

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

DATE: 08 AUG 2023

DAY: TUESDAY

TABLED BY:

Hon Owen Bayo, MP
Deputy Leader Majority
Anne Shumba

OF

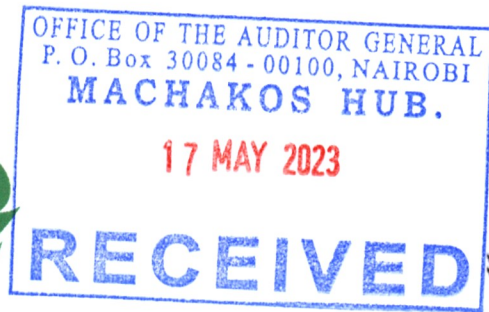
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THE AUDITOR-GENERAL

ON

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

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



KILOME CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

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

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The KILOME 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)

(c) Fiduciary Management

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

| No | Designation | Name |
|----|-----------------------|--------------------------------|
| 1. | A.I.E holder | Josefrida Mumbua Kameti |
| 2. | Sub-County Accountant | Benjamin Makau |
| 3. | Chairman NGCDFC | Simon MuthianiTama |
| 4. | Member NGCDFC | Jennifer Mueni Nzinga |

(d) Fiduciary Oversight Arrangements

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

P.O. Box 163-90134
NG-CDF Kilome Building,
Mukaa Sub-County HQtrs
Yoani-Salama.

(f) KILOME Constituency NGCDF Contacts

Telephone: (254) 720 120 932
E-mail: cdfkilome@ngcdf.go.ke
Website: www.go.ke

(g) KILOME Constituency NGCDF Bankers

Kenya Commercial Bank
Emali Branch
P.O. Box 4076-90121
Emali, Kenya
Acc. No. 1124880895

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report



Commentary on significant budget performance against actual amounts for current year based on economic classification and programmes

Overall Performance

The Overall fund performance was at 94.7% which is an (Above average) utilization and the breakdown was as follows;

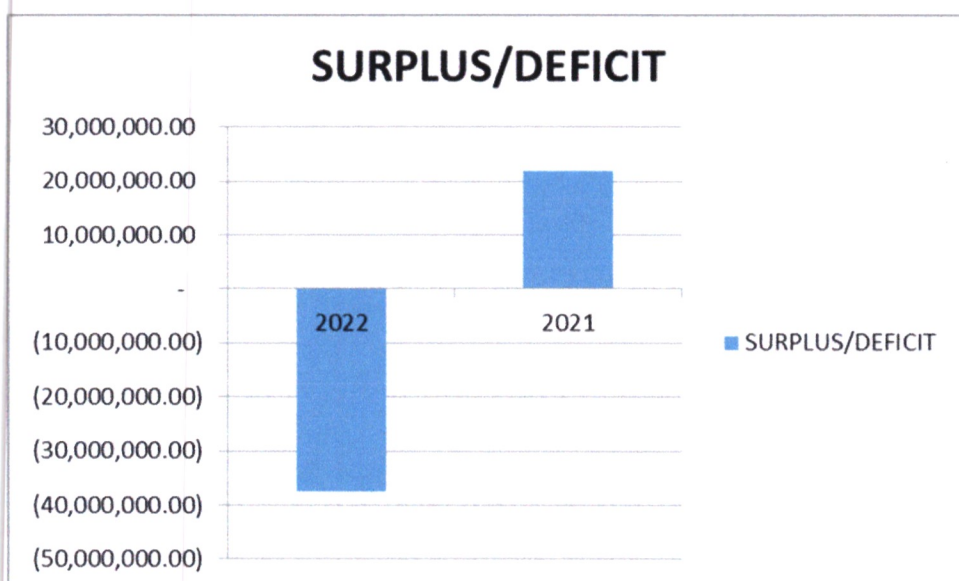
1. **Compensation of Employees**-Performed at 19.8% - This is a recurrent budget catering for NG-CDFC staff salaries, allowances and Staff Monthly NSSF, NHIF dues. The under-utilization noted resulted from delayed payment of Gratuity as originally budgeted.
2. **Use of goods and services** – Posted an overall performance of 84.3%, Being an Administration Acc. Catering for general Office operation, NG-CDFC / PMC Trainings and NG-CDFC Meeting allowances.

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3. **Transfer to other Government Units** posted 95.6% performance. This was noted as a recommendable improvement in performance compared to the last Financial years' which performed averagely at 46.2%.
4. **Other Grants and Transfers** – performed at 99.8% which was noted to be way above average. Projects under this category involves allocation and awarding of Bursaries to needy students and a few development projects. Bursaries were prioritized during the Financial Year and hence posting the high performance of all. Other projects falling under this category were also implemented right on time.

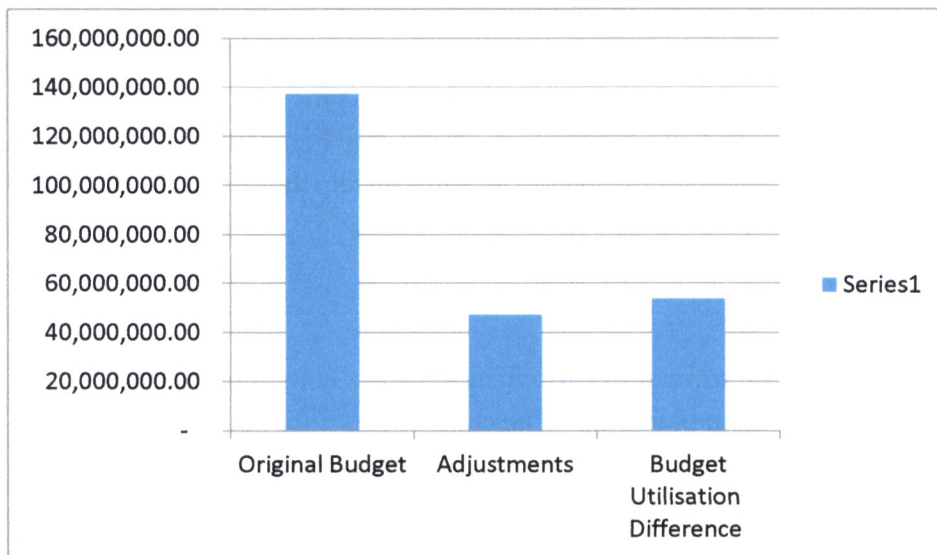
The people of Kilome constituency are determined to participate effectively in domesticating objectives of the big Four in our development planning. The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

Summary of the budget performance against actual amounts for current year based on economic classification and programmes.



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This is an indicator that less funds were received and absorbed in Year 2021/2022 compared to 2020/2021. This was a result of a number projects were not approved for that financial year, thus less funds released.



Original Budget – Original Budget Allocation for the FY 2021/2022

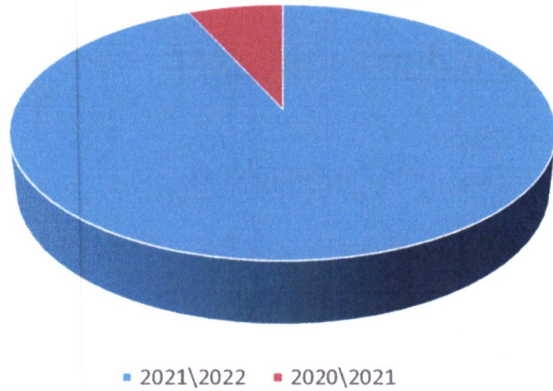
Adjustments – Total Adjustments Allocation during the Year 2021/2022

Actual on Comparable Basis – Total actual on comparable basis i.e The Total Funds allocated during the year was implemented at 77% comparatively.

Financial year budget

In the financial year 2021/2022 the NG-CDF Kilome was allocated Ksh. 137,088,878.99 in which the office has since received Ksh. **128,000,000.00**. The utilization was effectively done giving priority to Projects which is at 100% utilization.

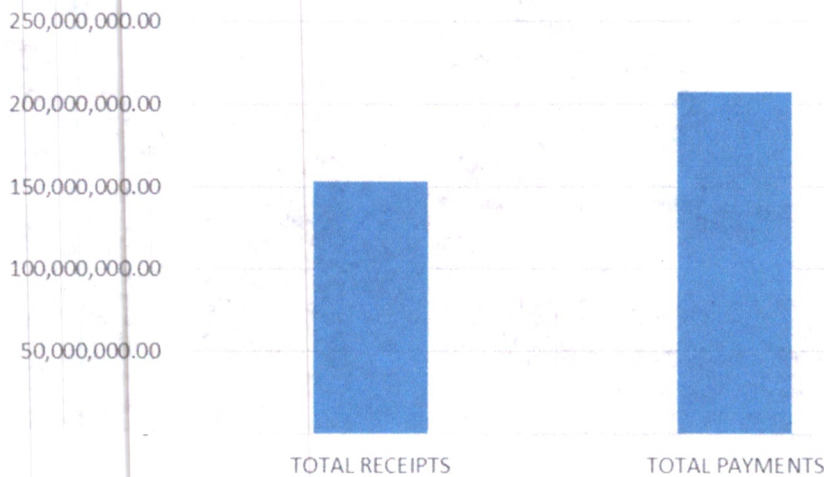
FY 2021\2022 COMPARED TO FY 2020\2021
 ALLOCATION



KEY

2021/2022 – Showing great improvement on financial year allocation
 2020/2021– Allocation which shows less funds than the current year allocation

STATEMENT OF RECEIPTS AND PAYMENT



KEY

2021/2022 - Total receipts during the year from the NGCDF board
 2021/2022 - Total expenditure during the year in NG-CDF Kilome

Key achievements

The constituency has managed to train in driving, catering, dress making and masonry. This has helped the youth to use the skilled they learned to earn a living.

To enhance security in the area NG-CDF has constructed several chiefs camps and a deputy district Commissioner's house.
Covid-19 regulations is to have all individuals to keep distance so the constituency has built up more classrooms in several schools.

Successful projects undertaken during the year

1. **Project Name:** Nduluni Secondary School
Project Activity: Construction of 2 Classrooms to completion
Project Status: Complete and in use
Photo: Annexed



2. **Project Name:** Kavuko Primary School
Project Activity: Sinking of a borehole/Equipping
Project Status: Complete and in use
Photo: Annexed



Kavuko Community drawing water for domestic use at the Kavuko Primary School Borehole.



3. PROJECT NAME: MALILI TOWNSHIP PRIMARY SCHOOL

ACTIVITY FUNDED: CONSTRUCTION OF ONE CLASSROOM TO COMPLETION

STATUS: COMPLETE AND IN USE



4. PROJECT NAME: SULTAN HAMUD ASSISTANT CHIEFS OFFICE

ACTIVITY FUNDED: CONSTRUCTION OF ASSISTANT CHIEFS OFFICE - SULTAN HAMUD

AMOUNT ALLOCATED: 1,644,000.00

FINANCIAL YEAR: FY 2020-2021 Phase 1 funding, 2021/2022 Final funding.

STATUS: COMPLETE AND IN USE



5. KITAINGO PRIMARY SCHOOL

Kitaingo Primary School was allocated KSHS 1,100,000.00 for the renovation of 4 classrooms and such was done to completion. The project has already been handed over for use



6. MBIINI PRIMARY SCHOOL

Mbiini Primary School was allocated KSHS 3,500,000.00 for the grading of the school playground and the project was done to completion.



7. **MUTHITHA PRIMARY SCHOOL**

Muthitha was allocated 500,000.00 for the renovation of two classrooms and the same was also done to completion.



8. **ENGULI PRIMARY SCHOOL**

Enguli Primary School was allocated KSHS 1,000,000.00 for the renovation of 4 classrooms and the project was done to completion.



9. MAIANI PRIMARY SCHOOL

Maiani Primary School was allocated **KSHS 500,000.00** for the renovation of two classrooms. The project was done to completion and the classrooms are currently in use.



10. MULUMINI PRIMARY SCHOOL

Mulumini Primary School was allocated **KSHS 500,000.00** for the renovation of two classrooms to completion. The project was done to completion and is in use.



11. UTHINI PRIMARY SCHOOL

Uthini Primary School had been allocated **KSH.500, 000.00** for renovation of two classrooms. The project has been done to completion and is currently in use.



12. WATHINI PRIMARY SCHOOL

Wathini was allocated **KSHS 500,000.00** for the renovation of two classrooms to completion. The project has been done to completion and is ready for use. Re-branding yet to be done.



13. KIOU - IKUTANI ROAD

The project was allocated KSHS 4,000,000 for grading of Kiou Ikutani road. The project has already been implemented as intended and is in use.




Name: SIMON MUTHIANI TAMA
CHAIRMAN - NGCDF COMMITTEE

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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 *KILOME Constituency 2018-2022* plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

Progress on attainment of Strategic development objectives

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

| Constituency Sector | Objective | Outcome | Indicator | Performance |
|----------------------------|--|---|---|--|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | <ul style="list-style-type: none">- number of usable physical infrastructure build in primary, secondary, and tertiary institutions- number of bursary's beneficiaries at all levels | <ul style="list-style-type: none">- In FY 21/22 we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions- Bursary beneficiaries at all levels were as per the attached schedules |
| Security | To enhance security in the Constituency by having more police posts, chiefs offices. | Reduced insecurity complaints and improved service delivery. | <ul style="list-style-type: none">- Number of Police posts and Chief's offices built / Renovated in the Constituency. | In FY 2021/22, more projects from security sector benefitted with funds as compared to FY 2020-2021. These included Construction of 2 New police |

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| | | | | |
|-------------|---|---|--|---|
| | | | | stations, Construction of a DCCs House, Construction of a new chief's Office and refurbishment of 2 existing Chiefs offices. |
| Environment | Enhance management and conservation of environment | Improve on Tree planting, opening of road networks through construction of Gabions. | - Number of projects implemented and completed from the Environment kitty. | During FY 2021/2022, Environment funds were channelled towards construction of 4 gabions in areas that were prone to erosion whenever the rains fell. |
| Sports | To increase youth, disabled and women participation in development and sports activities. | Behaviour change, Talents nurtured among the Youth, and PWDs. | - Number of participants in Constituency tournament. | During FY 2021/2022, 4 tournament events were held at the Constituency. Youth attended and participated fully during the events. |

IV. Environmental and Sustainability Reporting

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

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

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

KILOME 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-

KILOME 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.

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.

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



.....
Name: JOSEFRIDA KAMETI
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-KILOME 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-KILOME 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- KILOME 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 KILOME 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- KILOME Constituency financial statements were approved and signed by the Accounting Officer on 12/5/ 2023.



Name: SIMON TAMA
Chairman – NGCDF Committee

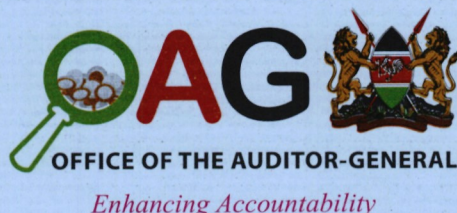


Name: JOSEFRIDA KAMETI
Finance Account Manager



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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Anniversary Towers
Monrovia Street
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kilome Constituency set out on pages 1 to 41, which

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

comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kilome 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 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10A to the financial statements reflects balance of Kshs.11,343,404. However, examination of the cash book reflects cash in hand balance of Kshs.7,959,000 as at 30 June, 2022, whereas the Board of Survey report reflects Nil balance resulting to unreconciled cash in hand balance of Kshs.7,959,000.

Further, the bank reconciliation statement for the month of June, 2022 included unrepresented cheques amounting to Kshs.3,501,040 out of which cheques amounting to Kshs.402,290 were stale and had not been written back in the cashbook.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.11,343,404 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 - Kilome 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 are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues or given any explanation for failure to implement the recommendations.

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. Un-surrendered Project Management Committee (PMC) Balances

Annex 5 to the financial statements in respect of funds held by Project Management Committee reflects a balance of Kshs.17,013,967 out of which Kshs.883,828 relates to balances held by Project Management Committee accounts for completed projects which have not been surrendered to the Fund's main bank account. This is contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015, which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

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

2. Irregular Alterations of Tender Prices

The Management advertised a tender for proposed renovation of two (2) no. classrooms and veranda extension. During the tender opening, three firms responded with an amount of Kshs.794,700, Kshs.789,800 and Kshs.790,600 for bidder 1, 2 and 3 respectively. However, there were irregular alterations in both tender opening committee minutes and tender evaluation committee minutes. This led to awarding of firm 3 the tender at a sum of Kshs.789,600 which was originally quoted by firm 2. Further, the bills of quantities (BQ) presented by Firm 3 had alterations which were not countersigned and the final page of bills of quantities (BQ) was not stamped an indicator of irregular replacement of grand total.

In addition, emergency funds were used to top-up the approved budget from Kshs.500,000 to Kshs.789,700 a difference of Kshs.289,700 without Board's approval.

In the circumstances value for money for the above procurement could not be confirmed.

3. Irregularities in Acquisition of Land

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.90,840,000 in respect of transfers to other Government units. Included is an amount of Kshs.3,000,000 under transfers to tertiary Institutions relating to purchase of five (5) acres of land for construction of Kilome Technical Training Institute, "A modern TVET Centre" at a total cost of Kshs. 3,000,000. However, the land was for a deceased person and no evidence of grant from the court was provided to confirm the administrator of the deceased estate and valuation was not done to confirm the purchase price.

Further, the sale agreement indicated that consideration was to be deposited in a bank account operated by the two administrators. However, review of the cashbook reflects that the amount of Kshs.3,000,000 was paid into the account of an advocate who had not acted for the vendor in the sale transaction and a copy of registered transfer for the title was not availed for verification.

In addition, the land acquired was registered in the name of the Fund, although not disclosed in the financial statements, yet all the assets of NG-CDF are supposed to be registered in the name of the Board.

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

4. Failure to Report Emergency Projects to NGCDF Board

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.114,360,810 in respect of other grants and transfers. Included in this amount is Kshs.7,887,260 being expenditure on emergency projects. However, there was no evidence to show the NG-CDF had reported any emergency project(s) to the NG-CDF Board within thirty (30) days of the occurrence of Emergency, as stipulated in Regulation 20(2) of the National Government Constituency Development Fund Regulations, 2016.

In addition, money from emergency reserves was used to fund project which had fully been funded but had stalled without seeking Board's approval for re- allocation of funds as required.

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

5. Irregular Issuance of Imprest to the Chairman

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.9,655,455 in respect of use of goods and services which includes an amount of Kshs.250,000 paid to the chairman as allowances while distributing bursary beneficiary lists to schools vide payment voucher No. 0196. This is

contrary to Regulation 8(2) of the National Government Constituencies Development Fund Regulations, 2016.

In circumstances, 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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Audit Committee and Internal Audit functions

Review of the Fund's records revealed that it had not established and operationalized an internal audit function. Thus, there was no independent assurance on the effectiveness of the Fund's risk management, governance and internal controls. In addition, the audit committee did not meet during the year under review contrary Section 179(1) of the Public Finance Management (National Government) Regulations, 2015 which requires the audit committee to meet at least once in every three months.

In the circumstances, Management did not get assurance on effectiveness of the operation and necessary policy direction from the Audit Committee.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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

27 June, 2023

KILOME 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

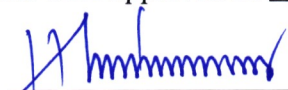
| | Note | 2021 – 2022 | 2020- 2021 |
|-------------------------------------|------|---------------------|--------------------|
| | | Kshs | Kshs |
| Receipts | | | |
| Transfers From NGCDF Board | 1 | 179,460,733 | 160,984,749 |
| Proceeds From Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| Total Receipts | | 179,460,733 | 160,984,749 |
| Payments | | | |
| Compensation Of Employees | 4 | 2,109,810 | 1,818,047 |
| Use Of Goods and Services | 5 | 9,655,455 | 7,460,560 |
| Transfers To Other Government Units | 6 | 90,840,000 | 41,932,000 |
| Other Grants and Transfers | 7 | 114,360,810 | 80,103,313 |
| Acquisition Of Assets | 8 | - | 7,761,458 |
| Other Payments | 9 | - | - |
| Total Payments | | 216,966,075 | 139,075,378 |
| Surplus/(Deficit) | | (37,505,342) | 21,909,371 |

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 12/5/ 2023 and signed by:


Fund Account Manager

Name:
JOSEFRIDA KAMETI


National Sub-County Accountant

Name:
BENJAMIN MAKAU
 ICPAK M/No: 22530

SUB COUNTY ACCOUNTANT
MUKAA SUB COUNTY


Chairman NG-CDF Committee

Name:
SIMON TAMA




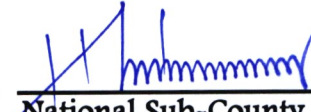
VIII. Statement of Assets and Liabilities As At 30th June, 2022


| | Note | 2021-2022 | 2020-2021 |
|--|------|-------------------|-------------------|
| | | Kshs | Kshs |
| Financial Assets | | | |
| Cash And Cash Equivalents | | | |
| Bank Balances (As Per the Cash Book) | 10A | 11,343,404 | 48,848,746 |
| Cash Balances (Cash at Hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | 11,343,404 | 48,848,746 |
| Accounts Receivable | | | |
| Outstanding Imprests | 11 | - | - |
| Total Financial Assets | | 11,343,404 | 48,848,746 |
| Financial Liabilities | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 12A | - | - |
| Gratuity | 12B | - | - |
| Total Financial Liabilities | | | |
| Net Financial Assets | | 11,343,404 | 48,848,746 |
| Represented By | | | |
| Fund Balance B/Fwd | 13 | 48,848,746 | 26,939,375 |
| Prior Year Adjustments | 14 | - | |
| Surplus/Deficit for The Year | | (37,505,342) | 21,909,371 |
| Net Financial Position | | 11,343,404 | 48,848,746 |

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 12/5 2023 and signed by:


 Fund Account Manager


 National Sub-County Accountant

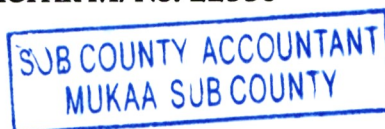

 Chairman NG-CDF Committee

Name:
JOSEFRIDA KAMETI

Name:
BENJAMIN MAKAU
ICPAK M/No: 22530

Name:
SIMON TAMA

2



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

| | Notes | 2021 - 2021 | 2021 - 2021 |
|--|-----------|---------------------|--------------------|
| | | Kshs | Kshs |
| Receipts From Operating Activities | | | |
| Transfers From NGCDF Board | 1 | 179,460,733 | 160,984,749 |
| Other Receipts | 3 | - | - |
| Total Receipts | | 179,460,733 | 160,984,749 |
| Payments | | | |
| Compensation Of Employees | 4 | 2,109,810 | 1,818,047 |
| Use Of Goods and Services | 5 | 9,655,455 | 7,460,560 |
| Transfers To Other Government Units | 6 | 90,840,000 | 41,932,000 |
| Other Grants and Transfers | 7 | 114,360,810 | 80,103,313 |
| Other Payments | 9 | - | - |
| Total Payments | | 216,966,075 | 131,313,920 |
| Total Receipts Less Total Payments | | | |
| Adjusted For: | | | |
| Decrease/(Increase) In Accounts Receivable | 15 | - | - |
| Increase/(Decrease) In Accounts Payable | 16 | - | - |
| Prior Year Adjustments | 14 | - | - |
| Net Cash Flow from Operating Activities | | (37,505,342) | 29,670,829 |
| Cashflow From Investing Activities | | | |
| Proceeds From Sale of Assets | 2 | - | - |
| Acquisition Of Assets | 8 | - | (7,761,458) |
| Net Cash Flows from Investing Activities | | - | (7,761,458) |
| Net Increase In Cash And Cash Equivalent | | (37,505,342) | 21,909,371 |
| Cash & Cash Equivalent At Start Of The Year | 10 | 48,848,746 | 26,939,375 |
| Cash & Cash Equivalent At End Of The Year | 10 | 11,343,404 | 48,848,746 |

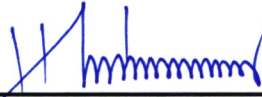
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 12/5 2023 and signed by:



Fund Account Manager

Name:
JOSEFRIDA KAMETI



National Sub-County Accountant

Name:
BENJAMIN MAKAU
ICPAK M/No: 22530



Chairman NG-CDF Committee

Name:
SIMON TAMA

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

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

| Receipts/Payments | Original Budget | | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference | % of Utilization |
|-------------------------------------|--------------------|--------------------------------|---|--------------------|--------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | | | | |
| | 2021/2022 | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding disbursements | 2021/2022 | 30/06/2022 | | | |
| Receipts | | | | | | | | |
| Transfers from NG-CDF Board | 137,088,879.00 | 48,848,746 | 47,221,854 | 233,159,479 | 228,309,479 | 4,850,000 | | |
| Proceeds from Sale of Assets | | | | 0 | - | - | 0.0% | |
| Other Receipts | | | | 0 | - | - | #DIV/0! | |
| TOTAL RECEIPTS | 137,088,879 | 48,848,746 | 47,221,854 | 233,159,479 | 228,309,479 | 4,850,000 | 97.9% | |
| PAYMENTS | | | | | | | | |
| Compensation of Employees | 2,450,000 | 4,851,953 | 874,000 | 8,175,953 | 2,109,810 | 6,066,143 | 25.8% | |
| Use of goods and services | 9,887,999 | 1,201,450 | 456,000 | 11,545,449 | 9,655,455 | 1,889,994 | 83.6% | |
| Transfers to Other Government Units | 53,450,000 | 36,640,000 | 4,500,000 | 94,590,000 | 90,840,000 | 3,750,000 | 96.0% | |
| Other grants and transfers | 67,300,880 | 6,155,343 | 41,391,854 | 114,848,077 | 114,360,810 | 487,267 | 99.6% | |
| Acquisition of Assets | | | | 0 | - | - | #DIV/0! | |
| Other Payments | 0 | | | 0 | - | - | #DIV/0! | |
| UNALLOCATED FUND | 4,000,000.00 | | | 4,000,000 | | 4,000,000 | | |
| TOTAL | 137,088,879 | 48,848,746 | 47,221,855 | 233,159,479 | 216,966,075 | 16,193,404 | 93.1% | |

Commentary on significant underutilization (below 90%) and overutilization (above 100%)

1. **Compensation of Employees**-Performed at 19.8% - This is a recurrent budget catering for NG-CDFC staff salaries, allowances and Staff Monthly NSSF, NHIF dues. The under-utilization noted resulted from delayed payment of Gratuity as originally budgeted.
2. **Use of goods and services** – Posted an overall performance of 84.3%, Being an Administration Acc. Catering for general Office operation, NG-CDFC / PMC Trainings and NG-CDFC Meeting allowances.
3. **Transfer to other Government Units** posted 96.0% performance. This was noted as a recommendable improvement in performance compared to the last Financial years' which performed averagely at 46.2%.
4. **Other Grants and Transfers** – performed at 99.6% which was noted to be way above average. Projects under this category involves allocation and awarding of Bursaries to needy students and a few development projects. Bursaries were prioritized during the Financial Year and hence posting the high performance of all. Other projects falling under this category were also implemented right on time.

Changes between the original and final budget

- Variations noted between the Original and Final Budget are as a result of Ksh. 48,848,746 which was the Opening Balance for FY 2021-2022 and 47,221,854 which was noted as unrealized receipts for previous Financial Years backdated from 2015/2016 upto date.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

| Description | Amount |
|---|------------|
| Budget utilisation difference totals | 16,193,404 |
| Less undisbursed funds receivable from the Board as at 30 th June 2022 | 4,850,000 |
| | 11,343,404 |
| Add Accounts payable | - |
| Less Accounts Receivable | 0 |
| Add/Less Prior Year Adjustments | 0 |
| Cash and Cash Equivalents at the end of the FY 2021/2022 | 11,343,404 |

The Constituency financial statements were approved on 12/5 2023 and signed by:

JTMD

Fund Account Manager

Name:
JOSEFRIDA KAMETI

[Signature]

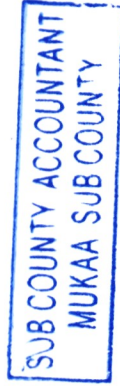
National Sub-County Accountant

Name:
BENJAMIN MAKAU
ICPAK M/No: 22530

[Signature]

Chairman NG-CDF Committee

Name:
SIMON TAMA



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

| Programme/Sub-programme | Original Budget (Kshs) | Amendment (Kshs) | Revised Budget (Kshs) | Total Budget (Kshs) | Actual on comparable basis (Kshs) | Budget utilisation difference (Kshs) | % of Utilisation (=(A)/(C)*100) |
|---|------------------------|---------------------|-----------------------|----------------------|-----------------------------------|--------------------------------------|---------------------------------|
| 1.0 Administration and Recurrent | | | | | | | |
| 1.1 Compensation of employees | 2,450,000.00 | 4,851,953.00 | 874,000.00 | 8,175,953.00 | 2,109,810.00 | 6,066,143.00 | |
| 1.2 Committee allowances | 2,275,332.74 | 150,911.00 | - | 2,426,243.74 | 1,612,000.00 | 814,243.74 | |
| 1.3 Use of goods and services | 3,500,000.00 | 219,412.00 | 456,000.00 | 4,175,412.00 | 3,564,907.80 | 610,504.20 | |
| Total | 8,225,332.74 | 5,222,276.00 | 1,330,000.00 | 14,777,608.74 | 7,286,717.80 | 7,490,890.94 | |
| 2.0 Monitoring and evaluation | | | | | | | |
| 2.1 Capacity building | 1,412,666.37 | 245,620.00 | - | 1,658,286.37 | 1,362,257.50 | 296,028.87 | |
| 2.2 Committee allowances | 1,000,000.00 | 235,764.00 | - | 1,235,764.00 | 1,220,000.00 | 15,764.00 | |
| 2.3 Use of goods and services | 1,700,000.00 | 349,743.00 | - | 2,049,743.00 | 1,896,289.71 | 153,453.29 | |
| Total | 4,112,666.37 | 831,127.00 | - | 4,943,793.37 | 4,478,547.21 | 465,246.16 | |
| 3.0 Emergency | 7,192,207.00 | 184,255.00 | 710,452.00 | 8,086,914.00 | 7,887,260.00 | 199,654.00 | |
| 3.1 Primary Schools | | | | | | | |
| 3.2 Secondary schools | | | | | | | |
| 3.3 Tertiary institutions | | | | | | | |
| 3.4 Security projects | | | | | | | |
| 3.5 Unutilised | | | | | | | |

| | | | | | | | |
|--------------------------------|--------------|--------------|--|--|-----------|--------------|-----------|
| Kitaingo Primary School | 1,100,000.00 | | | | 1,100,000 | 1,100,000.00 | - |
| Muthitha Primary School | 200,000.00 | | | | 200,000 | 200,000.00 | - |
| Kamaku Primary School | | 1,000,000.00 | | | 1,000,000 | 1,000,000.00 | - |
| Sultan Hamud Primary School | 2,200,000.00 | | | | 2,200,000 | 2,200,000.00 | - |
| Kwakatia Primary School | 3,500,000.00 | | | | 3,500,000 | 3,500,000.00 | - |
| Ndemiu Primary School | 4,400,000.00 | | | | 4,400,000 | 2,250,000.00 | 2,150,000 |
| Mbukuni Primary School | 1,000,000.00 | | | | 1,000,000 | 1,000,000.00 | - |
| Ngiluni Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Iandui Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Kithina Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Itumbule Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Kwamwingio Primary School | | 390,000.00 | | | 390,000 | 390,000.00 | - |
| Kwakathendu Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Kwakaseke Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Muua Primary School | 2,600,000.00 | | | | 2,600,000 | 2,600,000.00 | - |
| Kwakavita Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Ngalana Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Kavuko Primary School | | 3,000,000.00 | | | 3,000,000 | 3,000,000.00 | - |
| Malili Township Primary School | | 1,000,000.00 | | | 1,000,000 | 1,000,000.00 | - |
| Matiani Primary School | | 3,500,000.00 | | | 3,500,000 | 3,500,000.00 | - |
| Mumela Primary School | | 2,500,000.00 | | | 2,500,000 | 2,500,000.00 | - |
| Kawese Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Aic Malili Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |
| Kitheini Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | - |

| | | | | | | | | |
|---------------------------------------|--|-------------------|-------------------|------------------|-------------------|-------------------|------------------|---|
| Ngaamba Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | | - |
| Muua Primary School | | 1,000,000.00 | | | 1,000,000 | 1,000,000.00 | | - |
| Kathungu Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | | - |
| Mutweambo Primary School | | 500,000.00 | | | 500,000 | 500,000.00 | | - |
| Kalanzoni Primary School | | | 500,000.00 | | 500,000 | - | 500,000 | |
| Aic Malili Primary School | | | 500,000.00 | | 500,000 | 500,000.00 | | - |
| Kitheini Primary School | | | 500,000.00 | | 500,000 | 500,000.00 | | - |
| | | | | | - | | | - |
| Total | | 25,650,000 | 19,390,000 | 1,500,000 | 46,540,000 | 42,790,000 | 3,750,000 | |
| 8.0 Secondary Schools Projects | | | | | | | | - |
| Mutumuni Secondary School | | 1,100,000.00 | | | 1,100,000.00 | 1,100,000.00 | | - |
| Musaani Sec School | | | 4,000,000.00 | | 4,000,000.00 | 4,000,000.00 | | - |
| Kitheini Sec School | | | 1,000,000.00 | | 1,000,000.00 | 1,000,000.00 | | - |
| Muani Secondary School | | | 250,000.00 | | 250,000.00 | 250,000.00 | | - |
| AIC Sultan Hamud Secondary School | | | 1,000,000.00 | | 1,000,000.00 | 1,000,000.00 | | - |
| Uthini Girls Secondary School | | 4,400,000.00 | | | 4,400,000.00 | 4,400,000.00 | | - |
| Uvunye Secondary School | | 4,400,000.00 | | | 4,400,000.00 | 4,400,000.00 | | - |
| Kwothithu Secondary School | | 3,500,000.00 | | | 3,500,000.00 | 3,500,000.00 | | - |
| Mumela Secondary School | | | 1,000,000.00 | | 1,000,000.00 | 1,000,000.00 | | - |
| Muangint Secondary School | | | 1,000,000.00 | | 1,000,000.00 | 1,000,000.00 | | - |
| Kandolio Secondary School | | | 4,000,000.00 | | 4,000,000.00 | 4,000,000.00 | | - |

| | | | | | | | | | | | |
|---|----------------------|--|--|----------------------|---------------------|--|----------------------|--|----------------------|--|--------------|
| Nduluni Secondary School | | | | 2,000,000.00 | | | 2,000,000.00 | | 2,000,000.00 | | |
| ABC Kayata Girls Sec | | | | | 3,000,000.00 | | 3,000,000.00 | | 3,000,000.00 | | |
| AIC Matiani Secondary School | 4,400,000.00 | | | | | | 4,400,000.00 | | 4,400,000.00 | | |
| Total | 17,800,000.00 | | | 14,250,000.00 | 3,000,000.00 | | 35,050,000.00 | | 35,050,000.00 | | |
| 9.0 Tertiary institutions Projects | | | | | | | | | | | |
| Kilome Technical Institute | 10,000,000.00 | | | 3,000,000.00 | | | 13,000,000.00 | | 13,000,000.00 | | |
| Total | 10,000,000.00 | | | 3,000,000.00 | | | 13,000,000.00 | | 13,000,000.00 | | |
| 10.0 Security Projects | | | | | | | | | | | |
| Deputy County Commissioner's (DCC) House | 2,000,000.00 | | | | | | 2,000,000 | | 2,000,000.00 | | |
| Sultan Hamud Assistant Chief's Office | 644,010.73 | | | 1,000,000.00 | | | 1,644,011 | | 1,644,010.73 | | |
| Kilome Police Post | | | | 1,000,000.00 | | | 1,000,000 | | 1,000,000.00 | | |
| Muua Admin Police Post | | | | | 700,000.00 | | 700,000.00 | | 700,000.00 | | |
| Ngaamba Chief's Office | | | | | 1,000,000.00 | | 1,000,000 | | 1,000,000.00 | | |
| Malili Police Post | | | | | 2,000,000.00 | | 2,000,000 | | 2,000,000.00 | | |
| Total | 2,644,010.73 | | | 2,000,000.00 | 3,700,000.00 | | 8,344,010.73 | | 8,344,010.73 | | |
| 11.0 Acquisition of assets | | | | | | | | | | | |
| Total | | | | | | | | | | | |
| 12.0 Other payments | | | | | | | | | | | |
| Total | | | | | | | | | | | |
| 13.0 unallocated fund | | | | | | | | | | | |
| Unapproved projects | 4,000,000.00 | | | | | | 4,000,000.00 | | 4,000,000.00 | | 4,000,000.00 |

| | | | | | | | | | | |
|--------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------|---------------------|---------------------|----------|---------------------|
| AIA | | | | | | | | | | |
| PMC savings | | | | | | | | | | |
| Total | 4,000,000.00 | - | 4,000,000.00 | - | 4,000,000.00 | - | 4,000,000.00 | 4,000,000.00 | - | 4,000,000.00 |
| | 137,088,879 | 48,848,746 | 47,221,855 | 233,159,480 | 216,966,075 | 16,193,404 | | | | |

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

| Receipt/Expense Item | Original Budget a | Opening Balance (C/Bk) and AIA | Adjustments b | Previous years Outstanding Disbursements | Final Budget c=a+b | Actual on Comparable Basis d | Budget Utilisation Difference e=c-d | % of Utilisation f=d/c % |
|-------------------------------------|----------------------|--------------------------------|-------------------|--|-----------------------|---------------------------------|--|-----------------------------|
| PAYMENTS | | | | | | | | |
| Compensation of Employees | 2,450,000 | 4,851,953 | 874,000 | 874,000 | 8,175,953 | 2,109,810 | 6,066,143 | |
| Use of goods and services | 9,887,999 | 1,201,450 | 456,000 | 456,000 | 11,545,449 | 9,655,455 | 1,889,994 | |
| Transfers to Other Government Units | 53,450,000 | 36,640,000 | 4,500,000 | 4,500,000 | 94,590,000 | 90,840,000 | 3,750,000 | |
| Other grants and transfers | 67,300,880 | 5,971,088 | 41,391,855 | 41,391,855 | 114,848,078 | 114,360,810 | 487,267 | |
| Acquisition of Assets | - | - | - | - | - | - | - | - |
| Other payments | - | - | - | - | - | - | - | - |
| UNALLOCATED FUND | 4,000,000 | - | - | - | 4,000,000 | - | 4,000,000 | |
| TOTAL | 137,088,879 | 48,664,491 | 47,221,855 | 233,159,480 | 216,966,075 | 16,193,404 | | |

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

| Description | 2021-2022 | 2020-2021 |
|-----------------|-----------------------|--------------------|
| | Kshs | Kshs |
| NGCDF Board | | |
| AIE NO. B140943 | 33,000,000.00 | 62,984,748.90 |
| AIE NO. B105467 | 44,000,000.00 | 3,000,000.00 |
| AIE NO. B105812 | 24,000,000.00 | 8,500,000.00 |
| AIE NO. B128553 | 5,000,000.00 | 9,000,000.00 |
| AIE NO. B128865 | 15,000,000.00 | 12,000,000.00 |
| AIE NO. B154061 | 15,000,000.00 | 6,900,000.00 |
| AIE NO. B164402 | 26,088,879.00 | 7,000,000.00 |
| AIE NO. A895065 | 382,975.00 | 6,000,000.00 |
| AIE NO. A895048 | 900,000.00 | 12,000,000.00 |
| AIE NO. B155967 | 12,088,879.30 | 7,000,000.00 |
| AIE NO. B155904 | 4,000,000.00 | 11,600,000.00 |
| | | 3,000,000.00 |
| | | 12,000,000.00 |
| | | |
| TOTAL | 179,460,733.30 | 160,984,749 |

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 | - | - |
| Receipts from sale of office and general equipment | - | - |
| Receipts from the Sale Plant Machinery and Equipment | - | - |
| Others (specify) | - | - |
| Total | - | - |

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 | - | - |
| Total | - | - |

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

| | 2021-2022 | 2020-2021 |
|---|---------------------|---------------------|
| | Kshs | Kshs |
| NG-CDFC Basic staff salaries | 1,941,377.70 | 1,486,600.00 |
| Personal allowances paid as part of salary | | |
| House Allowance | - | 144,000.00 |
| Transport Allowance | - | 120,000.00 |
| Leave allowance | - | 4,000.00 |
| Gratuity to contractual employees | - | - |
| Employer Contributions Compulsory national social security schemes + NHIF | 168,432.00 | 63,447.00 |
| Total | 2,109,809.70 | 1,486,600.00 |

5. Use of Goods and Services

| | 2021-2022 | 2020-2021 |
|--|---------------------|------------------|
| | Kshs | Kshs |
| Committee Expenses | - | - |
| Utilities, supplies and services | 97,270.00 | - |
| Communication, supplies and services | 1,751,077.00 | - |
| Domestic travel and subsistence | 690,000.00 | - |
| Printing, advertising and information supplies & services | - | - |
| Rentals of produced assets | - | - |
| Training expenses | 702,257.50 | 1,334,540.00 |
| Hospitality supplies and services | 120,630.00 | - |
| Other committee expenses | 2,030,000.00 | 1,544,000.00 |
| Committee allowance/Expenses | 1,912,000.00 | 1,623,250.00 |
| Insurance costs | 228,463.00 | - |
| Specialized materials and services | - | - |
| Office and general supplies and services | 749,210.80 | 2,958,770.00 |
| Fuel , oil & lubricants | 450,000.00 | - |
| Other operating expenses | 460,000.00 | - |
| Routine maintenance – vehicles and other transport equipment | 155,196.71 | - |
| Routine maintenance – other assets | 309,350.00 | - |
| Total | 9,655,455.01 | 7,460,560 |

Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

| Description | 2021-2022 | 2020-2021 |
|--|----------------------|-------------------|
| | Kshs | Kshs |
| Transfers To Primary Schools (See Attached List) | 42,590,000.00 | 16,250,000.00 |
| Transfers To Secondary Schools (See Attached List) | 45,250,000.00 | 25,682,000.00 |
| Transfers To Tertiary Institutions (See Attached List) | 3,000,000.00 | |
| Total | 90,840,000.00 | 41,932,000 |

7. Other Grants and Other transfers

| Description | 2021-2022 | 2020-2021 |
|---|-----------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 60,843,304.00 | 48,010,191.00 |
| Bursary – tertiary institutions (see attached list) | 17,996,226.00 | 16,191,922.00 |
| Bursary – special schools (see attached list) | 1,980,794.00 | 3,003,200.00 |
| Revision Materials (see attached list) | 7,902,122.00 | - |
| Social Security programmes (NHIF) | - | |
| Security projects (see attached list) | 8,344,010.70 | 5,500,000.00 |
| Sports projects (see attached list) | 4,202,122.59 | 600,000.00 |
| Environment projects (see attached list) | 5,204,970.90 | - |
| Emergency projects (see attached list) | 7,887,260.00 | 6,798,000.00 |
| Total | 114,360,810.19 | 80,103,313 |

8. Acquisition Of Assets

| | 2021-2022 | 2020-2021 |
|---|---------------------|------------------|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of Buildings | - | - |
| Refurbishment of Buildings | - | - |
| Purchase of Vehicles and Other Transport Equipment | - | 7,761,458.00 |
| Purchase of Household Furniture and Institutional Equipment | - | - |
| Purchase of Office Furniture and General Equipment | - | - |
| Purchase of ICT Equipment, Software and Other ICT Assets | - | - |
| Purchase of Specialized Plant, Equipment and Machinery | - | - |
| Acquisition of Land-KILOME T-VET Land | 3,000,000.00 | - |
| Total | 3,000,000.00 | 7,761,458 |

Notes To the Financial Statements (Continued)

9. Other Payments

| | 2021-2022 | 2020-2021 |
|----------------|-----------|-----------|
| | Kshs | Kshs |
| Strategic plan | - | - |
| ICT Hub | - | - |
| | - | - |

10: Cash Book Bank Balance

| Name Of Bank, Account No. & Currency | 2021-2022 | 2020-2021 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| 10A: Bank Accounts (Cash Book Bank Balance) | 11,343,404.30 | 48,848,745.90 |
| Kenya Commercial Bank - Emali Branch Acc. No. 1124880895 | - | - |
| Total | 11,343,404.30 | 48,848,745.90 |
| 10 B: Cash on Hand | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Other Locations (<i>Specify</i>) | - | - |
| Total | - | - |

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> |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <i>Total</i> | - | - | - | - |

Notes to the Financial Statement Continued

12A. Retention

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

12B. Gratuity

| | 2021-2022 | 2020-2021 |
|---|-----------|-----------|
| | KShs | KShs |
| Gratuity as at 1 st July (A) | 1,726,394 | - |
| Gratuity held during the year (B) | - | - |
| Gratuity paid during the Year (C) | - | - |
| Closing Gratuity as at 30 th June D= A+B-C | 1,726,394 | - |

13. Balances Brought Forward

| | 2021-2022 (1 st July 2021) | 2020-2021 (1 st July 2020) |
|---------------|--|--|
| | Kshs | Kshs |
| Bank accounts | 48,848,745.90 | 26,939,375.00 |
| Cash in hand | | |
| Imprest | | |
| Total | 48,848,745.90 | 26,939,375.00 |

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 | 48,848,745.90 | - | 48,848,745.90 |
| Cash in hand | - | - | - |
| Accounts Payables | - | - | - |
| Receivables | - | - | - |
| Others (<i>specify</i>) | - | - | - |
| Total | 48,848,745.90 | - | 48,848,745.90 |

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

15. Changes in Accounts Receivable – Outstanding Imprests

| | 2021-2022 | 2020-2021 |
|--|-----------|-----------|
| | KShs | KShs |
| Outstanding Imprest as at 1 st July (A) | - | - |
| Imprest issued during the year (B) | - | - |
| Imprest surrendered during the Year (C) | - | - |
| closing accounts in account receivables D= A+B-C | - | - |
| | - | - |

16. Changes in Accounts Payable – Deposits and Retentions

| | 2021 – 2022 | 2020 – 2021 |
|---|-------------|-------------|
| | KShs | KShs |
| Deposit and Retentions as at 1 st 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 | - | - |
| | - | - |

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 | 1,726,394 | - |
| Others (<i>specify</i>) | - | - |
| Total | 1,726,394 | - |

17.3: Unutilized Fund (See Annex 3)

| | 2021-2022 | 2020-2021 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Compensation of employees | 6,066,143.00 | 7,351,953.00 |
| Use of goods and services | 1,889,994.00 | 5,201,449.00 |
| Amounts due to other Government entities (see attached list) | 3,750,000.00 | 48,800,000.00 |
| Amounts due to other grants and other transfers (see attached list) | 487,267.00 | 32,584,223.00 |
| Acquisition of assets | | |
| Funds pending approval | 4,000,000.00 | 2,132,975.00 |
| Total | 16,193,404.00 | 96,070,600.00 |

17.4: PMC account balances (See Annex 5)

| | 2021-2022 | 2020-2021 |
|--|----------------------|---------------------|
| | Kshs | Kshs |
| PMC account balances (see attached list) | 17,013,767.15 | 4,098,207.84 |
| Total | 17,013,767.15 | 4,098,207.84 |

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

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

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

Annex 2 - Analysis of Pending Staff Payables

| Name of Staff | Designation | Date employed | Outstanding Balance 30th June 2022 | Comments |
|---------------------------|--------------------|----------------------|--|-----------------------------|
| NG-CDFC Staff | | | | |
| 1. NICHOLAS KIOKO MUTUNGI | Clerical Officer | 1ST June, 2018 | 455,328.00 | Gratuity is due for payment |
| 2. RUTH NDUNGE NZESYA | Support Staff | 1ST June, 2018 | 199,643.10 | Gratuity is due for payment |
| 3. JUSTINA MUTHOKI MULI | Accounts Assistant | 1ST June, 2018 | 531,997.20 | Gratuity is due for payment |
| 4. HELLEN MBULA WAMBUA | Records Management | 1ST June, 2018 | 455,328.00 | Gratuity is due for payment |
| 5. LUMUMBA NDAMBUKI | Driver | 1ST June, 2021 | 84,097.42 | Gratuity is due for payment |
| Sub-Total | | | 1,726,393.72 | |
| Grand Total | | | 1,726,393.72 | |

Annex 3 – Unutilized Fund

| Name | Brief Transaction Description | Outstanding Balance 2021/2022 | Outstanding Balance 2020/2021 | Comments |
|--|---|-------------------------------|-------------------------------|----------|
| Compensation of employees | | 6,066,143.00 | 6,791,568.00 | |
| Use of goods & services | | 1,889,994.00 | 5,761,834.00 | |
| Amounts due to other Government entities | | | | |
| Kamaku Primary School | Pending conclusion of procurement process | 1,100,000.00 | | |
| Ndemiu Primary School | Pending conclusion of procurement process | 2,150,000.00 | | |
| Kalanzoni Primary School | Pending conclusion of procurement process | 500,000.00 | | |
| Sub-Total | | 3,750,000.00 | 48,800,000.00 | |
| Amounts due to other grants and other transfers | | | | |
| Emergency | Reserve for unknown occurrences | 199,654.00 | | |
| Bursary - Secondary schools | | 42,807.99 | | |
| Bursary - Tertiary | | 65,496.68 | | |
| Bursary - Special schools | | 313.00 | | |
| Revision materials | | 68,966.00 | | |
| Sports | | 10,029.00 | | |
| Environment | | 100,000.00 | | |
| Sub-Total | | 487,266.67 | 32,584,223.00 | |
| Acquisition of assets | | | | |
| Others (specify) | | | | |

| | | | | |
|------------------------|-----------|---------------|---------------|--|
| | Sub-Total | | | |
| Funds pending approval | | 4,000,000.00 | 2,132,975.00 | |
| Grand Total | | 16,193,403.67 | 96,070,600.00 | |

Annex 4 – Summary of Fixed Asset Register

| Asset Class | Historical Cost b/f (Kshs) 2020/21 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2021/22 |
|--|---|--|--|---|
| Land | - | 3,000,000 | 0 | 3,000,000 |
| Buildings and structures | 10,487,253 | 0 | 0 | 10,487,253 |
| Transport equipment | 8,848,959 | 0 | 0 | 8,848,959.00 |
| Office equipment, furniture and fittings | 1,612,610 | 0 | 0 | 1,612,610 |
| ICT Equipment, Software and Other ICT Assets | 694,140 | 0 | 0 | 694,140 |
| Other Machinery and Equipment | 1,108,500 | 0 | 0 | 1,108,500 |
| Heritage and cultural assets | 0 | 0 | 0 | 0 |
| Intangible assets | 0 | 0 | 0 | 0 |
| Total | 22,751,462.00 | 3,000,000.00 | - | 25,751,462.00 |

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

| PMC | Bank | Account number | Bank Balance 2021/22 | Bank Balance 2020/21 |
|--------------------------------|-------------|-----------------------|-----------------------------|-----------------------------|
| KAMAKU PRIMARY SCHOOL | | KCB-Emali | 1,100,320.00 | |
| NGILUNI PRIMARY SCHOOL | | KCB-Emali | 100,730.40 | |
| LANDUINI PRIMARY SCHOOL | | KCB-Emali | 1,796.95 | |
| KITHINA PRIMARY SCHOOL | | KCB-Emali | 2,369.00 | |
| ITUMBULE PRIMARY SCHOOL | | KCB-Emali | 74.00 | |
| KWAMWINGIO PRIMARY SCHOOL | | KCB-Emali | 917.45 | |
| KWAKATHENDU PRIMARY SCHOOL | | KCB-Emali | 3,696.95 | |
| KWAKASEKE PRIMARY SCHOOL | | KCB-Emali | 1,514.50 | |
| KWAKAVITA PRIMARY SCHOOL | | KCB-Emali | 26.50 | |
| KIU PRIMARY SCHOOL | | KCB-Emali | 2,814.35 | |
| NGALANA PRIMARY SCHOOL | | KCB-Emali | 3,170.00 | |
| KAVUKO PRIMARY SCHOOL | | KCB-Emali | 421,894.75 | |
| MALILI TOWNSHIP PRIMARY SCHOOL | | KCB-Emali | 1,001,529.00 | |
| MATIANI PRIMARY SCHOOL | | KCB-Emali | 975,015.00 | |
| MUMELA PRIMARY SCHOOL | | KCB-Emali | 1,624.00 | |
| KAWESE PRIMARY SCHOOL | | KCB-Emali | 590.00 | |
| LANDU PRIMARY SCHOOL | | KCB-Emali | 2,149.30 | |
| TANGU PRIMARY SCHOOL | | KCB-Emali | 13,571.18 | |
| AIC MALILI PRIMARY SCHOOL | | Co-operative Bank | 850.00 | |

| PMC | Bank | Account number | Bank Balance 2021/22 | Bank Balance 2020/21 |
|-----------------------------|------------|----------------|----------------------|----------------------|
| KITHEINI PRIMARY SCHOOL | 1133500595 | KCB-Emali | 5,091.70 | |
| NGAAMBA PRIMARY SCHOOL | 1172172633 | KCB-Emali | 243.50 | |
| ENZAI PR. SCHOOL | 1112463119 | KCB-Emali | 318.15 | |
| KWAKALELO PRIMARY SCHOOL | 1137186909 | KCB-Emali | 96.05 | |
| KYUNGUNI PRIMARY SCHOOL | 1132012295 | KCB-Emali | 1,256.00 | |
| MUUA PRIMARY SCHOOL | 1114119393 | KCB-Emali | 1,695.98 | |
| MUTWEAMBOO PRIMARY SCHOOL | 1116034832 | KCB-Emali | 12,374.93 | |
| MASIVE PRIMARY SCHOOL | 1127489070 | KCB-Emali | 1,864.50 | |
| MBIINI PRIMARY SCHOOL | 1114181293 | KCB-Emali | 255,381.80 | |
| MUKAA PRIMARY SCHOOL | 1112231595 | KCB-Emali | 751,732.50 | |
| MAIANI PRIMARY SCHOOL | 1206738146 | KCB-Emali | 500,444.50 | |
| MULUMINI PRIMARY SCHOOL | 1172370834 | KCB-Emali | 504,465.00 | |
| WATHINI PRIMARY SCHOOL | 1128943816 | KCB-Emali | 499,702.65 | |
| ENGULI PRIMARY SCHOOL | 1126414840 | KCB-Emali | 1,000,536.20 | |
| KITAINGO PRIMARY SCHOOL | 1257909517 | KCB-Emali | 1,100,100.00 | |
| UTHINI PRIMARY SCHOOL | 1203738889 | KCB-Emali | 989.50 | |
| ULU PRIMARY SCHOOL | 1207273899 | KCB-Emali | 807.50 | |
| CHIEF KIAMBA PRIMARY SCHOOL | 1124272585 | KCB-Emali | 1,000,830.30 | |
| KATHUNGU PRIMARY SCHOOL | 1178069346 | KCB-Emali | 1,193.50 | |
| MBUKUNI PRIMARY SCHOOL | 1128938863 | KCB-Emali | 1,551,875.00 | |

| PMC | Bank | Account number | Bank Balance 2021/22 | Bank Balance 2020/21 |
|-----------------------------------|-------------|----------------|----------------------|----------------------|
| MUTHITHA PRIMARY SCHOOL | 1114469823 | KCB-Emaili | 704,414.85 | |
| MUSAANI SEC SCHOOL | 1107174880 | KCB-Emaili | 139,898.75 | |
| KITHEINI SEC SCHOOL | 1130320987 | KCB-Emaili | 4,032.50 | |
| MUANI SECONDARY SCHOOL | 11182222288 | KCB-Emaili | 19,936.70 | |
| AIC SULTAN HAMUD SECONDARY SCHOOL | 1165875519 | KCB-Emaili | 303.90 | |
| MUMELA SECONDARY SCHOOL | 1114225517 | KCB-Emaili | 39,322.63 | |
| MUANGINISECONDARY SCHOOL | 1115291793 | KCB-Emaili | 34,674.60 | |
| KANDOLO SECONDARY SCHOOL | 1136358587 | KCB-Emaili | 20,018.95 | |
| KIONGWANI BOYS SECONDARY SCHOOL | 1261156889 | KCB-Emaili | 569.00 | |
| KITAINGO BOYS SECONDARY SCHOOL | 1109471092 | KCB-Emaili | 5,641.50 | |
| AIC NYAYO GIRLS SECONDARY SCHOOL | 1255364866 | KCB-Emaili | 305.40 | |
| KILOME SA SEC SCHOOL | 1150313943 | KCB-Emaili | 8,048.00 | |
| MASOKANI SECONDARY SCHOOL | 1259474631 | KCB-Emaili | 4,071.00 | |
| KIIMAKIU SECONDARY SCHOOL | 1278816364 | KCB-Emaili | 27,775.00 | |
| ACK ST. STEPHEN SEC | 1130554333 | KCB-Emaili | 1,728,961.00 | |
| MUKAA BOYS SEC | 1109472803 | KCB-Mks | 1,874.00 | |
| NDULUNI SECONDARY SCHOOL | 1280355182 | KCB-Emaili | 56,657.00 | |
| ULU SECONDARY SCHOOL | 1166456447 | KCB-Emaili | 239.55 | |
| ABC KITONGUNI SEC | 1134732538 | KCB-Emaili | 1,965.00 | |
| KASIKEU BOYS SECONDARY SCHOOL | 1129377865 | KCB-Emaili | 12,932.50 | |

| PMC | Bank | Account number | Bank Balance 2021/22 | Bank Balance 2020/21 |
|----------------------------------|---------------|-----------------------|----------------------|----------------------|
| ABC KAYATA GIRLS SEC | 600293034682 | Equity Bank-Mks | 2,196.00 | |
| MUKAA GIRLS SEC | 1139071979302 | Co-operative Bank-Mks | 4,000.00 | |
| KIU SECONDARY SCHOOL | 1109935080 | KCB-Emali | 19,554.00 | |
| MULUMINI SECONDARY SCHOOL | 1109469624 | KCB-Emali | 6,723.00 | |
| AIC MATIANI SEC SCHOOL | 1177171759 | KCB-Emali | 2,302.00 | |
| NGAAMBA CHIEF'S OFFICE | 1282303104 | KCB-Emali | 4.00 | |
| MALILI POLICE POST | 1269553372 | KCB-Emali | 1,220,954.00 | |
| MUUA ADMIN POLICE POST | 1269370707 | KCB-Emali | 1,067,354.00 | |
| KILOME POLICE POST | 1290980616 | KCB-Emali | 7,300.00 | |
| SALAMA POLICE POST | 1290980519 | KCB-Emali | 150.00 | |
| SULTAN HAMUD ASS. CHIEF'S OFFICE | 1290980497 | KCB-Emali | 46,125.73 | |
| DEPUTY COUNTY COMMISSIONER HOUSE | 1290980438 | KCB-Emali | 1,000,010.00 | |
| Total | | | 17,013,967.15 | |

Annex 6: Progress On Follow Up of Auditor Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status (Resolved / Not Resolved) | Timeframe (Put a date when you expect the issue to be resolved) |
|--|--|---|----------------------------------|---|
| 4.1 | Presentation of Financial Statements | Errors/omissions noted in the Financial Statements have been corrected to conform with the prescribed format | Resolved | 30.09.2022 |
| 13.2. | Variances in Records for Funds Transfer from the Board | The Management has communicated to the NG-CDF Board to include the missing AIE on the website. The Fund Account Manager is also following up on the matter. | Not Resolved | 30.09.2022 |
| 13.3. | Misclassification of Payments in Compensation of Employees | The Management acknowledged erroneous posting of Administrative expenditures in the wrong vote. The reported expenditure has since been transferred to the right Administration vote. | Resolved | 30.09.2022 |

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| 4.4 | Inaccuracy of Cash and Cash Equivalents | All un-presented stale bursary cheques that weren't claimed as at 30 TH June 2021, have since been reversed and replaced to other needy students following an NG-CDFC resolution. | Resolved | 30.09.2022 |
| 4.5 | Budget Control and Performance | All on-going projects at the time of Audit, have since been done to completion and already put in use | Resolved | 30.09.2022 |
| 4.6 | Un-Supported Participation Process in Public Projects Identification | The Management responded that all projects are proposed by the public during public participation forums organized and facilitated by the NG-CDF Office at Location level every Financial Year before final submission of the proposal Document to the NG-CDF Board for approval | Resolved | 30.09.2022 |

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---------------------------------------|---|-------------------------------------|---|
| 4.7 | Irregular Procurement of a School Bus | The Management has written to the school PMC – Mbiini Secondary School to give further clarity on procurement of the school Bus project. The FAM is following up on the matter with the PMC. | Resolved | 30.09.2022 |

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JOSEFRIDA KAMETTI
Fund Account Manager.



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