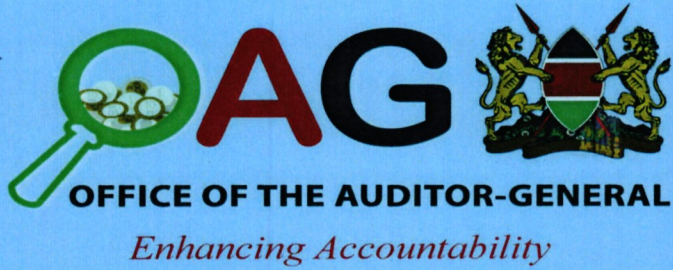


REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

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

FOR THE YEAR ENDED: 01 DEC 2022
30 JUNE, 2021

THE NATIONAL ASSEMBLY
PAPER 101D

DAY: Thursday

01 DEC 2022

TABLED BY: LOM
Tracy chebet



LIKONI 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)

OFFICE OF THE AUDITOR GENERAL
P.O. Box 95202, MOMBASA
22 APR 2022
RECEIVED
COAST REGIONAL OFFICE

THE NATIONAL ASSEMBLY
PARLIAMENTARY COMMISSION
DATE: **01 DEC 2022** DAY: **Thursday**
TABLED BY: **Lom**
CLERK AT THE TABLE: **Tracy chebet**



Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. NG-CDFC CHAIRMAN’S REPORT.....	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETRMINED OBJECTIVES	11
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	13
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	16
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- Likoni CONSTITUENCY</i>	17
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	18
VIII. STATEMENT OF ASSETS AND LIABILITIES	19
IX. STATEMENT OF CASHFLOW	20
X. SUMMARY STATEMENT OF APPROPRIATION.....	21
XI. BUDGET EXECUTION BY SECTORS AND PROJECTS	23
XII. SIGNIFICANT ACCOUNTING POLICIES	27
XIII. NOTES TO THE FINANCIAL STATEMENTS.....	31
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE.....	42
ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES.....	43
ANNEX 3 – UNUTILIZED FUND.....	44
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER.....	46
ANNEX 5 –PMC BANK BALANCES AS AT 30 TH JUNE 2021	47
PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	49

*Likoni 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

*Likoni 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 Likoni 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	Bawazir Mohamed
2.	Sub-County Accountant	Justus Mboya
3.	Chairman NGCDFC	Shuhudia Abdalla
4.	Member NGCDFC	Rashid Gakweli

(d) Fiduciary Oversight Arrangements

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

P.O. Box 96780-80100
NGCDF Building
Off Mombasa –Lunga Lunga Rd (Likoni Flats- opp Mt. Sinai Academy)
Mombasa, KENYA.

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

(a) NGCDF LIKONI Constituency Contacts

Telephone: (254) 722666095
E-mail: cdflikoni@ngcdf.go.ke
Website: likoni.cdf.go.ke

(f) NGCDF LIKONI Constituency Bankers

Cooperative Bank of Kenya
Likoni Branch
A/C No: 01120043565700
P.O. Box 90430-80100
Mombasa

(b) Independent Auditors

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

(c) Principal Legal Adviser

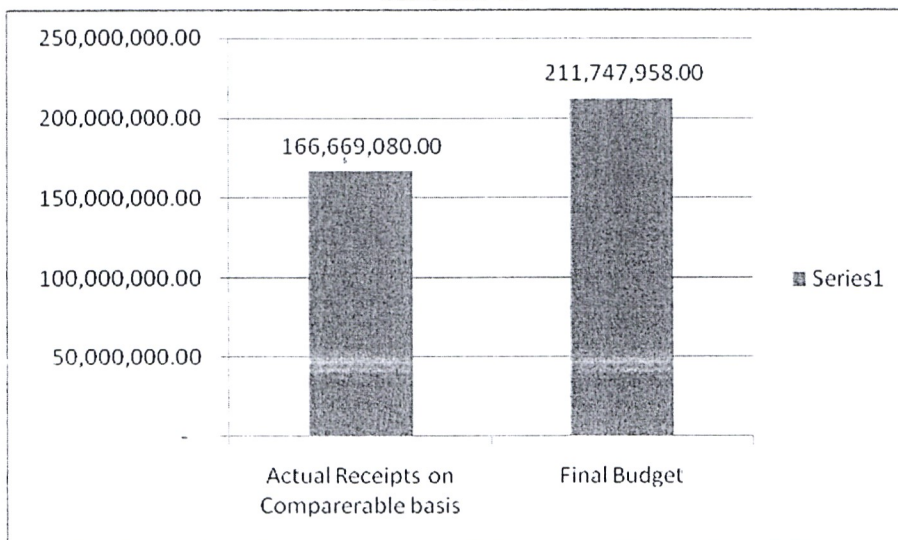
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC CHAIRMAN'S REPORT

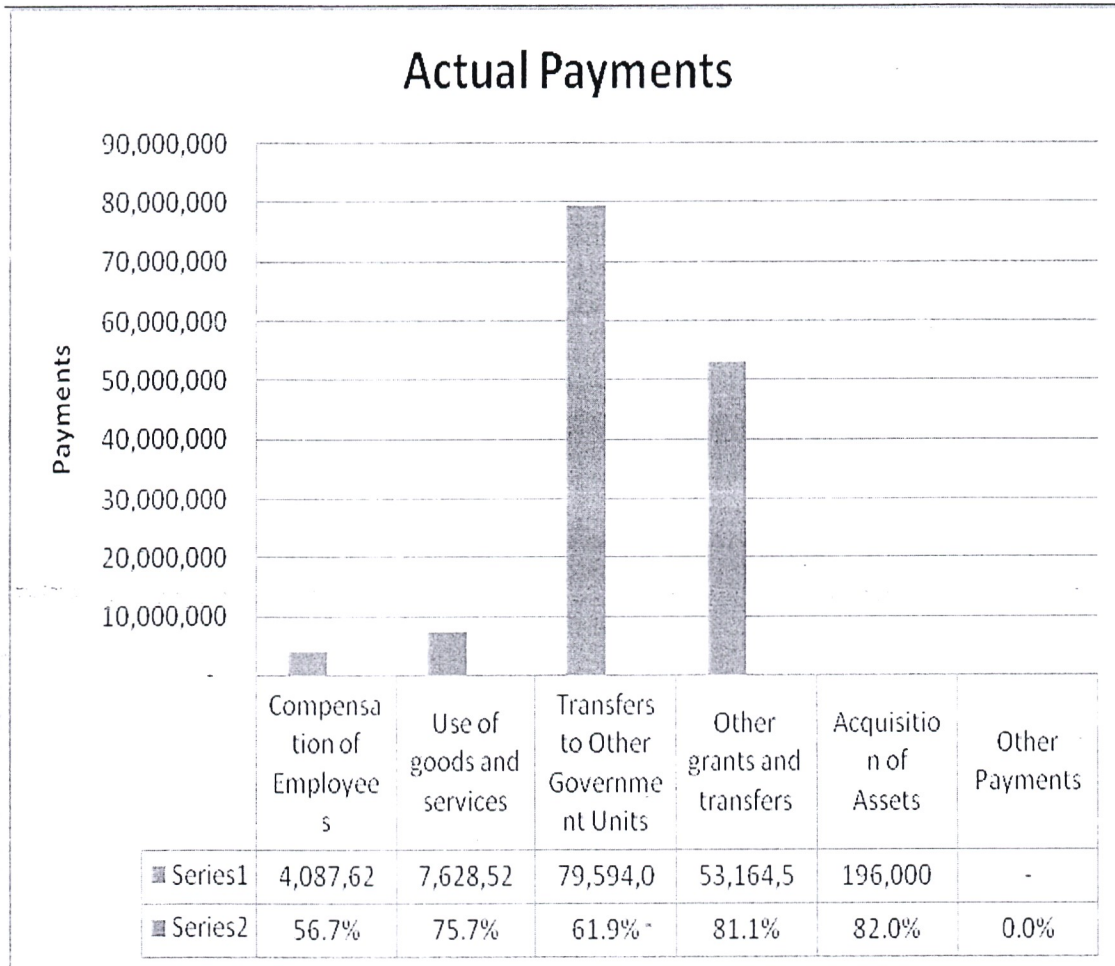


On behalf of the people of Likoni constituency and on my own behalf I take this opportunity to present the un audited financial report for Ng cdf Likoni for fy 2020-2021. Under my leadership, I would like to report that we are on the right track with regard to implementation of Ngcdf Likoni strategic plan for fy 2017-2022. Most of the key objective as envisaged in the strategic plan are being met despite resource constraints. With support of the committee and the area mp I am confident that by the end of 2022 most of the objectives would have been met and thus improve socio economic status of our constituents. The Ngcdf Likoni had an approved final budget of ksh 211,757,959 in the Financial year 2020-2021 however the actual on comparable basis in fy 2020-2021 was ksh 166,669,080 comprising of a cash book opening balance of ksh 4,791,355 as at 1st of July 2020, other receipts of ksh 10,000 and Aies received during the financial year under review of ksh 161,867,724. It should not escape our mind that this has been a very difficult year again. The Covid 19 pandemic impacted negatively on our country and the whole world at large. This led to delays or rather reallocation of scarce resources by the National Government. Most of the funds were channelled to the health sector in order to minimize the negative effects of this pandemic. This is clearly depicted in low budget utilization. The diagrams below show budgets, receipts and expenditure in FY 2020-2021.

RECEIPTS



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



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

SWOT Analysis

A detailed analysis of the strengths, weaknesses, opportunities as well as threats was undertaken and prioritized as outlined hereunder.

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 • Inadequate communication strategies
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 e.g. land, construction materials, • Existence of NGOs e.g. 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 • Lack of transparency • 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 • Betting • Prolonged drought • HIV/AIDS prevalence is relatively high

KEY ACHIEVEMENTS

During the FY 2020-2021, we managed to implement some of the following project listed below:

- 1) Timbwani Police Station (Shelly Beach)



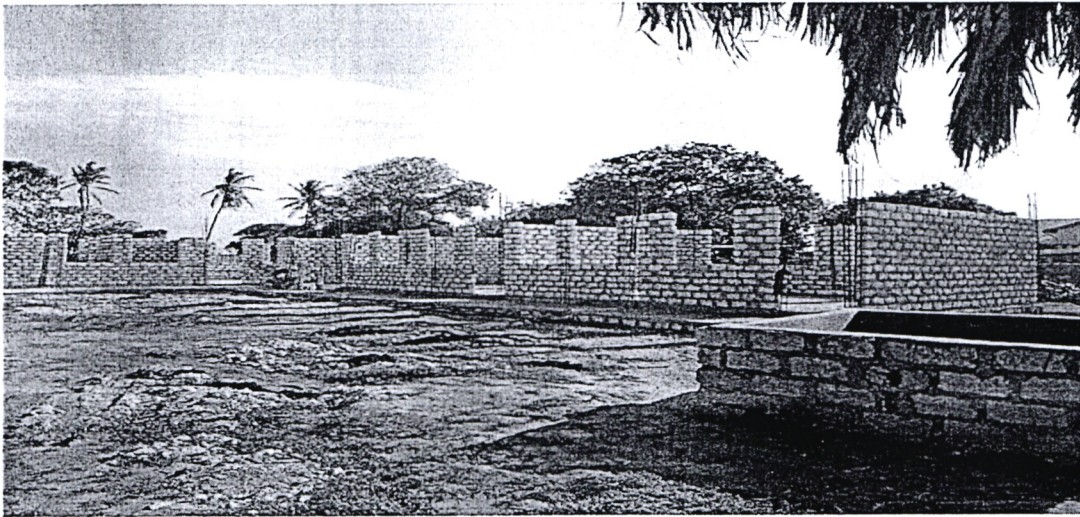
- 2) Timbwani Secondary School: Construction of a new school



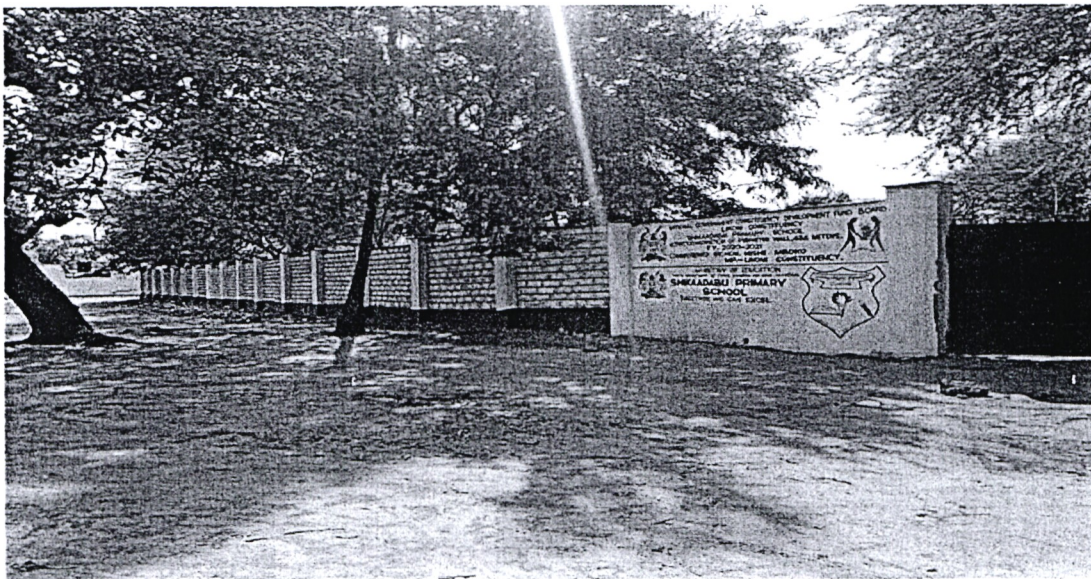
1. Maji Safi Primary School: Construction of one story building of 4no classrooms



Timbwani Primary School: Construction of a new school



Shikaadabu Primary Perimeter wall-



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

Emerging Issues

Likoni Constituency is faced with insecurity challenges and as a result we received proposals which are recurrent in nature and cannot be implemented as a project under the current ngcdf act of 2015.

Implementation Challenges

The late disbursement of funds from the ngcdf board hinders implementation of projects within the financial year. This problem can be solved if funds are remitted in time.

Likoni constituency is faced with high unemployment rate among the youth, to address this pertinent issue, the ngcdfc committee through public participation have come up with interventions such as skills mtaani, driving school bursary award and building a resource centre that will be able to address these challenges.

Signature



CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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 *Likoni Constituency 2020-2021* plan are to:

- a) To enhance performance in primary from 251-280 marks and secondary 3.2-6.0 mean grade by 2023
- b) To improve the current security infrastructures by 50% by 2023
- c) To improve the current sports & creative art kits by 50% by 2023
- d) To improve the current environmental conservation by 50% by 2023
- e) To create new structures for governance & HR issues by 2023

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 increase the current number of primary & secondary schools to 10% by 2023	Increased in number of new schools in the Constituency. enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure built in primary, secondary, and tertiary institutions	The Ngcdf Likoni managed to build three new schools which are operational. A new school is being constructed in fy 2020-2021 at Timbwani ward Several renovations of primary school have been implemented too. In addition perimeter walls have been built to completion.
Security	f) To improve the current security infrastructures to 50% by	Increased in security Infrastructure	-Number of chief offices built, number of police station built, Number of	The Ngcdf Likoni has managed to build a new chief's office at Timbwani ward. Likoni

Likoni Constituency

National Government Constituencies Development Fund (NGCDF)

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

	2023		perimeter wall built	police station has been equipped with office furniture. A new a newly built Police station is in use at Timbwani ward. Perimeter walls have been built in different offices
Environment	g) To improve the current environmental conservation to 50% by 2022	Increased in seedlings being planted, improved sanitation	Number of seedlings planted in schools, Number of toilets built in schools, Number of boreholes drilled	In fy 2020-2021 new toilets have been built in schools. One borehole has been drilled& equipped at Timbwani chief's office.
Sports	To improve the current sports & creative art kits to 50% by 2022	Increased support for different teams	Number of sports kits and equipment for various sporting activities	A total of 50 soccer teams were supplied with sports uniform and Balls, Taekwondo team was supplied with 100marts.Trophies were given to winning teams

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

- a. **Education and Training:** Likoni 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; Likoni NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Due to poor sanitation in Primary schools and increase in request for more toilets, the Likoni ngcdfc spent the funds for Environment towards construction of a modern toilet block at Inspiration Primary School. The toilet block is almost complete and this will go a long way in improving sanitation and reduce the toilet queuing time.
- The Ngcdf Likoni has not been left behind on war against drug abuse. During sports activities in the constituency, the youth have been advised not to engage in drug abuse and other immorality. We have managed to sponsor youth in job skills so that they can keep themselves occupied in productive activities.

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

- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters. They were encouraged to take advantage of rainy season by planting fruit bearing trees in schools.

3. Employee welfare

We invest in providing the best working environment for our employees. Likoni constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Likoni constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues..

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

4. Market place practices-

Likoni NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Likoni NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

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

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

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.

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

*Likoni 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.

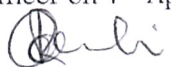
The Accounting Officer in charge of the NGCDF-Likoni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021.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

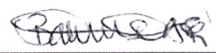
The Accounting Officer in charge of the NGCDF Likoni Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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- Likoni Constituency financial statements were approved and signed by the Accounting Officer on 7th April 2022.



Chairman NGCDF Committee
Name: Bashid Gakweli



Fund Account Manager
Name: Bawazit Mohamed

REPUBLIC OF KENYA

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Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LIKONI 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

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Likoni Constituency set out on pages 18 to 52, which comprise of the statement of financial 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Likoni 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Unsupported Bursaries to Secondary Schools

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and other transfers totalling to Kshs.53,164,560 which includes an amount of Kshs.28,099,000 in respect of bursary to secondary schools. Documents provided for audit review shows that the Bursary Sub-Committee during its meeting held on 16 February, 2020 approved bursaries for 5,289 beneficiaries in secondary schools and 239 beneficiaries for special needs students, all totalling 5,528 for all beneficiaries in secondary schools.

However, a schedule provided in support of the disbursements of bursaries to secondary schools reflects a total of 5,793 beneficiaries, resulting to an extra 265 beneficiaries awarded an amount of Kshs.1,722,500. The Management did not provide Bursary Committee minutes to confirm that the extra 265 beneficiaries applied for bursaries, were vetted and awarded the amount indicated.

In the circumstances, the regularity of extra amount of Kshs.1,722,500 spent on bursary to secondary schools could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There 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. 211,757,958 and Kshs. 166,669,080 respectively, resulting to a shortfall of Kshs. 45,088,879 or 21% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totaling to Kshs.211,757,959 and Kshs.144,670,756 respectively, resulting in underperformance amounting to Kshs. 67,087,203 or 32% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Likoni Constituency.

2. Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Management of Fixed Assets

Annex 4 to the financial statements reflects a summary of fixed assets register balance of Kshs.21,370,975 which includes two (2) motor vehicles and one (1) motorcycle with historical cost of Kshs.6,807,383, however, the Fund Management did not provided documents to confirm ownership.

Further, audit of the detailed listing of assets in the fixed assets register revealed that various assets with a historical cost of Kshs.4,208,398 obsolete. However, the Fund Management did not provide evidence to confirm that the accounting officer had established a Disposal Committee for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or excess assets as required under Section 163(1) of the Public Procurement and Asset Disposal Act, 2012.

In the circumstances, the Fund Management lacks an effective system for recording, controlling and accounting for its assets or disposing any excess or obsolete assets.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


23 September, 2022

*Likoni 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	161,867,724	70,180,818
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	10,000	-
TOTAL RECEIPTS		161,877,724	70,180,818
PAYMENTS			
Compensation of employees	4	4,087,628	3,792,119
Use of goods and services	5	7,628,521	6,969,953
Transfers to Other Government Units	6	79,594,047	55,002,001
Other grants and transfers	7	53,164,560	52,483,397
Acquisition of Assets	8	196,000	2,123,378
Other Payments	9	-	-
TOTAL PAYMENTS		144,670,756	120,370,848
SURPLUS/(DEFICIT)		17,206,968	(50,190,030)


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Likoni Constituency financial statements were approved on 7th April 2022 and signed by:



Fund Account Manager
Name: Bawazir Mohamed



National Sub-County
Accountant
Name: Justus Mboya
ICPAK M/No: 19820




Chairman NG-CDF Committee
Name: Rashid Gakweli


*Likoni 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	21,998,324	4,791,355
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		21,998,324	4,791,355
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		21,998,324	4,791,355
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		21,998,324	4,791,355
REPRESENTED BY			
Fund balance b/fwd	13	4,791,355	54,981,385
Prior year adjustments	14	-	
Surplus/Deficit for the year		17,206,968	(50,190,030)
NET FINANCIAL POSITION		21,998,324	4,791,355

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Likoni Constituency financial statements were approved on 7th April 2022 and signed by:


Fund Account Manager
Name: Bawazir Mohamed

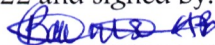

National Sub-County
Accountant
Name: Justus Mboya
ICPAK M/No: 19820



Chairman NG-CDF Committee
Name: Rashid Gakweli


IX STATEMENT OF CASHFLOW

		2020 – 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	161,867,724	70,180,818
Other Receipts	3	10,000	-
Total receipts		161,877,724	70,180,818
Payments for operating activities			
Compensation of Employees	4	4,087,628	3,792,119
Use of goods and services	5	7,628,521	6,969,953
Transfers to Other Government Units	6	79,594,047	52,002,001
Other grants and transfers	7	53,164,560	52,483,397
Other Payments	9	-	-
Total payments		144,474,756	118,247,470
Total Receipts Less Total Payments		17,402,968	(48,066,652)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		17,402,968	(48,066,652)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(196,000)	(2,123,378)
Net cash flows from Investing Activities		(196,000)	(2,123,378)
NET INCREASE IN CASH AND CASH EQUIVALENT		17,206,968	(50,190,030)
Cash and cash equivalent at BEGINNING of the year	10	4,791,355	54,981,385
Cash and cash equivalent at END of the year		21,998,324	4,791,355

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Likoni Constituency financial statements were approved on 7th April 2022 and signed by:


Fund Account Manager
Name: Bawazir Mohamed


National Sub-County
Accountant
Name: Justus Mboya
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Chairman NG-CDF Committee
Name: Rashid Gakweli

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

X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget a		Adjustments b		Final Budget c=a+b		Actual on comparable basis D		Budget utilization difference e=c-d		% of Utilization f=d/c %	
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	Kshs	30/06/2021	Kshs		Kshs		
RECEIPTS												
Transfers from NGCDF Board	137,088,879	Kshs	4,791,355	69,867,724	211,747,958	Kshs	166,659,080	45,088,879			78.7%	
Proceeds from Sale of Assets												
Other Receipts(A.I.A)			10,000		10,000		10,000	-			100.0%	
TOTALS	137,088,879		4,801,355	69,867,724	211,757,958		166,669,080	45,088,879			78.7%	
PAYMENTS												
Compensation of Employees	4,925,333		1,206,112	1,077,063	7,208,508		4,087,628	3,120,880			56.7%	
Use of goods and services	7,412,666		859,331	1,800,000	10,071,997		7,628,521	2,443,476			75.7%	
Transfers to Other Govt Units	75,305,284		827,181	52,514,277	128,646,742		79,594,047	49,052,695			61.9%	
Other grants and transfers	49,445,596		1,661,402	14,476,384	65,583,382		53,164,560	12,418,822			81.1%	
Acquisition of Assets			239,054		239,054		196,000	43,054			82.0%	
Other Payments			8275		8,275		-	8,275			0.0%	
Funds pending approval**												
TOTALS	137,088,879		4,801,355	69,867,724	211,757,959		144,670,756	67,087,203			68.3%	

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*


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

The general utilisation of funds was above average at 68.3%. The low number of projects implemented during the year is attributed to delayed disbursement of the funds from the NG-CDF Board as a result of Covid 19 pandemic. A significant amount of funds had not been received as at 30th June 2021.


- The transfer from the Board was at 78.7% due to funds not received from Ngcdf Board as at 30th June 2021.
- The percentage utilization of compensation of employees was at 56.7% as a result of employees whose contract had ended and not yet reviewed.
- The use of goods & services was at 75.7% due to late remittances of funds from the Ngcdf Board.
- Transfers to other Govt units and other transfers to Govt were at 61.9% and 81.1% respectively due to funds not received by Ngcdf Board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	67,087,203
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	21,998,324
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	21,998,324


The NGCDF-Likoni Constituency financial statements were approved on 7th April 2022 and signed by:



Fund Account Manager
Name: Bawazir Mohamed



**National Sub-County
Accountant**
Name: Justus Mboya
ICPAK M/No: 19820



Chairman NG-CDF Committee
Name: Rashid Gakweli

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization Difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,925,332.76	1,206,112	1,077,062.75	7,208,508	4,087,628	3,120,880
1.2 Committee allowances	1,600,000.00	265,489		1,865,489	1,379,000.00	486,489
1.3 Use of goods and services	1,700,000.00	202,404		1,902,404	1,435,823	466,581
	8,225,333	1,674,005	1,077,063	10,976,400	6,902,451	4,073,949
2.0 Monitoring and evaluation						
2.1 Capacity building	1,212,666.38		1,800,000	3,012,666	2,822,666	190,000
2.2 Committee allowances	2,500,000.00	160,407		2,660,407	1,770,000	890,407
2.3 Use of goods and services	400,000.00	221,032		621,032	221,032	400,000
3.0 Emergency						
3.1 Primary Schools	7,192,206.90			7,192,207	5,400,000	1,792,209
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Unutilized		467,871		467,871		467,871
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	25,013,611.37	1,000		25,014,611	28,099,000	(3,084,389)
4.3 Tertiary Institutions/Universities	12,000,000.00	540,710	2,353,289.97	14,894,000	10,255,000	4,639,000

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.5 Social Security	1,998,000.00	78,000	2,000,000	4,076,000	1,410,000	2,666,000
5.0 Sports						
5.1	2,741,777.59	324,261	2,423,094.48	5,489,133		5,489,133
5.2						
5.3						
6.0 Environment						
6.1						
6.2						
6.3						
7.0 Primary Schools Projects (List all the Projects)						
7.1 Inspiration Primary School	2,747,354.48			2,747,354.48	2,050,000	697,354.48
7.2 Timbwani Primary School	23,857,410.00			23,857,410	4,088,000	19,769,410
7.3 Vijiweni Primary School	6,709,359.48			6,709,359.00	6,709,359.00	
7.4 Vyemani Primary School	4,009,222.00			4,009,221.00	4,009,221.00	
7.5 Shika Adabu Primary School	6,853,636.00			6,853,636.00	6,853,636.00	
7.6 Mtongwe Pri. School	2,018,108.35			2,018,108	2,018,108	
7.7 Likoni Muslim Primary School	820,026.00			820,026	820,026	
7.8 Likoni Pri. School		125,780		125,780	-	125,780
7.9 Maji Safi Pri. School		140,861	10,076,368.02	10,217,229	10,076,367.00	140,862
8.0 Mishimboko Pri. Sch Desk			500,000.00	500,000	500,000	-
8.0 Secondary Schools Projects (List all the Projects)						
Mishimboko Girls Perimeter wall	12,006,263.00			12,006,263	81,390	11,924,873
Mishimboko Girls Dining Hall	15,692,815.00			15,692,815	90,000	15,602,815
Timbwani sec. school	591,090	180,980	28,079,030	28,851,099	28,260,500.00	590,599

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Mishimboko Girls Secondary admin		123,000	2,748,588.00	2,871,588	2,748,588	123,000
Mishimboko Girls Dormitory			3,855,602.00	3,855,602.00	3,855,602.00	-
Mishimboko girls sec lab		178,561	6,254,689	6,433,250	6,433,250	-
Likoni Secondary School			1,000,000	1,000,000	1,000,000	-
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
9.4						
10.0 Security Projects						
10.1TIMBWANI POLICE STATION		300,560	7,700,000	8,000,560	8,000,560	
10.2Mrima/Timbwani Chief Bore hole	500,000.00	27,000		527,000		527,000
10.3						
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment		239,054		239,054	190,000	49,054
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan		8,275		8,275		8,275
12.2 Innovation Hub						
Funds pending approval** A.IA		10,000		10,000		10,000

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	137,088,879	4,801,355	69,867,724	211,757,959	144,664,756	67,093,201

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

XII. 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-Likoni Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 15th 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.

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.

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
Normal Allocation			
	A.I.E NO. B041106		4,000,000
	A.I.E NO.B041312		20,000,000
	A.I.E NO.B047731		7,000,000
	A.I.E NO.B047956		9,000,000
	A.I.E NO.B019354		19,000,000
	A.I.E NO.B104377		9,000,000
	A.I.E NO. B096786		2,180,818
	A.I.E NO. B096971	18,000,000.00	
	A.I.E NO. B096876	500,000.00	
	AIE NO.	26,000,000.00	
	AIE NO A823665	25,367,724.10	
	AIE NO. B124590	9,000,000.00	
	AIE NO. B119541	10,000,000.00	
	A.I.E NO. B119931	13,000,000.00	
	AI.ENO. B128172	6,900,000.00	
	AIE NO.B128486	6,000,000.00	
	A.I.E NO. B132229	6,000,000.00	
	AIE NO B138897	13,000,000.00	
	A.I.E NO. B126191	6,100,000.00	
	AIE NO B126486.	10,000,000.00	
	A.I.E NO.B140629	12,000,000.00	
TOTAL		161,867,724	70,180,818

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		-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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-Hire of Hall	10,000	-
Total	10,000	10,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,525,118	2,254,636
Wages for contractual employees	300,000	116,000
Personal allowances paid as part of salary		
House Allowance	387,000	596,000
Transport Allowance	300,000	464,000
Leave allowance	-	20,000
Gratuity to contractual employees	1,560,510	318,283
Employer Contributions Compulsory national social security schemes	15,000	23,200
Total	4,087,628	3,792,119

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	1,770,000.00	-
Utilities, supplies and services	0	0
Communication, supplies and services	121,830.00	108,500
Water & Sewarage	13,000	123,290
Electricity	0	158,522
Domestic travel and subsistence	2,428,600.00	326,800
Printing, advertising and information supplies & services	151,900.00	830,226
Rentals of produced assets	-	-
Training expenses	300,000.00	0
Hospitality supplies and services	595,950.00	529,310
Other committee expenses	298,100	473,400
Committee allowance	1,379,000.00	3,733,000
Insurance costs	-	-
Specialized materials and services		-
Office and general supplies and services	442,770.00	463,520
Other operating expenses(Bank Charges)	25,040.00	30,748
Routine maintenance – vehicles and other transport equipment	40,000.00	0
Routine maintenance – other assets	62,331.00	150,600
Other operating expenses		42,037
Total	7,628,521	6,969,953

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	37,124,717	22,309,359
Transfers to secondary schools (see attached list)	42,469,330	32,692,642
Transfers to tertiary institutions (see attached list)		
TOTAL	79,594,047	55,002,001

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	28,099,000	24,500,000
Bursary – tertiary institutions (see attached list)	10,255,000	12,889,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	1,410,000	-
Security projects (see attached list)	8,000,560	2,670,940
Sports projects (see attached list)	-	2,180,818
Environment projects (see attached list)	-	2,747,355
Emergency projects (see attached list)	5,400,000	7,495,284
Total	53,164,560	52,483,397

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	2,123,378.00
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	196,000.00	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	196,000	2,123,378

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
Total	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Cooperative Bank of Kenya Likoni Branch Ngcdf Account</i> AC/NO: <i>A/C no.01120043565700</i>	21,998,323.54	4,791,355
Total	21,998,323.54	4,791,355
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer</i>	<i>dd/mm/yy</i>	-	-	-
<i>Total</i>				-

[Include an annex if the list is longer than 1 page.]

12A. RETENTION

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

We had no retention for the period ending 30th June 2021.

12B. GRATUITY

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

We had no gratuity payable for the period ending 30th June 2021.

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	4,791,355.44	54,981,385
Cash in hand	-	-
Imprest	-	-
Total	4,791,355.44	54,981,385

[Provide short appropriate explanations as necessary]

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	-	-	-

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

a. 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	-	-



b. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 – 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payable D= A+B-C	-	-

We had no any accounts payable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

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	3,120,880	2,492,997
Use of goods and services	2,443,476	2,025,976
Amounts due to other Government entities (see attached list)	49,052,695	53,535,458
Amounts due to other grants and other transfers (see attached list)	12,418,822	16,242,499
Acquisition of assets	43,054.00	353,875
Others (<i>specify</i>)		8,275
Funds pending approval	8,275	
	67,087,203	74,659,079

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	14,174,969	15,711,146
	14,174,969	15,711,146

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

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					

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

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				

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

ANNEX 3 – UNUTILIZED FUND

UNALLOCATED FUND (ANNEX3)	Kshs
1.0 Administration and Recurrent	
1.1 Compensation of employees	3,120,880
1.2 Committee allowances	486,489
1.3 Use of goods and services	466,581
2.1 Capacity building	190,000
2.2 Committee allowances	890,407
2.3 Use of goods and services	400,000
3.0 Emergency	2,260,078
4.0 Bursary and Social Security	
4.1 Secondary Schools	(3,084,389)
4.2 Tertiary Institutions	4,639,000
4.3 Social Security	2,666,000
5.0 SPORTS	5,489,133
7.0 Primary Schools Projects	
Inspiration Primary School	697,354
Timbwani Primary School	19,769,410

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

Vijiweni Primary School	0
Likoni Pri. School	125,780
MAJISAFI PRI. SCH	140,863
8.0 Secondary Schools Projects	-
Mishimboko Girls Perimeter wall	11,924,873
Mishimboko Girls Dining Hall	15,602,815
Timbwani sec. school	590,599
Mishimboko Girls Secondary admin	123,000
10.0 Security Projects	-
TIMBWANI POLICE STATION	
Mirima/Timbwani Chief Bore hole	527,000
11.1 Purchase of furniture and equipment	43,055
Strategic Plan	8,275
AJA	10,000
	67,087,203

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

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	11,169,452			11,169,452
Transport equipment	6,807,383			6,807,383
Office equipment, furniture and fittings	1,997,640	196,000		2,193,640
ICT Equipment, Software and Other ICT Assets	760,500			760,500
Other Machinery and Equipment	440,000			440,000
Heritage and cultural assets				
Intangible assets				
Total	21,174,975	196,000		21,370,975

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

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

PMC	BANK	ACCOUNT NUMBERS	BANK BALANCE 20/21	BANK BALANCE 19/20
BUBUBU SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1134397330200	21,035.25	21,035.20
CONSOLATA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129043950201	0.00	0.00
DCC	CO-OPERATIVE - LIKONI	1141627823300	0.0	41,039.00
INSPIRATIONS PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134627050400	577,031.95	7,291.95
JAMVI LA WAGENI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129627675700	2,823,503.20	177,865.20
LIKONI ENVIRONMENTAL	CO-OPERATIVE - LIKONI	1134627281400	1,628.50	1,628.50
LIKONI OFFICE	CO-OPERATIVE - LIKONI	1134397352600	7,633.75	7,633.75
LIKONI POLICE STATION	CO-OPERATIVE - LIKONI	1134397444400	2,252.90	2,052.90
LIKONI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397352500	323,498.60	473,498.60
LIKONI PRIMARY SCHOOL CLASSROOM	CO-OPERATIVE - LIKONI	1134627861500	1,037.30	1,037.30
LIKONI SCHOOL FOR THE BLIND	CO-OPERATIVE - LIKONI	1128396656002	962.00	1,271,675.00
LIKONI SEC SCHOOL	CO-OPERATIVE - LIKONI	1139396323602	194,253.74	174,550.74
LIKONI SPORTS	CO-OPERATIVE - LIKONI	1134396638300	2,408.50	2,408.50
LONGO CHIEF	CO-OPERATIVE - LIKONI	1141628303900	990.40	434,614.90
LONGO PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129044176500	30,630.96	34,950.96
MAJI SAFI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139043657504	821,898.80	4,779.80
MISHI MBOKO GIRLS SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1141628434900	119,125.00	190,326.00
MTONGWE GIRLS SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1139628267800	261,147.20	584,699.50
MTONGWE PRIMARY PMC	CO-OPERATIVE - LIKONI	1134627307500	266,680.00	3,017,272.50
MWAHIMA SEC SCH PROJECT PMC	CO-OPERATIVE - LIKONI	1139627619701	454,620.30	460,196
MWANGALA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397179700	2,482.75	222,325.25
MWEZA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397352700	0.45	0.45

Likoni Constituency

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

NEW MRIMA SEC SCHOOL - CDF PROJECT	CO-OPERATIVE - LIKONI	1134396914200	52,770.00	52,770.00
PELELEZA PRI.SCH-CDF PROJECT	CO-OPERATIVE - LIKONI	1134397155000	2,629.20	2,629.20
PUMA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139628239500	76301.75	76,301.75
PUMA SEC SCHOOL CDF PROJECT	CO-OPERATIVE - LIKONI	1134396957700	69,992.80	69,992.80
SHIKAADABU CHIEFS OFFICE	CO-OPERATIVE - LIKONI	1134627785100	5,977.15	5,977.15
SHIKAADABU PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139628309800	420,051.65	2,209.65
TIMBWANI POLICE POST	CO-OPERATIVE - LIKONI	1141628417200	338,485.00	1,956,325.00
VIJIWENI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134627876000	542,459.30	1,092,897.80
MISHI MBOKO GIRLS TOILET	CO-OPERATIVE - LIKONI	1141628434903	20,379.50	20,379.50
MISHI MBOKO PRI. CLASSROOMS	CO-OPERATIVE - LIKONI	1141628733200	482.50	482.50
MISHI MBOKO GIRLS HIGH DORMITORY	CO-OPERATIVE - LIKONI	1136001340300		14,720.50
MISHI MBOKO GIRLS ADMIN	CO-OPERATIVE - LIKONI	1141628434901	1,000.50	3,791,952.50
MISHI MBOKO PRI ADMIN	CO-OPERATIVE - LIKONI	1141628733202	8,176.10	158,176.10
MISHI MBOKO GIRLS BOREHOLE	CO-OPERATIVE - LIKONI	1141628434904	53,774.50	768,289.00
MRIMA PRI -PERIMETER WALL	CO-OPERATIVE - LIKONI	1141628441100	1,055.90	297,055.90
TIMBWANI CHIEF OFFICE	CO-OPERATIVE - LIKONI	1141628638900	145,567.00	80,149.50
MISHIMBOKO PRI.TOILET	CO-OPERATIVE - LIKONI	1141628733201	2,819.50	189,819.50
LIKONI SUB-COUNTY EDUCATION OFFICE	COOP BANK LIKONI	1141628729800	135.00	135.00
VYEMANI PRI.SCHOOL	COOP BANK LIKONI	01129627575500	87,472.57	0
LIKONI MUSLIM PRI.	CO-OPERATIVE LIKONI	01139628868200	2,651,919.90	460,196
TIMBWANI PRI.SCH	CO-OPERATIVE LIKONI	01139657516600	540,735.50	0
TIMBWANI SEC. SCHOOL	CO-OPERATIVE	01139628892800	3,229,757.00	0
MISHIMBOKO PRI. SCH. DESK	CO-OPERATIVE	01141628733203	9,675.00	0
MISHIMBOKO GIRLS LAB	CO-OPERATIVE	01141628434905	530.50	0
TOTAL			14,174,969	16,165,985.65

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

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	Timeframe: (Put a date when you expect the issue to be resolved)
Final Report fy 19-20	<p>1.0 Use of Goods and Services</p> <p>The statement of receipts and payments for the year ended 30 June, 2020 reflects use of goods and services of Kshs.6,969,953 as disclosed in note 5 to the financial statements. Included in this amount is Kshs.3,733,000 in respect of committee allowances. Records availed for audit indicated that the NG-CDF committee and sub-committees held a total of twenty-nine (29) meetings during the financial year, contrary Section 43(11) of the National Government Constituency Development Fund Act, 2015 which states that ‘The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than</p>	<p><u>Response</u></p> <p>Included in the list of meetings is ksh 80,000 of voucher number 83 and ksh 24,000 of voucher number 122 representing m&e field visits and Tender pre-site visits respectively and therefore these were not ngcdf committee meetings. In addition ksh 60,000 of voucher number 79 represented m&e field visits with the Ngcdf Board which</p>	<p>We are in touch with External Auditor Mombasa Hub Branch Auditor. The matter will be resolved by July 2022</p> <p>Final Audit Certificate issued in March 2022</p>

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
		took place on 27 th Jan 2020. Lastly voucher no. 67&58 were m&e allowances paid to members during visits by Ugenya and Mbooni constituency who had come for benchmarking exercise.	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)															
	<p>1.1 Transfers to Primary Schools Note 6 to the financial statements for the year ended 30 June 2020 reflects transfer to primary schools of Kshs.22,309,359, out of which Kshs.10,995,311 is in respect of MishiMboko Primary School. Audit review of previous year's budget revealed that MishiMboko Primary School had an allocation of Kshs.8,750,000 for three(3) project activities as detailed below;</p> <table border="1" data-bbox="954 1283 1455 1809"> <thead> <tr> <th>S / No</th> <th>Project Activity as Per Approved Project Code List</th> <th>Amount (Kshs)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Construction of 4 no. door toilet block</td> <td>1,250,000</td> </tr> <tr> <td>2</td> <td>Completion of administration office</td> <td>1,500,000</td> </tr> <tr> <td>3</td> <td>Construction of 4 classrooms to completion</td> <td>6,000,000</td> </tr> <tr> <td></td> <td>Total</td> <td>8,750,000</td> </tr> </tbody> </table>	S / No	Project Activity as Per Approved Project Code List	Amount (Kshs)	1	Construction of 4 no. door toilet block	1,250,000	2	Completion of administration office	1,500,000	3	Construction of 4 classrooms to completion	6,000,000		Total	8,750,000	<p>The transfer to primary schools of Kshs. 2,245,311 was additional funds towards completion of MishiMboko Primary School Administration Block as per the codelist of 19-20.</p>	<p>The matter will be resolved by July 2022.</p>
S / No	Project Activity as Per Approved Project Code List	Amount (Kshs)																
1	Construction of 4 no. door toilet block	1,250,000																
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>However, records availed for audit indicated that the Fund management transferred Kshs.10,995,311 to Mishimboko Primary school Project Management Committee Account which was Kshs.2,245,311 more than the amount approved for the project by the National Government Constituency Fund Development Board. The management did not provide an explanation of what the transfer was meant to fund.</p> <p>Consequently the propriety and validity of transfers to primary schools of Kshs.2,245,311 for the year ended 30 June 2020 could not be confirmed.</p>		