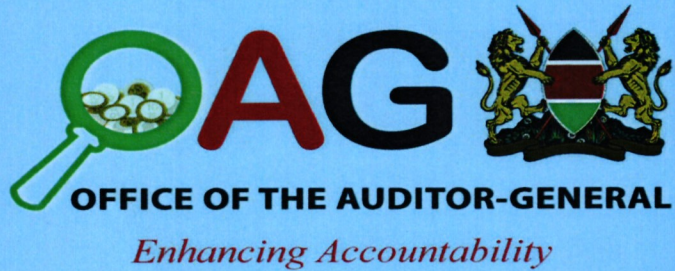


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY	
DATE: 23 NOV 2022	DAY: Wednesday
TABLED OF	Majority Whip
CLERK-AT THE-TABLE:	Christine

THE AUDITOR-GENERAL

ON

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

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



LAMU WEST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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

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Lamu West 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

Lamu West Constituency

National Government Constituencies Development Fund (NGCDF)

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

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 NGCDF LAMU WEST Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Javan Mwandawiro
2.	Sub-County Accountant	Gregory Mwaniki
3.	Chairman NGCDFC	Geoffrey Kupata
4.	Member NGCDFC	Julia Njuguna

(d) Fiduciary Oversight Arrangements

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

(e) Lamu West Constituency NGCDF Headquarters

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

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

(f) Lamu West Constituency NGCDF Contacts

Telephone: (254) 734 334809
E-mail: cdflamuwest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Lamu West Constituency NGCDF Bankers

Equity Bank Kenya Limited
Account Number: 1270263908321
P.O Box
Mpeketoni Branch

(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



GEOFFREY KUPATA CHARO

It gives me great pleasure to thank the people of Lamu West Constituency for giving me the opportunity to serve them in this transformative, people driven and Nation building position. It is great with great joy that I present to you the unaudited accounts and collaborative annual report for the year ended 30th June, 2021.

NG- CDF Lamu West Constituency developed a Strategic Plan 2017- 2022. This strategic plan is a formalized road map that describes how NGCDF Lamu West Constituency will execute its mandate for the period 2017-2022. The road map indicates where the Constituency is, where it is going, and how it will get there. The plan has been developed to guide Lamu West NG-CDF's operations in line with NG-CDF Act 2015 and the subsequent amendments in 2016 where it derives its mandate. Other legal, policy instruments considered

during the development of the strategic plan includes: Lamu County Integrated Development Plan, NG-CDF Board Strategic Plan, Kenya Vision 2030, Sustainable Development Goals (SDGs), The President's Big Four Agenda, Medium Term Plan (MTP) III, and the Constitution of Kenya 2010 (COK). The plan captures the aspirations of the Lamu West Constituents and presents the same in actionable form. It provides a baseline and status report of the thematic areas covered by NG-CDF as mandated by the NG-CDF Act 2015 and subsequent amendments in 2016. The plan establishes the gaps and the needs of the constituents to be addressed.

The traditional role and mandate of NG-CDF as expressed in the CDF Act 2003 (repealed), were reviewed and re-enacted in the NG-CDF Act 2015 and subsequent amendment in 2016. According to the NG-CDF Act 2015, the NG-CDF funds are to be used in projects falling within the function of the National Government under the constitution; Education, Security, Environment, Youth empowerment and Information Communication and Technology (ICT). The projects should be community based to ensure the benefits are available to a widespread cross-section of the constituents. The spirit and tenets of devolution is also enshrouded in NG-CDF and People participation in project identification and implementation is mandatory. The projects are implemented by the people through the project Management Committees (PMCs).

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

Summary of Key Achievements

1. Bursary: The scholarship programme for 40 teachers and 17 youths trained on motorbike riding;
2. Education Projects: Constructed to completion 20 New Classroom in 8 different schools;
3. Renovated 23 Classrooms across the Constituency;
4. Security Projects: Constructed to Completion 1 new Police Station;
5. Supported the renovation of KMTC- Lamu Campus Library;
6. Construction of Mpeketoni Girls Secondary School, the second girls' boarding school in the County of Lamu.

NG- CDFC LAMU WEST CONSTITUENCY SWOT ANALYSIS

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

Risk Management Integration & Mitigation Strategies in The Constituency Operation

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

OBJECTIVES OF RISK MANAGEMENT

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

Signature



CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

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- Lamu West Constituency's 2018-2022 Plan are to:

- a) To improve access to education and training
- b) To improve the working and living conditions of security personnel in the Constituency
- c) To enhance environmental conservation
- d) To build and enhance youth skills through sports
- e) To improve ICT infrastructure
- f) To improve capacity in project planning monitoring and evaluation

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 Program	Objective	Outcome	Indicator	Performance
Education	To improve access to education and training	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none">- Increased number of students accessing education- Increased number of schools with adequate facilities and equipment- Improved performance in national examinations- Increased number of schools with adequate sanitation facilities	<p>In Financial Year 2020/21, we have increased number of classrooms, both in primary schools and secondary schools by 30 units in the Manda Secondary School, Coast Arid Secondary School, Hongwe Secondary School, Mpeketoni Girls Secondary School, Amkeni Primary School, Mahmoud Bin Fadhil Girls Secondary School. We have also face-lifted Moa Primary School, Didewaride Primary School e.t.c</p> <p>Bursary beneficiaries at all levels were as per the attached schedules</p>

Lamu West Constituency

National Government Constituencies Development Fund (NGCDF)

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

Constituency Program	Objective	Outcome	Indicator	Performance
Security	To improve the working and living conditions of security personnel in the Constituency	Increase and improve the conditions of police stations within the constituency	- Increased number of housing units and offices for security personnel	In Financial Year 2020/21 we have worked on completion of 2 police stations (Kibaoni Police station and Hindi Police Station), we continue finishing construction of two police posts (Hongwe Police Post and Maleli Police Post). We recorded completion of two Chiefs offices (Tewe Chief's Office and Langoni Chief's Office). Additionally, we plan to have a new Police Station at Pangani, OCPD Office in Mpeketoni and CIPU Office in Mokowe.
Environment	To enhance environmental conservation	Implement water harvesting projects at schools and water connection to various toilets	- Increased number of schools with adequate sanitation facilities	In Financial Year 2020/21, we have invested in water harvesting projects in Manda Maweni Primary School, Kangaja Primary School, Bahari Secondary School, Sinambio Primary School, Safirisi Primary School, Lamu Special for Mentally Challenged and Telelani Primary School. We Also plan to have 2 water projects in Bomani Secondary School and Poromoko Primary School.
Sports	To build and enhance youth skills through sports	Increased number of youths involved in gainful activities	- Increased sports activities in the constituency through equipping schools with sports kits, rehabilitation of sports field, and planning for constituency tournament.	In Financial Period 2020/21 we rehabilitated Manda Primary Sports field, started the process of procuring sports kits for 4 schools and rehabilitation of further 2 sports fields. In addition, we plan to improve all sporting activities in the Constituency by putting up sporting play grounds for various sporting activities at Uziwa Secondary School
Disaster Management	To establish risk register for the constituency	Reduction in Risk Levels/Increased Risk Mitigation factors	- Improved Constituency Internal Control System - Reduced level of complaints; resolved past cases and	Continuous Improvement in terms of Inherent Risk Indicators and residual risk indicators

Lamu West Constituency

National Government Constituencies Development Fund (NGCDF)

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

Constituency Program	Objective	Outcome	Indicator	Performance
			reduced reporting of present cases	

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. **Sustainability strategy and profile:** To ensure sustainability of Lamu West Constituency NGCDF, the committee funds the following key sectors with the following sustainable priorities.
 - a) **Education and Training:** Lamu West Constituency 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.
2. **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.
3. **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 Financial Year 2020/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

Lamu West Constituency

National Government Constituencies Development Fund (NGCDF)

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

4. **Environmental performance:** Uncontrolled environmental degradation and effects of climate change negatively impact on the socio-economic development of the constituency. Major contributors to environmental degradation are human activity. These activities include deforestation through illegal logging, charcoal burning, forest clearing for agricultural activities, overstocking and subsequent overgrazing, illegal quarrying and water pollution through waste disposal. The depletion of mangrove forest reduces reproduction of marine life, deforestation and overgrazing leads to desertification and reduce rainfall and water sources, water pollution leads to water borne diseases while climate change has increased the frequency of high tide flooding.

Lamu West Constituency depends heavily on wood fuel for domestic use. Forest resources contribute heavily towards household budget through the burn and sell of charcoal. Widespread poverty, unemployment and climate change are the major driving forces to environmental degradation in the constituency.

5. **Employee welfare:** We invest in providing the best working environment for our employees. Lamu West 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 are based on performance appraisal.

The constituency promotes a healthy lifestyle. Employees are encouraged and supported to continually build on their skills and knowledge. Lamu West Constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

6. **Market place practices:** Lamu West NGCDF Constituency is committed to fair and ethical market practises. The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

7. **Community Engagements:** Lamu West Constituency NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging

Lamu West Constituency

National Government Constituencies Development Fund (NGCDF)

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

local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness- This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings. Lamu West Constituency NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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


The Accounting Officer in charge of the NGCDF-Lamu West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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-Lamu West Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Lamu West Constituency further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

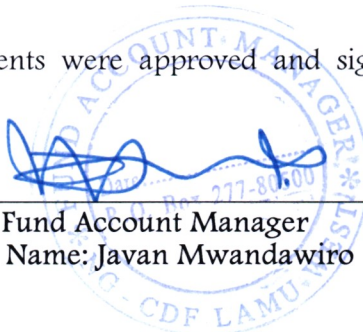
The NGCDF- Lamu West Constituency financial statements were approved and signed by the Accounting Officer on April 23rd, 2022



Chairman NGCDF Committee
Name: Geoffrey K. Charo

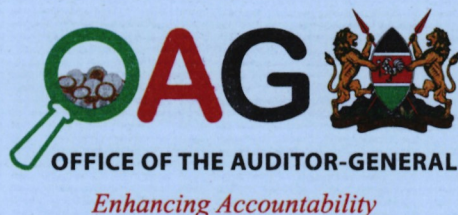


Fund Account Manager
Name: Jayan Mwandawiro



REPUBLIC OF KENYA

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NAIROBI

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

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

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Lamu West Constituency set out on pages 14 to 42,

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Lamu West National Government Constituencies Development Fund - Lamu West Constituency as at 30 June, 2021 and 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 Opinion

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.218,354,988 and Kshs.154,668,572 respectively resulting to a budget shortfall of Kshs.63,686,416 representing 29% of the budget. Similarly, the Fund spent Kshs.145,375,240 against an approved budget of Kshs.218,354,988 resulting to an under-expenditure of Kshs.72,979,748 representing 33% of the budget.

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

2. Project Implementation Status

Review of the project implementation status for the year under review indicated that the Management had planned/budgeted to execute twenty-seven (27) projects with a total allocation of Kshs.100,180,590. However, only twelve (12) projects were completed, nine (9) projects with total allocation of Kshs.46,810,564 were on-going while six (6) projects

with total allocation of Kshs.12,291,776 had not been started. In addition, three (3) rollover projects amounting to Kshs.28,541,537 remained incomplete by April, 2022.

The delay in completing projects may have impacted negatively on service delivery to the public and value for money may not have been realized from the projects.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Poor Implementation of Lamu West Constituency ICT Innovation Hub

The statement of receipts and payments and as disclosed in Note 9 to the financial statements Includes other payments balance of Kshs.1,169,256 in respect of payments to ICT Hub. The payment which was made to Telekom Kenya Limited relates to provisions of internet and associated services to Lamu West Constituency ICT Innovation Hub.

However, the following anomalies were observed:

- i. The contractual agreement made on 16 March, 2020 did not provide or specify the contract durations for the works agreed upon.
- ii. There was no delivery note, copies of performance security and equipment's insurance certificate provided for audit.
- iii. The Management raised a reminder letter under Reference No. NGCDF/LW/ICT/2021/2022/12 VOL.1 dated 16 December, 2021 to the contractor for delayed projects. However, it was noted that the Management had already paid the full contract sum earlier on 23, November 2020 contrary to Section 146 of the Public Procurement and Asset Disposal Act, 2015.
- iv. There were no inspection and/or test carried out on the equipment to confirm their conformity to the contract specifications by the Constituency Development Fund Committee.
- v. Physical verifications conducted on 12 April, 2022 revealed that the Digital Access Kits that would have composed of thirteen (13) number of S145KL Celeron Laptops were not on site.

In the circumstances, value for money on the Kshs.1,169,256 incurred on provision of internet and associated services could not be confirmed.

2. Incomplete Construction at Mpeketoni Girls Secondary School.

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government units amount of Kshs.79,121,862. This balance includes payment for transfers to secondary schools amounting to Kshs.38,650,491 out of which Kshs.12,000,000 was paid in respect of construction of twelve (12) classrooms block, borehole and ablution block at Mpeketoni Girls Secondary School. The Fund awarded the contract at contract sum of Kshs.54,498,139 on 29 November, 2019.

The contractual agreement entered on 29 November, 2019 indicated that works would be completed within 208 days and was expected to be completed by 17 December,2021. Physical inspection of the project on 12 April, 2022 revealed that the contractor was still on site and the works were on-going and was estimated to be 85% complete. Further, no monthly progress reports were provided for audit.

In the circumstances, the value for money on the amount of Kshs.12,000,000 incurred on the implementation of the project could not be confirmed.

3. Poor Project Implementation

Verification of three (3) projects with a total allocation of Kshs.15,169,256 namely; Maleli police post, Mpeketoni Girls Secondary and Fund's ICT Hub revealed that they were not implemented in accordance with the terms and conditions of their respective contracts. This was contrary to Section 11(1) of National Government Constituencies Development Regulations, 2016 that states that the functions of a Constituency Committee shall be (j) to ensure that all projects receive adequate funding and are completed within three years; (m) monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board; (n) ensure that project reports are prepared and submitted to the Board.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Summary of Fixed Assets

Annex 4 of the financial statements reflects a summary of fixed assets register with an historical cost amount of Kshs.29,022,490. However, a review of the fixed assets register and other supporting documents maintained by the Fund indicated that land parcel that houses the Fund's headquarters offices had no ownership documents. Further, review of the asset register revealed that, the Fund owns three vehicles and one motorcycle. However, there were no ownership documents provided for audit.

In the circumstances, proper management and internal controls of the Fund's assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


15 September, 2022

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

VII. STATEMENT OF RECEIPTS AND PAYMENTS


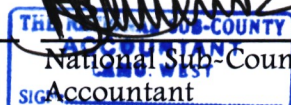
	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	149,426,187	148,044,325
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	<u>44,000</u>
TOTAL RECEIPTS		149,426,187	148,088,325
PAYMENTS			
Compensation of employees	4	3,338,999	3,778,640
Use of goods and services	5	10,847,764	7,670,702
Transfers to Other Government Units	6	79,121,862	66,217,106
Other grants and transfers	7	44,932,360	65,194,391
Acquisition of Assets	8	5,965,000	2,688,320
Other Payments	9	<u>1,169,256</u>	<u>1,800,000</u>
TOTAL PAYMENTS		145,375,240	147,349,159
SURPLUS/(DEFICIT)		<u>4,050,947</u>	<u>739,166</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Lamu West Constituency financial statements were approved on April 23rd, 2022 and signed by:



Fund Account Manager

Name: Javan Mwandawiro

Name: Gregory Mwaniki
ICPAK M/No: 12536



Chairman NG-CDF Committee

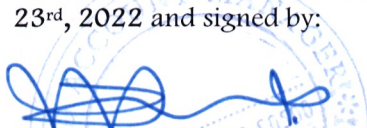
Name: Geoffrey Charo



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


VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,964,458	5,198,385
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		9,964,458	5,198,385
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		9,964,458	5,198,385
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	451,028	-
Gratuity	12B	453,079	188,981
TOTAL FINANCIAL LIABILITES		904,107	188,981
NET FINANCIAL ASSETS		<u>9,060,351</u>	<u>5,009,404</u>
REPRESENTED BY			
Fund balance b/fwd	13	5,009,404	4,270,238
Prior year adjustments	14	-	-
Surplus/Deficit for the year		4,050,947	739,166
NET FINANCIAL POSITION		<u>9,060,351</u>	<u>5,009,404</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Lamu West Constituency financial statements were approved on April 23rd, 2022 and signed by:


Fund Account Manager
Name: Javan Mwandawiro



National Sub-County
Accountant
Name: Gregory Mwaniki
ICPAK M/No: 12536

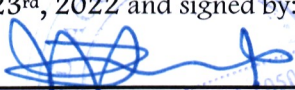

Chairman NG-CDF Committee
Name: Geoffrey Charo


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


IX. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	149,426,187	148,044,325
Other Receipts	3	-	44,000
Total receipts		149,426,187	148,088,325
Payments for operating activities			
Compensation of Employees	4	3,338,999	3,778,640
Use of goods and services	5	10,847,764	7,670,702
Transfers to Other Government Units	6	79,121,862	66,217,106
Other grants and transfers	7	44,932,360	65,194,391
Other Payments	9	1,169,256	1,800,000
Total payments		139,410,241	144,660,839
Total Receipts Less Total Payments		10,015,946	3,427,486
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (Outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	715,126	188,981
Prior year adjustments	14	-	-
Net Adjustments		715,126	188,981
Net cash flow from operating activities		10,731,072	3,616,467
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(5,965,000)	(2,688,320)
Net cash flows from Investing Activities		(5,965,000)	(2,688,320)
NET INCREASE IN CASH AND CASH EQUIVALENT		4,766,073	928,147
Cash and cash equivalent at BEGINNING of the year	10	5,198,385	4,270,238
Cash and cash equivalent at END of the year		<u>9,964,458</u>	<u>5,198,385</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Lamu West Constituency financial statements were approved on April 23rd, 2022 and signed by:


Fund Account Manager
Name: Javan Mwandawiro


National Government Constituencies Development Fund
Lamu West
Accountant
Name: Gregory Mwaniki
ICPAK M/No: 12536


Chairman NG-CDF Committee
Name: Geoffrey Charo

*Lamu West Constituency
National Government Constituencies Development Fund (NGCDF)
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X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget		Adjustments		Final Budget 2020/2021	Actual on comparable basis d	Budget Utilization difference e=c-d	% of Utilization f=d/c %
	a	b	c=a+b	d				
RECEIPTS	2020/2021	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	30/06/2021	30/06/2021		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from NGCDF Board	137,088,879	5,198,385	76,067,724	218,354,988	154,624,572	63,730,416	71%	
Proceeds from Sale of Assets	-	-	-	-	-	-	-	0%
Other Receipts (AIA 2019/2020)	-	-	-	-	-	-	-	0%
TOTALS	137,088,879	5,198,385	76,067,724	218,354,988	154,668,572	63,730,416	71%	
PAYMENTS								
Compensation of Employees	2,387,874	401,475	738,631	3,527,980	3,338,999	188,982	95%	
Use of goods and services	9,950,124	-	913,752	10,863,876	10,847,764	16,112	100%	
Transfers to Other Government Units	67,320,705	-	30,189,644	97,510,349	79,121,862	18,388,487	81%	
Other grants and transfers	52,956,426	-	21,421,091	74,377,518	44,932,360	29,445,158	60%	
Acquisition of Assets	4,446,000	4,752,910	2,093,812	11,292,722	5,965,000	5,327,722	53%	
Other Payments	-	-	1,169,256	1,169,256	1,169,256	-	100%	
Funds pending approval	27,750	44,000	19,541,537	19,613,287	-	19,613,287	0%	
TOTALS	137,088,879	5,198,385	76,067,724	218,354,988	145,375,240	72,979,748	67%	


Lamu West Constituency
National Government Constituencies Development Fund (NGCDF)
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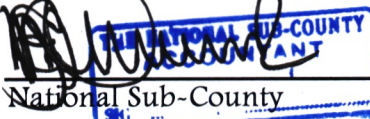
NOTES ON SUMMARY STATEMENT OF APPROPRIATION:

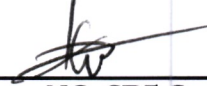
- a) Funds pending approval are sums not yet approved by the NG- CDF Board.
- b) Opening cash book balance includes: a) AIA of Kshs. 44,000 and b) Gratuity of Kshs. 188,981.
- c) The Closing Balance of Kshs. 9,964,458 includes closing Accounts payable as at 30th June, 2021 (Note 16) of Kshs. 904,107. However, an amount of Kshs. 188,981 for account payable was erroneously voted as part of the Fund. The amount will be recovered in the subsequent financial year 2021/2022.
- d) Closing balance of the expected funds from NG- CDF Board as at 30 June, 2020 of Kshs. 75,900,725 did not reflect the correct amount of Kshs. 76,067,724, thus the adjustment.
- e) Transfer to Other Government Units: The Closing balance in Financial Year 2019/20 of Kshs. 45,032,940 includes an amount of Kshs. 19,541,537 of Funds Pending Approval as at 30th June 2021.
- f) Other Grants and transfers: An Item of Emergency Fund of Ksh. 4,698,241 from the closing balance of Kshs. 25,952,334 in the previous financial period was re-allocated to Amkeni Primary School- Kshs. 3,000,000 and Lamu Girls Secondary School- Kshs. 1,698,241. Therefore, a figure of Kshs. 4,698,241 shifted to Transfers to other government units in the current financial year.
- g) Acquisition of Assets increased by Kshs. 4,652,775 with an item of refurbishment of Office Buildings. The figure was treated in the previous financial period under review as Other Payments totalling to Kshs. 5,822,031. The current balance of Other Payment is Kshs. 1,169,256 for implementation of ICT Hub.
- h) Provided below is a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%):
 - Transfer to Other Government Units (85%): Pending approval of Mpeketoni Girls Secondary School and re- allocation process of the same project.
 - Other Grants and Transfers (57%): Delays in disbursement from NG- CDF Board, the procurement process and balance in emergency fund pending re-allocation to Mpeketoni Girls Secondary School.
 - Assets Acquisition (53%): Delays in disbursement from NG- CDF Board, the procurement process caused by slow works in phase one of the project and pending purchase of NG- CDFC Office Boat.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount (Kshs)
Budget utilisation difference totals	72,623,768
Less undisbursed funds receivable from the Board as at 30 th June 2021	(63,563,417)
	9,060,350
Add Accounts payable	904,107
Less Accounts Receivable	(-)
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	9,964,457

The NGCDF-Lamu West Constituency financial statements were approved on April 23rd, 2022 and signed by:


 Fund Account Manager
 Name: Javan Mwandawiro



 National Sub-County
 Accountant
 Name: Gregory Mwaniki
 ICPAK M/No: 12536


 Chairman NG-CDF Committee
 Name: Geoffrey Charo



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
TOLLENTINE

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Lamu West Constituency
National Government Constituencies Development Fund (NGCDF)
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XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs.	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,387,874	401,475	538,631	3,527,980	3,338,999	188,981
1.2 Committee Allowances	732,000	-	-	732,000	732,000	-
1.3 Use of goods and services	5,105,458	-	126,921	5,232,379	5,216,266	16,113
Sub- Total	8,225,332	401,475	632,571	9,303,378	9,287,265	205,094
2.0 Monitoring and evaluation						
2.1 Capacity building	350,000	-	786,832	1,136,832	1,136,832	-
2.2 Committee allowances	850,000	-	-	850,000	850,000	-
2.3 Use of goods and services	2,912,666	-	-	2,912,666	2,912,666	-
Sub- Total	4,112,666	-	786,832	4,899,498	4,899,498	-
3.0 Emergency						
3.1 Emergency Fund	7,192,207	-	-	7,192,207	-	7,192,207
Sub- Total	7,192,207	-	-	7,192,207	-	7,192,207
4.0 Bursary and Social Security						
4.1 Secondary Schools	14,917,545	-	3,935,217	18,852,762	18,456,407	396,355
4.2 Tertiary Institutions	11,683,219	-	8,277,384	19,960,603	18,642,400	1,318,203
Sub- Total	26,644,764	-	12,212,601	38,813,365	37,098,807	1,714,558
5.0 Sports						
5.1 Uziwa Secondary School	2,741,777	-	-	2,741,777	2,741,777	-
Sub- Total	2,741,777	-	-	2,741,777	2,741,777	-
6.0 Environment						

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

6.1 Poromoko Primary School	741,776				741,776	-
6.2 Bomani Secondary School	2,000,000				2,000,000	-
Sub- Total	2,741,776	-			2,741,776	-
7.0 Primary Schools Projects						
7.1 Moa Primary School	-		2,300,000		2,300,000	-
7.2 Chalaluma Primary School	-		2,300,000		2,300,000	-
7.3 Mahmud Bin Fadhil Primary Sch	-		6,500,100		6,500,100	-
7.4 Didewaride Primary School	-		2,300,000		2,300,000	-
7.5 Kauthara Primary School	4,600,000		-		4,600,000	-
7.6 Swabaha Primary School	2,400,000		-		2,400,000	-
7.7 Mkumumbi Primary School	4,600,000		-		4,600,000	4,600,000
7.8 Sikomani Primary School	5,750,000		-		5,750,000	832,816
7.9 Katsakairu Primary School	4,600,000		-		4,600,000	4,917,184
7.10 Safirisi Primary School	3,538,455		-		3,538,455	-
7.11 Poromoko Primary School	3,600,000		-		3,600,000	3,600,000
7.12 Jipendeni Primary School	3,600,000		-		3,600,000	-
7.13 Bodhei Junction Primary School	4,800,000		-		4,800,000	4,800,000
7.14 Kipungani Primary School	4,380,000		-		4,380,000	4,380,000
7.15 Mahmud Bin Fadhil Boys Pri. School	3,000,000		-		3,000,000	3,000,000
7.16 Amkeni Primary School	-		3,000,000		3,000,000	-
Sub- Total	44,868,455	-	16,400,100		61,268,555	35,971,371
8.0 Secondary Schools Projects						25,297,184
8.2 Hongwe Secondary School	-		7,000,000		7,000,000	-
8.3 Witu Secondary School	-		3,500,000		3,500,000	-
8.4 Majembeni Secondary School	-		7,000,000		7,000,000	-
8.5 Lamu Girls Secondary School	-		1,698,241		1,698,241	-
8.5 Manda Secondary School	6,500,000		-		6,500,000	500,000
8.6 Coast Arid Secondary School	6,500,000		-		6,500,000	500,000
8.7 Kiongwe Secondary School	7,452,250		-		7,452,250	-

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

Sub- Total	20,452,250	-	19,198,241	39,650,491	38,650,491	1,000,000
9.0 Tertiary institutions Projects						
9.1 KMTC Lamu Campus	2,000,000			2,000,000	2,000,000	-
9.2 Lamu School of Mentally Challenged	-		2,500,000	2,500,000	2,500,000	-
Sub- Total	2,000,000	-	2,500,000	4,500,000	4,500,000	-
10.0 Security Projects						
10.1 Tewe Chief's Office	350,000		-	350,000	350,000	-
10.2 Pangani Police Station	6,329,902		-	6,329,902	-	6,329,902
10.3 Mokowe CIPU County HQ Office	2,500,000		-	2,500,000	-	2,500,000
10.4 Mpeketoni OCPD Office	2,500,000		-	2,500,000	-	2,500,000
10.5 Maleli Police Station	2,000,000			2,000,000	2,000,000	-
Sub- Total	13,679,902	-	-	13,679,902	2,350,000	11,329,902
11.0 Acquisition of assets						
11.1 Construction of CDF office	4,000,000	4,752,910	-	8,752,910	5,512,080	3,240,830
11.2 Purchase of Office Boat	-	-	3,393,603	3,393,603	-	3,393,603
11.3 NG- CDF Office: Purchase of Assets	446,000	-	-	446,000	452,920	(6,920)
Sub- Total	4,446,000	4,752,910	3,393,603	12,592,513	5,965,000	6,627,513
12.0 Others						
12.1 Strategic Plan	-		-	-	-	-
12.2 Innovation Hub	-		1,169,256	1,169,256	1,169,256	-
Sub- Total	-		1,169,256	1,169,256	1,169,256	-
13.0 unallocated fund						
13.1 Unapproved projects						
Mpeketoni Girls Secondary School	-		19,541,537	19,541,537	-	19,541,537
NG- CDF Office: Purchase of Assets	27,750		-	27,750	-	27,750
13.2 AIA- Bursary for Secondary School	-	44,000	-	44,000	-	44,000
13.3 PMC savings	-	-	-	-	-	-
Sub- Total	27,750	44,000	19,541,537	19,569,287	-	19,569,287
Grand Total	137,088,879	5,198,385	76,067,722	218,354,986	145,375,240	72,979,745

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XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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.

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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.

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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 30th June 2020 for the period 1st July 2020 to 30th 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 30th June 2021.

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14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board Disbursements			
AIE NO B041049	1		48,340,875
AIE NO B041104	2		4,000,000
AIE NO B041311	3		18,000,000
AIE NO B041391	4		16,500,000
AIE NO B047730	5		5,000,000
AIE NO B041373	6		4,200,000
AIE NO B047953	7		6,000,000
AIE NO B049351	8		14,000,000
AIE NO B104222	9		6,000,000
AIE NO B104209	10		800,000
AIE NO B104371	11		21,000,000
AIE NO B096806	12		4,203,450
AIE NO B096890	13	3,200,000	
AIE NO B104861	14	49,826,187	
AIE NO B124587	15	9,000,000	
AIE NO B124808	16	3,500,000	
AIE NO B119538	17	10,000,000	
AIE NO B119928	18	13,000,000	
AIE NO B128169	19	6,900,000	
AIE NO B128482	20	7,000,000	
AIE NO B132226	21	6,000,000	
AIE NO B138894	22	13,000,000	
AIE NO B126188	23	6,000,000	
AIE NO B126483	24	10,000,000	
AIE NO B140626	25	12,000,000	
TOTAL		149,426,187	148,044,325

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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	-	-
	-	-
Total	--	--

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	--	-

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,216,915	2,006,420
Personal allowances paid as part of salary	-	-
Basic wages of casual labor	120,000	245,772
Personal allowances paid as part of salary	-	76,000
House Allowance	242,700	159,290
Transport Allowance	242,700	159,290
Leave allowance	42,000	3,000
Gratuity-contractual employees (Provision)	301,617	1,041,947
Employer Contributions Compulsory NSSF schemes	23,067	86,920
Other personnel payments	150,000	245,772
Total	3,338,999	3,778,640

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5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	9,580	19,403
Electricity	8,500	1,500
Water & sewerage charges	8,050	2,460
Office rent	0	225,000
Communication, supplies and services	119,500	136,976
Domestic travel and subsistence	562,778	871,800
Printing, advertising and information supplies & services	29,300	580,800
Rentals of produced assets	0	0
Training expenses	0	11,200
Hospitality supplies and services	0	0
Other committee expenses	5,094,156	2,703,260
Committee allowance	732,000	492,000
Insurance costs	0	0
Specialised materials and services	0	0
Office and general supplies and services	585,800	187,647
Fuel, oil & lubricants	246,519	214,082
Other operating expenses	1,852,482	1,192,865
Bank service commission and charges	51,100	20,840
Security operations	140,100	0
Routine maintenance - vehicles & other transport equipment	437,899	615,414
Routine maintenance- other assets	973,000	395,455
Total	10,847,764	7,670,702

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	35,971,371	16,653,906
Transfers to secondary schools (see attached list)	38,650,491	44,600,200
Transfers to tertiary institutions (see attached list)	4,500,000	4,963,000
TOTAL	79,121,862	66,217,106

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7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,456,407	30,711,500
Bursary – tertiary institutions (see attached list)	18,642,400	18,207,892
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	2,350,000	5,350,000
Sports projects (see attached list)	2,741,777	4,724,999
Environment projects (see attached list)	2,741,776	3,700,000
Emergency projects (see attached list)	-	2,500,000
	-	-
Total	44,932,360	65,194,391

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	5,512,080	495,160
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture & Institutional Equip.	-	-
Purchase of office furniture and General Equipment	127,600	1,249,760
Purchase of computers, printers and other IT equipment	325,320	943,400
Purchase of ICT Equipment, Software & Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation & Renovation of Plant, Machinery & Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	5,965,000	2,688,320

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9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	1,800,000
ICT Hub	1,169,256	-
	1,169,256	1,800,000

10: CASH BOOK BANK BALANCE

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)		
<i>Bank Name: Equity Bank Kenya Ltd- Mpeketoni, A/C no: 1270263908321</i>	9,964,458	5,198,384
	-	-
	-	-
	-	-
Total	9,964,458	5,198,384
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-

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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>Name of Officer</i>	N/A	-	-	-
<i>Total</i>				-

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	451,028	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	451,028	-

Retention was arrived as shown below:

Mtwangu (Equity Bank)	3,864,848
Commissioner of Domestic Tax- 2% VAT	116,645
Commissioner of Domestic Tax- 3% WHIT	77,764
Mtwangu- Retention Money- 10%	451,028
Certificate Amount	4,510,285

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	188,981	-
Gratuity held during the year (B)	301,926	188,981
Gratuity paid during the Year (C)	37,828	-
Closing Gratuity as at 30 th June D= A+B-C	453,079	188,981

NG- CDFC Staff Gratuity at 15% of basic salary for seven (7) staff members on contract.

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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	5,198,385	4,270,238
Cash in hand	-	-
Imprest	-	-
Total	5,198,385	4,270,238

Cash Balance as at 1st July 2020.

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	(-)	-	(-)
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	--	--	--

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	--	--

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	188,981	167,001
Deposit and Retentions held during the year (B)	752,954	188,981
Deposit and Retentions paid during the Year (C)	37,828	167,001
Closing accounts payable at 30th June (D=A+B-C)	904,107	188,981

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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	-	-
	--	--

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
	--	--

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	232,981	951,125
Use of goods and services	16,112	913,752
Amounts due to other Government entities (see attached list)	13,690,246	45,032,940
Amounts due to other grants and other transfers (see attached list)	34,020,400	25,952,334
Acquisition of assets	5,327,722	2,193,947
Others (<i>specify</i>)	0	5,822,031
Funds pending approval	19,569,287	0
Total Unutilized Fund	72,856,749	80,866,129

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	55,750,758	84,829,216
Total PMC account balances	55,750,758	84,829,216

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Staff Salaries	232,981	951,125	Pending Disbursement
Use of goods & services	Prior year adjustment	16113	913,753	Pending Disbursement
Sub-Total		249094	1,864,878	
Amounts due to other Government entities				
7.1 Mokowe Special School	Fencing of the school		2,500,000	Implementation Ongoing
7.12 Moa Primary School	Renovation of 4 Classrooms		2,300,000	Implementation Ongoing
7.13 Chalaluma Primary School	Renovation of 4 Classrooms		2,300,000	Implementation Ongoing
7.14 Mahmud Bin Fadhil Primary Sch	Construction of classroom & Hall		6,500,100	Implementation Ongoing
7.15 Didewaride Primary School	Renovation of 4 Classrooms		2,300,000	Implementation Ongoing
8.1 Mpeketoni Girls Secondary School	Construction of 12 Classrooms	19,541,537	19,541,537	Implementation Ongoing
8.4 Witu Secondary School	Construction of 3No. 4 Door Toilet		3,500,000	Implementation Ongoing
8.10 Hongwe Secondary School	Purchase of School Bus		7,000,000	Implementation Ongoing
8.11 Majembeni Secondary School	Purchase of School Bus		7,000,000	Implementation Ongoing
7.7 Mkumumbi Primary School	Purchase of School Furniture	4,600,000		Implementation Ongoing
7.8 Sikomani Primary School	Purchase of School Furniture	4,917,184		Implementation Ongoing
7.11 Poromoko Primary School		3,600,000		Implementation Ongoing
7.13 Bodhei Junction Primary School		4,800,000		Implementation Ongoing
7.14 Kipungani Primary School		4,380,000		Implementation Ongoing
7.15 Mahmud Bin Fadhil Boys Pri School		3,000,000		Implementation Ongoing
8.5 Manda Secondary School		500,000		Proposed Re- allocation
8.6 Coast Arid Secondary School		500,000		Proposed Re- allocation
Sub-Total		45,838,721	52,941,637	
Amounts due to other grants and other transfers				

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3.0 Emergency	Emergency Projects	7,192,207	4,698,241	Pending Disbursement
4.2 Bursary Secondary Schools	Bursary to Needy students	273,357	3,768,219	Re-submission
4.3 Bursary Tertiary Institutions	Bursary to Needy students	1,318,203	8,277,384	Re-submission
10.3 Mokowe CIPU County HQ Office		6,329,902		Re-submission
10.4 Mpeketoni OCPD Office		2,500,000		Re-submission
10.5 Maleli Police Station		2,500,000		Re-submission
Sub-Total		20,113,669	16,743,844	
Acquisition of assets				
11.2 Construction of CDF office	Refurbishment Of Office	3,240,830	4,752,910	
11.3 Purchase of furniture and equipment	Office Equipment and Furniture	3,393,603		Pending Disbursement
11.5 Purchase of Office Boat	Office Boat	-6,920	3,393,603	Pending Disbursement
Sub-Total		6,627,513	8,146,513	
Others (NGCDF OFFICE)				
12.1 Strategic Plan	Strategic Plan	0		Pending Approval
12.2 Innovation Hub	4 ICT Hubs	0	1,169,256	3 to be re-allocated
12.3 Construction of CDF office	Repairs of Office	27,750		Pending Disbursement
Sub-Total		27,750	1,169,256	
Grand Total		72,856,747	80,866,128	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	7,495,160	5,512,080	-	13,007,240
Transport equipment	11,229,170	-	-	11,229,170
Office equipment, furniture and fittings	2,749,760	127,600	-	2,877,360
ICT Equipment, Software and Other ICT Assets	1,583,400	325,320	-	1,908,720
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	23,057,490	5,965,000	-	29,022,490

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
1	KIONGWE SECONDARY SCHOOL	Co-Op Bank	523,323	6,499,520
3	KIBAONI POLICE STATION	Co-Op Bank	333,933	3,370,361
4	UMOJA PRIMARY SCHOOL	Co-Op Bank	406,363	406,264
5	BAHARI SECONDARY SCHOOL	Equity Bank	55,314	450,554
6	BORA MOYOO PRIMARY SCHOOL	Equity Bank	543,188	1,538,786
7	COAST ARID SECONDARY SCHOOL	Equity Bank	12,619	6,099,500
8	FIRE EXTINGUISHERS FOR SEC. SCHOOLS	Equity Bank	30,719	30,720
9	HINDI POLICE STATION	Equity Bank	1,229,290	1,728,930
10	HINDI PRIMARY SCHOOL	Equity Bank	1,501,639	3,000,020
11	HONGWE POLICE POST	Equity Bank	182,440	2,000,000
12	HONGWE SECONDARY SCHOOL	Equity Bank	3,730,558	3,200,000
13	JUHUDI PRIMARY SCHOOL	Equity Bank	245,496	245,496
14	KIONGWE PRIMARY SCHOOL	Equity Bank	3,440	3,441
15	KIONGWE SECONDARY SCHOOL	Equity Bank	4,025,770	54,240
16	LAMU GIRLS SECONDARY SCHOOL	Equity Bank	1,762,852	1,689,755
17	MAJEMBENI SECONDARY SCHOOL	Equity Bank	3,808,206	1,181,718
18	MALELI POLICE POST	Equity Bank	2,199,247	1,138,861
19	MANDA MAWENI PRIMARY SCHOOL	Equity Bank	59,840	142,060
20	MANDA SECONDARY SCHOOL	Equity Bank	1,305,016	5,479,260
21	MANYATTA PRIMARY SCHOOL	Equity Bank	405,143	5,944,560
22	MOKOWE ARID ZONE PRIMARY SCHOOL	Equity Bank	553,183	3,347,620
23	MPEKETONI GIRLS SECONDARY SCHOOL	Equity Bank	2,252,312	5,948,348

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24	MPEKETONI SUB-COUNTY EDU. OFFICE	1270279596564	Equity Bank	258,951	2,500,000
25	NGCDF ENVIRONMENT PROJECT	1590277563809	Equity Bank	2,744,501	2,730,090
26	NGCDF SPORTS ACTIVITY	1590272699813	Equity Bank	2,743,848	5,199,596
27	PANGANI PRIMARY SCHOOL	1270277828190	Equity Bank	801,263	3,105,648
28	SHELLA BRIGHT GIRLS SECONDARY SCHOOL	1590276348168	Equity Bank	395,298	395,298
29	SHELLA BRIGHT GIRLS SECONDARY SCHOOL	1590262385327	Equity Bank	13,058	13,058
30	TEWE CHIEF'S OFFICE	1270277803557	Equity Bank	306,220	306,220
31	UNGU PRIMARY SCHOOL	1590277815025	Equity Bank	203,872	285,362
32	WIYONI SECONDARY SCHOOL	1590276349385	Equity Bank	1,334,026	3,071,782
33	SWABAHA PRIMARY SCHOOL	1270281051333	Equity Bank	2,399,550	
34	WITU SECONDARY SCHOOL	1270279730141	Equity Bank	2,245,005	
35	JIPENDENI PRIMARY SCHOOL	1270281037451	Equity Bank	3,599,550	
36	KATSAKAIRU PRIMARY SCHOOL	1270280795901	Equity Bank	4,600,000	
37	SAFIRISI PRIMARY SCHOOL	1590280795402	Equity Bank	3,538,455	
38	AMKENI PRIMARY SCHOOL	1270280292359	Equity Bank	811,886	
39	NDAMBWE PRIMARY SCHOOL	1272300668	KCB Bank	235	2,300,000
40	KMTC-LAMU CAMPUS	1273839374	KCB Bank	2,197,596	2,463,000
41	MOA PRIMARY SCHOOL	1274197031	KCB Bank	85,419	2,300,000
42	CHALALUMA PRI. SCHOOL	1274198704	KCB Bank	2,300,000	2,300,000
43	DIDE WARIDE PRI. SCHOOL	1274197406	KCB Bank	2,134	2,300,000
	TOTAL			55,750,758	84,829,216

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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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Transfer to Secondary School	<p>The Contract price mentioned by the auditor is Kshs. 54,132,625, however, the actual contract sum as signed in the contract of agreement between NG- CDF Lamu West Constituency and Robconsult Designs & Services Ltd is Kshs. *****.</p> <p>Therefore;</p> <p>a) The Kshs. 15,100,000 transferred as at audit period was initially a transfer to Umoja Primary School for construction of standard classrooms and purchase of school furniture. However, there was a change in project name and activities to the current project, which were approved by the board. The fund were approved in the FYs 2017/18 and 2018/19. The funds in the bank account then were utilised in the initials process of the project, being part of the whole budget.</p> <p>b) The omission of multi- year plan was noted and rectified before the project early in the implementation period. The implementation plan was developed and adopted.</p> <p>c) Monthly progress reports were sufficed by the monthly project meeting minutes by the Public Works Officer and the PMC. The Project progress is indicated on the payment certificate.</p> <p>d) Project extension reports and correspondence were shared providing all reasons for the project delays.</p>	Resolved internally awaiting SFAC deliberations	30/06/2021
2	Other Grants and Other Payments	The Pending disbursement from the NG-CDF Board have since been received and all the projects pending implementation at the time of audit have now either completed or	Resolved internally awaiting SFAC	30/06/2021

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		are on-going.	deliberations	
3	Unsupported Committee & Other Committee Expenses	The temporary work ticket, as requested by the auditors, for the vouchers under note 5 of Kshs.2,703,260 and Kshs.492,000 incurred on Other Committee expenses and Committee allowances respectively, have since been attached.	Resolved internally awaiting SFAC deliberations	30/06/2021
4	Budgetary Control and Performance	Failure to absorb the budget fully may have hampered service delivery to the constituents. The constituency had pending approvals dating back in the Financial Year 2015/16. These have since been cleared and the disbursements are expected to be done as and when funds are made available at the Board.	Resolved internally awaiting SFAC deliberations	30/06/2021
5	Project Implementation	The Fund had allocated a total of Kshs.127,970,744 for 49 number of projects, out of which 40 number were completed and 9 number not completed. These projects have since been completed and are now in use.	Resolved internally awaiting SFAC deliberations	30/06/2021
6	Summary of Fixed Assets	The Committee has a comprehensive Assets Register in hard copy with security features as advised during the audit process. Additionally, the committee is in the process of disposing all obsolete assets. The Land valuation of Land can only be done if the land in question is registered and has title deed. The process of acquiring title deed has been slow and out of our control.	Resolved internally awaiting SFAC deliberations	30/06/2021
7	Lack of Constituency Oversight Committee	As provided by NG- CDF Act 2015 amended in 2016, the Area MP has appointed the Constituency Oversight Committee. This Committee has been trained and is now functional.	Resolved internally awaiting SFAC deliberations	30/06/2021