

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

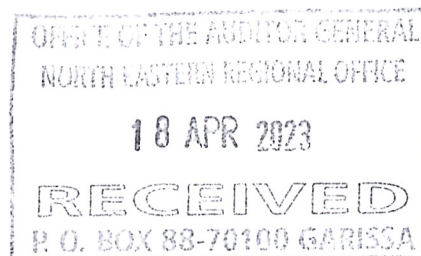
ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - LAMU WEST
CONSTITUENCY**

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

PARLIAMENT
OF KENYA
LIBRARY

FILED
DATE: 29 JUL 2022
Hon. Naomi Waya mp
Deputy Majority Party Whip
A. St. Louis
Thursday



LAMU WEST 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;
- 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 Lamu West 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	Javan Mwandawiro
2.	Sub-County Accountant	Gregory Mwaniki
3.	Chairman NGCDFC	Geoffrey Kupata
4.	Member NGCDFC	Julia Njuguna

(d) Fiduciary Oversight Arrangements

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

P.O. Box 277- 80500
NG- CDF Building
Adjacent to County Assembly Offices, Off Lamu- Garsen Road
Mokowe, Lamu

(f) Lamu West Constituency NGCDF Contacts

Telephone: (254) 0112- 237514
E-mail: cdflamuwest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Lamu West Constituency NGCDF Bankers

Equity Bank Kenya Limited

Account Number: 1270263908321

Mpeketoni Branch

P.O Box

Mpeketoni, Lamu County

(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



It gives me great pleasure to thank the people of Lamu West Constituency for giving me the opportunity to serve them in this transformative, people driven and Nation building position. It is great with great joy that I present to you the unaudited accounts and collaborative annual report for the year ended 30th June, 2022.

NG- CDF Lamu West Constituency developed a Strategic Plan 2017- 2022. This strategic plan is a formalized road map that describes how NGCDF Lamu West Constituency will execute its mandate for the period 2017-2022. The road map indicates where the Constituency is, where it is going, and how it will get there. The plan has been developed to guide Lamu West NG-CDF's operations in line with NG-CDF Act 2015 and the subsequent amendments in 2016 where it derives its mandate. Other legal, policy instruments considered during the development of the strategic plan includes: Lamu County Integrated Development Plan, NG-CDF Board Strategic Plan, Kenya Vision 2030, Sustainable Development Goals (SDGs), The President's Big Four Agenda, Medium Term Plan (MTP) III, and the Constitution of Kenya 2010 (COK). The plan captures the aspirations of the Lamu West Constituents and presents the same in actionable form. It provides a baseline and status report of the thematic areas covered by NG-CDF as mandated by the NG-CDF Act 2015 and subsequent amendments in 2016. The plan establishes the gaps and the needs of the constituents to be addressed.

The traditional role and mandate were reviewed and re-enacted in the NG-CDF Act 2015 and subsequent amendment in 2016. According to the NG-CDF Act 2015, the NG-CDF funds are to be used in projects falling within the function of the National Government under the constitution; Education, Security, Environment, Youth empowerment and Information Communication and Technology (ICT). The projects should be community based to ensure the benefits are available to a widespread cross-section of the constituents. The spirit and tenets of devolution is also enshrined in NG-CDF and People participation in project identification and implementation is mandatory. The projects are implemented by the people through the project Management Committees (FMCs).

As we continued to discharge our mandate as expected from you, we have been in people's spotlight for the entire period under review. All we can say we continue ensuring service delivery beyond expectations by being transparent, open to criticism, involving the people in our project implementation, drawing lessons learnt and above all, put to good and accountable use of all the resources entrusted onto us.

Summary of Key Achievements

1. Receiving of 100% of funds receipt of funds and 97% utilization;
2. Completed all high impact and best practise project as per the performance contract;
3. Renovated 32 Classrooms and constructed 48 new classrooms across the Constituency;
4. Security Projects: Completed the construction of all 6 approved security projects;
5. Completed the renovation of KMTC - Lamu Campus Library;
6. Commenced the implementation of Constituency Innovation Hub (CIH);
7. Supported over 7,900 needy students through bursary project.

NG- CDFC LAMU WEST CONSTITUENCY SWOT ANALYSIS

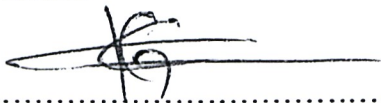
Strengths	Weaknesses
<ul style="list-style-type: none"> • Committed leadership • PMC already in place and trained • Team work among committee members • Guaranteed source of funds • Receptive community • Existence of major roads linking to major • Diversity of membership • Willingness to learn 	<ul style="list-style-type: none"> • Poor communications strategy • Inadequate ICT infrastructure • Inadequate capacity in planning, monitoring and evaluation • Low rates of education attainment • Lack of diverse economic opportunities • Inadequate funding • Poor road conditions
Opportunities	Threats
<ul style="list-style-type: none"> • Secure environment • Existence of legal frameworks guiding national and devolved funds • Availability of Human Resource • Natural resources for instance, land, construction materials, • Existence of NGOs for instance, World Vision • Support from National Government and other stakeholders • Good road network • Arable land • Availability Electric power 	<ul style="list-style-type: none"> • Ignorance/inadequate information on NG-CDF operations • Unhealthy politicization of NG-CDF activities • Poverty; leading to high rate of land selling • Environmental degradation • High school dropout rate still significantly high • High rate in drug and substance abuse – Khat • Prolonged drought • HIV/AIDS prevalence is relatively high

Risk Management Integration & Mitigation Strategies in the Constituency Operation

1. How risk management has been integrated in the constituency/department operations.
2. How risk mitigation strategies have been implemented

OBJECTIVES OF RISK MANAGEMENT

1. To develop and maintain a strong system of Corporate Governance and Internal Controls as the basis for a robust and secure operating environment
2. To minimize direct and indirect losses suffered by the Fund
3. To assist in ensuring that all applicable external laws and regulations are complied with
4. To assist in ensuring all internal policies, procedures, standards and control are complied with
5. To provide a greater level of transparency into the operations of the fund
6. To enable the Fund follow best practice in Risk Management
7. To establish the current level of risk within the constituency/department
8. To enable the Constituency spot any forthcoming risks and take the necessary action.



.....
 Name: Geoffrey Kupata
 CHAIRMAN, NGCDF COMMITTEE



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

Introduction

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

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

- To improve access to education and training;
- To improve the working and living conditions of security personnel in the Constituency;
- To enhance environmental conservation;
- To build and enhance youth skills through sports;
- To improve to ICT infrastructure;
- To improve capacity in project planning monitoring and evaluation;
- The implementation of the strategic plan will achieve the following strategic results;
- Increased number of students accessing education;
- Increased number of schools with adequate facilities and equipment;
- Improved performance in national examinations;
- Increased number of schools with adequate sanitation facilities;
- Increased number of housing units and offices for security personnel;
- Increased number of youths involved in gainful activities;
- Improved facilities for youth program interventions;
- Improved access to ICT services;
- Improved NG-CDFC and PMC members' capacity to effectively plan, implement and monitor performance.

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	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of	- In FY 2021/22 -we increased number of classrooms, dormitories, laboratories etc from 48 to 60 in the following schools/institutions

			bursary's beneficiaries at all levels	<ul style="list-style-type: none"> - Bursary beneficiaries at all levels were as per the attached schedules - Increase of High Impact projects in the region like Mpeketoni Girls Secondary School
Security	To improve the working and living conditions of security personnel in the Constituency	Increase the numbers and improve the conditions of police stations within the constituency to mitigate insecurity more so terror attacks	<ul style="list-style-type: none"> - Increased number of housing units and offices for security personnel 	<ul style="list-style-type: none"> - Enhanced security by constructing more police station as gazetted by the Government and reinforcing them with better facilities for better service delivery.
Environment	To enhance environmental conservation and improvement in waste management	Implement sanitary improvement projects at schools through construction of toilets.	<ul style="list-style-type: none"> - Increased number of schools with adequate sanitation facilities 	<ul style="list-style-type: none"> - Construction of more ablution blocks in schools and improve on water harvesting for better sanitation, hygiene and availability of water.
Sports	To build and enhance youth skills through sports	Increased number of youths involved in sporting activities by rehabilitating sports facilities at schools	<ul style="list-style-type: none"> - Increased sports activities in the constituency through equipping schools with sports kits, rehabilitation of sports field, and planning for constituency 	<ul style="list-style-type: none"> - Putting up more sports facilities at Uziwa Secondary School and Lake Kenyatta Primary School. - Purchasing of football kits for learners at various schools

			tournament	
Emergency	To identify uncertain occurrences in the constituency and their mitigating actions	Facilitate reduction of risks in learning institutions by making funds available to counter any emergency occurrence	- Putting up emergency fund at all times and having quick response mechanism for countering any unexpected eventuality.	- Working with other units and departments dealing with emergency response in the constituency to ensure quick identification and response

IV. Environmental and Sustainability Reporting

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

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

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

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

2. Environmental performance

The 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.

The use of drugs for purposes other than therapeutic ones by youths in the Constituency is a worrying issue. In the Last 5 years, NG- CDF has facilitated opening of Three (3) new police stations, Four (4) new police post, Two (2) new chiefs office. This was aimed at, besides the reduction of the frequent terror cases, mitigation of heavy usage of drugs and substance. It's the committee's best intention to utilize the environmental project activities in such awareness programs.

3. Employee welfare

We invest in providing the best working environment for our employees. Xxx 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. Lamu West 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-

Lamu West 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-

Lamu West 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.

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

The image shows a circular official stamp of the Lamu Constituency Fund Account Manager. The stamp contains the text 'FIELD OPERATIONS' at the top, 'Lamu Constituency Fund Account Manager' around the perimeter, and 'Lamu' at the bottom. A handwritten signature is written across the center of the stamp, and the date '30/9/2022' is written above it.

Name: Javan Mwandawiro
Fund Account Manager

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-Lamu West 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- Lamu West 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- Lamu West 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 Lamu West 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- Lamu West Constituency financial statements were approved and signed by the Accounting Officer on 30/9/ 2022.



.....
Name: Geoffrey Charo
Chairman – NGCDF Committee



.....
Name: Javan Mwandawiro
Finance 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 - LAMU WEST 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 Fund 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 Fund.

An unmodified opinion does not necessarily mean that the Fund 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 - Lamu West Constituency set out on pages 1 to 30, which 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

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

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 - Lamu West Constituency as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Other Grants and Transfers - Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers balance of Kshs.63,036,889 which, as disclosed in Note 7 to the financial statements, includes bursary disbursements of Kshs.20,039,800, Kshs.19,987,690 and Kshs.1,126,000 for students in secondary schools, tertiary institutions and special schools respectively, all totalling to Kshs.41,153,490. However, the latter amount includes Kshs.976,500 in respect of which, acknowledgment letters from the receiving institutions were not provided for audit.

Further, the amounts of Kshs.20,039,800, Kshs.19,987,690 and Kshs.1,126,000 include bursaries amounting to Kshs.87,000, Kshs.440,000 and Kshs.16,000 respectively, awarded to students who did not have admission numbers.

In the circumstances, the authenticity of bursary disbursements totalling to Kshs.1,519,500 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 - Lamu West Constituency in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1.0. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget of Kshs.210,783,754 which was actually received in full. Similarly, the Fund spent Kshs.202,547,452 against an approved budget of Kshs.210,783,753, resulting in under-expenditure of Kshs.8,236,301 or 4% of the budget.

The under-expenditure of Kshs.8,236,301 may have impacted negatively on service delivery to the Lamu West constituents.

2.0. Project implementation Status

During the year under review, the Fund budgeted to implement a total of thirty-six (36) projects out of which, thirty-five (35) projects were completed, while one (1) project was not implemented.

In the circumstances, the intended services from the unimplemented project may not be realized.

3.0. Unresolved Prior Year Matters

In the audit report for the previous year, several issues were raised under report on the financial statements, report on lawfulness and effectiveness in use of public resources and report on effectiveness of internal controls, risk management and governance. However, Management had not resolved the issues as at 30 June, 2022.

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

1.0. Transfer to Secondary schools - Mpeketoni Girls Secondary School Project

The statement of receipts and payments reflects transfers to other government units balance of Kshs.119,930,927 which, as disclosed in Note 6 to the financial statements, includes transfers to secondary schools amount of Kshs.63,333,744 out of which, Kshs.31,233,743 was disbursed to Mpeketoni Girls Secondary in respect of a tender for the construction of a twelve-classroom block, borehole and ablution block at the school. The tender was awarded in the financial year 2019/2020 at a total contract sum of Kshs.54,498,139 which was transferred to the Project Management Committee (PMC) in full, and out of which, an amount of Kshs.46,370,219 had been paid to the contractor as at 30 June, 2022.

However, audit inspection conducted on 11 March, 2023 revealed that the project was complete and in use, but had not been formally handed over to the School by the PMC and the Constituency Development Committee. It was also noted that the septic tank constructed was left open, thus exposing the water to dust and other foreign bodies, which may pose danger to the users in the School. In addition, site clearance was not done as debris was left at the site. Further, the hand wash sinks' pipes in the ablution block had deteriorated causing water leakages, a sign of poor workmanship.

In the circumstances, value for money of the expenditure of Kshs.46,370,219 could not be confirmed.

2.0. Security Projects

The statement of receipts and payments reflects other grants and transfers balance of Kshs.63,036,889 as disclosed in Note 7 to the financial statements. However, the following audit issues were noted:

2.1. Hindi Police Station

The balance of Kshs.63,036,889 includes Kshs.3,500,000 disbursed to Hindi Police Station PMC for the construction of a perimeter chain link fence round a 3-acre parcel of land, construction to completion of one block with two (2) pit latrines and construction to completion of additional cells with concrete ceiling. However, the Management did not provide key tender documents such as advertisements of the projects, tender opening minutes, evaluation and awarding minutes, inspection and acceptance reports, site meeting minutes, project status report, certificate of practical completion and handing over report. Further, audit inspection on 11 March, 2023 revealed that the project was not implemented due to a request by the PMC to restructure the project design from police post to police station whose approval was being sought from the National Government Constituencies Development Fund Board.

In the circumstances, value for money of the transfer of Kshs.3,500,000 could not be confirmed. Also, the intended services from the project may not be delivered to the Lamu West constituents.

2.2. Pangani Police Station

The balance of Kshs.63,036,889 also includes Kshs.5,000,000 transferred to the Project Management Committee of Pangani Police Station in respect of the construction to completion of a police station. It was, however, noted that all security projects did not have cost estimates prepared by engineer to act as a guide to the evaluation committees on determining whether the bidders' quoted prices were reasonable. In addition, certificates of practical completion were not provided for audit.

In the circumstances, value for money of the expenditure of Kshs.5,000,000 could not be confirmed.

3.0. Project Management Committee Balances

Annex 5 to the financial statements reflects a balance of Kshs.8,236,299 comprising Projects Management Committees' unutilized bank balances. However, Management did not provide an explanation for failure to close all the dormant accounts of the PMC's and transfer the unutilized balances to the National Government Constituencies Development Fund Account, as required by Section 12(8) of the National Government Constituencies Development Fund Act, 2015.

In the 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

Ownership, Valuation and Existence of Fixed Assets

Annex 4-summary of fixed asset register- reflects total assets balance of Kshs.29,022,490 which includes Kshs.13,007,240, being the historical cost of the Fund's office block. However, Management did not disclose the costs of the land where the Fund's offices were built and did not provide ownership documents like the title deed or allotment letter for the land for audit.

In the circumstances, the ownership of the Fund's land could not be confirmed.

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 May, 2023

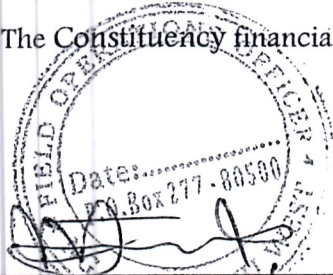
*Lamu West Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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	200,819,295	149,426,187
Total Receipts		<u>200,819,295</u>	<u>149,426,187</u>
Payments			
Compensation Of Employees	4	2,954,155	3,338,999
Use Of Goods and Services	5	9,804,731	10,847,764
Transfers To Other Government Units	6	119,930,927	79,121,862
Other Grants and Transfers	7	63,036,889	44,932,360
Acquisition Of Assets	8	6,820,750	5,965,000
Other Payments	9	-	1,169,256
Total Payments		<u>202,547,452</u>	<u>145,375,240</u>
Surplus/(Deficit)		<u>(1,728,157)</u>	<u>4,050,947</u>

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 30/9/2022 and signed by:



Fund Account Manager

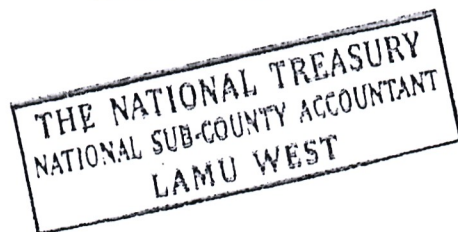
Name: Javan Mwandawiro

National Sub-County
Accountant

Name: Benjamin Kituku
ICPAK M/No:

Chairman NG-CDF Committee

Name: Geoffrey Charo




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


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


	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	7,927,901	9,964,458
Cash Balances (Cash at Hand)	10B	00	00
Total Cash and Cash Equivalents		7,927,901	9,964,458
Accounts Receivable			
Outstanding Imprests	11	00	00
Total Financial Assets		7,927,901	9,964,458
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	595,707	451,028
Gratuity	12B	00	453,079
Total Financial Liabilities		595,707	904,107
Net Financial Assets		7,332,194	9,060,351
Represented By			
Fund Balance B/Fwd	13	9,060,351	5,009,404
Prior Year Adjustments	14	00	00
Surplus/Deficit for The Year		(1,728,157)	4,050,947
Net Financial Position		7,332,194	9,060,351

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 30/9/2022 and signed by:


Fund Account Manager
Name: Javan Mwandawiro


National Sub-County
Accountant
Name: Benjamin Kituku
ICPAK M/No:


Chairman NG-CDF
Committee
Name: Geoffrey Charo

THE NATIONAL TREASURY
NATIONAL SUB-COUNTY ACCOUNTANT
LAMU WEST

Lamu West Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	200,819,295	149,426,187
Other Receipts	3	00	00
Total Receipts		200,819,295	149,426,187
Payments			
Compensation Of Employees	4	2,954,155	3,338,999
Use Of Goods and Services	5	9,804,731	10,847,764
Transfers To Other Government Units	6	119,930,927	79,121,862
Other Grants and Transfers	7	63,036,889	44,932,360
Other Payments	9	00	1,169,256
Total Payments		195,726,702	139,410,241
Total Receipts Less Total Payments		5,092,593	10,015,946
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	00	00
Increase/(Decrease) In Accounts Payable	16	(308,400)	715,126
Prior Year Adjustments	14	00	00
Net Adjustment		(308,400)	715,126
Net Cash Flow from Operating Activities		4,784,194	10,731,072
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	00	00
Acquisition Of Assets	8	(6,820,750)	(5,965,000)
Net Cash Flows from Investing Activities		(6,820,750)	(5,965,000)
Net Increase In Cash And Cash Equivalent		(2,036,457)	4,766,073
Cash & Cash Equivalent At Start Of The Year	10	9,964,457	5,198,385
Cash & Cash Equivalent At End Of The Year	10	<u>7,927,901</u>	<u>9,964,457</u>

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 30/9/2022 and signed by:

Fund Account Manager

Name: Javan Mwandawiro

National Sub-County
Accountant

Name: Benjamin Kituku
ICPAK M/No:

Chairman NG-CDF Committee

Name: Geoffrey Charo

THE NATIONAL TREASURY
NATIONAL SUB-COUNTY ACCOUNTANT
LAMU WEST

Lamu West Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilizati on f=d/c %
	a	2021/2022	b	Previous Years' Outstanding disbursements				
Receipts								
Transfers From NGCDF Board	Kshs		Opening Balance (C/Bk) and AIA	Kshs	2021/2022	30/06/2022	30/06/2022	
Proceeds From Sale of Assets	137,088,879	00	9,964,458	63,730,416	210,788,754	210,783,754	00	100%
Other Receipts	00	00	00	00	00	00	00	0%
Totals	137,088,879	00	9,964,458	63,730,416	210,783,754	210,783,754	00	100%
Payments								
Compensation Of Employees	2,533,267		453,079	420,888	3,407,234	2,954,155	453,079	87%
Use Of Goods and Services	9,804,731		00	00	9,804,731	9,804,731	00	100%
Transfers To Other Government Units	66,900,000		4,380,000	48,650,927	119,930,927	119,930,927	00	100%
Other Grants and Transfers	57,850,881		1,591,872	10,882,330	70,325,083	63,036,889	7,288,194	90%
Acquisition Of Assets	00		00	00	00	00	00	0%
Other Payments	00		3,495,507	3,776,271	7,271,778	6,820,750	451,028	94%
Funds Pending Approval**	00		44,000	00	44,000	00	44,000	0%
Totals	137,088,879		9,964,458	63,730,416	210,783,753	202,547,452	8,236,301	96%

Note:

- All funds were received from the Board including arrears from the previous years.
- Revenue reported does not form part of AIA
- The difference between Budget utilization balance and cash and cash equivalent is the closing balance of the accounts payable (Note 16)
- Compensation to employee of Kshs. 453,079, Acquisition of Assets of Kshs. 451,028 and Funds Pending Approval of Kshs. 44,000.00 reflected on opening balance and realising unutilised funds relate to deposits done in previous years (Note 12A and 12B) being not part of the final budget but comprising part of cash in the bank.
- The reconciliation difference between unutilized funds and cash and cash Equivalent is Kshs. 595,707 comprising of deposits during the year.

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

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


Description	Amount
Budget utilisation difference totals	8,236,301
Less undisbursed funds receivable from the Board as at 30 th June 2022	(00)
Add Accounts payable	8,236,301
Less Accounts Receivable	(308,400)
Add/Less Prior Year Adjustments	(00)
Cash and Cash Equivalents at the end of the FY 2021/2022	00
	7,927,901

The Constituency financial statements were approved on 30/9 2022 and signed by:



Fund Account Manager

Name: Javan-Mwandawiro


National Sub-County Accountant

Name: Benjamin Kituku
ICPAK M/No:



Chairman NG-CDF Committee

Name: Geoffrey Charo

**THE NATIONAL TREASURY
NATIONAL SUB-COUNTY ACCOUNTANT
LAMU WEST**

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

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

Programme/Sub-programme	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent							
1.1 Compensation of employees	2,533,267		453,079	420,888	3,407,234	2,954,155	453,079
1.2 Committee allowances	650,000		-	-	650,000	650,000	-
1.3 Use of goods and services	5,042,065		-	-	5,042,065	5,042,065	-
Total	8,225,332		453,079	420,888	9,099,299	8,646,220	453,079
2.0 Monitoring and evaluation							
2.1 Capacity building	2,013,200		-	-	2,013,200	2,013,200	-
2.2 Committee allowances	200,000		-	-	200,000	200,000	-
2.3 Use of goods and services	1,899,466		-	-	1,899,466	1,899,466	-
Total	4,112,666		-	-	4,112,666	4,112,666	-
3.0 Emergency							
3.1 Primary Schools	-		-	-	-	-	-
3.2 Secondary schools	-		-	-	-	-	-
3.3 Tertiary institutions	-		-	-	-	-	-
3.4 Security projects	-		-	-	-	-	-
3.5 Other Projects	297,720		-	-	297,720	297,720	-
3.6 Unutilized Funds	6,894,487		-	-	6,894,487	-	6,894,487
Total	7,192,207		-	-	7,192,207	297,720	6,894,487
4.0 Bursary and Social Security							
4.1 Primary Schools	19,831,799		273,356	(65,355)	20,039,800	20,039,800	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference 30/06/2022
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Secondary Schools	19,394,215	1,318,516	(382,218)	20,330,512	19,987,690	342,822
4.3 Tertiary Institutions	-	-	-	-	-	-
4.4 Social Security	-	-	-	1,176,883	1,126,000	50,883
4.5 Special Needs	1,176,883	-	-	-	-	50,883
Total	40,402,897	1,591,872	(447,573)	41,547,195	41,496,314	393,705
5.0 Sports						
5.1	2,741,777	-	-	2,741,777	2,741,777	-
Total	2,741,777	=	=	2,741,777	2,741,777	=
6.0 Environment						
6.1 Umoja Primary School	900,000	-	-	900,000	900,000	-
6.2 Tewe Primary School	600,000	-	-	600,000	600,000	-
6.3 Kangaja Primary School	600,000	-	-	600,000	600,000	-
6.4 Manda Primary School	600,000	-	-	600,000	600,000	-
Total	2,700,000	=	=	2,700,000	2,700,000	=
7.0 Primary Schools Projects						
7.1 Kipungani Primary School	-	4,380,000	-	4,380,000	4,380,000	-
7.2 Sikomani Primary School		-	4,917,184	4,917,184	4,917,184	-
7.3 Foromoko Primary School		-	3,600,000	3,600,000	3,600,000	-
7.4 Mahmud Bin Fahil Pri School		-	3,000,000	3,000,000	3,000,000	-
7.5 Mkunumbi Primary School		-	4,600,000	4,600,000	4,600,000	-
7.6 Mkunguni Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.7 Ungu Primary School	2,400,000	-	-	2,400,000	2,400,000	-

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

Programme/Sub-programme	Original Budget		Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference 30/06/2022
	2021/2022		Opening Balance (C/Bk) and AIA	Previous Years Outstanding Disbursements			
7.8 Mikinduni Primary School	3,600,000		-	-	3,600,000	3,600,000	-
7.9 Kakathe Primary School	2,400,000		-	-	2,400,000	2,400,000	-
7.10 Maleli Primary School	2,400,000		-	-	2,400,000	2,400,000	-
7.11 Wadhajir Kilimani Pri School	2,400,000		-	-	2,400,000	2,400,000	-
7.12 Witu Primary School	3,600,000		-	-	3,600,000	3,600,000	-
7.13 Jericho Primary School	2,400,000		-	-	2,400,000	2,400,000	-
7.14 Didwaride Primary School	1,000,000		-	-	1,000,000	1,000,000	-
7.15 Koreni Primary School	4,000,000		-	-	4,000,000	4,000,000	-
7.16 Roka Kibiboni Primary	4,000,000		-	-	4,000,000	4,000,000	-
7.17 Bahari Primary School	4,000,000		-	-	4,000,000	4,000,000	-
7.18 Soroko Primary School	1,500,000		-	-	1,500,000	1,500,000	-
Total	36,100,000		4,380,000	16,117,184	56,597,184	56,597,184	-
8.0 Secondary Schools Projects							
8.1 Mpeketoni Girls Sec School	3,500,000		-	27,733,744	31,233,744	31,233,744	-
8.2 Maisha Masha Sec School	1,800,000		-	4,800,000	6,600,000	6,600,000	-
8.3 Manda Aiport Sec School	7,250,000		-	-	7,250,000	7,250,000	-
8.4 Coast Arid Sec School	7,250,000		-	-	7,250,000	7,250,000	-
8.5 Hindi Secondary School	4,500,000		-	-	4,500,000	4,500,000	-
8.6 Lake Kenyattia Sec School	6,500,000		-	-	6,500,000	6,500,000	-
Total	30,800,000		-	32,533,744	63,333,744	63,333,744	-
9.0 Tertiary institutions Projects							
10.0 Security Projects							

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference 30/06/2022
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.1 Kibaoni Police Station	314,000	-	-	314,000	314,000	-
10.2 Hindi Police Station	3,500,000	-	-	3,500,000	3,500,000	-
10.3 Pangani Police Station	1,000,000	-	6,329,902	7,329,902	7,329,902	0
10.4 Mokowe CIPU HQ Office	-	-	2,500,000	2,500,000	2,500,000	-
10.5 Mpketoni OCPD Office	-	-	2,500,000	2,500,000	2,500,000	-
Total	4,814,000	-	11,329,902	16,143,902	16,143,902	0
11.0 Acquisition of assets						
11.1 Motor Vehicles	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
12.0 Others						
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-	-
12.3 Office Refurbishment	-	3,495,507	3,776,271	7,271,778	6,820,750	451,028
Total		3,495,507	3,776,271	7,271,778	6,820,750	451,028
Funds pending approval**	-	44,000	-	44,000	-	44,000
Total	137,088,879	9,964,458	63,730,416	210,783,753	202,890,277	7,893,477

(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- Lamu West Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from 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 10th June 2021 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.

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO B096890	-	3,200,000
AIE NO B104861	-	49,826,187
AIE NO B124587	-	9,000,000
AIE NO B124808	-	3,500,000
AIE NO B119538	-	10,000,000
AIE NO B119928	-	13,000,000
AIE NO B128169	-	6,900,000
AIE NO B128482	-	7,000,000
AIE NO B132226	-	6,000,000
AIE NO B138894	-	13,000,000
AIE NO B126188	-	6,000,000
AIE NO B126483	-	10,000,000
AIE NO B140626	-	12,000,000
AIE NO. B140977	33,000,000	-
AIE NO. B105394	34,000,000	-
AIE NO. B105609	10,000,000	-
AIE NO. B105840	22,000,000	-
AIE NO. B128588	6,000,000	-
AIE NO. B128900	12,000,000	-
AIE NO. B151097	15,000,000	-
AIE NO. B164432	38,088,879	-
AIE NO. A895070	19,541,537	-
AIE NO. B155983	11,188,879	-
TOTAL	200,819,295	149,426,187

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2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Total	000	000

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Total	000	000

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,145,885	2,216,915
Basic wages of casual labour	00	120,000
House Allowance	193,000	242,700
Transport Allowance	193,000	242,700
Leave allowance	25,000	42,000
Gratuity to contractual employees	353,270	301,617
Employer Contributions Compulsory national social security schemes	44,000	23,067
Other personnel payments	00	150,000
Total	2,954,155	3,338,999

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Notes to the Financial Statements (Continued)

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	00	9,580
Electricity	14,450	8,500
Water & sewerage charges	11,800	8,050
Communication, supplies and services	2,050	119,500
Domestic travel and subsistence	643,391	562,778
Printing, advertising and information supplies & services	00	29,300
Training expenses	2,013,200	00
Other committee expenses	3,295,020	5,094,156
Committee allowance	635,000	732,000
Office and general supplies and services	1,258,634	585,800
Fuel , oil & lubricants	00	246,519
Other operating expenses	1,565,285	1,849,482
Bank service commission and charges	7,971	51,100
Security operations	00	140,100
Routine maintenance – vehicles and other transport equipment	00	437,899
Routine maintenance – other assets	357,930	973,000
Total	9,804,731	10,847,764

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	56,597,184	35,971,371
Transfers To Secondary Schools (See Attached List)	63,333,743	38,650,491
Transfers To Tertiary Institutions (See Attached List)	00	4,500,000
Total	119,930,927	79,121,862

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Notes To The Financial Statements (Continued)

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	20,039,800	18,456,407
Bursary – tertiary institutions (see attached list)	19,987,690	18,642,400
Bursary – special schools (see attached list)	1,126,000	00
Security projects (see attached list)	16,143,902	2,350,000
Sports projects (see attached list)	2,741,777	2,741,777
Environment projects (see attached list)	2,700,000	2,741,776
Emergency projects (see attached list)	297,720	00
Total	63,036,889	44,932,360

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Construction of Buildings	2,996,212	00
Refurbishment of Buildings	3,824,538	5,512,080
Purchase of Office Furniture and General Equipment	00	127,600
Purchase of ICT Equipment, Software and Other ICT Assets	00	325,320
Total	6,820,750	5,965,000

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	00	00
ICT Hub	00	1,169,256
	000	1,169,256

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	7,585,458	9,964,458
<i>Equity Bank (K) Ltd, Account No. 1270263908321</i>	00	00
Total	7,585,458	9,964,458

Notes to the Financial Statement Continued

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10 B: Cash on Hand		
Location 1	00	00
Location 2	00	00
Location 3	00	00
Other Locations (<i>Specify</i>)	00	00
Total	000	000
<i>[Cash Count Certificates for attached]</i>		

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>Javan Mwandawiro</i>	30/06/2022	00	00	00
<i>Total</i>		000	000	000

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	451,028	00
Retention held during the year (B)	595,707	451,028
Retention paid during the Year (C)	451,028	00
Closing Retention as at 30 th June D= A+B-C	595,707	451,028

Note:

- i. Payment to Mtwangu General Supplies for rehabilitation of NG- CDF Office.*
- ii. Retention held for JM Express Ltd and JML Consulting Services Ltd for extension and rehabilitation of NG- CDF Office*

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	453,079	188,981
Gratuity held during the year (B)	353,270	301,926
Gratuity paid during the Year (C)	806,348	37,828
Closing Gratuity as at 30 th June D= A+B-C	01	453,079

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Notes to the Financial Statement Continued

Note: Payment of Staff gratuity held for the past 3 fiscal years (2019/20, 2020/21 and 2021/22)

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	9,060,351	5,198,385
Cash in hand	00	00
Imprest	00	00
Total	9,060,351	5,198,385

Note: The Opening Balance is net deposits and retention monies

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
Total	000	000	000

**** No prior year adjustment on bank balances**

16. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Changes in Account Receivables E= D-A	000	000

17. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	904,107	188,981
Deposit and Retentions held during the year (B)	948,977	752,754
Deposit and Retentions paid during the Year (C)	1,257,376	37,828
closing account payables D= A+B-C	595,708	904,107
Changes in Accounts Payable E= D-E	308,399	(715,126)

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Total	000	000

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
Total	000	000

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	00	420,888
Amounts due to other Government entities (see attached list)	00	53,030,928
Amounts due to other grants and other transfers (see attached list)	6,945,370	12,473,888
Other Payments	00	6,820,750
Total	6,945,370	72,746,454

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	86,339,690	55,750,758
Total	86,339,690	55,750,758

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Annexes

Annex 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					
Sub-Total					
Construction of civil works	-	-	-	-	N/A
Sub-Total					
Supply of goods	-	-	-	-	N/A
Sub-Total					
Supply of services	-	-	-	-	N/A
Sub-Total					
Grand Total					

Note: No pending accounts payable

Annex 2: Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
Sub-Total				
Grand Total				

Note: No pending staff payables

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Annex 3: Unutilized Fund

Name	Exact Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees	Staff Salaries	453,079	420,000	Fully utilized
Amounts due to other Government entities				
8.1 Mpeketoni Girls Secondary School	Construction of 12 Classrooms	00	27,733,744	Project at 98% complete
7.7 Mkurumubi Primary School	Purchase of School Furniture	00	4,600,000	Complete and in use
7.8 Sikomani Primary School	Purchase of School Furniture	00	4,917,184	Complete and in use
7.11 Poromoko Primary School	Construction of 3no. Classrooms	00	3,600,000	Complete and in use
7.13 Maisha Macha Secondary School	Construction of 3no. Classroom and furniture	00	4,800,000	Complete and in use
7.14 Kipungani Primary School	Purchase of School Land	00	4,380,000	Complete and in use
7.15 Mahmoud Bin Fadhi Boys Primary School	Construction of Administration Block	00	3,000,000	Complete and in use
Sub-Total		000	53,030,928	
Amounts due to other grants and other transfers				
3.0 Emergency	Emergency Projects	6,894,487	00	Re-allocated to Security
4.2 Bursary Secondary Schools	Bursary to Needy students	00	208,001	Fully Utilized
4.3 Bursary Tertiary Institutions	Bursary to Needy students	342,822	935,985	Fully Utilized
4.4 Special Needs	Bursary to Needy students	50,883	00	Bursary
10.3 Pangani Police Station	Construction of a Police Station	00	6,329,902	Complete and in use
10.4 Mpeketoni OCPD Office	Construction of OCPD Office	00	2,500,000	Complete and in use
10.5 Molkowe CIPU County HQ Office	Construction of CIPU Office	00	2,500,000	Complete and in use
Sub-Total		7,288,192	11,329,902	
Acquisition of assets		00	00	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Others (specify)				
12.3 Construction of CDF office	Refurbishment and Extension Of Office	451,028	6,820,750	Complete and in use
Sub-Total		451,028	6,820,750	
Funds pending approval		44,000	00	
Grand Total		8,236,299	72,746,454	

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	-	-	-	-
Buildings and structures	13,007,240	-	-	13,007,240
Transport equipment	11,229,170	-	-	11,229,170
Office equipment, furniture and fittings	2,877,360	-	-	2,877,360
ICT Equipment, Software and Other ICT Assets	1,908,720	-	-	1,908,720
Total	29,022,490	-	-	29,022,490

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

PROJECT MANAGEMENT COMMITTEE	Bank Account Number	Bank Name	Bank Balance 2021/22	Bank Balance 2020/21
AMKENI PRIMARY SCHOOL	1270280292359	Equity Bank		811,886
BAHARI PRIMARY SCHOOL- NGCDF PROJECT	1270282608647	Equity Bank	4,000,000	-
BAHARI SECONDARY SCHOOL	1270276337377	Equity Bank	-	55,314
BOBA MOYOO PRIMARY SCHOOL	1590278907639	Equity Bank	-	543,188
CHALALUMA PRI. SCHOOL	1274198704	KCB Bank	218,995	2,300,000
COAST ARUD SECONDARY SCHOOL	1270279700889	Equity Bank	7,262,619	12,619
CRITICAL INFRASTRUCTURE PROTECTION UNIT (CIPU)	1590281710196	Equity Bank	539,003	-
DIDE WARIDE PRI. SCHOOL	1274197406	KCB Bank	2,134	2,134
FIRE EXTINGUISHERS FOR SEC. SCHOOLS	1590276346522	Equity Bank	-	30,719
HINDI POLICE STATION	1590277815292	Equity Bank	4,729,290	1,229,290
HINDI PRIMARY SCHOOL	1590276348333	Equity Bank	204,931	1,501,639
HINDI SECONDARY SCHOOL	1590282774092	Equity Bank	4,500,000	-
HONGWE POLICE POST	1270279678876	Equity Bank	-	182,440
HONGWE SECONDARY SCHOOL	1270279687040	Equity Bank	-	3,730,558
JERICHO PRIMARY SCHOOL	1270281763241	Equity Bank	208,638	-
JIPENDENI PRIMARY SCHOOL	1270281037451	Equity Bank	315,737	3,599,550
JUHUDI PRIMARY SCHOOL	1270276339612	Equity Bank	-	245,496
KAKATHE PRIMARY SCHOOL	1270277804440	Equity Bank	207,290	-
KATSAKAIRU PRIMARY SCHOOL	1270280795901	Equity Bank	153,178	4,600,000
KIBAONI POLICE STATION	11415662016400	Co-Op Bank	-	333,933
KIONGWE PRIMARY SCHOOL	1270268937278	Equity Bank	-	3,440
KIONGWE SECONDARY SCHOOL	1139562513300	Co-Op Bank	-	523,323
KIONGWE SECONDARY SCHOOL	1270276328445	Equity Bank	125,170	4,025,770

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National Government Constituencies Development Fund (NGCDF)

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PROJECT MANAGEMENT COMMITTEE

	Bank Account Number	Bank Name	Bank Balance 2021/22	Bank Balance 2020/21
KMTC-LAMU CAMPUS	1273839374	KCB Bank	170,719	2,197,596
KORENI PRIMARY SCHOOL	1270282658071	Equity Bank	4,000,000	-
LAKE KENYATTA PRIMARY SCHOOL	1270282815893	Equity Bank	6,500,000	-
LAMU GIRLS SECONDARY SCHOOL	1590276347507	Equity Bank	234,361	1,762,852
MAHMOUD BIN FADHIL BOYS PRIMARY SCHOOL	1590281255925	Equity Bank	288,641	-
MAISHA MASHA SECONDARY SCHOOL	1270282610628	Equity Bank	6,350,000	-
MAJEMBENI SECONDARY SCHOOL	1270276260563	Equity Bank	39,796	3,808,206
MALELI POLICE POST	1590277815292	Equity Bank	2,002,516	2,199,247
MALELI PRIMARY SCHOOL	1270281759631	Equity Bank	1,468,693	-
MANDA MAWENI PRIMARY SCHOOL	1590277829113	Equity Bank	-	59,840
MANDA SECONDARY SCHOOL	1590279647904	Equity Bank	7,251,125	1,305,016
MANYATTA PRIMARY SCHOOL	1590278907645	Equity Bank	-	405,143
MIKINDUNI PRIMARY SCHOOL	1270281746478	Equity Bank	318,621	-
MKUNGUNI PRIMARY SCHOOL	1590281407432	Equity Bank	211,849	-
MOA PRIMARY SCHOOL	1274197031	KCB Bank	85,419	85,419
MOKOWE ARID ZONE PRIMARY SCHOOL	1590279730004	Equity Bank	2,899	553,183
MPEKETONI GIRLS SECONDARY SCHOOL	1270277817551	Equity Bank	12,698,838	2,252,312
MPEKETONI SUB-COUNTY EDUCATION OFFICE	1270279596564	Equity Bank	223,384	258,951
NDAMBWE PRIMARY SCHOOL	1272300668	KCB Bank	235	235
NGCDF ENVIRONMENT PROJECT	1590277563809	Equity Bank	5,444,501	2,744,501
NGCDF SPORTS ACTIVITY	1590272669813	Equity Bank	4,130,118	2,743,848
PANGANI POLICE STATION	1270281343351	Equity Bank	604,683	-
PANGANI PRIMARY SCHOOL	1270277828190	Equity Bank	-	801,263
POROMOKO PRIMARY SCHOOL	1270277815736	Equity Bank	312,261	-

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

PROJECT MANAGEMENT COMMITTEE		Bank Account Number	Bank Name	Bank Balance 2021/22	Bank Balance 2020/21
ROKA KIBONI PROMARY SCHOOL	1270282626504	Equity Bank	4,000,000	-	
SAFIRISI PRIMARY SCHOOL	1590280795402	Equity Bank	861,054	3,538,455	
SHELLA BRIGHT GIRLS SECONDARY SCHOOL	1590276348168	Equity Bank	-	395,298	
SHELLA BRIGHT GIRLS SECONDARY SCHOOL	1590262385327	Equity Bank	-	13,058	
SIKOMANI PRIMARY SCHOOL	1270276349116	Equity Bank	433,331	-	
SOROKO PRIMARY SCHOOL	1270282610225	Equity Bank	1,500,000	-	
SWABAHA PRIMARY SCHOOL	1270281051333	Equity Bank	2,399,550	2,399,550	
TEWE CHIEFS OFFICE	1270277803557	Equity Bank	656,220	306,220	
UMOJA PRIMARY SCHOOL	1139562081300	Co-Op Bank	-	406,363	
UNGU PRIMARY SCHOOL	1590277815025	Equity Bank	700,031	203,872	
WADHAJIR KILIMANI PRIMARY SCHOOL	1590281752547	Equity Bank	211,329	-	
WITU PRIMARY SCHOOL	1270281441567	Equity Bank	339,673	-	
WITU SECONDARY SCHOOL	1270279730141	Equity Bank	224,248	2,245,005	
WIYONI SECONDARY SCHOOL	1590276349385	Equity Bank	208,609	1,334,026	
Total			86,339,690	55,750,758	


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)
	<p>Unpresented Bursary Cheques</p>	<p>The Fund reflected cash and cash equivalents of Kshs. 9,964,458. Scrutiny of June, 2021 bank reconciliation statement revealed that the Fund had Kshs 37,709, 545 worth of unpresented cheques. Included in this figure in an amount of Kshs. 3,812,500 that remained unpresented for more than four (4) months. These amounts related to unpresented bursary cheques thus casting doubt on whether the allocated beneficiaries were indeed needy.</p>	<p>Not Resolved: Matter partially resolved through internal measures</p>	<p>30th June, 2022</p>
	<p>Transfers to Secondary Schools</p>	<p>i. The Fund made payments for the projects amounting to Kshs 12,000,000 for the year 2020/2021. However, the payment was not supported with monthly progress reports. ii. The contractual agreement entered on 29th November, 2019 indicated submissions of works programs which the contractor submitted capturing works completions within 208 days, since then the works have been extended with the latest extension authorized by county works officer from state department of Public Works in the file indicating extensions to until 17th December, 2021 and on 12th April, 2022 the works were still ongoing and behind schedule for 22 months. iii. Physical verifications conducted on 12th April 2022 revealed that the contractor is on site and the work is ongoing. The engineer from public works indicated that it is at 85% completion. However, variations from the original Bill of Quantities were noted on works done for the floors, windows, staircase and sanitary fittings. The deliberations on the variations and the New Bill of quantities were not availed for audit review.</p>	<p>Not Resolved: Matter partially resolved through internal measures</p>	<p>30th June, 2022</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved, Not Resolved)	Timeline: (Put a date when you expect the issue to be resolved)
	Budget Control and performance	The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.218,354,988 and Kshs.154,668,572 respectively resulting to a budget shortfall of Kshs.63,730,416 or 29% of the budget. Similarly, the Fund spent Kshs.145,375,240 against an approved budget of Kshs.218,354,988 resulting to an under-expenditure of Kshs.72,979,748 or 33% of the budget.	Not Resolved: Matter partially resolved through internal measures	30 th June, 2022
	Project Implementation Status	Analysis of the project implementation status for the year under review indicated that the management had planned/budgeted to execute twenty-seven (27) projects with a total allocation of Kshs.100,180,590. However, only twelve (12) projects were complete, nine (9) projects with total allocation of Kshs.46,510,564 were incomplete but on-going while six (6) projects with total allocation of Kshs.12,291,776 had not been started. In addition, three (3) rollover projects amounting to Kshs.28,541,537 remained incomplete as at April, 2022.	Not Resolved: Matter partially resolved through internal measures	30 th June, 2022


 Jayan Mwanda wiro
 Fund Account Manager.