

REPUBLIC OF KENYA



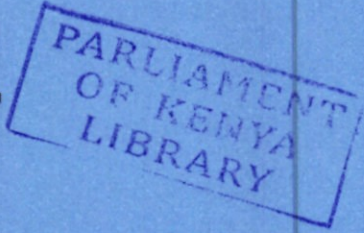
*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 09 AUG 2024

DAY:	THUR
TABLED BY:	HON. KIMANI IKANDA
TABLED AT:	L.O.M
TABLED BY:	WILLIS OBIERO



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – GALOLE,  
CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

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**GALOLE CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

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

***GALOLE Constituency***  
***National Government Constituencies Development Fund (NGCDF)***  
***Annual Report and Financial Statements for The Year Ended June 30, 2023***

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***GALOLE Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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**I. Acronyms and Abbreviations**

NGCDF-National Government Constituency Development Fund  
PFM-Public Finance Management  
IPSAS-International Public Sector Accounting Standards.  
PMC- Project Management Committee  
FY-Financial Year

## II. 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 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

### Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

### **Core Values**

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

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

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

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

The Galole 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)

### **Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Hussein Abdullahi
2.	Sub-County Accountant	Amon Thananga
3.	Chairman NGCDFC	Nathan Oddo
4.	Member NGCDFC	Barakatuh Guyo Maro

### **(c) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Galole 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.

### **(d) GALOLE Constituency NGCDF Headquarters**

P.O. Box 129-70101  
Behind Deputy County Commissioners Office,  
Hola, Kenya

### **(e) GALOLE Constituency NGCDF Contacts**

Telephone: (254) 720020647  
E-mail: [cdfgalole@ngcdf.go.ke](mailto:cdfgalole@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) GALOLE Constituency NGCDF Bankers**

Kenya Commercial Bank Ltd,  
Hola Branch  
P.O. Box 129-70101  
Hola, Kenya

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

### III. NG-CDFC Chairman's Report



It's with great pleasure to present the unaudited financial statements for Galole constituency for the financial year ended 30<sup>th</sup> June 2023.

Galole constituency is located in Tana River County in Coast region in Kenya. The constituency borders Fafi, Garsen and Ijara. The constituency has a population of about 150,000 inhabitants with the dominant ethnic groups being the Orma and Pomo communities.

Under the leadership of Hon. Said Hiribae, Galole NGCDF has supported the establishment of many primary and secondary schools, supported construction of security projects, water projects, and many students have benefited from the bursary kitty. All these projects have been evenly distributed to all wards across the constituency.

Apart from the constituency being expansive, Galole also experienced some floods caused by overflow of water from River Tana during rainy seasons causing displacement and destruction of properties in various areas like wayu, milalulu, mikinduni among other areas. These floods have been highly mitigated through provision of food stuff and renovation and construction of schools.

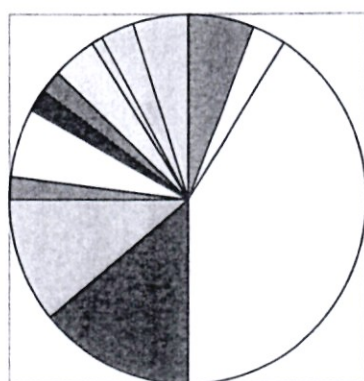
Galole National Government Constituency Development Funds as mandated by NG-CDF Act, prioritized on projects for funding during the financial year 2022/2023.

The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval.

The following is the summary breakdown of proposed projects for funding during the financial year 2022/2023.

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**Percentage of sector allocation**



- ADMIN
- OFFICE ADMINISTRATION
- MONITORING & EVALUATION
- BURSARY
- PRIMARY PROJECTS
- SECONDARY PROJECTS
- SECURITY PROJECTS
- EMERGENCY
- SPORTS
- ENVIRONMENTAL PROJECTS
- OTHERS
- COC
- NGCDF OFFICE
- TERTIARY PROJECTS

During the financial year the committee received amount of Kshs.87, 000,000 from the NG-CDF Board. The committee further managed to disburse funds and the expenditure as follows:

ITEM	AMOUNT SPENT
Compensation of employees	3,611,263
Committee Expenses	4,862,300
Use of goods and services	4,434,200
Transfers to Other Government Units	14,200,000
Other grants and transfers	52,494,700
Acquisition of Assets	3,900,000
Other payments	6,895,000
<b>TOTAL PAYMENTS</b>	<b>90,217,463</b>

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

**Achievements during the financial year**

1. NGCDF Galole managed to curb drought through distribution of food and non-food items.
2. NGCDF Galole managed to improve transition of students from both primary and secondary schools by issuing bursary to 3,500 students from Galole.

**Challenges during the financial year**

**Drought:**

Lack of food and water in most of the settlements established through ngcdf funds thus affecting the learning programs in schools within these settlements.

Quality portable water is still a challenge even to the schools use hence some of the works had not being properly done.

**Late release of funds:**

The committee experienced difficulties in project implementation due to late release of funds to the constituencies

**Staff concerns**

The line ministry officials ie works officer are few hence timely response to technical issues takes time

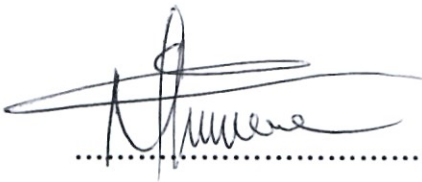
**Floods**

Floods have also affected learning in most parts of the areas through destruction of school structures.

**Recommendations**

- NG-CDFC to liase with NG-CDF board in order to find out whether the committee can establish boreholes in schools in order to provide water that will reduce the migration of communities leaving in those areas and also supply enough food stuffs.
- The board should try to release funds in time for ease of implementation.
- More technical staff to be employed so than the work may be done within the set deadlines

During 2022/2023 financial year, few projects were implemented (administration, monitoring and bursary) due to late release of funds from the board.



.....

Nathan Oddo  
**CHAIRMAN NG-CDF COMMITTEE**

**IV. Statement of Performance Against Predetermined Objectives for FY2022/23**

**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 **Galole Constituency 2023-2027** plan are to:

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

**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:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education Accessibility	To improve access to quality education through improvement to 100% transition, affordability and availability of quality education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 22/23 - we increased the number of classrooms to six for 2 secondary and 1 primary schools - 3039 students benefited from the bursary allocation
Security	To enhance security in the constituency	Reduced number of insecurity cases in the constituency	Number of usable physical infrastructures built in NG-CDF offices, ACC offices and chiefs' offices	-we constructed additional 4 doors pit laterine at majengo police camp -NG-CDF office fenced
Environment	To promote environmental sustainability	Increase in the number of trees and proper collection of garbage and	Conservation of soil by trees and usable pit latrines	We constructed additional 4 number of pit latrines and planted trees at Mau

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		disposal of sewerage waste		mau memorial secondary school
Sports	To empower the youth and harness their talent	Increase in the number of youth groups and active sporting initiatives	Increase in development projects among the youth and increase in the number of forums held. Ease of access on devolved funds	We create awareness among the 100 youth on the establishment of youth groups and allow ease of access to devolved funds
Emergency support	To cater for unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency	Prompt response in case of any occurrences	We set aside funds ksh 7,636,190 for any emergencies
Tracking of results	To improve tracking of implementation of CDF programmes	Quality work is achieved	Efficiency in work performance and within the specified period	We organise capacity building programmes for 11 NGCDFC'S and 50 PMC's -we organise regular projects monitoring field visits for every month
Institutional strengthening	To promote performance management and smooth running of CDF office	Well planned and organised work is achieved	Increase in the number of usable physical tools and equipments Employee satisfaction and availability of reports	We purchase working tools and equipments to make work easy and of quality We strategically plan for the future

## **V. Statement of Governance**

### **PROCESS OF APPOINTMENT**

Section 43 of the National Government Constituency Development Fund Committee Act 2015 amended 2022 states that, there is established a National Government Constituency Development Fund Committee for every constituency.

The seven persons shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The names of the persons selected shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the Board. The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board. Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days. The first meeting of the Constituency Committee shall be convened within sixty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency by the Board. The quorum of the Constituency Committee shall be one half of the total membership.

### **REMOVAL OF NGCDFC MEMBERS,**

A member of the Constituency Committee may be removed from office on any one or more of the following grounds— (a) lack of integrity; (b) gross misconduct; (c) embezzlement of public funds; (d) bringing the committee into disrepute through unbecoming personal public conduct; (e) promoting unethical practices; (f) causing disharmony within the committee; (g) physical or mental infirmity. A decision to remove a member shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. A vacancy arising as a result of the removal of a member under subsection shall be filled in the manner set and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

### **ROLES AND FUNCTIONS OF THE COMMITTEE**

1. Capacity builds Project Management Committees.
2. Consider all project proposals from all wards.
3. Ensure that all projects proposed and approved for funding meets the requirements of Section 24 of the Act.
4. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
5. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
6. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board;

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7. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
8. Ensure labelling of projects as per guidelines issued by the Board;
9. Recruit staff as per Section 45 of the Act.

**INDUCTION, AND TRAINING OF MEMBERS.**

In consultation with the NGCDF Board and the performance contract signed for the F/Y 2022/2023, the Board came up with a comprehensive training program which covered various topics of importance in the daily management of the funds at the constituency level.

**NO OF MEETINGS HELD & MEMBERS REMUNERATION,**

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. The members are remunerated as per the issued guidelines by the SRC and board circular. They are remunerated as follows: chairperson ksh 7,000 per sitting and members' ksh 5,000 per sitting.

**DISCLOSE POLICY ON CONFLICT OF INTEREST**

At the start of every meeting and having the agendas of the meeting circulated before, the members sign the conflict of interest disclosure. This will prevent the member to discuss the agenda or made any contribution towards it.

## **VI. Environmental and Sustainability Reporting**

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

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

On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

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.

## **3. Employee welfare**

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

Galole 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 are 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-**

Galole 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.

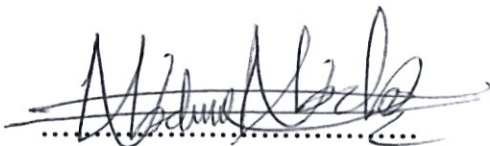
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and considers public input in making that decision.

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.

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



**Hussein Abdullahi**

**Fund Account Manager.**

## **VII. 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-Galole 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, 2023. 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-Galole 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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Galole 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 Galole 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

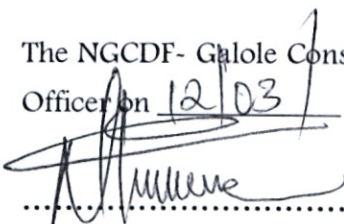
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form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

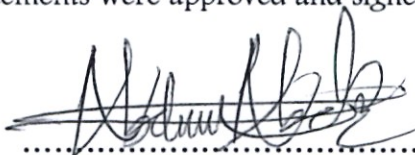
**Approval of the financial statements**

The NGCDF- Galole Constituency financial statements were approved and signed by the Accounting Officer on 12/03 2024.



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**Nathan Oddo**  
Chairman – NGCDF Committee



.....

**Hussein Abdullahi**  
Fund Account Manager

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GALOLE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Galole Constituency set out on pages 1 to 37, which comprise of the statement of assets and liabilities as at 30 June, 2023, 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 National Government Constituencies Development Fund - Galole Constituency as at 30 June, 2023, 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 (Amended 2022).

### **Basis for Qualified Opinion**

#### **Lack of Ownership Documents for Assets**

The summary of fixed asset register at Annex 4 to the financial statements reflects fixed assets with a total historical cost of Kshs.48,151,583 as at 30 June, 2023. However, Management did not maintain a fixed asset register as required. The summary of fixed assets register includes land of undisclosed value whose ownership documents were not provided for audit. In addition, there was no evidence provided to confirm that the assets were revalued.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.48,151,583 and the ownership of the land could not be confirmed. Management was also in breach of the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Galole 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.160,514,560 and Kshs.101,110,649 respectively, resulting to an under-funding of Kshs.59,403,911 or 37% of the budget. However, the Fund spent an amount of Kshs.90,217,463 against actual receipts of Kshs.101,110,649 resulting to an under-utilization of Kshs.10,893,186 or 11% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the audit of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or provided reasons on the failure to adhere to the Public Sector Accounting Standards Board templates.

## **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.

#### **1. Idle Galole Resource Centre**

The statement of receipts and payments and Note 8 to the financial statements reflects other payments totalling Kshs.6,895,000. Included in the payments is an amount of Kshs.2,900,000 spent on Galole resource Centre. However, physical inspection undertaken on 1 March, 2024 revealed that the resource center was completed but was not in use.

In the circumstances, value for money in respect of the project could not be confirmed.

#### **2. Delayed Projects Implementation**

Review of the Project Implementation Status Report provided for audit indicated that the Management planned to implement twenty-seven (27) projects at a total cost of Kshs.55,139,490 during the year under review. According to the report, ten (10) projects

had not started. Failure to implement the projects in time denied the public the benefits of the intended objectives.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 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 which would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 which 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 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**17 May, 2024**

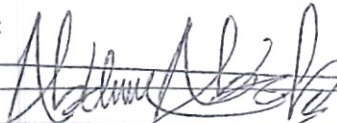
**GALOLE Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**IX. Statement of Receipts and Payments for the Year Ended 30th June 2023**

	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	87,000,000	170,088,879
Proceeds From Sale of Assets		-	-
Other Receipts		-	-
<b>Total Receipts</b>		<b>87,000,000</b>	<b>170,088,879</b>
<b>Payments</b>			
Compensation Of Employees	2	3,611,263	4,452,492
Committee expenses	3	4,862,300	4,285,140
Use Of Goods and Services	4	4,434,200	3,980,115
Transfers To Other Government Units	5	14,200,000	35,250,400
Other Grants and Transfers	6	52,494,700	111,539,282
Acquisition Of Assets	7	3,900,000	4,477,587
Other Payments	8	6,895,000	4,000,000
<b>Total Payments</b>		<b>90,217,463</b>	<b>167,985,016</b>
<b>Surplus/ (Deficit)</b>		<b>(3,217,463)</b>	<b>2,103,863</b>

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

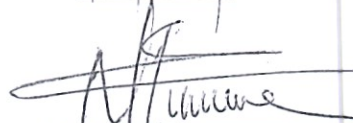
The Constituency financial statements were approved by the NGCDFC on 12/03 2024 and signed by:

  
 Fund Account Manager

Hussein Abdullahi

  
 National Sub-County Accountant

Amon thananga  
 ICPAK M/No:12499

  
 Chairman NG-CDF Committee

Nathan Oddo

**GALOLE Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**X. Statement of Assets and Liabilities as At 30th June, 2023**


	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	9A	10,893,186	14,110,649
Cash Balances (Cash at Hand)	9B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>10,893,186</b>	<b>14,110,649</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	10	-	-
<b>Total Financial Assets</b>		<b>10,893,186</b>	<b>14,110,649</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	11A	-	-
Gratuity	11B	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets</b>		<b>10,893,186</b>	<b>14,110,649</b>
<b>Represented By</b>			
Fund Balance B/Fwd	12	14,110,649	12,006,786
Prior Year Adjustments	13	-	-
Surplus/Deficit for The Year		(3,217,463)	2,103,863
<b>Net Financial Position</b>		<b>10,893,186</b>	<b>14,110,649</b>

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

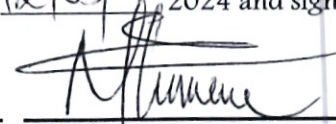
The Constituency financial statements were approved by NG CDFC on 12/03/2024 and signed by:

  
Fund Account Manager

Hussein Abdullahi

  
National Sub-County Accountant

Amon thananga  
ICPAK M/No:12499

  
Chairman NG-CDF Committee

Nathan Oddo

***GALOLE Constituency***  
***National Government Constituencies Development Fund (NGCDF)***  
***Annual Report and Financial Statements for The Year Ended June 30, 2023***

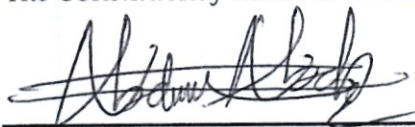
**XI. Statement Of Cash Flows for The Year Ended 30th June 2023**

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	87,000,000	170,088,879
Other Receipts		-	-
<b>Total Receipts</b>		<b>87,000,000</b>	<b>170,088,879</b>
<b>Payments</b>			
Compensation Of Employees	2	3,611,263	4,452,492
Committee Expenses	3	4,862,300	4,285,140
Use Of Goods and Services	4	4,434,200	3,980,115
Transfers To Other Government Units	5	14,200,000	35,250,400
Other Grants and Transfers	6	52,494,700	111,539,282
Other Payments	8	6,895,000	4,000,000
<b>Total Payments</b>		<b>86,317,463</b>	<b>163,507,429</b>
<b>Total Receipts Less Total Payments</b>		<b>682,537</b>	<b>6,581,450</b>
Adjusted For:			
Prior Year Adjustments	14	-	-
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>682,537</b>	<b>6,581,450</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets		-	-
Acquisition Of Assets	7	(3,900,000)	(4,477,587)
<b>Net Cash Flows from Investing Activities</b>		<b>(3,900,000)</b>	<b>(4,477,587)</b>
Net Increase In Cash And Cash Equivalent		(3,217,463)	2,103,863
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	10	<b>14,110,649</b>	<b>12,006,786</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	10	<b>10,893,186</b>	<b>14,110,649</b>

**GALOLE Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

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

The Constituency financial statements were approved by NG CDFC on 12/03 2024 and signed by:



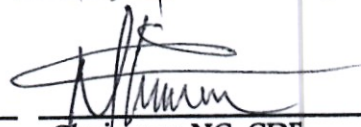
Fund Account Manager

Hussein Abdullahi



National Sub-County  
Accountant

Amon thananga  
ICPAK M/No:12499



Chairman NG-CDF  
Committee

Nathan Oddo

*GALOLE Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*

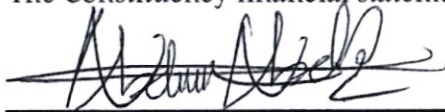
**XII. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023**

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	138,215,033	14,110,648	8,188,879	160,514,560	101,110,649	59,403,911	63.0%
Proceeds from Sale of Assets				-	-	-	0.0%
Other Receipts				-	-	-	#DIV/0!
<b>TOTAL RECEIPTS</b>	<b>138,215,033</b>	<b>14,110,648</b>	<b>8,188,879</b>	<b>160,514,560</b>	<b>101,110,649</b>	<b>59,403,911</b>	<b>63.0%</b>
<b>PAYMENTS</b>							
Compensation of Employees	3,323,162	837,990	-	4,161,152	3,611,263	549,889	86.8%
Committee expenses	4,609,650	495,192	-	5,104,842	4,222,300	882,542	
Use of goods and services	4,506,540	6,514	-	4,513,054	4,434,200	78,854	98.3%
Transfers to Other Government Units	40,810,890	8,270,189	8,188,879	57,269,958	14,200,000	43,069,958	31.7%
Other grants and transfers	73,364,791	-	-	73,364,791	52,494,700	20,870,091	66.2%
Acquisition of Assets	4,000,000	2,021,700	-	6,021,700	3,900,000	2,121,700	64.8%
Oversight Committee Expenses	1,000,000	-	-	1,000,000	460,000	540,000	46.0%
Other Payments	6,600,000	2,479,063	-	9,079,063	6,895,000	2,184,063	75.9%
<b>TOTAL</b>	<b>138,215,033</b>	<b>14,110,648</b>	<b>8,188,879</b>	<b>160,514,560</b>	<b>90,217,463</b>	<b>70,297,097</b>	<b>56.3%</b>

**GALOLE Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	70,297,097
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	(59,403,911)
	10,893,186
Increase/ (decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	<b>10,893,186</b>

The Constituency financial statements were approved by NG CDFC on 12/03/ 2024 and signed by:



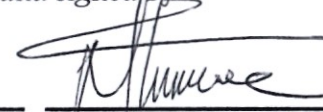
Fund Account Manager

Hussein Abdullahi



National Sub-County Accountant

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Chairman NG-CDF Committee

Nathan Oddo

*GALOLE Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*

**XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,323,162	837,990	-	4,161,152	3,611,263	549,889	87
1.2 Committee allowances	1,763,200	160,000	-	1,923,200	1,292,600	630,600	67
1.3 Use of goods and services	3,206,540	1,288	-	3,207,828	2,910,900	296,928	91
<b>Total</b>	<b>8,292,902</b>	<b>999,278</b>	<b>-</b>	<b>9,292,180</b>	<b>7,814,763</b>	<b>1,477,417</b>	<b>84</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	200,000	15,582	-	215,582	209,500	6,082	97
2.2 Committee allowances	2,646,450	319,610	-	2,966,060	2,929,700	36,360	99
2.3 Use of goods and services	1,300,000	5,226	-	1,305,226	1,313,800	(8,574)	101
<b>Total</b>	<b>4,146,450</b>	<b>340,418</b>	<b>-</b>	<b>4,486,868</b>	<b>4,453,000</b>	<b>33,868</b>	<b>99</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools	-	-	-	-	-	-	#DIV/0!
3.2 Secondary schools	-	-	-	-	-	-	#DIV/0!
3.3 Tertiary institutions	-	-	-	-	-	-	#DIV/0!
3.4 Security projects	-	-	-	-	-	-	#DIV/0!
3.5 Unutilised	7,636,190	1,087,814	-	8,724,004	3,985,000	4,739,004	46

***GALOLE Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023***

<b>Total</b>	<b>7,636,190</b>	<b>1,087,814</b>	<b>-</b>	<b>8,724,004</b>	<b>3,985,000</b>	<b>4,739,004</b>	<b>46</b>
<b>4.0 Bursary and Social Security</b>							
4.1 Secondary Schools	44,375,262	(2,669,679)	-	41,705,583	43,093,700	(1,388,117)	103
4.2 Tertiary Institutions	13,624,738	111,832	-	13,736,570	2,816,000	10,920,570	21
4.3 Social Security	-	-	-	-	-	-	#DIV/0!
4.4 Special Needs	-	-	-	-	-	-	#DIV/0!
<b>Total</b>	<b>58,000,000</b>	<b>(2,557,847)</b>	<b>-</b>	<b>55,442,153</b>	<b>45,909,700</b>	<b>9,532,453</b>	<b>83</b>
<b>5.0 Sports</b>							
5.1 regional tournament	411,846	53,812	-	465,658	-	465,658	-
5.2 constituency tournament	2,352,455	-	-	2,352,455	2,300,000	52,455	98
<b>Total</b>	<b>2,764,301</b>	<b>53,812</b>	<b>-</b>	<b>2,818,113</b>	<b>2,300,000</b>	<b>518,113</b>	<b>82</b>
<b>6.0 Environment</b>							
6.1 maumau secondary school	1,714,300	-	-	1,714,300	-	1,714,300	-
6.2 daba primary school	1,050,000	-	-	1,050,000	-	1,050,000	-
6.3 ngcdf office	-	41,778	-	41,778	-	41,778	-
6.4 galole model sec sch	-	87,778	-	87,778	-	87,778	-
6.5 kone primary school	-	46,665	-	46,665	-	46,665	-
6.6 fanjua primary school	-	60,000	-	60,000	-	60,000	-
6.7 kalalani primary school	-	60,000	-	60,000	-	60,000	-
6.8 kone primary school	-	20,000	-	20,000	-	20,000	-
<b>Total</b>	<b>2,764,301</b>	<b>316,221</b>	<b>-</b>	<b>3,080,522</b>	<b>-</b>	<b>3,080,522</b>	<b>-</b>
<b>7.0 Primary Schools Projects</b>							
7.1 daba primary school	2,500,000	-	-	2,500,000	1,500,000	1,000,000	60

***GALOLE Constituency  
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7.2 duwayo primary school	2,500,000	-	-	-	2,500,000	-	-	2,500,000	-
7.3 kailacha primary school	4,000,000	-	-	-	4,000,000	2,600,000.00	-	1,400,000	65
7.4 moroni primary school	1,100,000	-	-	-	1,100,000	-	-	1,100,000	-
7.5 gafuru primary school	2,000,000	-	-	-	2,000,000	-	-	2,000,000	-
7.6 baksano primary school	1,410,890	-	-	-	1,410,890	-	-	1,410,890	-
7.7 bahati primary school	-	-	2,400,000	-	2,400,000	-	-	2,400,000	-
7.8 rhoka primary school	-	-	1,000,000	-	1,000,000	-	-	1,000,000	-
7.9 hara primary school	-	-	1,000,000	-	1,000,000	-	-	1,000,000	-
7.10 duwayo primary school	-	700,000	-	-	700,000	700,000.00	-	-	100
7.11 lisa school for the deaf	-	1,300,000	88,879	-	1,388,879	1,300,000.00	-	88,879	94
7.12 kone primary school	-	100,000	-	-	100,000	100,000.00	-	-	100
7.13 bohoni primary school	-	-	2,500,000	-	2,500,000	-	-	2,500,000	-
7.14 hola primary school	-	36,000	-	-	36,000	-	-	36,000	-
7.15 bohoni primary school	-	100,000	-	-	100,000	-	-	100,000	-
7.16 hola primary school	-	29,600	-	-	29,600	-	-	29,600	-
7.17 makerere primary school	-	69,182	-	-	69,182	-	-	69,182	-
7.18 jaini primary school	-	50,000	-	-	50,000	-	-	50,000	-
7.19 rhoka primary school	-	10,000	-	-	10,000	-	-	10,000	-
7.20 bondeni primary school	-	40,000	-	-	40,000	-	-	40,000	-
7.21 fanjua primary school	700,000	-	-	-	700,000	-	-	700,000	-
7.22 bahati primary school	-	-	-	-	-	-	-	2,000,000	-

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school	2,000,000			2,000,000			
7.23 vukoni primary school	3,000,000	-	-	3,000,000	-	3,000,000	-
<b>Total</b>	<b>19,210,890</b>	<b>2,434,782</b>	<b>6,988,879</b>	<b>28,634,551</b>	<b>6,200,000</b>	<b>22,434,551</b>	<b>22</b>
<b>8.0 Secondary Schools Projects</b>							
8.0 lulu secondary school	3,000,000	-	-	3,000,000	1,700,000	1,300,000	57
8.1 majengo secondary school	2,000,000	-	-	2,000,000	500,000	1,500,000	25
8.2lulu secondary school	1,100,000	-	-	1,100,000	500,000	600,000	45
8.3 masabubu secondary school	1,100,000	-	-	1,100,000	700,000	400,000	64
8.4 fanjua secondary school	3,000,000	-	-	3,000,000	1,500,000	1,500,000	50
8.5masabubu sec sch	3,000,000	-	-	3,000,000	-	3,000,000	-
8.6 chanani secondary school	1,100,000	-	-	1,100,000	-	1,100,000	-
8.7 lulu secondary school	-	300,000	-	300,000	-	300,000	-
8.8 ndura secondary school	-	3,950,000	-	3,950,000	-	3,950,000	-
8.9 galole secondary school	-	610,363	1,200,000	1,810,363	-	1,810,363	-
8.10 rafiki secondary school	-	75,044	-	75,044	-	75,044	-
8.11 fanjua secondary school	550,000	-	-	550,000	200,000	350,000	36
<b>Total</b>	<b>14,850,000</b>	<b>4,935,407</b>	<b>1,200,000</b>	<b>20,985,407</b>	<b>5,100,000</b>	<b>15,835,407</b>	<b>24</b>
<b>9.0 Tertiary institutions Projects</b>							
9.1 hola vocational training institute	2,750,000	-	-	2,750,000	-	2,750,000	-
9.2 tana river technical	4,000,000	900,000	-	4,900,000	2,900,000	2,000,000	59
<b>Total</b>	<b>6,750,000</b>	<b>900,000</b>	<b>-</b>	<b>7,650,000</b>	<b>2,900,000</b>	<b>4,750,000</b>	<b>38</b>
<b>10.0 Security Projects</b>							

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10.1 wenje police station	1,100,000	-	-	-	1,100,000	-	1,100,000	-	1,100,000	-
10.2 majengo police camp	1,100,000	-	-	-	1,100,000	300,000.00	800,000	27	800,000	-
10.3 hola police camp	-	700,000	-	-	700,000	-	700,000	-	700,000	-
10.4 county commissioner office	-	400,000	-	-	400,000	-	400,000	-	400,000	-
<b>Total</b>	<b>2,200,000</b>	<b>1,100,000</b>	<b>-</b>	<b>-</b>	<b>3,300,000</b>	<b>300,000</b>	<b>3,000,000</b>	<b>9</b>	<b>3,000,000</b>	<b>-</b>
<b>11.0 Acquisition of assets</b>										
11.1 Motor Vehicles	-	-	-	-	-	-	-	-	-	#DIV/0!
11.2 Construction of CDF office	4,000,000	2,021,700	-	-	6,021,700	3,900,000	2,121,700	65	2,121,700	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-	-	-	-	#DIV/0!
11.4 Purchase of computers	-	-	-	-	-	-	-	-	-	#DIV/0!
<b>Total</b>	<b>4,000,000</b>	<b>2,021,700</b>	<b>-</b>	<b>-</b>	<b>6,021,700</b>	<b>3,900,000</b>	<b>2,121,700</b>	<b>65</b>	<b>2,121,700</b>	<b>-</b>
<b>12.0 Oversight Committee Expenses (itemize)</b>										
12.1 COC Allowances	1,000,000	-	-	-	1,000,000	460,000	540,000	46	540,000	-
<b>Total</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>460,000</b>	<b>540,000</b>	<b>46</b>	<b>540,000</b>	<b>-</b>
<b>13.0 Other payments</b>										
13.1 Strategic Plan	4,000,000	1,800,000	-	-	5,800,000	3,995,000	1,805,000	69	1,805,000	-
13.2 Innovation Hub	-	-	-	-	-	-	-	-	-	#DIV/0!
13.3 galole resource centre	2,600,000	335,353	-	-	2,935,353	2,900,000	35,353	99	35,353	-
13.4 hola magistrate court	-	275,118	-	-	275,118	-	275,118	-	275,118	-
13.5 galole zubaki chiefs office hub	-	14,592	-	-	14,592	-	14,592	-	14,592	-
13.6 tana river subcounty education office	-	54,000	-	-	54,000	-	54,000	-	54,000	-

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<b>Total</b>	6,600,000	2,479,063	-	9,079,063	6,895,000	2,184,063	76
<b>14.0 unallocated fund</b>							
Unapproved projects	-	-	-	-	-	-	#DIV/0!
AIA	-	-	-	-	-	-	#DIV/0!
PMC savings	-	-	-	-	-	-	#DIV/0!
<b>Total</b>			-	-	-	-	#DIV/0!
	<b>138,215,033</b>	<b>14,110,648</b>	<b>8,188,879</b>	<b>160,514,560</b>	<b>90,217,462</b>	<b>70,297,098</b>	<b>56</b>

(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

#### **XIV. 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-Galole 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 Equivalent.**

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 8<sup>th</sup> June 2023 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2023 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.

***Significant Accounting Policies Continued***

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

**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.

***GALOLE Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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**XV. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
<b>NGCDF Board</b>	<b>Kshs</b>	<b>Kshs</b>
AIE NO B103671		33,000,000
AIE NO B128508		34,000,000
AIE NO B105974		10,000,000
AIE NO B105601		22,000,000
AIE NO B105386		6,000,000
AIE NO B136753		12,000,000
AIE NO B125321		12,000,000
AIE NO B136890		18,000,000
AIE NO B105467		23,088,879
AIE NO B185052	7,000,000	
AIE NO B185593	15,000,000	
AIE NO B185330	6,000,000	
AIE NO B185880	5,000,000	
AIE NO B206337	12,000,000	
AIE NO B205723	12,000,000	
AIE NO B205982	15,000,000	
AIE NO B207799	15,000,000	
<b>TOTAL</b>	<b>87,000,000</b>	<b>170,088,879</b>

**GALOLE Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
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*Notes to the Financial Statements (Continued)*

**2. Compensation of Employees**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,611,263	3,194,000
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	1,082,572
Employer Contributions Compulsory national social security schemes	-	175,920
<b>Total</b>	<b>3,611,263</b>	<b>4,452,492</b>

**3. Committee Expenses**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	2,929,700	3,385,740
Other committee expenses	1,752,600	899,400
<b>Total</b>	<b>4,682,300</b>	<b>4,285,140</b>

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**4. Use of Goods and services**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	89,100	81,600
Communication, supplies and services	75,000	298,800
Domestic travel and subsistence	1,319,100	1,269,100
Printing, advertising and information supplies & services	380,000	-
Rent	660,000	587,241
Training expenses	209,500	-
Hospitality supplies and services	299,600	466,300
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	387,700	444,400
Fuel , oil & lubricants	850,000	680,000
Other operating expenses	126,200	130,500
Bank Charges	38,000	22,174
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
<b>Total</b>	<b>4,434,200</b>	<b>3,980,115</b>

**GALOLE Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**Notes To The Financial Statements (Continued)**

**5. Transfer To Other Government Units**

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	6,200,000	25,545,400
Transfers To Secondary Schools (See Attached List)	5,100,000	6,005,000
Transfers To Tertiary Institutions (See Attached List)	2,900,000	3,700,000
<b>Total</b>	<b>14,200,000</b>	<b>35,250,400</b>

**6. Other Grants and Other transfers**

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	43,093,700	89,623,500
Bursary – tertiary institutions (see attached list)	2,816,000	6,382,726
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	300,000	1,200,000
Sports projects (see attached list)	2,300,000	2,481,400
Environment projects (see attached list)	-	2,653,448
Emergency projects (see attached list)	3,985,000	9,198,208
Roads projects (see attached list)	-	-
<b>Total</b>	<b>52,494,700</b>	<b>111,539,282</b>

**GALOLE Constituency**  
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**Notes To the Financial Statements (Continued)**

**7. Acquisition Of Assets**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	3,900,000	4,477,587
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
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	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	<b>3,900,000</b>	<b>4,477,587</b>

**8. Other Payments**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	3,995,000	-
ICT Hub	-	4,000,000
Galole resource centre	2,900,000	-
<b>TOTAL</b>	<b>6,895,000</b>	<b>4,000,000</b>

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**9. Cash Book Bank Balance**

<b>Name Of Bank, Account No. &amp; Currency</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>GALOLE NG-CDF, Account No. 1108807879, KCB Hola</i>	10,893,186	14,110,649
<i>Name of Bank, account No. (Deposits account)</i>		
<b>Total</b>	<b>10,893,186</b>	<b>14,110,649</b>
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**GALOLE Constituency**  
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**Notes to the Financial Statement Continued**  
**10. Retention and Gratuity**

<b>14 A. Retention</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-	1,367,766
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	1,367,766
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

<b>14 B. Gratuity</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	1,082,572
Gratuity paid during the Year (C)	-	1,082,572
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

**11. Fund Balance B/F**

	<b>(1<sup>st</sup> July 2022-1)</b>	<b>(1<sup>st</sup> July 2021-2)</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	14,110,649	12,006,786
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>14,110,649</b>	<b>12,006,786</b>
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
<b>Fund Balance Brought Forward</b>	<b>14,110,649</b>	<b>12,006,786</b>

**12. Changes In Accounts Payable – Deposits and Retentions**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>KShs</b>	<b>KShs</b>
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	1,367,766
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-

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closing account payables $D = A + B - C$	-	<b>1,367,766</b>
Net changes in accounts payables $D - A$	-	-

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***Notes To the Financial Statements (Continued)***

**13. Other Important Disclosures**

**13.1: Unutilized Fund (See Annex 3)**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	549,889	837,990
Committee expense	540,000	-
Use of goods and services	961,396	501,706
Amounts due to other Government entities (see attached list)	43,069,958	16,063,826
Amounts due to other grants and other transfers (see attached list)	20,870,091	1,748,530
Acquisition of assets	2,121,700	522,413
Other Payments (specify)	2,184,063	2,625,063
Funds pending approval	-	-
<b>Total</b>	<b>70,297,097</b>	<b>22,299,528</b>

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**13.2: PMC account balances (See Annex 5)**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	1,078,551	19,041
<b>Total</b>	<b>1,078,551</b>	<b>19,041</b>

**XVI. Annexes**

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**Annex 3 – Unutilized Fund**

Name	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Outstanding Balance 2018/2019	Comment
		Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees	549,889	837,990	-	Pending Disbursement
<b>Subtotals</b>	<b>549,889</b>	<b>837,990</b>		
2.3 Use of goods and services	961,396	501,706	-	Pending Disbursement
<b>Subtotals</b>	<b>961,396</b>	<b>501,706</b>		
<b>7.0 Primary Schools Projects</b>				
7.1 Hola Primary School	-	136,000	-	Pending Disbursement
7.2 Nyangwani Primary School	-	800,000	-	Pending Disbursement
7.3bohoni Primary School	2,500,000	2,600,000	-	Pending Disbursement
7.4hola Primary School	36,000	-	-	Pending Disbursement
7.5 Hola Primary School	29,600	29,600	-	Pending Disbursement
7.6 Makere Primary School	69,182	269,182	-	Pending Disbursement
7.8 Bondeni Primary School	40,000	40,000	-	Pending Disbursement
7.10 duwayo Primary School	2,500,000	-	-	Pending Disbursement
7.11 Rhoka Primary School	10,000	1,010,000	-	Pending Disbursement
7.12 kalkacha Primary School	1,400,000	-	-	Pending Disbursement
7.13 moroni Primary School	1,100,000	-	-	Pending Disbursement
7.14 Hara Primary School	1,000,000	1,000,000	-	Pending Disbursement
7.15 Koticha Primary School	-	200,000	-	Pending Disbursement

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7.2 Gafuru Primary School	2,000,000	-	-	Pending Disbursement
7.21 Bahati Primary School	2,400,000	-	-	Pending Disbursement
7.22 Laini Primary School	0	50,000	-	Pending Disbursement
7.23 Kone Primary School	0	100,000	-	Pending Disbursement
7.24 Baksano Primary School	1,410,890	-	-	Pending Disbursement
7.25 rhoka Primary School	1,000,000	-	-	Pending Disbursement
7.26 Kilindini Primary School	0	200,000	-	Pending Disbursement
7.27 daba Primary School	0	-	-	Pending Disbursement
7.28 Kirakungu Primary School	0	1,250,000	-	Pending Disbursement
7.29 duwayo Primary School	0	-	-	Pending Disbursement
7.3 bohoni Primary School	100000	-	-	Pending Disbursement
7.31 Vukoni Primary School	3,000,000	-	-	Pending Disbursement
7.32 jaini Primary School	50,000	-	-	Pending Disbursement
7.33 fanjua Primary School	700,000	-	-	Pending Disbursement
7.34 Duwayo Primary School	0	1,850,000	-	Pending Disbursement
7.35 Lisa School For The Deaf	88,879	2,200,000	-	Pending Disbursement
7.36 Bahati Primary School	2,000,000	2,400,000	-	Pending Disbursement
7.37 Daba Primary School	1,000,000	2,000,000	-	Pending Disbursement
<b>8.0 Secondary Schools Projects</b>				
8.1 Galole Model Secondary School	-	100,000	-	Pending Disbursement
8.2 lulu Secondary School	1,300,000	-	-	Pending Disbursement
8.3 Tana River Sub-County Education Office	-	54,000	-	Pending Disbursement
8.4 chanani secondary school	1,100,000	-	-	Pending Disbursement
8.5 Lulu Secondary School	600,000	1,600,000	-	Pending Disbursement

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8.6 masabubu Sec Sch	3,000,000	-		Pending Disbursement
8.7 Rafiki Sec Sch	75,044	75,044	-	Pending Disbursement
8.8 Ndura Sec Sch	3,950,000	5,000,000	-	Pending Disbursement
8.9 masabubu Secondary School	400,000	-	-	Pending Disbursement
8.10 fanjua Secondary School	1,500,000	-	-	Pending Disbursement
8.11 Majengo Secondary School	1,500,000	-	-	Pending Disbursement
8.12 lulu secondary school	300,000	-	-	Pending Disbursement
8.13 galole secondary school	1,810,363	-	-	Pending Disbursement
8.14 fanjua secondary school	350,000	-	-	Pending Disbursement
<b>9.0 Tertiary Institutions Projects</b>				
9.1 hola vocational training institute	2,750,000	-	-	Pending Disbursement
9.2 tana river technical training institute	2,000,000			
<b>Sub-Total</b>	<b>43,069,958</b>	<b>22,963,826</b>		Pending Disbursement
<b>3.0 Emergency</b>				
3.1Emergency	2,739,004	1,087,814	-	Pending Disbursement
<b>4.0 Bursary and Social Security</b>				
4.2 Secondary Schools	(1,388,117)	-10,709,316	-	Pending Disbursement
4.3 Tertiary Institutions & Universities	10,920,570	200,000	-	Pending Disbursement
4.5 Social Security	-	-	-	Pending Disbursement
<b>5.0 Sports</b>				
5.1Sports	518,113	53,812	-	Pending Disbursement
<b>6.0 Environment</b>				
6.1 Galole Model Secondary School	87,778	87,778		Pending Disbursement

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6.2 Kone Primary School	46,665	46,665		Pending Disbursement
6.3 Fanjua Primary School	60,000	60,000	-	Pending Disbursement
6.4 Kalalani Primary School	60,000	60,000	-	Pending Disbursement
6.5 Kone Primary School	20,000	20,000	-	Pending Disbursement
6.6 Daba Primary School	1,050,000	-		Pending Disbursement
6.7 maumau secondary school	1,714,300	-		Pending Disbursement
6.8 Galole NG-CDF Office	41,778	2,741,778		Pending Disbursement
<b>10.0 Security Projects</b>				
10.1 Tana River County Commissioner's Residence	-	-	-	Pending Disbursement
10.2 County Commissioner's office	400,000	-	-	Pending Disbursement "
10.4 majengo police camp	800,000	-	-	Pending Disbursement
10.5 Hola police Camp	700,000	-	-	Pending Disbursement
10.6 Wenje Police Camp	1,100,000	1,200,000	-	Pending Disbursement
10.7 Hola Prison Camp	-	-	-	Pending Disbursement
<b>Subtotals</b>	<b>24,820,091</b>	<b>-5,151,469</b>		
<b>11.0 Acquisition Of Assets</b>				
11.1 Construction Of Cdf Office	2,121,700	522,413	-	Pending Disbursement
<b>Subtotals</b>	<b>2,121,700</b>	<b>522,413</b>		
<b>12.0 Others</b>				
12.1 Hola Magistrate Court	275,118	2,275,118		Pending Disbursement
12.2 Galole Zubaki Chief's Office Hub	14,592	14,592		Pending Disbursement
12.3 strategic plan	1,805,000	335,353	-	Pending Disbursement
12.4 Galole resource centre	35,353			
12.5 tana river sub-county	54,000			

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Subtotals	2,184,063	2,625,063	
13.0 COC	-		
13.1 Coc allowances	540,000		Pending Disbursement
Subtotals	540,000		
Total	70,297,097	22,299,529	

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**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Land	-	-	-	-
Buildings and structures	19,911,583	3,900,000	-	23,811,583
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,940,000	-	-	1,940,000
ICT Equipment, Software and Other ICT Assets	6,400,000	-	-	6,400,000
Other Machinery and Equipment	16,000,000	-	-	16,000,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>44,251,583</b>	<b>3,900,000</b>	-	<b>48,151,583</b>

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

PMC	Bank	Account number	Bank Balance 2022/23	Bank Balance 2021/22
Kiarukungu Primary School Pmc	KCB	1274006066	-	1,965
Bondeni Primary School Pmc	KCB	1169748368	-	1,974
Daku Secondary School Pmc	KCB	1132488362	-	15,102
kalkacha primary school pmc	KCB HOLA	1168396239	19,011	-
kone primary school pmc	KCB HOLA	1292580313	640	-
duwayo primary school pmc	KCB HOLA	1313310174	880	-
milalulu secondary school pmc	KCB HOLA	1316877485	1,050,000	-
daba primary school pmc	KCB HOLA	1167211537	1,174	-
masabubu secondary school cdf project account	KCB HOLA	1302581538	670	-
ndura secondary school pmc	KCB HOLA	1132034116	600	-
lisa hola school for the deaf pmc	KCB HOLA	1289491860	3,657	-
majengo police post ngcdf project	KCB HOLA	1311624996	1,140	-
tanariver technical and vocational college pmc	KCB HOLA	1299648584	780	-
<b>TOTAL</b>			<b>1,078,551</b>	<b>19,041</b>

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**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)
GALOLE/CDF/AUD/VOL.II/(4)	Unsupported Expenditure on Committee Allowances	We have provided the necessary documents to support the expenditures.	Resolved	30/6/2023
GALOLE/CDF/AUD/VOL.II/(4)	Unaccounted for Bursary Funds	We have provided the acknowledgements documents to support the payment of those bursaries.	Resolved	30/6/2023
GALOLE/CDF/AUD/VOL.II/(4)	Emergency Reserves	We submitted the necessary documents to support the emergency reserves	Resolved	30/6/2023
GALOLE/CDF/AUD/VOL.II/(4)	Unsupported Expenditure on Sports	We have provided the necessary documents to support the expenditures	Resolved	30/6/2023
GALOLE/CDF/AUD/VOL.II/(4)	Unsupported Expenditure on Security Projects	We have provided the necessary documents to support the expenditures	Resolved	30/6/2023
GALOLE/CDF/AUD/VOL.II/(4)	Construction of social Hall at Holla Primary School	We have provided the supporting documents	Resolved	30/6/2023



Hussein Abdullahi  
Fund Account Manager.