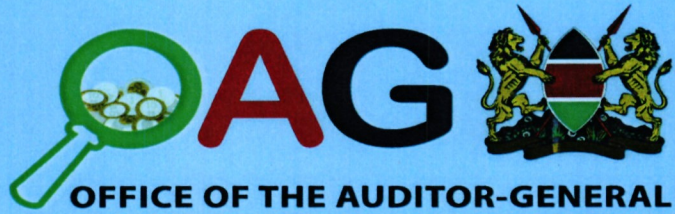


REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

REPORT

DATE: 01 DEC 2022 Thursday

OF

LOM  
Tracy chebet

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2021**





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MAGARINI CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021

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

OFFICE OF THE AUDITOR GENERAL  
P.O. Box 95202, MOMBASA  
24 AUG 2022  
RECEIVED  
COAST HUB

THE NATIONAL ASSEMBLY  
PAID  
DATE: 01 DEC 2022  
DAY:   
BY:   
CLERK AT THE TABLE:



**Magarini Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

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## **Magarini Constituency**

### **National Government Constituencies Development Fund (NGCDF)**

#### **Reports and Financial Statements for The Year Ended June 30, 2021**

## **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



## **Magarini Constituency**

### **National Government Constituencies Development Fund (NGCDF)**

#### **Reports and Financial Statements for The Year Ended June 30, 2021**

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#### **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 Magarini 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 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Yaye Shosi Ahmed
2.	Sub-County Accountant	Steven Kilonzo Mwachia
3.	Chairman NGCDFC	Samson K. Ngundu

#### **(d) Fiduciary Oversight Arrangements**

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

NG CDF Office Building  
Next to Assistant County Commissioner's Office  
Gongoni  
P.O Box 1907-80200  
Malindi, Kenya.



**Magarini Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Reports and Financial Statements for The Year Ended June 30, 2021**

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**(f) NGCDF Magarini Constituency Contacts**

Telephone: (254) 0112512660

E-mail: [magarini@ngcdf.go.ke](mailto:magarini@ngcdf.go.ke)

Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF Magarini Constituency Bankers**

Kenya Commercial Bank Ltd

Malindi Branch

P.O. Box 9-80200

Malindi, Kenya

**(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**



**Budget performance**

Magarini NG-CDF's original budget for 2020/2021 financial year was Kshs 137,088,879.31. As at 30<sup>th</sup> June 2021, Kshs 92,000,000.00 (67%) relating to 2020/2021 financial year had been disbursed to the Constituency and a total of Kshs 45,088,879.00 (33%) had not been disbursed from the NGCDF Board. This coupled with the Covid-19 pandemic has attributed to the overall underutilisation of funds by 30<sup>th</sup> June 2021.

Budget utilisation during the year is summarised in the table below:

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 %
Total Receipts	137,088,879	107,883,398	244,972,277	184,339,967	60,632,310	75%
Total Payments	137,088,879	107,883,398	244,972,277	151,793,477	93,178,800	62%

**Emerging issues**

Following the Covid-19 Pandemic coupled with late disbursement of funds from the NGCDF Board, project implementation was delayed during this financial year. However, despite these issues, project implementation for new projects started and a good number of ongoing projects were completed and are in use.



**Implementation challenges and recommendations**

No	Challenges	Recommendations
1	Project implementation including bursary programme was slow because of the Covid 19 pandemic	Fast track project implementation
	There is only one public works officer serving constituencies in Kwale, Mombasa and Kilifi counties, resulting in delays in project design, supervision and issuance of payment and completion certificates.	The National Government should ensure that every constituency has her own Public works Officer to facilitate efficient and effective project implementation.
3	Funds allocated to Constituencies are insufficient posing a challenge to project implementation. This includes funds allocated to bursary.	The CDF Board should consider disbursing more funds to Constituencies.
4	PMCs change project activities that require NGCDFCs to request for reallocation too often.	PMCs should be trained on project planning and implementation.
5	Community proposals are forwarded to the NGCDFCs at Ward forums without getting realistic cost estimates from the public works officers posing a challenge of forwarding proposals to the NGCDF Board with unrealistic cost estimates	NGCDFCs should only consider prioritising proposals that have realistic cost estimates and BQs from the public works officer

**SAMPLE PROJECT PHOTOS**

**MAGARINI NG-CDF MARAFA SECONDARY SCHOOL LIBRARY**



**BEDS AND MATTRESSES –MAMBRUI SPECIAL SCHOOL**





**MAGARINI NG-CDF MAGARINI GIRLS' SECONDARY SCHOOL DORMITORY**





MAGARINI SPORTS DAY



MAPIMO PRIMARY SCHOOL



Sign

Handwritten signature in blue ink.

CHAIRMAN NGCDF COMMITTEE



**Magarini Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

**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 NGCDF-Magarini Constituency's 2018-2022 plan are to:

- a) Mobilize resources for development.
- b) Reduce poverty and inequality.
- c) Improve access to quality education.
- d) Improve infrastructure in the constituency.
- e) Improve security in the constituency.
- f) Prevent environmental degradation.
- g) Build capacity to implement development projects.
- h) Promote sports activities in the constituency.

**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 Programmes	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 bursary beneficiaries at all levels.	In FY 2019/20 20 Magarini NG-CDF increased:  -The number of classrooms increased from 168 to 199 in Fundisa primary, Kadzuhoni primary, Kata primary, Ulaya primary, Kaya primary, Mwangani primary, Kaoyeni primary, Kadzifitseni primary, Galukani primary, Midodoni central primary, Tangini primary, Ramada secondary, Sabaki secondary and Wakala



*Magarini Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Reports and Financial Statements for The Year Ended June 30, 2021*

				<p>girls' secondary.</p> <ul style="list-style-type: none"> <li>- The number of dormitories increased from 2 to 4 in Mapimo girls' secondary and Ngomeni secondary schools.</li> <li>-The number of science laboratories increased from 7 to 13 in Shomela secondary, Baricho secondary, Chakama secondary, Kaembeni secondary and Mjanaheri secondary schools.</li> <li>-The number of school toilets increased from 7 to 11 in Waresa primary, Majengo primary, Kakuhani primary and Wakala primary schools.</li> </ul> <p>The constituency constructed 1 staff house in Kibokoni secondary school.</p> <p>The constituency purchased 1 school bus in Magarini girls secondary school</p> <p>Students at all levels benefitted from the bursary allocation.</p>
Security	To improve security in the constituency.	Improved security in the constituency.	Number of police posts and staff houses constructed.	<p>In the FY 2019/2020 Magarini NG-CDF implemented the following security programmes;</p> <ul style="list-style-type: none"> <li>- Construction of a 5 unit staff house at Adu police station</li> <li>- Construction of a 5 unit staff house at Marereni police station</li> </ul>
Environment	To prevent	Improved	Number of	In the FY 2019/2020

*Magarini Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Reports and Financial Statements for The Year Ended June 30, 2021*

	environmental degradation	environmental awareness in the constituency	environmental programmes initiated.	Magarini NG-CDF implemented the following environmental programmes;  4 No. 2 Door toilets in Waresa primary, Majengo primary, Kakuhani primary and Wakala primary schools.
Sports	To promote sports activities in the constituency	Increased sports activities in the constituency.	Number of sports activities implemented.	In the FY 2019/2020 Magarini NG-CDF implemented the annual constituency sports programme
Disaster Management	To manage disasters in the constituency	Improved response to disasters.	Number of disaster management initiatives implemented.	In the FY 2019/2020 Magarini NG-CDF facilitated the use of face masks, hand sanitisers, running water, soap and disinfectants and in the fight against corona virus infections.



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#### IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Magarini 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 Magarini NG CDF, the committee funds the following key sectors with the following sustainable priorities:

- a. **Education and Training:** Magarini 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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

##### 2. Environmental performance

Among the Magarini – NGCDF initiatives and key responsibilities is to protect and care for the environment while facilitating project implementation.

Magarini NG-CDF is committed to:

## ***Magarini Constituency***

### ***National Government Constituencies Development Fund (NGCDF)***

#### ***Reports and Financial Statements for The Year Ended June 30, 2021***

- Protecting the environment by preventing and minimising our contribution to land, air and water pollution.
- Providing Environmental awareness training to NGCDFC members and staff
- Managing and disposing waste in a responsible manner

Part of Magarini NGCDF environmental Action Plan for 2020/2021 financial year is construction of 1 No. 2 Door toilet blocks in Bofu primary school and Chamari primary school, 1 No. 4 Door toilet blocks Marikebuni primary and Ng'andu primary schools

### **3. Employee welfare**

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

Magarini 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 interests

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



## ***Magarini Constituency***

### ***National Government Constituencies Development Fund (NGCDF)***

#### ***Reports and Financial Statements for The Year Ended June 30, 2021***

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Magarini 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.

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

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**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.

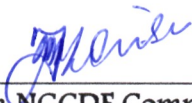
The Accounting Officer in charge of the NGCDF-Magarini Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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-Magarini 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, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Magarini 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.

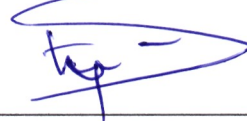
The Accounting Officer in charge of the NGCDF Magarini Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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- Magarini Constituency financial statements were approved and signed by the Accounting Officer on 29/08/2022.



\_\_\_\_\_  
**Chairman NGCDF Committee**  
**Name: Samson Kombe**

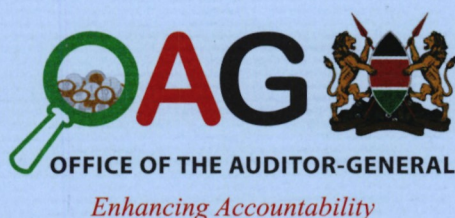


\_\_\_\_\_  
**Fund Account Manager**  
**Name: Yaye Shosi**



# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MAGARINI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021**

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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 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 - Magarini Constituency set out on pages 17 to 55,



which comprise of the statement of assets and liabilities as at 30 June, 2021, and statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Magarini Constituency as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Transfers to Other Government Units**

The statements of receipts and payments reflects transfer to other Government Units of Kshs.98,001,119. However, Note 6 to the financial statements reflects an amount of Kshs.98,011,119 resulting to an unexplained variance of Kshs.10,000

In the circumstances, the accuracy and completeness of the transfers to other Government Units of Kshs.98,001,119 could not be confirmed.

#### **2. Unsupported Cash and Cash Equivalents**

The statement of assets and liabilities and as disclosed in Note 10A to the financial statements. reflects cash and cash equivalents balance of Kshs.32,526,647. However, monthly bank reconciliation statements were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balances of Kshs.32,526,647 could not be confirmed.

#### **3. Unconfirmed Project Management Committee (PMC) Bank Balances**

As disclosed in Note 17.4 and Annex 5 to the financial statements are Project Management Committee (PMC) bank account balances amounting to Kshs.30,811,562. However, certificates of bank balances for sixty (60) bank accounts totalling Kshs.29,507,306 were not provided for audit.

Further, included in the PMC balance is an amount of Kshs.1,013,396 reflected as closing balances held in five (5) bank accounts which had nil opening balances. However, the projects which were funded through the bank accounts were not included in the list of the funded projects provided for audit and the source of the funds could not be identified



In the circumstances, the PMC bank balances could not be confirmed.

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.244,972,277 and Kshs.184,339,967 respectively, resulting to budget under funding of Kshs.60,632,310 or 25% of the budget. Similarly, the Fund expended an amount of Kshs.151,813,320 against an approved budget of Kshs.244,972,277, resulting to an under expenditure of Kshs.93,158,957 or 38% of the budget.

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

#### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved and disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided satisfactory explanation for the delay in resolving the issues.

#### **3. Failure to Include Projects in the Projects Implementation Status Report**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government units of Kshs.98,001,119 which includes disbursements totalling Kshs.31,217,119 to twenty (20) projects. However, these projects were omitted from the projects implementation status report.

In the circumstances, the validity of the projects implementation status report could not be confirmed.

### **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, I confirm that, nothing 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**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

Management is also responsible for the submission of the Fund's 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 controls 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 controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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



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

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

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

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

**Nairobi**

**23 September, 2022**

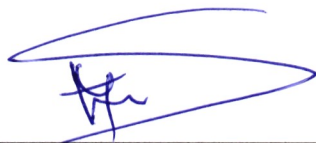


**Magarini Constituency**  
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**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	169,057,052	104,290,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	1,206,855	1,040,094
<b>TOTAL RECEIPTS</b>		<b>170,263,907</b>	<b>105,330,970</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,334,259	2,665,657
Use of goods and services	5	10,007,223	12,545,457
Transfers to Other Government Units	6	98,001,119	40,327,027
Other grants and transfers	7	37,950,719	50,528,918
Acquisition of Assets	8	510,000	-
Other Payments	9	1,000,000	999,090
<b>TOTAL PAYMENTS</b>		<b>151,813,320</b>	<b>107,066,149</b>
<b>SURPLUS/DEFICIT</b>		<b>18,450,587</b>	<b>(1,735,179)</b>

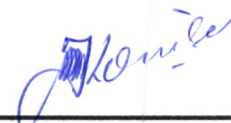
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Magarini Constituency financial statements were approved on 24/08/2022 and signed by:



**Fund Account Manager**  
**Name: Yaye Shosi**



**National Sub-County**  
**Accountant**  
**Name: Steven K. Mwachia**  
**ICPAK M/No: 78959**



**Chairman NG-CDF Committee**  
**Name: Samson Kombe**

**Magarini Constituency**  
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**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	32,511,647	14,061,060
Cash Balances (cash at hand)	10B	15,000	15,000
<b>Total Cash and Cash Equivalents</b>		<b>32,526,647</b>	<b>14,076,060</b>
Current Receivables-Outstanding Imprests	11	~	~
<b>TOTAL FINANCIAL ASSETS</b>		<b>32,526,647</b>	<b>14,076,060</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>32,526,647</b>	<b>14,076,060</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	14,076,060	15,811,239
Surplus/Deficit for the year		18,450,587	(1,735,179)
Prior year adjustments	14	-	-
<b>NET FINANCIAL POSITION</b>		<b>32,526,647</b>	<b>14,076,060</b>

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

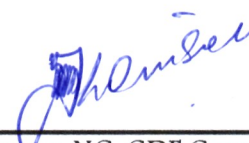
24/10/21 2021 and signed by:



**Fund Account Manager**  
**Name: Yaye Shosi**



**National Sub-County**  
**Accountant**  
**Name: Steven K. Mwachia**  
**ICPAK M/No: 78959**



**Chairman NG-CDF Committee**  
**Name: Samson Kombe**



**Magarini Constituency**  
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<b>IX. STATEMENT OF CASHFLOW</b>			
	<b>Note</b>	<b>2020 – 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	169,057,052	104,290,876
Other Receipts	3	1,206,855	1,040,094
		<b>170,263,907</b>	<b>105,330,970</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	4,334,259	2,665,657
Use of goods and services	5	10,007,223	12,545,457
Transfers to Other Government Units	6	98,011,119	40,327,027
Other grants and transfers	7	37,950,719	50,528,918
Other Payments	9	1,000,000	999,090
		<b>151,303,320</b>	<b>107,066,149</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>18,960,587</b>	<b>(1,735,179)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	510,000	-
<b>Net cash flows from Investing Activities</b>		<b>(510,000)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>14,076,060</b>	<b>15,811,239</b>
<b>Cash and cash equivalent at END of the year</b>		<b>32,526,647</b>	<b>14,076,060</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Magarini Constituency financial statements were approved on 24/08/2022 and signed by:



**Fund Account Manager**  
**Name: Yaye Shosi**



**National Sub-County Accountant**  
**Name: Steven K Mwachia**  
**ICPAK M/No:**



**Chairman NG-CDF Committee**  
**Name: Samson Kombe**

**Magarini Constituency  
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**X. SUMMARY STATEMENT OF APPROPRIATION**

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				
Transfers from NG-CDF Board	137,088,879	92,600,483	243,765,422	183,133,112	60,632,310	75
Proceeds from Sale of Assets	-	-	-	-	-	-
AIA	-	108,000	108,000	108,000	-	100
Other Receipts	-	1,098,855	1,098,855	1,098,855	-	100
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>92,600,483</b>	<b>244,972,277</b>	<b>184,339,967</b>	<b>60,632,310</b>	<b>75</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,010,088	2,308,689	5,342,785	4,334,259	1,008,526	81
Use of goods and services	9,850,851	-	9,903,954	10,007,223	(103,269)	101
Transfers to Other Government Units	72,520,000	60,210,672	143,441,789	98,011,119	45,430,670	68
Other grants and transfers	51,597,940	23,398,363	77,363,081	37,950,719	39,412,362	49
Acquisition of Assets	1,110,000	-	1,110,910	510,000	600,910	46
Other Payments	-	6,682,759	7,682,759	1,000,000	6,682,759	13
UNALLOCATED FUND	-	-	127,000	-	127,000	-
<b>TOTAL</b>	<b>137,088,879</b>	<b>92,600,483</b>	<b>244,972,277</b>	<b>151,813,320</b>	<b>93,158,957</b>	<b>62</b>

The Percentage of utilisation of 62 % is attributed to the late receipt of AIEs during the financial year. AIEs during the year were received in different dates as follows:



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DATE	AIE NUMBER	AMOUNT	FINANCIAL YEAR
22/07/2020	B096891/2018/2019/848	10,000,000	2018/2019
23/09/2020	B104767 2019/2020/1415	40,000,000	2019/2020
23/01/2021	B124597 2020/2021/0117	9,000,000	2020/2021
1/3/2021	B119551/2020/2021/0295	8,500,000	2020/2021
16/03/21	B119941/2020/2021/0295	12,000,000	2020/2021
17/03/21	B128183/2020/2021/0295	6,900,000	2020/2021
17/03/21	B128325/2019/2020/1647	27,057,052	2019/2020
22/03/21	B128496/2020/2021/0295	7,000,000	2020/2021
23/04/21	B138907/2020/2021/0295	12,000,000	2020/2021
01/04/21	B132239/2020/2021/0295	6,000,000	2020/2021
07/05/21	B126201/2020/2021/0295	7,000,000	2020/2021
20/05/21	B126496/2020/2021/157	11,600,000	2020/2021
16/06/21	B140639/2020/2021/0295	12,000,000	2020/2021

Only Kshs 92,000,000.00 (67%) relating to 2020/2021 financial year had been received as at 30<sup>th</sup> June 2021. This has contributed to the overall underutilisation of funds by 30<sup>th</sup> June 2021.

No	Expense Item	% of Utilization	Explanation
1	Compensation of Employees	81 %	Kshs 1,001,563.00 out of the Original budget of Kshs 2,010,088 relating to 2020/2021 financial year had been received as at 30 <sup>th</sup> June 2021 contributing to the overall underutilisation of 19 %
2	Use of goods and services	101 %	An adjustment of Kshs 53,103.00 was added to the initial budget of Kshs 10,360,851 for goods & services contributing to the over utilisation
3	Transfers to Other Government Units	68 %	Kshs 27,097,330.00 out of the original budget of Kshs 72,520,000 relating to 2020/2021 financial year had been received as at 30 <sup>th</sup> June 2021 contributing to the overall underutilisation of 32 %
4	Other grants and transfers	49 %	Kshs 12,175,578.00 out of the actual budget of Kshs 51,963,940 relating to 2020/2021 financial year had been received as at 30 <sup>th</sup> June 2021 contributing to the overall underutilisation of 51 %

**National Government Constituencies Development Fund (NGCDF)  
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5	Acquisition of Assets	46%	The renovations are still underway
6	Other Payments	13 %	NG-CDF board are still discussing with the Treasury on the way forward of devolved project.
	<b>Total</b>	<b>62 %</b>	<b>Overall, Kshs 92,000,000.00 (67 % of the allocation) relating to 2020/2021 financial year had been received as at 30<sup>th</sup> June 2021. This has contributed to the overall underutilisation of funds by 30<sup>th</sup> June 2021.</b>

The changes between the original and final budget are as a result of adjustments tabulated in column b of the summary statement of appropriation table derived as follows:

Element	Description	Amount (Kshs)
1.	Cash book balance as at 30/06/2020	13,035,966
	AIA	19,000
2.	FMC closure	1,021,094
	2019/20	69,367,724
	2018/19	18,750,000
3.	2013/14	4,482,759
	AIA (2020/2021)	108,000
4.	Online FMC closure (2020/2021)	1,098,855
	<b>Total</b>	<b>107,883,398</b>

Total amount owing from the NGCDF Board as at 30/06/21 is Kshs 60,632,310.35 as follows:

Element	Description	Financial Year	Amount (Kshs)
	Amount owing to the Constituency from the NGCDF Board as at 30/6/21	2020/21	45,088,879.21
		2019/20	2,310,672.14
	Online FMC closure (2020/2021) Total	2018/19	8,750,000.00
		2013/14	4,482,759.00



**Magarini Constituency  
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The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined agrees to the amounts reported in the Statement of Receipts and Payments. (Kshs **151,813,320.00**)

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	93,158,957
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2021	60,632,310
	32,526,647
Add Accounts payable	0
Less Accounts Receivable	0
Add/ Less Prior Year Adjustments	0
<b>Cash and Cash Equivalents at the end of the FY 2020/2021</b>	<b>32,526,647</b>

The NGCDF-Magarini Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:



**National Sub-County Accountant**

**Name: Steven Kilonzo Mwachia  
ICPAK M/No: 78959**



**Fund Account Manager  
Name: Yaye Shosi**



**Chairman NG-CDF Committee**

**Name: Samson Kombe**

**XI. BUDGET EXECUTION BY SECTORS AND PROJECTS**

Programme / Sub-programme	Original Budget(a) 2020/2021 Kshs	Adjustments(b)		Final Budget c = (a+b) 2020/2021 Kshs	Actual on comparable basis(d) 30/06/2021 Kshs	Budget utilization difference(e = c-d) Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous years Outstanding Disbursements Kshs			
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,010,088	1,024,007	2,308,689	5,342,785	4,334,259	1,008,526
1.2 Committee allowances	3,000,000	150	-	3,000,150	2,996,702	3,448
1.3 Use of goods and services	3,237,204	13,272	-	3,250,476	3,464,901	(214,425)
<b>Total</b>	<b>8,247,293</b>	<b>1,037,429</b>	<b>2,308,689</b>	<b>11,593,411</b>	<b>10,795,862</b>	<b>797,549</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,123,646	4,131	-	1,127,777	1,050,600	77,177
2.2 Committee allowances	1,500,000	35,000	-	1,535,000	1,502,600	32,400
2.3 Use of goods and services	990,000	550	-	990,550	992,420	(1,870)
<b>Total</b>	<b>3,613,646</b>	<b>39,681</b>	<b>-</b>	<b>3,653,327</b>	<b>3,545,620</b>	<b>107,707</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	3,452,439.00	1,021,094	-	4,473,533	3,452,439	1,021,094
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5 Unutilised	3,739,768	427,147	-	4,166,915	-	4,166,915
<b>Total</b>	<b>7,192,207</b>	<b>1,448,241</b>	<b>-</b>	<b>8,640,448</b>	<b>3,452,439</b>	<b>5,188,009</b>



*Magarum Constituency  
National Government Constituencies Development Fund (NGCDF)  
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4.0 Bursary and Social Security													
4.1 Secondary Schools	20,000,000	2,165	2,328,363	22,330,528	17,867,900	4,472,628							
4.2 Tertiary Institutions	10,000,000	-	16,520,000	26,520,000	14,630,380	11,889,620							
4.3 Social Security	-	-	-	-	-	-							
4.4 Special Needs	3,997,720	366,000	4,000,000	8,363,720	-	8,363,720							
<b>Total</b>	<b>33,997,720</b>	<b>368,165</b>	<b>22,848,363</b>	<b>57,214,248</b>	<b>32,498,280</b>	<b>24,715,968</b>							
5.0 Sports													
5.1 Organising Constituency Sports Tournament in football, roller- skating and athletics where winning teams in the Constituency shall be awarded with Trophies, Balls, jerseys and sport kits.	2,408,013	50,372	-	2,458,385	-	2,458,385							
<b>Total</b>	<b>2,408,013</b>	<b>50,372</b>	<b>-</b>	<b>2,458,385</b>	<b>-</b>	<b>2,458,385</b>							
6.0 Environment													
6.1	2,500,000	500,000	-	3,000,000	2,000,000	1,000,000							
<b>Total</b>	<b>2,500,000</b>	<b>500,000</b>	<b>-</b>	<b>3,000,000</b>	<b>2,000,000</b>	<b>1,000,000</b>							
7.0 Primary Schools Projects													
Bandacho primary school	2,200,000	-	-	2,200,000	1,000,000	1,200,000							
Mkono wa jongoo primary school	2,200,000	-	-	2,200,000	-	2,200,000							
Chamari primary school	2,200,000	-	-	2,200,000	1,000,000	1,200,000							
Sogorosa primary school	2,200,000	-	-	2,200,000	1,000,000	1,200,000							
Kasimani primary school	2,200,000	-	-	2,200,000	1,000,000	1,200,000							
Amkeni primary school	2,200,000	-	-	2,200,000	1,000,000	1,200,000							
Wareasa primary school	2,200,000	-	-	2,200,000	1,000,000	1,200,000							

*Mwanga Constituency*  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

Mpirani primary school	2,200,000	-	-	-	2,200,000	1,000,000	1,200,000
Miangani pamoja primary school	2,200,000	-	-	-	2,200,000	1,000,000	1,200,000
Chamari primary school	500,000	-	-	-	500,000	500,000	-
Mambrui Primary school	500,000	-	-	-	500,000	500,000	-
Kadzuhoni Primary School	-	800,000.00	-	-	800,000	800,000	-
Nyamala Sinene Primary School	-	500,000.00	-	-	500,000	500,000	-
Midodoni Primary School	-	500,000.00	-	-	500,000	500,000	-
Kata primary school	-	-	1,100,000.00	-	1,100,000	1,100,000	-
U'lava Primary School	-	-	1,100,000.00	-	1,100,000	1,100,000	-
Kaya Primary school	-	-	1,100,000.00	-	1,100,000	1,100,000	-
Mwangani Primary School	-	-	1,200,000.00	-	1,200,000	1,200,000	-
Kaoyeni Primary School	-	-	1,100,000.00	-	1,100,000	1,100,000	-
Kadzifitseni Primary School	-	-	1,100,000.00	-	1,100,000	1,100,000	-
Galukani Primary School	-	-	1,100,000.00	-	1,100,000	1,100,000	-
Mwangatini Primary School	-	-	1,100,000.00	-	1,100,000	1,100,000	-
Kibaoni Primary School	-	-	1,100,000.00	-	1,100,000	1,100,000	-
Tangani Primary school	-	-	1,100,000.00	-	1,100,000	1,100,000	-
Katsangani primary(Reallocated to Sabaki Secondary)	-	-	-	-	-	-	-
<b>Total</b>	<b>20,800,000</b>	<b>1,800,000</b>	<b>11,100,000</b>	<b>33,700,000</b>	<b>21,900,000</b>	<b>11,800,000</b>	
<b>8.0 Secondary Schools Projects</b>							
Kibokoni secondary school	300,000	600,000	-	-	900,000	600,000	300,000
Shomela Secondary School	2,170,000	824,000	3,500,000	6,494,000	5,494,000	1,000,000	
Baricho Secondary School	5,000,000	-	4,000,000	9,000,000	7,500,000	1,500,000	
Chakama Sec School	5,000,000	-	4,000,000	9,000,000	7,500,000	1,500,000	
Kaembeni Sec School	5,000,000	-	4,000,000	9,000,000	7,500,000	1,500,000	
Mjanaheri Sec School	5,000,000	-	4,000,000	9,000,000	7,500,000	1,500,000	



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Adu Secondary school	4,750,000	-	4,250,000	9,000,000	8,000,000	1,000,000-
Ngomoni Sec. School	3,500,000	-	5,200,000	8,700,000	8,700,000	-
Kurawa Secondary School	6,000,000	-	-	6,000,000	800,000	5,200,000
Fundisa Secondary School	6,000,000	-	-	6,000,000	800,000	5,200,000
Garashi Secondary School	6,000,000	-	-	6,000,000	800,000	5,200,000
Sabaki Secondary	-	1,639,328	560,672	2,200,000	2,200,000	-
Wakala Girls Secondary School	-	1,600,000	600,000	2,200,000	2,200,000	-
Dagamba Secondary School	-	1,238,262	-	1,238,262	1,238,262	-
Kamada Secondary School	-	1,100,000	-	1,100,000	1,100,000	-
Kibokoni Secondary School-staff house	-	400,000	-	400,000	400,000	-
Mapimo Girls Secondary School	-	410,672	-	410,672	410,672	-
Mapimo Girls Secondary School (Staff house)	-	-	1,000,000	1,000,000	-	1,000,000
Magarini Girls Sec. School (Dormitory)	-	-	5,000,000	5,000,000	-	5,000,000
Magarini Girls Sec. School (Bus)	-	-	1,900,000	1,900,000	-	1,900,000
Marereni Secondary School	-	-	5,000,000	5,000,000	5,000,000	-
Marafa Secondary School	-	-	5,000,000	5,000,000	5,000,000	-
Sabaki Secondary(Reallocated from Katsangani Primary)	-	1,098,855	1,100,000	2,198,855	1,788,185	410,670
<b>Total</b>	<b>48,720,000</b>	<b>8,911,117</b>	<b>49,110,672</b>	<b>106,741,789</b>	<b>74,531,119</b>	<b>32,210,670</b>
<b>9.0 Tertiary institutions Projects</b>						
Galana TCC	3,000,000	-	-	3,000,000	1,580,000	1,420,000
<b>Total</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>1,580,000</b>	<b>1,420,000</b>
<b>10.0 Security Projects</b>						
Adu Police Station	5,500,000	-	-	5,500,000	-	5,500,000
Magarini AF Line	-	-	550,000	550,000	-	550,000
<b>Total</b>	<b>5,500,000</b>	<b>-</b>	<b>550,000</b>	<b>6,050,000</b>	<b>-</b>	<b>6,050,000</b>
<b>11.0 Acquisition of assets</b>						
Purchase of office furniture and fittings	140,000	-	-	140,000	140,000	-
Purchase of photocopier	150,000	-	-	150,000	150,000	-
Purchase of other office equipments	220,000	-	-	220,000	220,000	-
Magarini NGCDF Office	600,000	910	-	600,910	-	600,910
<b>Total</b>	<b>1,110,000</b>	<b>910</b>	<b>-</b>	<b>1,110,910</b>	<b>510,000</b>	<b>600,910</b>

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12.0 Other payments									
Magarini Constituency strategic plan			2,200,000			2,200,000			2,200,000
Constituency desk project		1,000,000				1,000,000		1,000,000	
Kavunyalalo Dispensary			4,482,759			4,482,759			4,482,759
<b>Total</b>		<b>1,000,000</b>	<b>6,682,759</b>			<b>7,682,759</b>		<b>1,000,000</b>	<b>6,682,759</b>
13.0 unallocated fund									
AIA		127,000				127,000			127,000
PMC									
<b>Total</b>		<b>127,000</b>				<b>127,000</b>			<b>127,000</b>
<b>GRAND TOTAL</b>		<b>137,088,879</b>	<b>92,600,483</b>	<b>15,282,915</b>	<b>244,972,277</b>	<b>151,813,320</b>	<b>93,158,957</b>	<b>127,000</b>	<b>93,158,957</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)



## **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-Magarini 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.

#### **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.

**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.

**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.

#### **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 30<sup>th</sup> June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 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 30<sup>th</sup> June 2021.

#### **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.

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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 OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
Normal NGCDF Board Allocation	AIE NO	Kshs	Kshs
AIE NO	B047221 - 2018/2019/1533		36,290,876
AIE NO	B041116 - 2019/2020/157		4,000,000
AIE NO	B047604 - 2019/2020/432		20,000,000
AIE NO	B047963 - 2019/2020/800		6,000,000
AIE NO	B049363 - 2019/2020/1031		14,000,000
AIE NO	B104387 - 2019/2020/1343		15,000,000
AIE NO	B096602 - 2019/2020/1483		9,000,000
AIE NO	B096891/2018/2019/848	10,000,000	
AIE NO	B104767 2019/2020/1415	40,000,000	
AIE NO	B124597 2020/2021/0117	9,000,000	
AIE NO	B119551/2020/2021/0295	8,500,000	
AIE NO	B119941/2020/2021/0295	12,000,000	
AIE NO	B128183/2020/2021/0295	6,900,000	
AIE NO	B128325/2019/2020/1647	27,057,052	
AIE NO	B128496/2020/2021/0295	7,000,000	
AIE NO	B138907/2020/2021/0295	12,000,000	
AIE NO	B132239/2020/2021/0295	6,000,000	
AIE NO	B126201/2020/2021/0295	7,000,000	
AIE NO	B126496/2020/2021/157	11,600,000	
AIE NO		12,000,000	
		<b>169,057,052.00</b>	<b>104,290,876</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	~
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	~	~
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	-	-

**3. OTHER RECEIPTS**

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Interest Received	~	-
Rents (Hire of Hall)	6,000	-
Sale of Tender Documents	102,000	15,000
Online PMC Account Closure	1,098,855	1,021,094
Other Receipts Not Classified Elsewhere (Sale of tender)	~	4,000
<b>Total</b>	<b>1,206,855</b>	<b>1,040,094</b>

**4. COMPENSATION OF EMPLOYEES**

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Basic wages of temporary employees	2,435,224	2,443,028
Basic wages of casual labour	85,000	-
Personal allowances paid as part of salary	~	-
House allowance	~	-
Transport allowance	~	-
Leave allowance	~	-
Other personnel payments	~	-
Employer contribution to NSSF	43,200	222,629
Gratuity-contractual employees	1,770,835	-
<b>Total</b>	<b>4,334,259</b>	<b>2,665,657</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	104,805	133,907
Electricity	53,115	33,748
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	87,740	70,100
Domestic travel and subsistence	873,100	325,380
Printing, advertising and information supplies & services	277,830	5,000
Rentals of produced assets	-	-
Training expenses	399,600	1,756,900
Hospitality supplies and services	713,765	468,500
Other committee expenses	876,200	617,000
Committee allowance	2,365,800	2,155,500
Insurance costs	81,656	-
Specialised materials and services	524,655	18,475
Office and general supplies and services	1,617,581	1,725,513
Fuel , oil & lubricants	614,620	2,448,350
Other operating expenses	652,445	1,308,987
Bank service commission and charges	0	61,152
Other Operating Expenses	0	2,100
Security operations	0	
Routine maintenance - vehicles and other transport equipment	333,946	1,172,535
Routine maintenance- other assets	430,365	242,310
<b>TOTAL</b>	<b>10,007,223</b>	<b>12,545,457</b>

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools (see attached list)	21,900,000	26,727,027
Transfers to Secondary Schools (see attached list)	74,531,119	11,100,000
Transfers to Tertiary Institutions (see attached list)	1,580,000	2,500,000
<b>TOTAL</b>	<b>98,011,119</b>	<b>40,327,027</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2020 - 2021	2019- 20120
	Kshs	Kshs
Bursary – Secondary	17,867,900	20,163,300
Bursary –Tertiary	14,630,380	16,466,000
Bursary- Special Schools	-	215,000
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	-	2,800,000
Roads and Bridges	-	-
Sports	-	4,477,800
Environment	2,000,000	3,130,818
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	3,452,439	3,276,000
Other Capital grants and transfers	-	-
<b>TOTAL</b>	<b>37,950,719</b>	<b>50,528,918</b>

**8. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	2020 - 2021	2019 - 2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	140,000	-
Purchase of computers ,printers and other IT equipment	-	-
Purchase of photocopier	150,000	-
Purchase of other office equipment	220,000	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b>510,000</b>	<b>-</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Magarini NGCDF Office	-	999,090
Magarini Constituency Desk Project	1,000,000	-
<b>Total</b>	<b>1,000,000</b>	<b>999,090</b>

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020 - 2021	2019 - 2020
	Kshs (30/6/2021)	Kshs (30/6/2020)
<i>Kenya Commercial Bank, Malindi Branch – A/C No. 1108017754</i>	32,511,647	14,061,060
<b>Total</b>	<b>32,511,647</b>	<b>14,061,060</b>

10B. CASH IN HAND

Location	2020 - 2021	2019 - 2020
	Kshs (30/6/2021)	Kshs (30/6/2020)
Office	15,000	15,000
<b>Total</b>	<b>15,000</b>	<b>15,000</b>

11: OUTSTANDING IMPRESTS

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

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12A. RETENTION**

	2020 - 2021	2019 - 2020
	Kshs	Kshs
	-	-
Total	-	-

**12B. GRATUITY DEPOSITS**

	2020 - 2021	2019 - 2020
	Kshs	Kshs
	-	-
Name	-	-
Total	-	-

**13. BALANCES BROUGHT FORWARD**

	2020 - 2021	2019 - 2020
	Kshs (1/7/2020)	Kshs (1/7/2019)
Bank accounts	14,061,060	15,811,239
Cash in hand	15,000	-
Imprest	-	-
TOTAL	14,076,060	15,811,239

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others	-	-	-
Total	-	-	-



**Magarini Constituency**  
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**Reports and Financial Statements for The Year Ended June 30, 2021**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST**

	2020 - 2021	2019 – 2020
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2020 - 2021	2019 – 2020
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff on Contract	-	1,770,835.32
<b>Total</b>	<b>-</b>	<b>1,770,835.32</b>

**17.3: UNUTILIZED FUND (See Annex 3)**

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	905,256	3,332,696
Use of goods and services	-	53,103
Amounts due to other Government entities (see attached list)	45,430,670	70,921,789
Amounts due to other grants and other transfers (see attached list)	39,412,362	25,765,141
Acquisition of assets	600,910	910
Others (see attached list)	6,682,759	7,682,759
Unallocated Fund	127,000	19,000
<b>Total</b>	<b>93,158,957</b>	<b>107,775,398</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
PMC account Balances (see attached list)	30,811,562.75	19,851,572
<b>Total</b>	<b>30,811,562.75</b>	<b>19,851,572</b>



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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.	~		~	~	
2.	~		~	~	
3.	~		~	~	
<b>Sub-Total</b>	~		~	~	
<b>Construction of civil works</b>					
4.	~		~	~	
5.	~		~	~	
6.	~		~	~	
<b>Sub-Total</b>	~		~	~	
<b>Supply of goods</b>					
7.	~		~	~	
8.	~		~	~	
9.	~		~	~	
<b>Sub-Total</b>	~		~	~	
<b>Supply of services</b>					
10.	~		~	~	
11.	~		~	~	
12.	~		~	~	
<b>Sub-Total</b>	~		~	~	
<b>Grand Total</b>	~		~	~	





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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance
		2020/2021	2019/2020
<b>1.0 Administration and Recurrent</b>			
Employee salary	Payment of staff salaries	794,101	3,332,696
Goods and services	Purchase of fuel, repair and maintenance, printing, stationery, office refreshments, telephone, travel and subsistence	3,448	150
Committee expenses	Payment of committee sitting allowances, transport and conference costs	-	13,272
NSSF	Payment of NSSF Deductions	-	-
<b>Sub Total</b>		<b>797,549</b>	<b>3,346,118</b>
<b>2.0 Monitoring and evaluation</b>			
Goods and services	Purchase of fuel, repair and maintenance, printing, stationery, office refreshments, telephone, travel and subsistence	-	550
Committee expenses	Payment of committee sitting allowances, transport and conference costs	30,530	35,000
NG CDFC / PMC Capacity building	Training NG CDFCs / PMCs on NG CDF related issues	77,177	4,131
<b>Sub Total</b>		<b>107,707</b>	<b>39,681</b>
<b>3.0. Amounts due to other Government entities</b>			
<b>A. Primary Schools</b>			
Bandacho primary school	Construction of 2 No classrooms to completion	1,200,000	12,900,000
Mkono wa jongoo primary school	Construction of 2 No classrooms to completion	2,200,000	-

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	completion	1,200,000	-
Sogorosa primary school	Construction of 2 No classrooms to completion	1,200,000	-
Kasimani primary school	Construction of 2 No classrooms to completion	1,200,000	-
Amkeni primary school	Construction of 2 No classrooms to completion	1,200,000	-
Waresa primary school	Construction of 2 No classrooms to completion	1,200,000	-
Mpirani primary school	Construction of 2 No classroom to completion	1,200,000	-
Mtangani pamoja primary school	Construction of 2 No classroom to completion	1,200,000	-
Kadzuhoni Primary School	Completion of 3No classrooms	-	800,000
Nyamala Sinene Primary School	Construction 1No classroom	-	500,000
Midodoni Primary School	Construction 1No classroom	-	500,000
Kata primary school	Construction of 2No classrooms to completion	-	1,100,000
Ulaya Primary School	Construction of 2No classrooms to completion	-	1,100,000
Kaya Primary school	Construction of 2No classrooms to completion	-	1,100,000
Mwangani Primary School	Construction of 2No classrooms to completion	-	1,200,000
Kaoyeni Primary School	Construction of 2No classrooms to completion	-	1,100,000
Kadzifitseni Primary School	Construction of 2No classrooms to completion	-	1,100,000
Galukani Primary School	Construction of 2No classrooms to completion	-	1,100,000
Mwangatini Primary School	Construction of 2No classrooms to completion	-	1,100,000
Kibaoni Primary School	Construction of 2No classrooms to completion	-	1,100,000



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Tangini Primary school	Construction of 2 No classrooms to completion	-	1,100,000
<b>TOTAL</b>		<b>11,800,000</b>	<b>12,900,000</b>
<b>B. Secondary Schools</b>			
Kibokoni secondary school	Complete construction of 1 No staff housing unit with one bedroom, sitting room & a kitchen (external drainage system, plastering and painting)	300,000	600,000
Shomela Secondary School	Complete construction of 1 No 90 capacity twin laboratory (Flooring, plastering, roofing fittings and gas chamber)	1,000,000	4,324,000
Baricho Secondary School	Complete construction of 1 No 90 capacity twin laboratory (Roofing, plaster, floor works, windows, doors, plumbing, electrical works, painting & decoration).	1,500,000	4,000,000
Chakama Sec School	Complete construction of 1 No 90 capacity twin laboratory (Roofing, plaster, floor works, windows, doors, plumbing, electrical works, painting & decoration).	1,500,000	4,000,000
Kaembeni Sec School	Complete construction of 1 No 90 capacity twin laboratory (Roofing, plaster, floor works, windows, doors, plumbing, electrical works, painting & decoration).	1,500,000	4,000,000
Mjanaheri Sec School	Complete construction of 1 No 90 capacity twin laboratory (Roofing, plaster, floor works, windows, doors, plumbing, electrical works, painting & decoration).	1,500,000	4,000,000
Adu Secondary school	Complete construction of 1 No 90 capacity twin laboratory (Roofing, plaster, floor works, windows, doors, plumbing, electrical works, painting & decoration).	1,000,000	4,250,000
Ngomeni Sec School	Complete construction of 1 No 150 capacity dormitory (Roofing, plaster, floor works, windows, doors, plumbing, electrical works, painting & decoration).	-	5,200,000

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Kurawa Secondary School	Construction of 1 No 90 capacity twin laboratory - Phase 1 (Foundation, slabbing, supper walling up to lintel level).	5,200,000	-
Fundisa Secondary School	Construction of 1 No 90 capacity twin laboratory - Phase 1 (Foundation, slabbing, supper walling up to lintel level).	5,200,000	-
Garashi Secondary School	Construction of 1 No 150 capacity dormitory - Phase 1 (Foundation, walling and roofing).	5,200,000	-
Sabaki Secondary	Construction of 2No classrooms to completion	-	2,200,000
Wakala Girls Secondary School	Construction of 2No classrooms to completion	-	2,200,000
Dagamra Secondary School	Completion of 2No classrooms	-	1,238,262
Ramada Secondary School	Construction of 1No classroom to completion	-	1,100,000
Kibokoni Secondary School- staff house	Construction of 1 staff house	-	400,000
Mapimo Girls Secondary School	Completion of 1No dormitory flooring and painting)) to completion with a capacity of 150 students	-	410,672
Mapimo Girls Secondary School (Staff house)	Construction of 1 staff house	1,000,000	1,000,000
Magarini Girls Sec School (Dormitory)	Construction of a dormitory	5,000,000	5,000,000
Magarini Girls Sec School (Bus)	Purchase of school bus (co-funding with parents and Deputy President)	1,900,000	1,900,000
Marereni Secondary School	Construction of a science laboratory	-	5,000,000
Marafa Secondary School	Construction of a library	-	5,000,000
Sabaki Secondary (Reallocated from Katsangani Primary)	Construction of classrooms to completion	410,670	2,198,855
<b>TOTAL</b>		<b>32,210,670</b>	



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<b>C. Tertiary institutions</b>			<b>32,210,670</b>	<b>58,021,789</b>
Galana TCC	Completion of 1 No 200 capacity girls dormitory: Partitioning, ceiling, plumbing, electrical works, painting and decoration.	1,420,000		
<b>Sub-Total</b>		<b>45,430,670</b>	<b>70,921,789</b>	
<b>Amounts due to other grants and other transfers</b>				
<b>Security Projects</b>				
Adu Police Station	Construction of 1 No. 5 roomed staff houses to completion (Foundation slab, walling, roofing, windows, doors, plumbing, electrical works, painting and decoration)	5,500,000		
Magarini AP Line	Renovation of one 4 door toilet	550,000		550,000
<b>Acquisition of assets</b>				
Magarini NGCDF Office	Renovation of Magarini NGCDF office - Painting of entire office	600,910		910
<b>Environmental Projects</b>				
		1,000,000		500,000
<b>Sport Activities</b>				
		2,458,385		50,372
<b>Emergency</b>				
		5,188,009		1,448,241
<b>Bursary</b>				
Secondary Schools		4,462,628		2,330,528
Tertiary Institutions		11,889,620		16,520,000
Special Needs		8,363,720		4,366,000
<b>Sub-Total</b>		<b>40,013,272</b>		<b>25,766,051</b>

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<b>Other payments</b>			
Magarini Constituency strategic plan	2,200,000		2,200,000
Kavunyalalo Dispensary	4,482,759		4,482,759
Constituency desk project	-		1,000,000
<b>Sub-Total</b>	<b>6,682,759</b>		<b>7,682,759</b>
Unallocated fund	127,000		19,000
<b>Sub-Total</b>	<b>127,000</b>		<b>19,000</b>
<b>Grand Total</b>	<b>93,158,957</b>		<b>107,775,398</b>



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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost Kshs 2019/2020</b>	<b>Additions during the year</b>	<b>Disposals during the year</b>	<b>Historical Cost Kshs 2020/2021</b>
Land	-	-	-	-
Buildings and structures	14,948,395	-	-	14,948,395
Transport equipment	29,338,653	-	-	29,338,653
Office equipment, furniture and fittings	809,895	140,000	-	949,895
ICT Equipment, Software and Other ICT Assets	659,182	150,000	-	809,182
Other Machinery and Equipment	-	220,000	-	220,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>45,756,125</b>	<b>510,000</b>	<b>-</b>	<b>46,266,125</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2021**

NO	PMC	BANK	ACCOUNT NUMBER	BANK BALANCE 2020/21	BANK BALANCE 2019/20
"1	Kibokoni Secondary School	KCB Malindi	1179025466	216,308.80	466,309.80
2	Marafa Secondary School	KCB Malindi	1236338278	3,394,019.13	20,834.13
3	Shomela Secondary School	KCB Malindi	1268268798	976,251.00	428,710.00
4	Wakala Girls Secondary School2	KCB Malindi	1275298850	208,142.60	1,730,774.00
5	Marereni Secondary School	KCB Malindi	1237777062	2,173,457.04	5,866.04
6	Kayadagamra Primary School	KCB Malindi	1275283217	51,884.00	1,100,000.00
7	Waresa Primary School	KCB Malindi	1275283195	21,881.00	500,000.00
8	Tangini Primary School	KCB Malindi	1275283381	210,329.00	1,100,000.00
9	Kadzifitseni Primary School	KCB Malindi	1275283330	103,278.00	1,100,000.00
10	Kakuhani Primary School	KCB Malindi	1275283322	15,552.00	500,000.00
11	Kaoyeni Primary School	KCB Malindi	1275283438	28,353.00	1,100,000.00
12	Kibaoni Primary School	KCB Malindi	1275283446	352,861.00	1,100,000.00
13	Ulaya Primary School	KCB Malindi	1275283306	55,953.00	1,100,000.00
14	Majengo Primary School	KCB Malindi	1275276342	42,643.00	500,000
15	Mwangatini Primary School	KCB Malindi	1275283268	108,520.00	1,100,000.00
16	Mwangani Primary School	KCB Malindi	1275441629	222,221.00	0
17	Kata Primary School	KCB Malindi	1275326722	5,328.00	1,100,000.00
18	Ramada Secondary School	KCB Malindi	1275283152	3,417.00	0
19	Bandacho Primary School	KCB Malindi	1284365387	1,000,000.00	
20	Chamari Primary School	KCB Malindi	1284874273	1,000,000.00	
21	Sogorosa Primary School	KCB Malindi	1284540014	177,953.10	



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22	Kasimani Primary School	KCB Malindi	1284830497	1,000,000.00	
23	Amkeni Primary School	KCB Malindi	1284873609	1,000,000.00	
24	Waresa Primary School	KCB Malindi	1284559491	1,000,000.00	
25	Mtangani Pamoja Primary School	KCB Makindi	1284926532	1,000,000.00	
26	Mambrui Primary School	KCB Malindi	1284772071	500,000.00	
27	Bofu Primary School	KCB Malindi	1284873722	500,000.00	
28	Marikebuni Primary School	KCB Malindi	1284406385	1,000.00	
29	Ng'andu Primary School	KCB Malindi	1284559068	500,000.00	
30	Ngomeni Secondary School	KCB Malindi	1275283179	1,078,369.00	0
31	Chakama Secondary School	KCB Malindi	1275283233	1,282,441.00	0
32	Kaembeni Secondary School	KCB Malindi	1275283349	1,510,152.00	0
33	Magarini Girls Secondary School 1	KCB Malindi	1275283357	0	243,717.68
34	Sabaki Secondary School	KCB Malindi	1275283373	208,369.00	238,308.00
35	Mjanaheri Secondary School	KCB Malindi	1275298575	1,471,974.00	0
36	Wakala Girls Secondary School 1	KCB Malindi	1275283403	71,589.00	0
37	Baricho Secondary School	KCB Malindi	1275283292	1,586,923.00	0
38	Adu Secondary School	KCB Malindi	1275352324	2,122,701.00	0
39	Kurawa Secondary School	KCB Malindi	1285901754	1,000.00	0
41	Fundisa Secondary School	KCB Malindi	1284830349	800,000.00	0
42	Galana Teachers Training College	KCB Malindi	1284924920	1,580,000.00	913,206.08
43	Adu Police Station	KCB Malindi	1286997151	0	0
44	Marereni Police station	KCB Malindi	11669090176	501,023.50	1,012,275.50
45	Midodoni Central Primary School	KCB Malindi	1260685854	1,225.00	1,165,075.00

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46	Kadzuhoni Primary School	KCB Malindi	1227128509	45,608.50	206,951.50
47	Dagamra Secondary School	KCB Malindi	1252548559	65,906.90	86,766.00
48	Burangi Secondary School	KCB Malindi	1251242847	79,835.40	599,467.50
49	Mapimo Girls Secondary School	KCB Malindi	1109634463	8,989.60	88,771.60
50	Nyamala Sinene Primary School	KCB Malindi	1268810215	89,769.00	63,975.00
51	Kotayo Primary School	KCB Malindi	1267970332	14,760.00	75,636.00
52	Magarini Primary School	KCB Malindi	1267090162	1,438.00	1,564.00
53	Mapimo Primary School	KCB Malindi	1261773845	32,083.20	859,646.20
54	Katsangani Primary School	KCB Malindi	1275283276	0	1,100,000.00
55	Magarini Girls Secondary School 2	KCB Malindi	1236093976	243,339.68	243,717.68
56	Mpirani Primary School	KCB Malindi	1284434265	1,000,000.00	
57	Magarini Constituency Desk Project	KCB Malindi	1278300066	39,064.00	
58	Adu Police Post Station	KCB Malindi	1286997151	0	
59	Sabaki Secondary	KCB Malindi	1286209684	1,000.00	
60	Garashi Secondary School	KCB Malindi	1284412253	800,000.00	
61	Mkono wa Jongoo Primary School	KCB Malindi	1288142811	0	
62	Chamari Primary School	KCB Malindi	1284874095	500,000.00	
63	Kibokoni Secondary School	KCB Malindi	1179025466	216,308.80	
64	Galukani primary school	Equity Malindi	"0450279383 814	89,365.00	
	<b>TOTAL</b>			<b>30,811,562.75</b>	<b>19,851,571.71</b>



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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.0. Variances Between Financial Statement Figures and Supporting Schedules	A review of the financial statements reflected variances between the financial statements for the year ended 30 June 2020 and the supporting schedules totaling to Kshs. 4,718,000 in absolute terms as detailed below:	After adjustments made following recommendations in the Management Letter, figures in the financial statement and their corresponding schedules have no variance as reflected in the table provided and the respective schedule in note 5 representing Use of goods and services ( <b>Annex 7</b> ) and Note 7 representing other grants and other payments ( <b>Annex 8</b> ).	Fund Account Manager	Resolved	
<b>Other Matters</b>	The Fund's revenue budget for the	The original revenue budget	Fund Account	Resolved	





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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Budgetary Control and Performance  1.1 Receipts Budget	<p>year under review was Kshs.203,742,691 against total actual receipts of Kshs.121,127,208, resulting to budget under funding of Kshs.82,615,483 or 41% as summarized.</p> <p>The under collection of Kshs.82,615,483 representing 41% of the budget is an indication that projects have not been funded as planned. The underutilization of funds may have impacted negatively on the delivery of goods and services to the citizens of Magarini Constituency This may be an indication of over-budgeting by National Government Constituencies Development Fund - Magarini Constituency.</p>	<p>for the year under review is 137,367,724 and the final budget is Kshs 203,742,691. The changes between the original and final budget are as a result of adjustments tabulated in column b of the summary statement of appropriation table.</p> <p>Only Kshs 68,000,000.00 (49.5%) relating to 2019/2020 financial year had been received as at 30<sup>th</sup> June 2019. This has contributed to the overall under utilisation of funds by 30<sup>th</sup> June 2020.</p>	Manager		
1.0 Use of Goods and Services	<p>The statement of financial performance for the year ended 30 June, 2020 reflect use of goods and services of Kshs.10,788,557. This balance includes an amount of Kshs.1,756,900 in respect to</p>	<p>A copy of the training plan and training needs assessment has been attached for verification. (Annex 9). Management will ensure that future training programmes</p>	Fund Account Manager	Resolved	



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Reference No. of the external audit Report	Issue / Observations from Auditor	Point Point	Status	Remarks
	<p>training expenses. However, there was no training plan and training needs assessment, contrary to Human Resource Policies and Procedures Manual for the Public Service 2015 Section H.3 (1) which states that Training Needs Assessment is a performance audit that generates and provides information to assess the inadequacy of knowledge and skills which inhibits an organization from attaining its objectives. Training in the Public Service shall be based on Training Needs Assessment which shall be conducted after every three (3) years in each State Department.</p>			<p>Consequently, Management was in breach of the Law.</p>
	<p>have the necessary updated training plan and training needs assessment.</p>			