%
Nthangu Secondary School	900,000			600,000	900,000		150%
Nziu Secondary School	600,000			600,000	600,000		100%
Serena Williams Wee Secondary School	2,500,000			2,500,000	2,500,000		100%
St Francis Manzani Secondary School	796,898			796,898	796,898		100%

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St. Theresa Secondary School- Muuni	2,500,000			2,500,000	2,500,000		100%
Thavu Secondary School	800,000			800,000	800,000		100%
Uiini Secondary School	1,200,000			1,200,000	900,000		
Yekanga Secondary School	700,000			700,000	700,000		100%
<b>Total</b>	<b>27,796,898</b>		<b>9,700,000</b>	<b>37,196,898</b>	<b>37,196,898</b>	<b>-</b>	<b>100%</b>
<b>9.0 Tertiary institutions Projects</b>							
Makueni KMTC			400,000	400,000	400,000		100%
<b>Total</b>			<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>-</b>	
<b>10.0 Security Projects</b>							
Barazani Chiefs Office		300,000		300,000	300,000	-	100%
Ivinganzia Assistant Chiefs Office		500,000		500,000			0%
Katithi Assistant Chiefs Office		1,500,000		500,000	1,500,000		300%
Kawala Chiefs Office		300,000		300,000	300,000	-	100%
Makueni County Director Of Criminal Investigation Office		1,200,000		1,200,000	1,200,000	-	100%
Matiliku Police Station		500,000		500,000			100%
Maviaume Assistant Chiefs Office		300,000		300,000	300,000	-	100%
Mbuvo Chiefs Office		600,000		600,000	600,000	-	100%
Nziu Police Post		500,000		500,000	500,000	-	100%
Kathonzweni County Commissioners Office	1,000,000			1,000,000	1,000,000	-	100%
Katithi Assistant Chiefs Office	500,000			500,000	500,000	-	100%
Kitonyoni Assistant Chiefs Office	800,000			800,000	800,000	-	100%
Kyemundu Chiefs Office	300,000			300,000	300,000	-	100%
Mavindini Assistant Chiefs Office	600,000			600,000	600,000	-	100%
Muusini Chiefs Office	1,000,000			1,000,000	1,000,000	-	100%

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Nziu Police Post	500,000			500,000	500,000	-	100%
<b>Total</b>	<b>4,700,000</b>	<b>5,700,000</b>	<b>-</b>	<b>9,400,000</b>	<b>9,400,000</b>	<b>-</b>	<b>100%</b>
<b>11.0 Acquisition of assets</b>							
11.1 Motor Vehicles/motorbikes			150,469	150,469	-	150,469	0%
11.2 Construction of CDF office	-		-	-	-	-	-
11.3 Purchase of furniture and equipment	-		1,218,714	1,218,714	720,000	498,714	-
11.4 Purchase of computers	-		-	-	-	-	-
<b>Total</b>	<b>-</b>		<b>1,369,183</b>	<b>1,369,183</b>	<b>720,000</b>	<b>649,183</b>	<b>-</b>
<b>12.0 Other payments</b>							
Office Compound			900,000	900,000	944,720	(44,720)	-
ICT Hub			4,677,027	4,677,027	-	4,677,027	-
<b>Total</b>	<b>-</b>		<b>5,577,027</b>	<b>5,577,027</b>	<b>944,720</b>	<b>4,632,307</b>	<b>-</b>
<b>13.0 unallocated fund</b>							
Unapproved projects	-						
AIA	-						
PMC savings	-						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>137,088,790</b>	<b>15,608,695</b>	<b>41,188,879</b>	<b>193,886,453</b>	<b>191,669,491</b>	<b>2,216,962</b>	

## **XI. Significant Accounting Policies**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

***Significant Accounting Policies continued***

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

***Significant Accounting Policies continued***

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

***Significant Accounting Policies continued***

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

***Significant Accounting Policies continued***

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10 June 2021 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by law. Included in the adjustments are the opening balance, AIA generated during the year and constituency allocations not disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

*Significant Accounting Policies continued*

**14. Errors**

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

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

**15. Related Party Transactions**

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

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

AIE NO	2021-2022	2020 - 2021
	Kshs	Kshs
B104735		25,000,000
B096850		625,000
B096866		1,218,714
A823670		44,367,724
B124782		3,800,000
B124599		9,000,000
B119553		12,000,000
B119943		13,000,000
B128186		6,900,000
B128498		6,000,000
B126498		10,000,000
B132241		6,000,000
B126203		6,000,000
B138909		15,000,000
B140641		12,000,000
B140992	39,081,981	
B105631	34,000,000	
B105713	28,000,000	
B128603	10,000,000	
B128915	14,000,000	
B154113	15,000,000	
B164447	36,088,879	
B155991	2,106,898	
	<b>178,277,758</b>	<b>170,911,438</b>

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-

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Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others	-	-
<b>Total</b>		

**3. Other Receipts**

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-

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*Notes To the Financial Statements (Continued)*

**4. Compensation of Employees**

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	4,519,854	3,116,891
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	843,453	-
Employer Contributions Compulsory national social security schemes	21,200	21,400
<b>TOTAL</b>	<b>5,384,507</b>	<b>3,138,291</b>

**5. Use Of Goods and Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	-	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	46,800	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	3,744,000	2,672,000
Hospitality supplies and services	-	-
Other committee expenses	111,500	1,197,000
Committee allowance	1,445,730	1,517,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	2,613,900	64,905
Fuel , oil & lubricants	2,500,000	3,500,100
Other operating expenses	1,160,966	280,054
Bank service commission and charges	22,720	62,340
Routine maintenance - vehicles and other transport equipment	120,000	-
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>11,765,616</b>	<b>9,293,399</b>

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**6. Transfer To Other Government Units**

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	40,966,989	44,525,000
Transfers to Secondary Schools	37,196,898	31,600,000
Transfers to Tertiary Institutions	400,000	2,000,000
<b>TOTAL</b>	<b>78,563,887</b>	<b>78,125,000</b>

**7. Other Grants and Other transfers**

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary ( see attached list)	41,222,531	34,342,048
Bursary -Tertiary ( see attached list)	19,038,550	14,221,949
Bursary- Special Schools	219,500	241,000
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	15,386,726	9,915,390
Security Projects ( see attached list)	9,400,000	7,603,747
Sports Projects ( see attached list)	3,502,400	2,782,200
Environment Projects ( see attached list)	3,421,054	2,993,677
Emergency Projects ( see attached list)	2,100,000	4,690,000
<b>TOTAL</b>	<b>94,290,761</b>	<b>76,790,011</b>

**8. Acquisition Of Assets**

<u>Non Financial Assets</u>	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of office furniture and and General Equipment	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	720,000	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-

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Acquisition of Land			-
Acquisition of Intangible Assets			
<b>TOTAL</b>			<b>720,000</b>

*Notes To the Financial Statements (Continued)*

9. Other Payments

Office compound		944,720	
<b>TOTAL</b>		<b>944,720</b>	

10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022 Kshs (30/6/2022)	2020 - 2021 Kshs (30/6/2021)
Cooperative Bank of Kenya, Wote Branch Makueni NG-CDF	A/C no. 01120539316700	2,216,962	15,608,695
		-	-
<b>TOTAL</b>		<b>2,216,962</b>	<b>15,608,695</b>
<b>10B: CASH IN HAND)</b>			
		2021-2022 Kshs (30/6/2022)	2020 - 2021 Kshs (30/6/2021)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

11: Outstanding Imprests

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

Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	843,453	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	843,453	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	15,608,695	11,267,958
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>15,608,695</b>	<b>11,267,958</b>

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others	-	-	-
<b>Total</b>	-	-	-

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
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	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables $D = A + B - C$	-	-
Changes in Accounts Payable $E = D - E$	-	-

*Notes to the Financial Statements (Continued)*

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	-
Others	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	-	599,466
Use of goods and services	(3,401,165)	-
Amounts due to other Government entities (see attached list)	-	21,085,473
Amounts due to other grants and other transfers (see attached list)	336,637	27,390,425
Acquisition of assets	649,183	1,369,183
Others	4,632,307	5,577,027
Funds pending approval	-	-
Total	2,216,962	56,021,574

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	37,450	36,867
Total	37,450	36,867

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.	-	-	-	-	
2.	-	-	-	-	
3.	-	-	-	-	
Sub-Total	-	-	-	-	
Construction of civil works					
4.	-	-	-	-	
5.	-	-	-	-	
6.	-	-	-	-	
Sub-Total					
Supply of goods					
7.	-	-	-	-	
8.	-	-	-	-	
9.	-	-	-	-	
Sub-Total					
Supply of services					
10.	-	-	-	-	
Sub-Total					
Grand Total					

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**Annex 2 - Analysis of Pending Staff Payables**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
NG-CDFC Staff				
1.	-	-	-	
2.	-	-	-	
3.	-	-	-	
Sub-Total				
Grand Total				

## Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/2021	
Compensation of employees		-	599,466	
Use of goods & services		(3,401,165)	-	
<b>Amounts due to other Government entities</b>				
<b>Primary School projects</b>				
Ungatani Primary School		-	100,000	
Muvau Primary School		-	278,575	
Ikangavya Primary School		-	500,000	
Isambani Primary School		-	500,000	
Kathuma Primary School		-	500,000	
Kithumba Primary School		-	500,000	
Kituluni Primary School		-	500,000	
Kyemole Primary School		-	500,000	
Mikauni Primary School		-	500,000	
Muangeri Primary School		-	500,000	
Mwania Primary School		-	500,000	
Nzouni Primary School		-	500,000	
Sia Primary School		-	500,000	
Syethe Primary School		-	500,000	
Wee Primary School		-	500,000	
Mayuu Primary School		-	600,000	
Kanyonga Primary School		-	700,000	
Athiani Primary School		-	706,898	

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Itandi Primary School		-	800,000
Matiliku Primary School		-	800,000
<b>Secondary school projects</b>		-	
Iiani Secondary School		-	500,000
Itumbule Secondary School		-	500,000
Mathemba Secondary School		-	600,000
Kiuuku Secondary School		-	800,000
Kyunyu Secondary School		-	800,000
Nziu Girls Secondary School		-	900,000
Kambi Mawe Secondary School		-	1,000,000
Makueni Girls Secondary School		-	1,000,000
Ngosini Secondary School		-	2,000,000
ABC Kalumbi Secondary School		-	2,100,000
<b>Tertiary School projects</b>		-	
Makueni KMTC		-	400,000
<b>Sub-Total</b>		-	<b>21,085,473</b>
<b>Amounts due to other grants and other transfers</b>		-	
Bursary secondary schools		-	5,780,790
Bursary tertiary schools		-	1,577,883
Social security		-	3,230,610
Barazani Chiefs Office		-	300,000
Kawala Chiefs Office		-	300,000
Maviaume Assistant Chiefs Office		-	300,000
Ivinganzia Assistant Chiefs Office		-	500,000
Matiliku Police Station		-	500,000
Mbuvo Chiefs Office		-	600,000
Makueni County Director Of Criminal Investigation Office		-	-

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Katithi Assistant Chiefs Office		-	1,500,000	
Sports		-	2,870,957	
Environment		-		
Kalui gully project		-	340,000	
Masongeni s/dam		336,637		
Muusini kwa Charity sand dam		-	681,778	
Emergency		-	7,708,407	
<b>Sub-Total</b>		<b>336,637</b>	<b>27,390,425</b>	
<b>Acquisition of assets</b>				
Motor vehicle/bike			150,469	
Furniture		649,183	1,218,714	
<b>Others</b>		<b>649,183</b>		
Office compound		(44,720)	900,000	
ICT Hub		4,677,027	4,677,027	
<b>Sub-Total</b>		<b>4,632,307</b>	<b>6,946,210</b>	
Funds pending approval			-	
<b>Grand Total</b>		<b>2,216,962</b>	<b>56,021,574</b>	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
	2020/2021			2021/2022
Land	-		-	-
Buildings and structures	1,491,652		-	1,491,652
Transport equipment	8,345,250		-	8,345,250
Office equipment, furniture and fittings	953,931		-	953,931
ICT Equipment, Software and Other ICT Assets	92,000	720,000		812,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>10,882,833</b>	<b>720,000</b>	<b>-</b>	<b>11,602,833</b>

Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022

PMC		Account number	Bank	Bank Balance 2021/22	Bank Balance 2020/21
1	Abc Kalumbi Sec Sch	1125402261	KCB	3,634.00	
2	Athiani Pri Sch	670192887807	EQUITY	628	
3	Itaa Pri Sch	1139539750500	COOP	3,936.00	
4	Kambimawe Sec Sch	670276263609	EQUITY	475	
5	Kanthiitu Sec Sch	1135015961	KCB		224
6	Katheka Pri	1137081759	KCB		22,038
7	Katheka Pri School	1137081759	KCB	2,180	
8	Kikome Pri Sch	670166581361	EQUITY	205	
9	Kithaayoni Pri Sch	670198720440	EQUITY	1,568.00	
10	Kithoni Secondary School	1256533181	KCB		5363
11	Kiuani Pri Sch	670199802712	EQUITY	89.00	
12	Kiuuku Pri Sch	670279590480	EQUITY	2630	
13	Kyemundu Chiefs Office	1275691439	KCB	402	
14	Kyumbuni Sec Sch	1107172292	KCB		4249
15	Kyunyu Pri Sch	1174080280	KCB	1,462	
16	Makutano Pri	67029987366	Equity		614
17	Mangauni Pri Sch	670197096817	Equity		448
18	Mikauni Pri Sch	1139540027000	COOP	1999	
19	Muangenii Pri Sch	670270263840	EQUITY	20	
20	Mulenyu Pri Sch	670278652040	EQUITY	1,510.00	
21	Munathi Pri Sch	670199685338	EQUITY	231.00	
22	Munathi Pri Sch	113953969411	coop		231

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23	Nzueni Pri Sch	670192902410	Equity		2804
24	Serena Wiliams Wee Sec Sch	1281149608	KCB	643.00	
25	St Francis Manzani Pri Sch	670270267511	EQUITY	4,152.00	
26	St Johns Malivani Pri School	670276530917	EQUITY	5,706	
27	St Theresa Sec Sch Muuani	1139539310200	COOP	1,310	
28	Wee Pri Sch	1139540031700	coop		395.5
29	Yekanga Sec Sch	670282257913	EQUITY	4,530.00	
30	Yikitise Pri Sch	670282174034	EQUITY	140.00	
31	Yumbani Pri Sch		KCB		500
				37,450	36,867

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
5.0	Projects were implemented without involvement of sub-county works office in designing, preparing the bill of quantities, supervision and inspection of the projects. The audit could not confirm if the projects meet the standard requirements.	Public works officer was used to prepare all the bill of quantities and issuing of completion certificates for projects. These certificates are available in the office for verification.	Resolved	
8.0	Note 7 to the financial statement indicated that Makueni NG-CDF spent Kshs. 4,850,000 for Emergency. However, there was no evidence presented for audit that the NG-CDF Makueni Constituency had reported any of the emergency expenditure to the Board.	The fund account manager has taken initiatives to report emergency projects expenditure to the board immediately these projects are implemented.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe

David M. Maluki

Name  
Fund Account Manager.

