

REPUBLIC OF KENYA



REPORT

DATE: 24 NOV 2022

DAY:
Thursday

TABLED
BY:

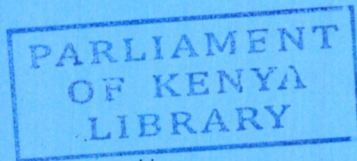
LOM

OF

PRESENT AT
THE TABLE:

E Ngunyo

THE AUDITOR-GENERAL



ON

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

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



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



KALOLENI 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)

Table of Contents

Key Constituency information and management	1
Ng-cdfc Chairman's report	4
Statement of performance against constituency's predetrmined objectives.....	6
Corporate social responsibility statement/sustainability reporting	8
Statement of management responsibilities	11
Report of the independent Auditors on the <i>ngcdf</i> - kaloleni	12
Statement of Receipts and Payments for the year ending 30 th june, 2021	13
Statement of Assets and Liabilities as at 30 th June, 2021	14
Statement of Cashflow for the year ending 30 th June, 2021	15
Summary Statement of Appropriation	16
Budget execution by Sectors and Projects	18
Significant accounting policies	20
Notes to the financial statements.....	23

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

**Kaloleni 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 Kaloleni 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	Elisha ade
2.	Sub-County Accountant	Eric Mutuku
3.	Chairman NGCDFC	Lennoxeny Mtengo
4.	Member NGCDFC	Aisha Baya

(d) Fiduciary Oversight Arrangements

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

P.O. BOX 222-80105
Kaloleni NGCDF Building
KALOLENI

(f) Kaloleni Constituency NGCDF Contacts

P.O Box 222-80105
KALOLENI
E-mail: ngcdfkaloleni@ngcdf.go.ke
Website: www.go.ke

(g) Kaloleni Constituency NGCDF Bankers

Cooperative Bank
Mariakani Branch
P.o Box 435-80113
MARIAKANI

*Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021*

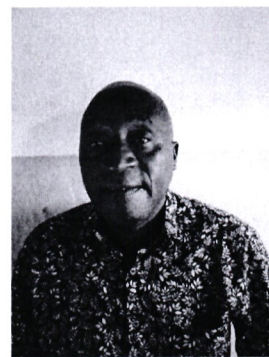
(h) Independent Auditors

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



Lennoxeny K. Mtengo
Chairman NG-CDFC - Kaloleni.

In this financial year 2020-2021 NGCDF Kaloleni had a total budget for utilisation of Kshs. 230,074,804. By closure of the financial year under review a total of Ksh. 45,058,879 was yet to be received from the board. This resulted to 71.5% funding of our budget. These funds were well utilized under close supervision of Kaloleni NGCDF and under support of our Patron, Hon. Paul Katana (our MP), to improve the livelihood of our people within the constituency.

The NGCDF utilised the available funds to fund key developments in our schools and community which range from construction of classrooms, administration blocks, award of bursaries, desks, planting of trees, finance sporting activities among others.

The available budget for utilization was absorbed to a tune of 65.4% as follows: Compensation to employees Kshs. 1,672,380, grants to Primary and Secondary Schools Kshs. 81,373,906, Bursaries to various institutions Kshs. 27,605,000, Environment Improvement Kshs. 2,741,777, Acquisition of School desks Kshs. 5,772,000 and emergency of Kshs. 7,400,000.

Education : Education is the pillar of development to all the communities of the world. NG-CDF Kaloleni made great deliberate efforts to making sure we transform the education Agenda in total by constructing and renovation of modern classrooms, dormitories, administration blocks, toilet blocks, purchase of school buses to increase our learner's integration and provision of desks to learning institution.

The allocation for improvement of schools and provision of learners' desks totaled to Kshs. 87,145,906. 95% of these projects are complete and in use and few others are in advanced stages of completion. Through this initiative has positively impacted to our communities and society at large. Our learner's population has been increasing in those schools and improved the schools performances.

NGCDF Kaloleni School Bursaries : NG-CDF in this financial year under review, we were able to distribute bursaries to the secondary, colleges and university learners. Thousands of needy and deserving students benefited from our bursary kit. The total amount we disbursed was totalled to Kshs 27,605,000 These bursaries led to increase in the retention rate of learners in schools hence contributing highly to positive performance of our learners.

Sports : The Kaloleni NGCDF fully support Sports activities within Kaloleni Constituency. In the financial year the NGCDF spent Ksh. 5,489,132 on support of various sporting activities. The NGCDF supported the sports through donation of uniforms and other sport gears to various teams , mounding of goal posts, flag posts, and field maintenance within the constituency. Due to the In this spirit, we have been able to nurture different talents among our youths within Kaloleni. Our youths are to large extend occupied through sports hence they have little time to be exposed to negative peer pressures.

Environmental: In Kaloleni most parts are very dry and receive very little rainfall, geographically, it is only ¼ of its lands which receives average convectional rainfall. So we supplied most of the schools with tree seedlings to increase the plants vegetation to attract rainfall. It has contributed actually the

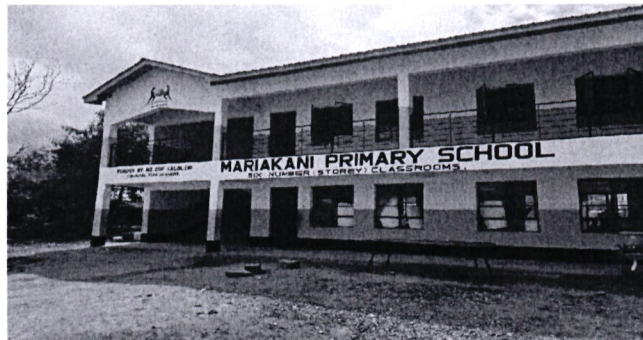
Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021

climate change and created conducive learning environment. This will contributed to positive of change of climate and also create habeas learning environment within our schools. The NGCDF used kshs 2,741,777 to purchase more than 11,200 to purchase seedlings to 28 schools for planting.

Emergency: In Kaloleni we have been experiencing disasters and calamities of different in nature e.g floods strong winds, heavy rainfall and long dry spells. Several houses, school toilets and roofs were damaged as they were blown off- toilets by strong winds, pit latrines sunk and school buildings developed cracks and others fell down. The NGCDF utilized Ksh. 7,400,000 to mitigate this unforeseeable calamities



On-going construction at Kizurini Primary



Mariakani Primary School Project funded by NGCDF - Kaloleni



Kinani Primary School Administration Block and Classrooms



Co-funded by NGCDF – Kaloleni Mnazimwenga Sec. Bus Project



NGCDF-Kaloleni donating Sports Kits to Wazee Wa Kayafungo FC



NGCDF-Kaloleni donating sports gears to Brilliant Stars Team

Lennoxeny K. Mterge
Chairman NG-CDFC - Kaloleni.

Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021

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-Kaloleni Constituency's 2018-2022 plan are to:

- a) To improve education infrastructure in the Constituency for conducive learning
- b) To increase enrolment in primary and secondary
- c) To improve security in the Constituency for Social Economic growth
- d) To alleviate poverty
- e) To support needy and deserving students through provision of bursary to improve education levels in the constituency
- f) To support sports and recreation activities in the constituency with the aim of nurturing sports
- g) To conserve the environment through tree planting and other environment conservation activities

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, - number of bursary beneficiaries at all levels - Allocation of pupils desks	In FY 2020/21 -we increased number of classrooms, dormitories in the following schools/institutions Mariakani Primary, Kizurini, Mkuluni, Tsangazini Mwakolo. Pangayambo, Mnyenzeni, Maoro, Kinani, Mahenzo, Mwereni, Migundini, Vishakani, Ikanga, Walea Miyani secondary and Mnazi Mwenga secondary school, - Bursary beneficiaries at all levels amounted to Ksh.27,605,000 -allocation to purchase of desks amounted to 5,772,000
Environment	To conserve the environment	preservation of nature and natural resources	- Improve and Increase vegetation cover and manage waste disposal process	- Planted 11,200 trees across 28 different public Schools within the constituency ie Maandani Mwanawiji, St. Georges, St. Johns Girls, Mutsengo Secondary, Mwijjo secondary, Kinarani secondary, Kizurini Secondary, Tsangatsini Secondary, Tsangwa secondary, Tsangwa Primary, Migundini secondary, Birinimwamleka, Gabriel Kahindi, Gogoraruhe,

Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021

				Kadzodzo, Vishakani, Walea, Kinani, Migwaleni, Mariakani, Kithengwani, Chalani, Mtulu, Shangia, Muungano, Ngala Memorial
Sports	To support sports and recreation activities in the constituency	nurturing sports and engaging youth to eliminate idleness	Purchase of sports equipment and facilities for Schools and various youth groups in the constituency	Distributed foot balls, netballs, Basketballs, volleyball balls, Hockey equipment and gears, Netballs, Volleyball posts and Goals for various schools and communities, purchased and distributed teams sporting uniform within the constituency

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 2020/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- The Kaloleni NGCDF has in this financial year under review supported sporting activities through organization of tournament and acquisition of sporting kits and gears to teams within the constituency to a tune of Ksh.5,489,132. This has had a positive impact on the community by improving sporting activities and curbing of idleness to our youth as they are engaged all through.
- The NGCDF Kaloleni has been sensitising the community on environmental conservation matters. We have been supportive to students in environmental conservation in schools through tree planting exercises. In this financial year 24 schools benefited in this initiative. The schools include:- Maandani Mwanawij, St. Georges, St. Johns Girls, Mutsengo Secondary, Mwijo Secondary, Kinarani Secondary, Kizurini Secondary, Tsangatsini Secondary, Tsangwa

Secondary, Tsangwa Primary, Migundini Secondary, Birinimwamleka, Gabriel Kahindi, Gogoraruhe, Kadzodzo, Vishakani, Walea, Kinani, Migwaleni, Mariakani, Kithengwani, chalani, Mtulu, Shangia, Muungano, Ngala Memorial

- In overall, this exercise has contributed to improvement of vegetation cover within our constituency which is semi-arid. It has also helped in creating a learning environment within our schools thus improving our schools performance in academics

3. Employee welfare

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

Kaloleni 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

Kaloleni NGCDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

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.

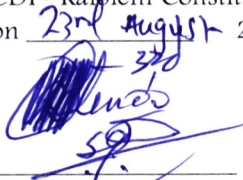
The Accounting Officer in charge of the NGCDF- Kaloleni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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- Kaloleni 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 in charge of the NGCDF- Kaloleni 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 Kaloleni 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- Kaloleni Constituency financial statements were approved and signed by the Accounting Officer on 23rd August 2022.



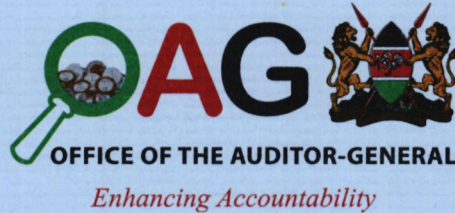
Chairman NGCDF Committee
Lennox Mtengo



Fund Account Manager
Elisha Ade

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KALOLENI 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 - Kaloleni Constituency set out on pages 13 to 38, 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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kaloleni Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

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 - Kaloleni 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 Matters

1. Budgetary Control and Performance

The summary statement of appropriation reflects a final budget and actual receipts on comparable basis of Kshs.226,383,148 and Kshs.162,095,724 respectively, resulting to an underfunding of Kshs.64,287,424 or 28% of the budget. Similarly, the Fund spent Kshs.148,093,524 against an approved budget of Kshs.226,383,148 resulting to an under-expenditure of Kshs.78,289,623 or 35% of the budget.

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

2. Delayed Implementation of Projects

Review of the Project Implementation Status (PIS) report, revealed that the Fund had planned to implement thirty-two (32) projects valued at Kshs.137,088,879. However, twenty (20) projects valued at Kshs.59,688,666 were incomplete. Management did not provide an explanation for the delay in implementation and completion of the projects.

In the circumstances, delay in the implementation of projects may result in escalation of projects costs.

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 matter 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

Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers of Kshs.49,007,909 as disclosed in Note 7 to the financial statements. The amount includes bursary to secondary schools and tertiary institutions of Kshs.26,630,000 and Kshs.975,000 respectively. However, the bursaries were issued without the recommendation of the Sub-Committee of the Constituency Development Fund Committee which had not been constituted.

In the circumstances, bursaries may have been awarded to undeserving students.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal controls, risk management and overall governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 control, 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 controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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

21 September, 2022


Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021


VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDING 30TH JUNE, 2021

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	161,367,724	134,340,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	102,000	116,000
TOTAL RECEIPTS		161,469,724	134,456,876
PAYMENTS			
Compensation of employees	4	1,672,380	1,180,572
Use of goods and services	5	15,464,905	6,396,451
Transfers to Other Government Units	6	81,373,906	58,500,000
Other grants and transfers	7	49,007,909	67,035,354
Acquisition of Assets	8	574,424	7,886,159
Other Payments	9	-	-
TOTAL PAYMENTS		148,093,524	140,998,536
SURPLUS/(DEFICIT)		13,376,200	(6,541,660)

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


Fund Account Manager
 Elisha Ade


National Sub-County Accountant
 Eric Mutuku
 ICPAK M/No: 20668


Chairman NG-CDF Committee
 Lennoxeny Mtengo

*Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021*

VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE, 2021

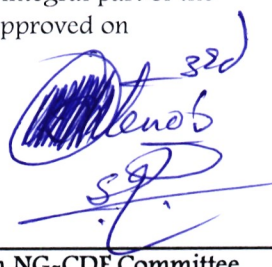
	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	33,200,745	19,824,545
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		33,200,745	19,824,545
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		33,200,745	19,824,545
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		33,200,745	19,824,545
REPRESENTED BY			
Fund balance b/fwd	13	19,824,545	26,366,205
Prior year adjustments	14	-	-
Surplus/Deficit for the year		13,376,200	(6,541,660)
NET FINANCIAL POSITION		33,200,745	19,824,545

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

23rd August 2022 and signed by:


Fund Account Manager
Elisha Ade


National Sub-County Accountant
Eric Mutuku
ICPAK M/No: 20668

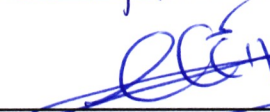

Chairman NG-CDF Committee
Lennoxeny Mtengo

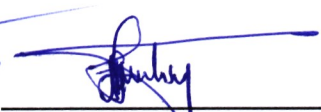
Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021

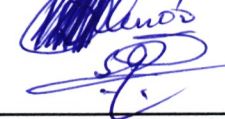
IV. STATEMENT OF CASHFLOW FOR THE YEAR ENDING 30TH JUNE, 2021

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	161,367,724	134,340,876
Other Receipts	3	102,000	116,000
Total receipts		161,469,724	134,456,876
Payments for operating activities			
Compensation of Employees	4	1,672,380	1,180,572
Use of goods and services	5	15,464,905	6,396,451
Transfers to Other Government Units	6	81,373,906	58,500,000
Other grants and transfers	7	49,007,909	67,035,354
Other Payments	9	-	-
Total payments		(147,519,100)	(133,112,377)
Total Receipts Less Total Payments		13,950,624	1,344,499
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		13,950,624	1,344,499
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(574,424)	(7,886,159)
Net cash flows from Investing Activities		(574,424)	(7,886,159)
NET INCREASE IN CASH AND CASH EQUIVALENT		13,376,200	(6,541,660)
Cash and cash equivalent at BEGINNING of the year	10	19,824,545	26,366,205
Cash and cash equivalent at END of the year		33,200,745	19,824,545

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


Fund Account Manager
 Elisha Ade


National Sub-County Accountant
 Eric Mutuku
 ICPAK M/No: 20668


Chairman NG-CDF Committee
 Lennoxeny Mtengo

**Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021**

V. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expenses Item	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference	Percentage of Utilisation
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
	A	b		C=a+b	d	e=c-d	f=d/c%
RECEIPTS							
Transfers from NGCDF Board	137,088,879	19198,545	69,367,724	225,655,148	161,367,724	64,287,424	71.50%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.00%
Other Receipts	102,000	626,000	-	728,000	728,000	-	100.00%
TOTAL RECEIPTS	137,190,879	19,824,545	69,367,724	226,383,148	162,095,724	64,287,424	71.60%
Compensation of Employees	2,555,125	-	21,032	2,556,157	1,672,380	883,777	65.40%
Use of goods and services	9,802,874	7,239,760	5,605,186	22,647,820	15,464,905	7,182,915	68.30%
Transfers to Other Government Units	61,700,000	9,861,061	44,612,843	116,173,906	81,373,906	34,800,000	70.00%
Other grants and transfers	63,050,880	2,097,724	18,554,236	83,702,840	49,007,909	34,694,931	58.50%
Acquisition of Assets	-	-	574,424	574,424	574,424	-	100.00%
Other Payments	-	-	-	-	-	-	-
Unallocated funds(A.I.A)	102,000	626,000	-	728,000	-	728,000	0.00%
TOTAL PAYMENTS	137,190,879	19,824,545	69,367,723	226,383,147	148,093,524	78,289,623	65.40%

- i. The total budget available for utilisation from the board in the financial year under review amounted to 71.50% (Ksh. 225,655,148), a balance of ksh. 45,088,879 was owing to the board as at 30th June 2021
- ii. The total actual funds available for utilization is composed of balance brought down in the beginning of the year (Ksh.19,824,545), total receipts from board through AIES (Ksh.161,367,724) and total revenue collected during the year (ksh. 102,000)

**Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021**

- iii. The balance from purchase of office Motor Vehicle of Kshs. 2,870,868 was reallocated implementation of Constituency Innovation Hubs of Ksh. 4,677,027 was reallocated to Mariakani Primary School thus increasing the totals of transfer to other Government entities
- iv. Budget utilisation of transfer to other Government units and other grants and transfers was 70.0% and 58.50% respectively. The underutilisation was mainly due to the amount owed to the board as at the closure of financial year 2020-2021 amounting to Ksh 45,088,879 and late disbursement of AIEs by the board
- v. Ksh. 4,400,000 was reallocated from Emergency to Mnazimmwenga Primary School for purchase of School bus
- vi. KSh. 574,429 was used from use of goods account to purchase office computers, photocopier and digital camera. This amount was accounted under acquisition of assets to enable us update our asset register
- vii. Collected A.I.A by the NG-CDF Kaloleni has accumulated to Kshs. 728,000. This amount has not been appropriate/allocated. This is accounted under funds pending approval

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	78,289,623
Less undisbursed funds receivable from the Board as at 30 th June 2021	(45,088,879)
Add Accounts payable	33,200,744
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	33,200,744

The NGCDF- Kaloleni Constituency financial statements were approved on 23rd August 2022 and signed by 

Fund Account Manager

Elisha Ade

National Sub-County Accountant

Eric Mutuku
ICPAK M/No: 20668

2022 and signed by 

Chairman NG-CDF Committee

Lennox Mtengo

**Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021**

VI. BUDGET EXECUTION BY SECTORS AND PROJECTS AS AT 30TH JUNE, 2021

Programme/Sub-programme	Original Budget		Adjustments		Final Budget	Actual on comparable basis 30/06/2021	Budget utilization difference
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration & Recurrent & Monitoring & Evaluation							
1.1 Compensation of employees	2,535,125		-	21,032	2,556,157	1,672,380	883,777
2.3 Use of goods & services and Monitoring & Evaluation	9,802,874		9,255,528	3,589,418	22,647,820	15,464,905	7,182,915
3.0 Emergency							
3.1 Emergency projects	7,192,206		209,396	7,198,239	14,599,841	7,400,000	7,199,842
4.0 Bursary and Social Security							
4.1 Bursary to Various Learning institution	41,127,118		1,888,331	2,836,640	45,852,089	27,605,000	18,247,089
5.0 Sports							
5.1 NGCDF Kaloleni Sports Project	2,741,778			2,747,354	5,489,132	5,489,132	-
6.0 Environment							
6.1 NGCDF Kaloleni Environment Project	2,741,778				2,741,778	2,741,778	-
7.0 Primary Schools Projects							
7.1 Kinani Primary School	900,000				900,000	900,000	
7.2 Kathengwani Pri. Sch	6,700,000				6,700,000		6,700,000
7.3 Kizurini Primary School	6,000,000			11,000,000	17,000,000	17,000,000	-
7.4 Mahenzo Pri School	6,700,000					6,700,000	-
7.5 Maoro Primary School	3,300,000			3,300,000	6,600,000	6,600,000	-
7.6 Mihingoni Pri School	6,700,000				6,700,000		6,700,000

**Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2021**

7.7Mtulu Primary School	6,700,000			6,700,000		6,700,000	6,700,000
7.8 Mwareni Pri. School	6,700,000			6,700,000		6,700,000	-
7.9 Ndatani Primary School	6,700,000			6,700,000			6,700,000
7.10 Tsangatsini Pri School	3,300,000		3,300,000	6,600,000		6,600,000	-
7.11 Mwakolo Pri School			11,000,000	11,000,000		11,000,000	-
7.12 Mukuluni Pri. school			11,000,000	11,000,000		11,000,000	-
7.13 Pangayambo Pri. Sch			3,403,038	3,403,038		3,403,038	-
7.14 Mnyenzeni Pri. School			2,200,000	2,200,000		2,200,000	-
7.15Mariakani Primary sch		2,870,868		2,870,868		2,870,868	-
7.16 Mnazimwenga primary school		4,400,000	-	4,400,000		4,400,000	-
8.0 Secondary Schools Projects							
8.1 Shangia Secondary Sch	8,000,000			8,000,000		8,000,000	8,000,000
8.2 Miyani Secondary sch			2,000,000	2,000,000		2,000,000	-
9.0 Desk Projects							
9.1 Kaloleni NGCDF Desk project	9,248,000		5,772,000	15,020,000		5,772,000	9,248,000
10.0 Security Projects							
11.0 Acquisition of assets							
11.1 Motor Vehicles (including motorbikes)							
11.2 Construction of CDF office							
11.3 Purchase of furniture and equipment							
11.4 Purchase of computers		574,424		574,424		574,424	-
11.5 Purchase of land							
Funds pending approval-AIA	102,000	626,000	-	728,000		728,000	728,000
Total	137,088,879	19,198,547	69,967,721	225,655,147	148,093,525	78,289,623	

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

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kaloleni 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 xx 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.

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

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
NGCDF Board		
AIE NO. B104780	45,000,000	
AIE NO. B104543	24,367,724	
AIE NO. B124533	9,000,000	
AIE NO. B124963	8,500,000	
AIE NO. B042761	12,000,000	
AIE NO. B047450	6,900,000	
AIE NO. B041083	7,000,000	
AIE NO. B047450	6,000,000	
AIE NO. B041290	13,000,000	
AIE NO. B047710	7,000,000	
AIE NO. B049297	10,600,000	
AIE NO. B104322	12,000,000	
AIE NO. B047288		55,040,876
AIE NO. B047440		4,000,000
AIE NO. B041284		18,000,000
AIE NO. B047705		5,000,000
AIE NO. B041387		9,800,000
AIE NO. B047906		7,000,000
AIE NO. B049288		14,000,000
AIE NO. B104312		20,000,000
AIE NO. B104227		1,500,000
TOTAL	161,367,724	134,340,876

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	-	-

Kaloleni 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	40,000	80,000
Receipts from sale of tender documents	62,000	36,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	102,000	116,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,170,972	1,170,972
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	491,808	-
Employer Contributions Compulsory national social security schemes	9,600	9,600
Total	1,672,380	1,180,572

Kaloleni 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/Allowances	5,800,000	3,474,000
Utilities, supplies and services	-	-
Electricity and electrical services	233,554	126,237
Water and sewerage charges	797,250	259,746
Communication, supplies and services and postage	318,000	286,500
Domestic travel and subsistence	411,000	164,700
Printing, advertising and information supplies & services	873,654	240,850
Rentals of produced assets	-	-
Training expenses	1,932,750	75,000
Cleaning and sanitary services and office fumigation	818,000	
Hospitality supplies and services	155,992	33,150
Insurance costs	261,052	-
Specialized materials and services	-	-
Office and general supplies and services	1,207,833	789,284
Other operating expenses-hire of tents,chairs,tables, P.A system and transport	1,681,250	358,250
Fuel,oil and lubricant	464,633	404,250
Routine maintenance – vehicles and other transport equipment	45,800	-
Routine maintenance – other assets (computers,generator,building)	406,180	84,570
Bank charges and commissions	57,020	46,249
Total	15,464,905	6,396,451

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see annex 6)	74,973,906	41,500,000
Transfers to secondary schools (see annex 7)	6,400,000	17,000,000
Transfers to tertiary institutions	-	-
TOTAL	81,373,906	58,500,000

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see annex 8)	26,630,000	35,640,000
Bursary – tertiary institutions (see annex 8)	975,000	8,728,000
Bursary – special schools	-	-
Mock & CAT	-	-
Social Security programmes (NHIF)	-	-
Security projects	-	6,720,000
Sports projects (see annex 9)	5,489,132	-
Environment projects (see annex 10)	2,741,778	2,747,354
NGDF Kaloleni Desk Project (see annex 11)	5,772,000	-
Emergency projects (see annex 12)	7,400,000	13,200,000
Total	49,007,909	67,035,354

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	957,027
Purchase of Vehicles and Other Transport Equipment	-	6,929,132
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	574,424	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	574,424	7,886,159

9. OTHER PAYMENTS

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

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

10. CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Bank, Mariakani Branch, Account No. 01141253838300, Kaloleni NGCDF	33,200,745	19,824,545
	-	-
Total	33,200,745	19,824,545
10B: CASH IN HAND		
Location 1	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Total		-	-	-

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	-	-

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	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	19,824,545	26,366,205
Cash in hand	-	-
Imprest	-	-
Total	19,824,545	26,366,205

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)	8,900,330	4,031,800
Imprest surrendered during the Year (C)	8,900,330	4,031,800
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)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

Kaloleni 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. 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	883,777	21,032
Use of goods and services	7,182,915	12,844,946
Amounts due to other Government entities (see annex 3)	34,800,000	54,473,906
Amounts due to other grants and other transfers (see annex 3)	34,694,931	20,651,960
Acquisition of assets	-	574,424
Others (<i>specify</i>)	-	-
Funds pending approval (AIA collected)	728,000	626,000
	78,289,623	89,192,268

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see Annex 5)	38,852,568	33,308,906
	38,852,568	33,308,906

*Kaloleni 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					
Sub Total					
Construction of civil works					
3					
Sub-Total					
Supply of goods					
4					
5					
6					
Sub Total					
Supply of services					
7					
8					
Sub - Total					
Grand Total					

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			-	-

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

Annex 3: Un-utilized fund

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Administration, Recurrent and Monitoring and Evaluation				
Compensation of employees	Salary to Employee, NSSF, NHIF, PAYE	883,777	21,032	
Use of goods & services	Administration expenses	7,182,915	12,844,946	
Sub-Total		8,066,692	12,865,978	
Amounts due to other Government entities				
Kathegwani Primary School	Construction of admin block & 2classroom	6,700,000		
Mihingoni Primary School	Construction of admin block & 2classroom	6,700,000		
Mtulu Primary School	Construction of admin block & 2classroom	6,700,000		
Ndatani Primary School	Construction of admin block & 2classroom	6,700,000		
Shangia Secondary School	Construction of laboratory Block	8,000,000		
Pangayambo Primary School	Renovation of six classrooms		3,403,039	
Mnyenzi Primary School	Construction of two classrooms		2,200,000	
Tsangatsini Primary School	Construction of three classrooms		3,300,000	
Maoro Primary School	Construction of three classrooms		3,300,000	
Kizurini Primary School	Construction of admin block, 4classroom		11,000,000	
Mwakolo Primary School	Construction of admin block, 4classroom		11,000,000	
Mukuluni Primary School	Construction of admin block, 4classroom		11,000,000	
Miyani Secondary School	Roofing of 200 bed capacity dormitory		2,000,000	
Mariakani Primary school	Construction of classrooms- reallocated from Motor vehicle		2,870,868	
Sub-Total		34,800,000	52,664,101	
Amounts due to other grants and other transfers				
Bursary	Payment of bursary to needy	18,247,089	4,724,971	

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

	students			
Emergency 2020/2021	To cater for unforeseen occurrences	7,192,207	12,282,059	
Emergency 2019/2020	“	7,635		
Kaloleni NGCDF Desk Project	Purchase of desks to Primary schools	9,248,000	5,772,000	
Sports			2,747,354	
Sub-Total		34,694,931	22,936,190	
Acquisition of assets		-		
Others (specify)				
Sub-Total		-	-	
Funds pending approval	Unallocated AIA	728,000	726,000	
Grand Total		78,289,623	89,192,269	

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	23,288,021			23,288,021
Transport equipment	11,129,132			11,129,132
Office equipment, furniture and fittings	1,048,540			1,048,540
ICT Equipment, Software and Other ICT Assets	350,000	574,424		924,424
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	35,815,693	574,424	-	36,390,117

Kaloleni 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 number	Bank Balance 2020/21	Bank Balance 2019/21
Mariakani Pri School NGCDF Project	Cooperative	01100764505100		915
Kadzonzo Pri school NGCDF project	Cooperative	01100764587500		78,145
Mahenzo Pri school NGCDF project	Cooperative	01141764680900	6,702,793	2,793
St Michaels Pri school NGCDF project	Cooperative	01100764626900		148,178
Kaloleni NGCDF Desk project	Cooperative	01141764626700	2,905,007	9,109,868
Kaloleni NGCDF Environment project	Cooperative	01100764587100	753	2,194
Kaloleni NGCDF Sports project	Cooperative	01141764626600	763,936	296,222
Makomboani Sec school NGCDF	Cooperative	01141764831200		169
Mbalamweni assistance chiefs office	Cooperative	01141765073100	190	250,000
Kibaokiche primary school	Cooperative	01100764627000		1320
Mwijo sec School NGCDF Project	Cooperative	01141764968700		4,031,895
Migwaleni pri School NG-CDF Project	Cooperative	01141764931200		300,561
Mwanawiji Pri. Sch. NGCDF project	Cooperative	01141764975500		763,931
Baraka Pri School NGCDF Project	Cooperative	01141764626900		4,170,659
NG-CDF Office Project	Cooperative	01141764826800		466,330
St. Johns Girls sec Sch. NGCDF Project	Cooperative	01141765073300	284,822	2,000,000
Moi kadzonzo girls sec sch	Cooperative	01141765071600		2,998,975
Maandani Sec School NGCDF Project	Cooperative	01141765071600		375
Mnazimmwenga Sec Sch bus project	Cooperative	01141764833400	77,368	2,105
Vishakani Pri. School	Cooperative	01141765083700	114	238,976
Imani pri School NGCDF Project	Cooperative	01141765077400		2,000,000
Vuga pri School NGCDF Project	Cooperative	01141765077500	1,075	2,000,000
Kayafungo ward ACC office NGCDF	Cooperative	01141764954300		1,465,531
Assistant County Comm. Kaloleni	Cooperative	01141765093100	2,208	1,648,975
Kenya Police services-Kaloleni project	Cooperative	01141765068900		4,664
Kinani Primary Sch NGCDF project	Cooperative	01141764833600	312,174	1,326,125
Maoro Primary Sch NGCDF project	Cooperative	01141765235900	2,131,779	
Mwareni Pri Sch NGCDF project	Cooperative	01141765353400	6,698,975	
Tsangatsini Pri Sch NGCDF project	Cooperative	01141765211700	1,732,177	
Pangayambo Pri Sch NGCDF project	Cooperative	01141765220100	252	
Migundini Pri Sch NGCDF project	Cooperative	01141765208600	121,437	
Mwakolo Pri Sch NGCDF project	Cooperative	01141765195000	3,972,777	
Kizurini Pri Sch NGCDF project	Cooperative	01141765189400	5,097,779	
Mkuluni Pri Sch NGCDF project	Cooperative	01141765220200	4,682,777	
Mnyenzi Pri Sch NGCDF project	Cooperative	01141765208400	129,528	
Walea Pri Sch NGCDF project	Cooperative	01141765111600	1,233,976	
Ikanga Pri School NGCDF project	Cooperative	01141765103800	486	
Miyani Sec School NGCDF Project	Cooperative	01141765231300	2,000,185	
Total			38,852,568	33,308,906

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

Annex 6: Transfer to Primary Schools for the year ending 30th June, 2021

Vote	Date	Amount
Mariakani primary school	20/08/2020	2,870,868.00
Kizurini Primary school	20/08/2020	5,000,000.00
Mkuluni Primary School	21/10/2020	11,000,000.00
Kizurini Primary school	21/10/2020	6,000,000.00
Tsangatsini Primary School	21/10/2020	3,300,000.00
Mwakolo primary school	21/10/2020	11,000,000.00
Pangayambo pri. school	21/10/2020	3,403,038.00
Mnyenzi primary school	21/10/2020	960,842.00
Mnyenzi primary school	21/10/2020	1,239,158.00
Maoro Primary School	24/10/2020	3,300,000.00
Kinani Primary School	09/03/2021	900,000.00
Maoro Primary School	07/04/2021	2,500,000.00
Kizurini Primary school	07/04/2021	6,000,000.00
Mahenzo Primary School	23/06/2021	6,700,000.00
Maoro Primary School	23/06/2021	800,000.00
Mwereni Primary School	23/06/2021	6,700,000.00
Tsangatsini Primary School	23/06/2021	3,300,000.00
Total		74,973,906

Annex 7: Transfer to Secondary Schools for the year ending 30th June, 2021

Vote	Date	Amount
Miyani seconary School	27/10/2020	2,000,000
Mnazimmwenga Sec School	07/04/2021	4,400,000
Total		6,400,000

Annex 8: Bursary for the year ending 30th June, 2021

Date	Secondary	Tertiary/driving sch/colleges	university	Total
27/10/2021	-	590,000	-	590,000
28/04/2021	2,500,000	-	-	2,500,000
28/04/2021	13,820,000	-	-	13,820,000
28/04/2021	10,310,000	125,000	260,000	10,695,000
Total	26,630,000	715,000	260,000	27,605,000

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

Annex 9: Sports activities for the year ending 30th June,2021

Vote	Date	Amount
Kaloleni NG-CDF Sports	21/10/2020	2,747,354
Kaloleni NG-CDF Sports	10/02/2021	2,741,778
Total		5,489,132

Annex 10: Environment project for the year ending 30th June, 2021

Vote	Date	Amount
Kaloleni NGCDF -Environment Project	10/02/2021	2,741,778

Annex 11: Desks projects for the year ending 30th June, 2021

Vote	Date	Amount
Kaloleni NGCDF -Desks Project	27/10/2020	5,772,000
Total		5,772,000

Annex 12: Emergency projects for the year ending 30th June, 2021

Vote	Date	Amount
Migundini Primaery school	27/10/2020	2,000,000
Vishakani Primary School	27/10/2020	1,400,000
Ikanga Primary School	09.7.2020	2,000,000
Walea Primary School	09/07/2020	2,000,000
Total		7,400,000

**Kaloleni 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Emergency projects (2017-2018)	<ul style="list-style-type: none"> - During the period drought was a national disaster which necessitated CDFC input. The CDFC through emergency pmc supplied water to Kirumbi girls to assist in curbing the water shortage. - Water is a devolved function but we based our decision on the school management which is a national government function. Also during the time of emergency any of the government can intervene to safe the situation 	Elisha Ade (fund account manager)	Not Resolved	3 months
2	Inaccuracies In The Financial Statements N ;.(2017-2018)	The variance of Kshs 2,500,000 in the appropriation account resulted as an error where funds for strategic plan project was not well reflected in the appropriation account. The issue was resolved with auditors since had no impact on audit opinion	Elisha Ade (fund account manager)	Resolved	
1.0	Other matters. budget control and performance(2017-2018)	1.1 Receipts Budget. The CDFC have agreed to be implementing project promptly and also endeavor on training PMCs on project implementation skills. This will positively influence absorption rate of our allocated funds from the board. Since if we relieve funds from the main account, we will be able to request for additional from the board	Elisha Ade (fund account manager)	Resolved	

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

		<p>1.2. Expenditure budget. The budget utilization was at 60%. this is because of huge money owed from the board at the closure of the financial year</p> <p>1.3. All the ongoing projects were well completed.</p> <ul style="list-style-type: none"> - We have also undertaken training of FMCs on project implementation skills and we expected improvement on implementation and management of our projects. - We make our project proposals by conducting public participation in every award hence we are satisfied the projects we undertake have direct positive impact on people of Kaloleni <p>Unremitted Statutory Deductions: we have sorted out our pin password problem and we have remitted all statutory deductions (PAYE, NSSF)</p>	Elisha Ade (fund account manager)	Resolved
	Project implementation status. (2017-2018)		Elisha Ade (fund account manager)	Resolved
5.1	Irregular Funding Of The Projects	<p>The Mgamboni Dispensary staff house health project was done following the approval from the CDF Board for financial year 2014/15 proposals for the completion of staff house. This was an additional amount from the previous allocation for the approved proposals for financial year 2013/2014</p> <p>The NG CDF Act 2015 states that 'Emergency shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until next financial year without harming the public interest of the constituents'. Based on this the water project funds were drawn from the emergency allocation due to demand from the community during vast drought period that hit not only Kaloleni constituency but the whole country.</p>	Elisha Ade (fund account manager)	Resolved
5.2	Bursaries- secondary schools	There was an error in classifying items in note 7 of the financial statement but we have corrected the error and classified every item in its category.	Elisha Ade (fund account manager)	Resolved

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

5.3.1	security projects Jibana chief's camp	We have attached A.I.E and code list from the board that consists Jibana chief's camp as one of the project under funding, we have also attached approval from the board for your verification	Elisha Ade (fund account manager)	Resolved
5.3.2	Kawala/ Kadzonzo assistant chief's office	The land was in dispute but the matter was settled in a court of law that's why the work progressed as planned. We have a letter from the D.C.Cs office for your verification. The excess of Kshs. 167,798 was for the Pmcs administration and branding of the project.	Elisha Ade (fund account manager)	Resolved
5.3.3	Tsangatsini chief's office	The project was successfully done as per the attached project proposal on security We have attached projects tender documents, bank statements and certificates of completion for your verification	Elisha Ade (fund account manager)	Resolved
5.4	Sports Projects	The project was done successful, items were purchased and even some teams were sponsored on their tournaments. For your audit verification, we have attached list of items purchased, bank statements, delivery notes and list of beneficiaries.	Elisha Ade (fund account manager)	Resolved
5.5	Environment projects	The over payment was as a result of the balance for the environment project for financial year 2015/2016. We have a distribution list and delivery notes for the same attached alongside the acceptance committee reports for your verification	Elisha Ade (fund account manager)	Resolved
6.0	Bank Balance	As for the year ended 30 June, 2017 the stale cheques which amounted to Kshs 5,193 were subsequently cleared	Elisha Ade (fund account manager)	Resolved
8.0	Project Management Committee Bank Balances	Annex 5 to the financial statement for the year ended 30 June 2017 reflects FMC bank balances of Kshs 291,561. This was an error, however we have corrected and the correct amount is Kshs 1,496,393. We have attached a copy of the certified bank balances dated 20/6/2017 which was the end of the transaction for that financial year for the projects under review. (See attached annex 8)	Elisha Ade (fund account manager)	Resolved