


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY	
P. 0	
DATE: 04 JUL 2023	
DAY: TUESDAY	
TABLED BY:	HON OWEN BATA, C.B., MP DEPUTY LEADER OF MAJORITY
CLERK-AT THE-TABLE:	INZOVU MUBLO

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – MSAMBWENI CONSTITUENCY**

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

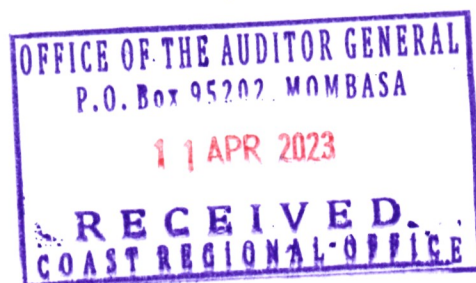


MSAMBWENI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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



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

Table of Contents

	Page
I. Key Constituency Information and Management	iii
II. NG-CDFC Chairman's Report	vii
III. Statement Of Performance Against Predetermined Objectives for FY2021/22	xii
IV. Environmental and Sustainability Reporting	xiv
V. Statement Of Management Responsibilities.....	xviii
VI. Report Of the Independent Auditors On The NGCDF- Msambweni Constituency	xx
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022	1
VIII. Statement Of Assets and Liabilities As At 30 th June, 2022.....	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022	3
X. Summary Statement of Appropriation for The Year Ended 30 th June 2022	5
X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022	8
XI. Significant Accounting Policies	14
XII. Notes To the Financial Statements.....	20

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;

Key Constituency Information and Management (Continued)

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

Key Constituency Information and Management (Continued)

(b) Key Management

The Msambweni 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	Abdulhakim Ali Mohamed
2.	Sub-County Accountant	Peter Musila
3.	Chairman NGCDFC	Thabiti Mohamed Mchambi
4.	Member NGCDFC	Mwanaisha Rashid Halfan

(d) Fiduciary Oversight Arrangements

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

P.O. Box 243 – 80400 ukunda
Msambweni NG-CDF Office Building,
Likoni / Lunga Lunga Road
Ukunda, KENYA

Key Constituency Information and Management (Continued)

(f) Msambweni Constituency NGCDF Contacts

Telephone: (254) 0793596980

E-mail: cdmsambweni@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) Msambweni Constituency NGCDF Bankers

Cooperative Bank of Kenya

Ukunda Branch

P.o Box 568 - 80400

Ukunda, Kenya

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC Chairman's Report



THABITI MOHAMED MCHAMBI

Msambweni NGCDFC was allocated Kshs. 137,088,879 by the NGCDF Board. Out of this amount, Kshs. 122,993,879.00 was disbursed to the constituency by the end of the financial year. In addition, funds relating to the previous financial year totalling Kshs. 45,088,879 were disbursed to the account during the financial year. The constituency also managed to raise kshs. 31,000 from sale of tender documents. With an opening balance of 51,486,156 ,the constituency had Kshs.219,568,914 and spent Kshs.200,424,901 therefore realizing a budget utilization difference of Kshs. 41,270,015.

Key achievements for Msambweni NG-CDF:

Msambweni NG-CDF has achieved a lot in the Education and Security sectors whereby new classrooms have been, built, educational infrastructure renovated, provision of lab equipment and construction of chiefs offices in the security sector

Emerging issues:

Unapproved projects and requests for re-allocations for Msambweni constituency have led to non-

NG-CDFC Chairman's Report (Continued)

Disbursement of funds by the Board

The Corona Virus Pandemic has affected the education sector heavily in terms of affecting the usual education calendar and thus affecting bursary disbursements.

Implementation challenges and the recommended way forward.

The Board should meet more frequently and the schedule of Board meetings and Board papers to be shared across the board for ease of operation.

All meetings agendas should also be shared across the board to work effectively and timely.

The number of bursary applicants is overwhelming and the NG-CDFC is proposing change in the NG-CDF ACT 2015 in order to increase the Bursary allocation from the current maximum of 35% to 40% of the total funds allocation.

Amount allocated to the NG-CDF Board is not enough to reduce poverty at the Constituency level.

We recommend an increment in the total allocation from the current 2.5% to 5% of the total National Budget.

With all these, I thank the NG-CDF Board Secretariat hoping that our observations are considered and implemented where possible.

Below are sample projects funded by Msambweni NG-CDF.

NG-CDFC Chairman's Report (Continued)



1. Kingwede Assistant Chief's Office (Construction of the Chief's Office)

NG-CDFC Chairman's Report (Continued)



2. Mivumoni Secondary School (Construction of Administration Block)

NG-CDFC Chairman's Report (Continued)



Vingujini Primary School (Construction of 2no Classrooms)

.....
Thabiti Mohamed Mchambi
CHAIRMAN NG-CDF COMMITTEE

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

Introduction

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

The key development objectives of *Msambweni Constituency 2018-2022* plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

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	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	During this financial year 2021/2022 we increased the number of classrooms by constructing 17 new classrooms in various public schools, we constructed 4 new dormitories, and added two new administration blocks etc - Bursary beneficiaries for secondary schools were 5,933 students, colleges were 136 students and universities 341 students.

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

Security	Improve the infrastructure of the National Government Administration Equip and facilitate the National Police service	Increased number of citizens getting services in the chiefs offices Increased officers deployed in the national administration	- Number of physical infrastructures built for chiefs in the constituency	During the financial year 2021/22 we constructed assistant chief's offices in Bongwe, Gombato and Kingwede Sub-locations. We also supplied furniture to the DCC's office in Msambweni.
Sports	To enhance talents of the youths in the constituency through infrastructure improvement	Increased number of youths participating in sporting activities	- Number of sports infrastructures built in the constituency	During the financial year we organized a sports tournament and awarded the participating teams with sports gears.
Emergency	Utilization of emergency funds to mitigate disasters	Utilization of emergency funds to mitigate disasters	- Number of projects done in the constituency	With the financial year's emergency fund we carried out renovation works of six classrooms at Magutu Primary School, constructed a pit latrine at Kidzumbani Primary School and renovated an administration block at Kingwede Primary School.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Msambweni 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.

Environmental and Sustainability Reporting (Continued)

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

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

2. Environmental performance

- *We managed to install gutters in various schools for rain water collection towards enhancing hygienic conditions within the learning environment.*
- *This financial year 2021-2022 we constructed three assistants' chief's offices thereby equipping the chief's with adequate infrastructure and supporting them on sensitization of the youth on the impact of drugs.*
- *NG-CDF sponsored a football tournament bringing communities together and hence sensitizing them on environmental conservation matters.*
- *NG-CDF msambweni staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

We invest in providing the best working environment for our employees. Msambweni 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. Msambweni constituency invests in capacity

Environmental and Sustainability Reporting (Continued)

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-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Msambweni 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.

Environmental and Sustainability Reporting (Continued)

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.

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



.....
Abdulhakim Ali Mohamed,
FAM

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-Msambweni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Msambweni Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Msambweni 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.

Statement of Management Responsibilities (Continued)

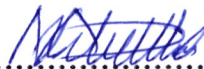
The Accounting Officer in charge of the NGCDF Msambweni Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used 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- Msambweni Constituency financial statements were approved and signed by the Accounting Officer on 26/9/ 2022.



.....
Name: Thabiti Mohamed
Chairman – NGCDF Committee



.....
Name: Abdulhakim Ali
Finance Account Manager

REPUBLIC OF KENYA



Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MSAMBWENI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the 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 – Msambweni Constituency as set out on pages 1 to 39, which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement

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

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 National Government Constituencies Development Fund - Msambweni Constituency as at 30 June, 2022, 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Msambweni 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.

Emphasis of Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.241,663,914 and Kshs.219,568,914 respectively, resulting in an under-funding of Kshs.22,095,000 or 9% of the budget. Similarly, the Fund made payments totalling to Kshs.200,424,901 against an approved budget of Kshs.241,694,913, resulting in an under-expenditure of Kshs.41,270,012 or 17% of the budget.

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

2. Unsupported Project Management Committee (PMC) Balances

Note 17 to the financial statements on other important disclosures and Annex 5 indicate that the Project Management Committee (PMC) bank account balances totalled to Kshs.37,221,571. However, five (5) PMC bank account balances as reflected in the Annex vary with the certificate of bank balances as tabulated below:

No.	Project Name	Financial Statements Balance (Kshs.)	Bank Certificate Balance (Kshs.)	Variance (Kshs.)
1	Kidzumbani Primary School	129,420	50,057,500	49,928,080
2	Madago Primary School	25,135	25,104	31
3	Msambweni Primary School	3,500,028	113,899	3,386,130
4	Nngori Primary School	1,775,498	103,090	1,672,408
5	Kiranga Secondary School	1,498,891	192,933	1,305,958

The variances were not explained.

My opinion is not qualified in respect of this matter.

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

Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(26) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Irregular Payment for Undelivered Schools Buses

The statement of receipts and payments and Note 6 to the financial statements reflects payments in respect of transfers to other Government units totalling to Kshs.108,513,601. Included in these payments is Kshs.54,096,706 transferred to various primary schools out of which Kshs.14,904,500 was transferred to two (2) schools for purchase of two (2) school buses, at a cost of Kshs.7,542,250 each. Review of procurement records revealed that the supplier was identified through the Public Procurement Information Portal. However, only one bidder who quoted a unit price of Kshs.7,850,000 was responsive. In addition, the purchase order was issued on 30 June, 2022 but as at the time of audit inspection on 24 March, 2023, nine (9) months down the line, the buses had not been delivered contrary to Regulation 41 of Public Procurement and Assets Disposal Regulations, 2020 which provides that the annual consolidated procurement plan for each procuring entity shall include a detailed breakdown of the goods, works, or services required and a schedule of the planned delivery, implementation or completion dates for all goods, works, or services required.

In the circumstances, value for money may not have been obtained on the purchase of the two buses and Management was in breach of the law.

2.0 Unconfirmed Asset Balance

Annex 4 to the financial statements reflects fixed assets historical cost of Kshs.14,906,127. The annex also indicates disposal of office equipment, furniture and fittings at Kshs.392,694 during the year under review, but the details on the disposal process and prices were not provided for audit review contrary to Regulation 176.(1) of the Public Procurement and Assets Disposal Regulations, 2020 which provides that an accounting officer of a procuring entity shall ensure that an annual assets disposal plan is prepared of items declared as unserviceable, surplus or obsolete, obsolescence stores, asset or equipment as set out under section 53(4) of the Act. Further, the assets were not tagged for ease of identification and traceability.

In the circumstances, the validity and existence of the fixed assets balance of Kshs.14,906,127 could not be confirmed.

3.0 Irregular Procurement of Goods and Services

The statement of receipts and payments and Note 5 to the financial statements reflects payments in respect of use of goods and services totalling to Kshs.8,280,693. Included in these payments are cash payments for goods and services totalling to Kshs.545,000, without use of standing imprest, contrary to Regulation 93(11) of the Public Finance Management (National Government) Regulations, 2015, which states that standing imprest shall be intended to be in operation for a time and requires bringing the cash level of the advance continuously up to the agreed fixed level by systematic re-imburement of expenses.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 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 controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 May, 2023

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

VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

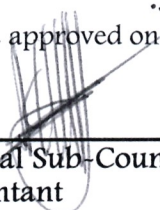
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	168,082,758	161,367,724
Proceeds From Sale of Assets	2		
Other Receipts	3	<u>31,000</u>	<u>2,583,881</u>
Total Receipts		168,113,758	163,951,605
Payments			
Compensation Of Employees	4	3,478,700	3,132,841
Use Of Goods and Services	5	8,280,693	9,793,474
Transfers To Other Government Units	6	108,513,601	57,459,034
Other Grants and Transfers	7	79,721,907	55,128,147
Acquisition Of Assets	8	430,000	
Other Payments	9	<u>0</u>	
Total Payments		200,424,901	125,513,496
Surplus/(Deficit)		<u>(32,311,142)</u>	<u>38,438,109</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

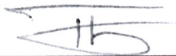
The Constituency financial statements were approved on 28/9/ 2022 and signed by:


Fund Account Manager

Name: Abdulhakim Ali


National Sub-County
Accountant

Name: Peter Musila
ICPAK M/No: 9984


Chairman NG-CDF
Committee

Name: Thabiti Mohamed

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

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


	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	19,175,014	51,486,156
Cash Balances (Cash at Hand)	10B		
Total Cash and Cash Equivalents		19,175,014	51,486,156
Accounts Receivable			
Outstanding Imprests	11		
Total Financial Assets		19,175,014	51,486,156
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A		
Gratuity	12B		
Total Financial Liabilities			
Net Financial Assets		<u>19,175,014</u>	<u>51,486,156</u>
Represented By			
Fund Balance B/Fwd	13	51,486,156	13,048,048
Prior Year Adjustments	14		
Surplus/Deficit for The Year		(32,311,142)	38,438,109
Net Financial Position		<u>19,175,014</u>	<u>51,486,157</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

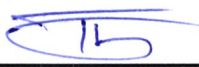
The Constituency financial statements were approved on 20/9/ 2022 and signed by:


Fund Account Manager

Name: Abdulhakim Ali


National Sub-County
Accountant

Name: Peter Musila
ICPAK M/No: 9984


Chairman NG-CDF
Committee

Name: Thabiti Mohamed

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

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


	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	168,082,758	161,367,724
Other Receipts	3	<u>31,000</u>	<u>2,583,881</u>
Total Receipts		168,113,758	163,951,605
Payments			
Compensation Of Employees	4	3,478,700	3,132,841
Use Of Goods and Services	5	8,280,693	9,793,474
Transfers To Other Government Units	6	108,513,601	57,459,034
Other Grants and Transfers	7	79,721,907	55,128,147
Other Payments	9		
Total Payments		199,994,901	125,513,496
Total Receipts Less Total Payments		(31,881,142)	38,438,109
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	
Increase/(Decrease) In Accounts Payable	16	-	
Prior Year Adjustments	14	-	
Net Cash Flow from Operating Activities		(31,881,142)	38,438,109
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2		
Acquisition Of Assets	8	(430,000)	
Net Cash Flows from Investing Activities		(430,000)	
Net Increase In Cash And Cash Equivalent		(32,311,142)	38,438,109
Cash & Cash Equivalent At Start Of The Year	10	51,486,157	13,048,048
Cash & Cash Equivalent At End Of The Year	10	<u>19,175,015</u>	<u>51,486,157</u>

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

Statement of Cash Flows for the Year Ended 30th June 2022 (Continued)


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 20/9/ 2022 and signed by:



Fund Account Manager

Name: Abdulhakim Ali



National Sub-County
Accountant

Name: Peter Musila
ICPAK M/No: 9984



Chairman NG-CDF
Committee

Name: Thabiti Mohamed

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

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

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 %
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
	2021/2022			2021/2022	30/06/2022		
Receipts							
Transfers From NGCDF Board	Kshs 137,088,879	Kshs 51,486,156	Kshs 53,088,879	Kshs 241,663,914	Kshs 219,568,914	Kshs 22,095,000	91%
Proceeds From Sale of Assets		.					
Other Receipts		31,000		31,000	31,000		100%
Totals	137,088,879	51,517,156	53,088,879	241,694,914	219,599,914	22,095,000	91%
Payments							
Compensation Of Employees	4,124,044	645,577	2,079,257	6,848,878	3,478,700	3,370,178	51%
Use Of Goods and Services	8,213,955	344,043	1,387,464	9,945,462	8,280,693	1,664,770	83%
Transfers To Other Government Units	66,816,895	37,877,027	23,192,206	127,886,129	108,513,601	19,372,527	85%
Other Grants and Transfers	57,933,985	11,376,008	19,639,952	88,949,945	79,721,907	9,228,038	90%
Acquisition Of Assets		930,000	1,790,000	2,720,000	430,000	2,290,000	16%
Other Payments							
Funds Pending Approval**		344,500	5,000,000	5,344,500		5,344,500	0%
Totals	137,088,879	51,517,156	53,088,879	241,694,913	200,424,901	41,270,014	83%

***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.
Explanatory Notes .*

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

Summary Statement of Appropriation for the Year Ended 30th June 2022 (Continued)

- (a)
- Transfers from NGCDF Board of Kshs. 137,088,879, these are our total allocations from the board for the whole financial year 2021/2022.
 - The kshs. 51,517,156 in the second column is represented by an opening cashbook balance of kshs. 51,486,156 and sale of tender documents of kshs. 31,000.
 - The ksh. 53,088,879 are funds for the previous financial years which were received and spent during the financial year 2021/2022.
- (b) Underutilization below 90%
- The total receipt of 91%; by closure of the financial year NG-CDF Msambweni had not received kshs. 22,095,000 from the NGCDF Board which were meant for various projects that were yet to be approved by the board.
 - Compensation of employees at 51%; the utilization difference are funds set aside for payment of staff gratuity when their contracts expire.
 - Use of goods and services of 83 %: In order to undertake day to day NG-CDF office operations, there was need by the NG-CDF to budget for funds beyond 1st quarter of the financial year.
 - Transfer to other government units of 85%: This was as a result of untimely disbursements of funds and A.I.Es from the Board.
 - Other grants & transfers 90%: This was as a result of untimely disbursement of funds and A.I.Es from the Board.
 - Acquisition of Assets of 16%: This was as a result of untimely disbursement of funds and A.I.Es from the Board.
 - Funds pending approval of 0 %: These are funds received from sell of tender documents during the financial year and could not be utilized without approval from the Board which happen in the preceding financial year. a project for msambweni teachers training college which had also not been approved by the ngcdf board could not utilized.

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

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

Summary Statement of Appropriation for the Year Ended 30th June 2022 (Continued)

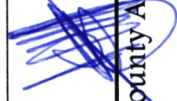
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	41,270,014
Less undisbursed funds receivable from the Board as at 30 th June 2022	22,095,000
Add Accounts payable	19,175,014
Less Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2021/2022	19,175,014

The Constituency financial statements were approved on 26/9/2022 and signed by:



Fund Account Manager

Name: Peter Musila
ICPAK M/No: 9984



National Sub-County Accountant

Name: Thabiti Mohamed



Chairman NG-CDF Committee

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

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

Programme/Sub-programme	Original Budget		Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent							
1.1 Compensation of employees	4,124,044		645,577.35	2,079,257	6,848,878	3,478,700	3,370,178
1.2 Committee allowances	1,248,000		57,600		1,305,600	1,263,600	42,000
1.3 Use of goods and services	2,853,289		138,869.58	884,024	3,876,182	2,949,093	927,090
2.0 Monitoring and evaluation							
2.1 Capacity building	2,162,666		26,806		2,189,472	2,187,426	2,046
2.2 Committee allowances	1,750,000		120,769.42	406,385	2,277,154	1,880,574	396,580
2.3 Use of goods and services	200,000			97,055	297,055		297,055
3.0 Emergency							
3.1 Primary Schools							
Kingwede	2,500,000				2,500,000	2,500,000	0
Magutu	4,192,207				4,192,207	4,192,207	0
Kidzumbani	500,000				500,000	500,000	0
3.2 Secondary schools							
3.3 Tertiary institutions							
3.4 Security projects							
4.0 Bursary and Social Security							

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Primary Schools						
4.2 Secondary Schools	31,000,000	70,658.65	4,905,875	35,976,534	35,357,000	619,534
4.3 Tertiary Institutions	12,000,000	763,571	10,537,180	23,300,751	22,992,250	308,501
4.4 Universities						
4.5 Social Security		7,800,000		7,800,000		7,800,000
5.0 Sports						
5.1 constituency sports activities	2,741,778	2,741,778		5,483,556	5,483,555	1
5.2						
5.3						
6.0 Environment						
6.1 duncan ndegwa primary school	100,000			100,000		100,000
6.2 kilulu primary school	100,000			100,000		100,000
6.3 madago primary school	100,000			100,000		100,000
6.4 mkwambani primary school	100,000			100,000		100,000
6.5 mwamanga primary school	100,000			100,000		100,000
7.0 Primary Schools Projects (List all the Projects)						
7.1 Bodo	500,000			500,000	500,000	0
7.2 Jomokenyattia	7,452,250			7,452,250	7,452,250	0
7.3 Makongeni	2,600,000			2,600,000	2,600,000	0
7.4 Malalani	2,200,000			2,200,000	2,200,000	0
7.5 Mivumoni	1,300,000			1,300,000	1,300,000	0

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.6 Mivumoni	500,000			500,000	500,000	0
7.7 Mkwakwani	7,452,250			7,452,250	7,452,250	0
7.8 Munje	2,600,000	.		2,600,000	2,600,000	0
7.9 Mwakigwena	5,200,000	.		5,200,000	5,200,000	0
7.11 Vingujini	5,200,000	.		5,200,000	5,200,000	0
7.12 Fahamuni		2,600,000		2,600,000	2,600,000	0
7.13 Mwamanga		100,000		100,000	100,000	0
7.14 Mivumoni		100,000		100,000	100,000	0
7.15 Malalani		2,600,000		2,600,000	2,600,000	0
7.16 Vukani		2,000,000		2,000,000	2,000,000	0
7.17 Maphombe		1,000,000		1,000,000	1,000,000	0
7.18 Msambweni		2,000,000		2,000,000	2,000,000	0
7.19 Nganja		277,027.20		277,027		277,027
7.20 Mabatani			1,500,000	1,500,000	1,500,000	0
7.21 Nganja			1,500,000	1,500,000		1,500,000
7.22 Shirazi			1,500,000	1,500,000		1,500,000
7.23 Mwamanga			5,192,206	5,192,206	5,192,206	0
7.24 Madago			500,000	500,000	500,000	0
7.25 Gazi		.	1,500,000	1,500,000	1,500,000	0
8.0 Secondary Schools Projects (List all the Projects)		.				

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.1 Kingwede	2,700,000			2,700,000	2,700,000	0
8.2 Dori	300,000			300,000	300,000	0
8.3 Kiranga	3,500,000	.		3,500,000	3,500,000	0
8.4 Madago	3,500,000	.		3,500,000	3,500,000	0
8.5 Mivumoni	2,416,895	.		2,416,895	2,416,895	0
8.6 Mvindeni	5,300,000			5,300,000	5,300,000	0
8.7 Mkwakwani		2,700,000		2,700,000	2,700,000	0
8.8 Dori		2,700,000		2,700,000	2,700,000	0
8.9 Bongwe		2,700,000		2,700,000	2,700,000	0
8.11 Mvindeni		2,700,000		2,700,000	2,700,000	0
8.12 Vingujini		4,500,000		4,500,000	4,500,000	0
8.13 Dori		2,400,000		2,400,000	2,400,000	0
8.14 Ramisi		4,500,000		4,500,000	4,500,000	0
8.15 Msambweni			4,500,000	4,500,000	4,500,000	0
8.16 Gombato			3,500,000	3,500,000	3,500,000	0
9.0 Tertiary Institutions Projects (List All The Projects)						
9.1 Msambweni Technical Vocational College		3,000,000		3,000,000	3,000,000	0
9.2 Msambweni Teachers Training College		2,000,000		2,000,000		2,000,000
9.3 Msambweni Technical Vocational College		.	3,500,000	3,500,000	3,500,000	0

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.4						
10.0 Security Projects						
10.1 Bongwe Sub-Location Asst Chief's Office	1,500,000			1,500,000	1,500,000	0
10.2 Gombato Sub-Location Asst Chief's Office	1,500,000			1,500,000	1,500,000	0
10.3 Kingwede Sub-Location Asst Chief's Office	1,500,000			1,500,000	1,500,000	0
10.4 Dec Msambweni			195,896	195,896	195,895	1
10.5 Acc Diani			3,500,000	3,500,000	3,500,000	0
10.6 Acc Msambweni			501,000	501,000	501,000	0
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office		930,000		930,000	430,000	500,000
11.3 Purchase of furniture and equipment			1,790,000	1,790,000		1,790,000
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2						
Funds pending approval**						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.3 Msambweni Youth Opportunity Centre	14,095,500			14,095,500		14,095,500
12.4 Msambweni Teachers Training College			5,000,000	5,000,000		5,000,000
12.5 AIA		344,500		344,500		344,500
12.6 FMC Savings						
Total	137,088,879	51,517,157		241,694,914	200,424,900	41,270,014

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies (continued)

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies (continued)

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies (continued)

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies (continued)

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies (continued)

14. Errors

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

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

15. Related Party Transactions

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

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO B 105221	33,000,000	
AIE NO B 105518	44,000,000	
AIE NO B 105878	24,000,000	
AIE NO B 128632	5,000,000	
AIE NO B 128946	12,000,000	
AIE NO B 154142	15,000,000	
AIE NO B 164373	22,993,879	
AIE NO B 089057	12,088,879	
AIE NO B 104769		40,000,000
AIE NO B 124620		9,000,000
AIE NO B 119581		8,500,000
AIE NO B 119514		29,367,724
AIE NO B 119973		12,000,000
AIE NO B 128214		6,900,000
AIE NO B 129176		6,000,000
AIE NO B 132270		6,000,000
AIE NO B 138939		13,000,000
AIE NO B 126231		7,000,000
AIE NO B 105026		11,600,000
AIE NO B 140669		12,000,000
TOTAL	168,082,758	161,367,724

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

Notes to the Financial Statements (Continued)

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	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		
Others (specify)		
Total		

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received		
Rents		
Receipts from sale of tender documents	31,000	64,000
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		2,519,881
Other Receipts Not Classified Elsewhere		
Total	31,000	2,583,881

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

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,166,120	2,166,121
Personal allowances paid as part of salary		
House Allowance	438,000	438,000
Transport Allowance	438,000	438,000
Leave allowance		
Gratuity to contractual employees	345,860	
Employer Contributions Compulsory national social security schemes	90,720	90,720
Total	3,478,700	3,132,841

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	60,000	131,837
Electricity	66,898	0
Communication, supplies and services	105,950	293,030
Domestic travel and subsistence	894,680	171,000
Printing, advertising and information supplies & services	0	3,520
Rentals of produced assets		
Training expenses	2,187,426	2,509,300
Hospitality supplies and services		
Other committee expenses	1,880,574	2,999,700
Committee allowance	1,263,600	736,000
Insurance costs		
Specialized materials and services		
Office and general supplies and services	215,679	870,745
Fuel, Oil & Lubricants	800,000	700,000
Other operating expenses	0	0
Bank service commission and charges	45,816	21,460
Routine maintenance – vehicles and other transport equipment	489,549	965,532
Routine maintenance – other assets	270,521	391,350
Total	8,280,693	9,793,474

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

Notes To the Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	54,096,706	40,150,000
Transfers To Secondary Schools (See Attached List)	47,916,895	3,150,000
Transfers To Tertiary Institutions (See Attached List)	6,500,000	14,159,034
Total	108,513,601	57,459,034

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	35,357,000	38,283,000
Bursary – tertiary institutions (see attached list)	22,992,250	9,701,905
Bursary – special schools (see attached list)	0	45,000
Mock & CAT (see attached list)	0	0
Social Security programmes (NHIF)	0	0
Security projects (see attached list)	8,696,895	2,000,000
Sports projects (see attached list)	5,483,555	0
Environment projects (see attached list)	0	500,000
Emergency projects (see attached list)	7,192,207	4,598,242
Total	79,721,907	55,128,147

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	430,000	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Acquisition of Land	0	0
Total	430,000	0

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

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	0	0
<i>Cooperative Bank, Ukunda Branch, Account No. 01120043594500</i>	19,175,014	51,486,156
Total	19,175,014	51,486,156
10 B: Cash on Hand		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>Specify</i>)	0	0
Total	0	0
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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

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

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

Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 th June D= A+B-C	0	0

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 th June D= A+B-C	0	0

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	51,486,156	13,048,048
Cash in hand	0	0
Imprest	0	0
Total	51,486,156	13,048,048

[Provide short appropriate explanations as necessary]

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

Notes To the Financial Statements (Continued)

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
Total	0	0	0

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
Changes in Account Receivables E= D-A	0	0

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Changes in Accounts Payable E= D-E	0	0

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

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff (Gratuity)	2,463,170.10	1,931,833.56
Others (<i>specify</i>)	0	0
Total	2,463,170.10	1,931,833.56

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	3,370,178	2,724,834
Use of goods and services	1,664,772	1,395,132
Amounts due to other Government entities (see attached list)	5,277,028	41,700,000
Amounts due to other grants and other transfers (see attached list)	9,228,037	43,294,043
Acquisition of assets	2,290,000	2,720,000
Others (ICT Hubs)		4,677,027
Funds pending approval	19,095,500	0
AIA	344,500	64,000
Total	41,270,015	96,575,036

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

Notes To the Financial Statements (Continued)

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	37,221,570.56	28,616,714.46
Total	37,221,570.56	28,616,714.46

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

Annexes
Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
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.					
Sub-Total					
Grand Total					

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

Annexes (continued)
Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. Athman Madonga	Clerk of Works	1/8/2013	537,509.00	
2. Khadija Mwakutwaa	Clerical Officer	1/8/2013	399,280.00	
3. Rama Abdallah	Accounts Assistant	1/8/2013	460,365.50	
4. Mwinyikombo Guo	Security Personnel	1/7/2016	288,284.50	
5. Hajj Abdallah	Driver	1/10/2013	376,464.00	
6. Vincent Ochieng	Administrative Assistant	1/7/2015	129,456.00	
7. Mito Hamisi	Office Messenger	1/10/2013	271,811.10	
Sub-Total			2,463,170.10	
Grand Total				

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

**Annexes (continued)
Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		3,370,178	2,724,834	
Use of goods & services		1,664,772	1,395,132	
Amounts due to other Government entities		5,277,028	41,700,000	
Nganja Primary school		277,027.20		
Nganja Primary school	.	1,500,000		
Shirazi Primary school	.	1,500,000		
Msambweni Teachers Training College	.	2,000,000		
Sub -Total		10,311,978	45,819,966	
Amounts due to other grants and other transfers		9,228,037	43,294,043	
-Bursary Secondary Schools		619,534		
-BursaryTertiary Institutions		308,501		
-Social Security		7,800,000		
Environment;				
-duncan ndegwa primary school		100,000		
-kilulu primary school		100,000		
-madao primary school		100,000		
-mkwambani primary school		100,000		
-mwamanga primary school		100,000		
Sub-Total		19,540,015	43,294,043	

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

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Acquisition of assets		2,290,000	2,720,000	
Construction of CDF office		500,000		
Purchase of furniture and equipment		1,790,000		
Others (<i>specify</i>)				
AIA	.	344,500	64,000	
ICT Hubs	.		4,677,027	
Sub-Total		22,174,515		
Funds pending approval		19,095,500		
-Msambweni Youth Opportunity Centre	.	14,095,500		
-Msambweni Teachers Training College		5,000,000		
Grand Total		41,270,014	96,575,037	

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

Annexes (continued)
Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	1,500,000			1,500,000
Buildings and structures	7,000,000	430,000		7,430,000
Transport equipment	3,250,000			3,250,000
Office equipment, furniture and fittings	2,005,790		392,694	1,613,096
ICT Equipment, Software and Other ICT Assets	1,113,031			1,113,031
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	14,868,821	430,000	392,694	14,906,127

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

Annexes (continued)
Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Dori Girls Secondary School	Cooperative	01141566319100	1,576,578.50	73,303.50
Gombato Secondary School	Cooperative	01141566989100	105.00	205.00
Bongwe Secondary School	Cooperative	01141565702500	7,752.50	49.49
Ramisi Secondary School	Cooperative	01141839497500	1,078,368.70	0
Madago Secondary School	Cooperative	01141565699100	2,565,502.50	0
Mwindeni Secondary School	Cooperative	01141839323900	637,993.00	0
Msambweni Secondary School	Cooperative	01141566596600	0	0
Vingujini Secondary School	Cooperative	01141838248700	563,716.32	728,334.32
Kiranga Secondary School	Cooperative	01141839547100	1,498,891.00	0
Mivumoni Secondary School	Cooperative	01141839065000	2,323,578.07	1,523,793.00
Kingwede Secondary School	Cooperative	01141839570900	0	0
Marigiza Primary School	Cooperative	01141566899500	120,179.00	1,287,814.00
Magaoni Primary School	Cooperative	01141566599600	0	1,523,793.67
Kinondo Primary School	Cooperative	01141839275200	75.00	73,975.00
Nngori Primary School	Cooperative	01141566618700	1,775,498.50	2,037,017.55
Msambweni Primary School	Cooperative	01141566595400	3,500,028.50	0
Muhaka Islamic Primary School	Cooperative	00113956659400	0	10,179.50
Munje Primary School	Cooperative	01141566731200	170,980.00	28,250.00

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Magutu Primary School	Cooperative	01141566731100	4,195,601.00	3,394.00
Mwakigwena Primary School	Cooperative	01141566795500	2,533,515.00	119,054.00
Vingujini Primary School	Cooperative	01141566432300	1,376,669.49	5,119.49
Shamu Primary School	Cooperative	01141565893200	2,118.50	2,118.50
Mwindeni Primary School	Cooperative	01141838092300	22,729.00	161,522.00
Kilulu Primary School	Cooperative	01141566432000	74,941.85	1,500,441.85
Eshu Primary School	Cooperative	01141043963600	687.00	63,687.00
Vukani Primary School	Cooperative	01141566715500	230,680.00	0
Duncan Ndegwa Primary School	Cooperative	01141566575100	829.00	989,015.50
Mbuwani Primary School	Cooperative	01141043976300	599.00	191,117.00
Constituency Office	Cooperative	01141565890100	21,549.49	49.49
Maphombe Primary School	Cooperative	01141566729700	205.00	0
Mchinjirini Primary School	Cooperative	01141839097500	99.00	1,371,223.00
Mabatani Primary School	Cooperative	01141566899600	205.00	0
Shirazi Primary School	Cooperative	01141043797900	2,419.00	100,697.00
Fahamuni Primary School	Cooperative	01141043797700	116,885.50	73,275.00
Malalani Primary School	Cooperative	01141839092300	1,239,002.50	959..50
Gazi Primary School	Cooperative	01141565893100	78,214.50	78,214.50
Ganja la Simba Primary School	Cooperative	01141838086500	125.00	734,725.00

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Ramisi Primary School	Cooperative	01141043798000	1,471.00	199,747.00
Masindeni Primary School	Cooperative	01141566730200	1,774.00	773,671.00
Sports	Cooperative	01141565728800	1,543.64	8,671.10
Mwamanga Primary School	Cooperative	01141838996800	259,344.00	57,215.00
Madago Primary School	Cooperative	01141566719600	25,135.00	135.00
Madongoni Primary School	Cooperative	01141839112700	375.00	1,213,975.00
Bodo Primary School	Cooperative	01141839282000	975.00	998,975.00
Mkwakwani Primary School	Cooperative	01141839417000	699.00	0
Jomokenyatta Primary School	Cooperative	01141839571200	0	0
Kidzumbani Primary School	Cooperative	01141839285800	129,420.00	857,261.00
Milalani Primary School	Cooperative	01141566794800	405.00	405.00
Mivumoni Primary School	Cooperative	01141839296200	76,032.00	1,200,000.00
Mabokoni Primary School	Cooperative	01141566417100	152.00	75,152.00
Mwaroni Primary School	Cooperative	01141566015200	70,301.00	145,301.00
Kingwede Primary School	Cooperative	01141565893300	2,527,611.05	27,611.05
Makongeni Primary School	Cooperative	01141566618700	1,775,498.50	0
Bongwe Sub Location Assistant Chief's Office	Cooperative	01141839527200	89,675.50	0
Gombato Sub Location Assistant Chief's Office	Cooperative	01141839544100	1,498,975.00	0
Kingwede Sub Location Assistant Chief's Office	Cooperative	01141839546600	258,780.00	0

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Msambweni Youth & Opportunity Centre	Cooperative	01141566712900	2,944,492.45	10,279,492.45
Vingujini Chiefs Office	Cooperative	01141839076200	775.00	97,775.00
Msambweni Technical & Vocational College	Cooperative	01141839155200	1,841,815.00	0
Total			37,221,570.56	28,616,714.46

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


Annex 6: Progress On Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)								
1.0	<p>Accuracy Of Cash And Cash Equivalents; The statements of assets and liabilities as at 30 June 2020 reflects Kshs. 13,048,048 in respect of bank balances. The supporting bank reconciliation statement as at 30 June 2020 includes unpresented cheques totalling Kshs. 578,120 which had not cleared in the bank as at the time of audit in January 2021 and were therefore stale and invalid for payment. However, the cheques had not been reversed in the cash book and the Management did not explain why the cashbook had not been updated. Consequently, the accuracy and completeness of bank balance of Kshs. 13,048,048 as at 30 June, 2020 could not be confirmed.</p>	<p>The stale cheques most of which were bursaries were reversed in the subsequent months and awarded to new beneficiaries</p>	Resolved									
2.0	<p>Payment for incomplete work; The statement of receipts and payments reflects transfers to other governments units amount of Kshs. 66,600,000 for the year ended 30 June 2020. Included in transfers are payments totalling of Kshs. 8,500,000 for four (4) primary schools for various projects. However, an audit inspection of the projects in January, 2021 revealed the following works and items which had not been executed as per the bills of quantities (BQ);</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name of projects</th> <th>Amount (Kshs)</th> <th>observations</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Shamu primary school</td> <td>1,500,000</td> <td>Only five fans were installed instead of six as per BQ</td> </tr> </tbody> </table>	No.	Name of projects	Amount (Kshs)	observations	1.	Shamu primary school	1,500,000	Only five fans were installed instead of six as per BQ	<p>The contractors who had installed less fans in the projects were recalled since their retention had not been paid and to complete the required estimates as per the BQ and they did as shown by the produced project photos. The</p>	Resolved	
No.	Name of projects	Amount (Kshs)	observations									
1.	Shamu primary school	1,500,000	Only five fans were installed instead of six as per BQ									

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

Referenc e No. on the external audit Report	Issue / Observations from Auditor			Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	Mivumoni secondary school	3,000,000	Only nine windows installed instead of twelve as per BQ. Project branding not done.	issue of less windows, there were site instructions as to where the extra funds for the uninstalled windows covered other works.		
3.	Ramisi primary school	2,000,000	Five fans installed instead of eight as per BQ.			
4.	Makongeni primary school	2,000,000	Only nine windows installed instead of twelve As per BQ.			
	Total					

.....

 Abdulhakim Ali Mohamed
 Fund Account Manager.