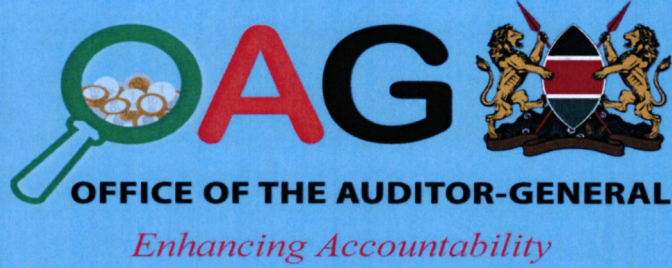


REPUBLIC OF KENYA



**REPORT**

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| THE NATIONAL ASSEMBLY  |                           |
| DATE: 04 JUL 2023      | DAY: TUE                  |
| TABLED                 | HON. OKEN BATHA CBS, MP   |
| OF                     | Deputy Leader of Majority |
| CLERK-AT<br>THE-TABLE: | INZOFU MUKALE             |

**THE AUDITOR-GENERAL**

**ON**

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

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



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**GALOLE CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

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

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

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

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## **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;

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

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- 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.

**(b) Key Management**

The Galole Constituency NG-CDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDF B)
- ii. National Government Constituency Development Fund Committee (NG-CDF C)

**Galole Constituency National Government Constituencies Development Fund (NGCDF)  
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**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

| No | Designation           | Name              |
|----|-----------------------|-------------------|
| 1. | A.I.E holder          | Hussein Abdullahi |
| 2. | Sub-County Accountant | Sospeter Kibobo   |
| 3. | Chairman NG-CDF C     | Nathan Oddo       |
| 4. | Member NG-CDF C       |                   |

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Galole Constituency NG-CDF . The reports and recommendation of ARMC when adopted by the NG-CDF 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) Galole Constituency NG-CDF Headquarters**

P.O. Box 129-70101  
Behind Deputy County Commissioners Office,  
Hola, Kenya

**(f) Galole Constituency NG-CDF Contacts**

Telephone: (254) 720020647  
E-mail: [cdfgalole@NG-CDF.go.ke](mailto:cdfgalole@NG-CDF.go.ke)  
Website: [www.NG-CDF.go.ke](http://www.NG-CDF.go.ke)



**(g) Galole Constituency NG-CDF Bankers**

Kenya Commercial Bank Ltd,  
Hola Branch  
P.O. Box 129-70101  
Hola, 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**

*(One to two pages)*



Galole national government constituency development funds as mandated by NG-Cdf Act, prioritized on projects for funding during the financial year 2021/2022.

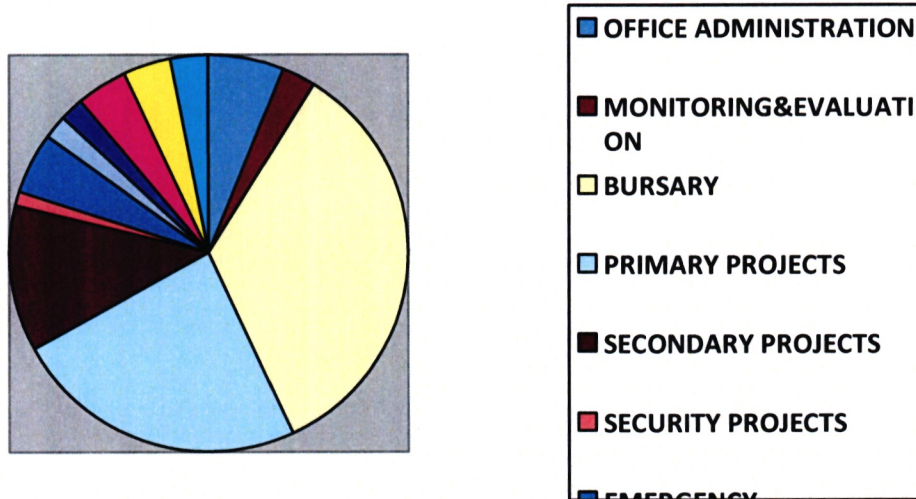
The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval.

The following is the summary breakdown of proposed projects for funding during the financial year 2021/2022.

| S/NO | PROPOSED NAME                 | AMOUNT ALLOCATED   | %ALLOCATION |
|------|-------------------------------|--------------------|-------------|
| 1.   | Office administration         | 8,025,333          | 6           |
| 2.   | Monitoring and evaluation     | 4,112,666          | 3           |
| 3.   | Bursary                       | 47,200,000         | 34          |
| 4.   | Primary projects              | 32,600,000         | 24          |
| 5.   | Secondary school projects     | 17,000,000         | 12          |
| 6.   | Tertiary institution projects | 4,600,000          | 3           |
| 7.   | Security projects             | 1,200,000          | 1           |
| 8.   | Emergency reserve             | 7,192,207          | 5           |
| 9.   | Sports activities             | 2,741,778          | 2           |
| 10.  | Environmental projects        | 2,741,778          | 2           |
| 11.  | Acquisition of assets         | 5,000,000          | 4           |
| 12.  | others                        | 4,675,118          | 4           |
|      | <b>TOTAL</b>                  | <b>137,088,879</b> | <b>100</b>  |

**Percentage of sector allocation**

**Galole Constituency National Government Constituencies Development Fund (NGCDF)  
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During the financial year the committee received amount of Kshs.170, 088,879 from the board that includes balances during last financial year 2020/21 and half of the allocation for 2021/22. The committee further managed to disburse funds to both PMCs and other contractors and the expenditure is as follows:

| ITEM                                | AMOUNT SPENT          |
|-------------------------------------|-----------------------|
| Compensation of employees           | 4,452,492             |
| Use of goods and services           | 8,265,255             |
| Transfers to Other Government Units | 52,350,400            |
| Other grants and transfers          | 94,439,282            |
| Acquisition of Assets               | 4,477,587.20          |
| Other payments                      | 4,000,000             |
| <b>TOTAL PAYMENTS</b>               | <b>167,985,016.20</b> |

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

**Achievements during the financial year**

1. NG-CDF C Galole constructed almost 25 new classrooms, renovated 18 classrooms, constructed 4 Adm blocks, 7 security offices, 4 concrete fence and 3 dining halls in primary, secondary schools and security agents, thus help in curbing Covid 19 spread in the institutions.
2. Motivated staff by building 19 staff quarters in several schools within the constituency.
3. Made several emergency interventions that affected several schools within the constituency.

**Challenges during the financial year**

**Drought:**

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

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Lack of water in most of the settlements established through Ng-Cdf funds might be closed thus affecting the learning programs in schools within these settlements.

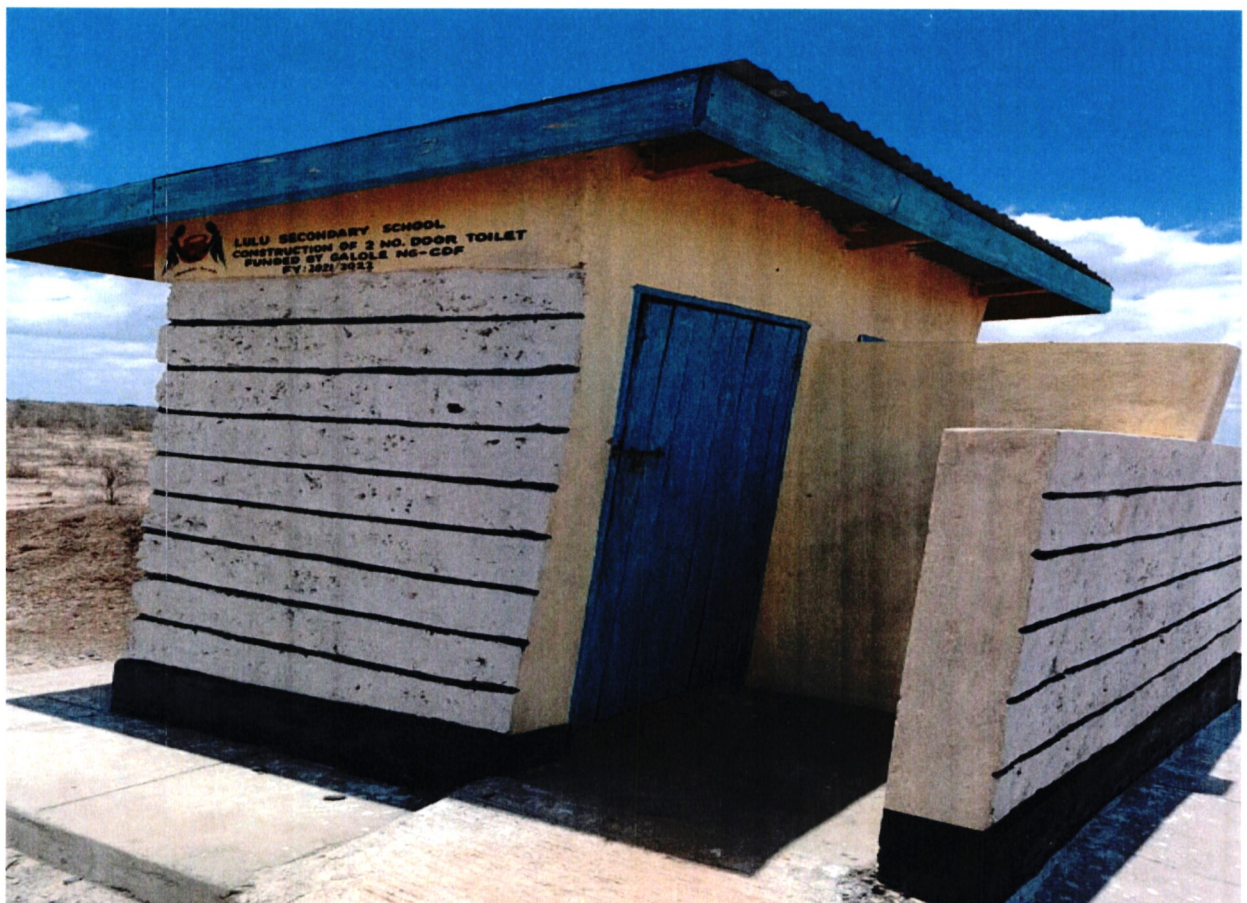
**Poor road infrastructure:**

The committee experienced difficulties in monitoring process during the rainy season thus affecting implementation period of projects.

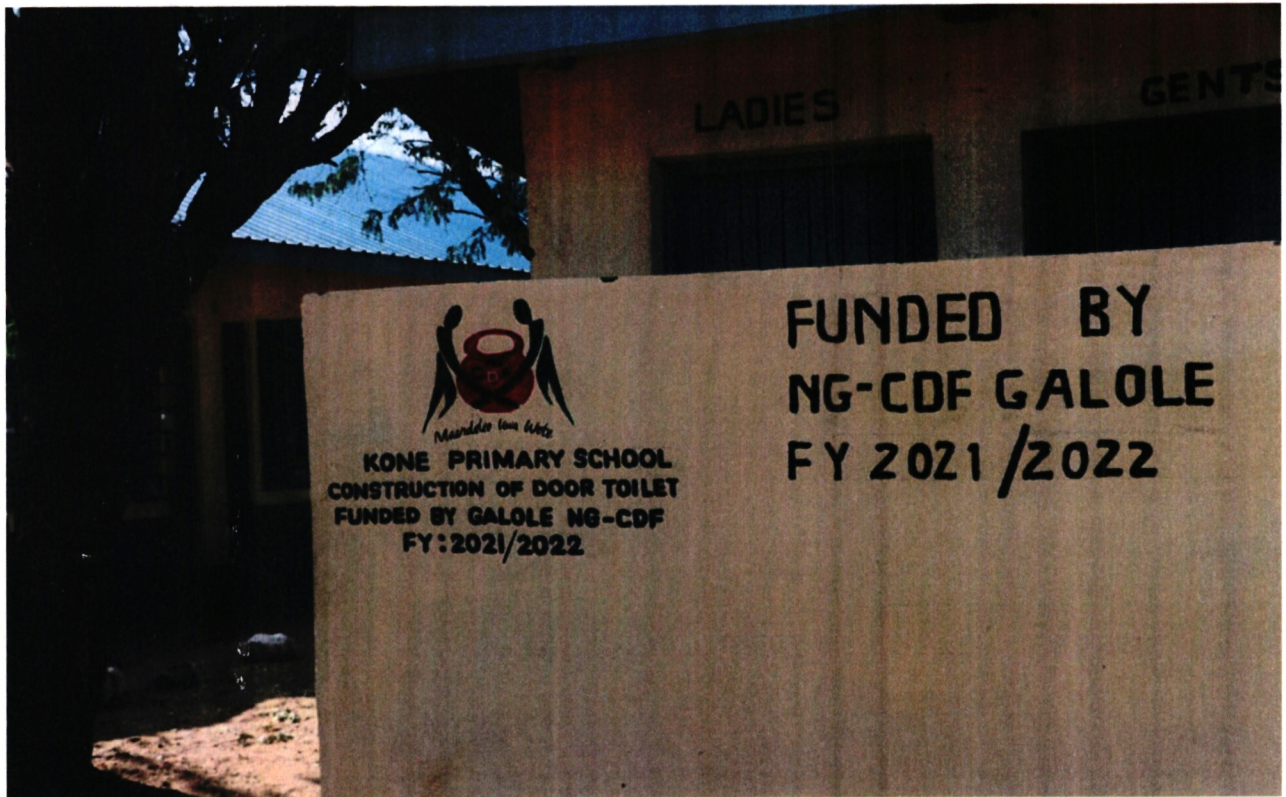
**Recommendations**

- NG-CDFC to liaise with NG-CDF board in order to find out whether the committee can establish boreholes in schools in order to provide water that will reduce the migration of communities leaving in those areas.
- Implement road projects in areas where Ng-Cdf projects are proposed to be implemented so that monitoring can be done easily.
- The board should try to release funds in time for ease of implementation.

The following are some of the projects implemented by NG-CDF Galole during 2021/2022 financial year.



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





.....  
Nathan Oddo  
**CHAIRMAN NG - CDF COMMITTEE**

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

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

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF office

**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:

| <b>Constituency Program</b> | <b>Objective</b>   | <b>Outcome</b>  | <b>Indicator</b>   | <b>Performance</b>  |
|-----------------------------|--|---|--|---|
| Education Accessibility     | To improve access, affordability and availability of quality education | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | - number of usable physical infrastructure build in primary, secondary, and tertiary institutions<br>- number of bursary beneficiaries at all levels | In FY 21/22 -we increased the number of classrooms and staff houses in various schools/institutions<br>- provision of desks and bursary   |
| Security                    | To enhance security in the constituency                                | Reduced number of insecurity cases in the constituency  | Number of usable physical infrastructures built in NG-CDF offices, ACC offices and chiefs' offices   | -we constructed additional number of chiefs' offices, rehabilitation of police stations, AP and police offices and houses.<br>-NG-CDF office fenced and ACC offices constructed |

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

|                             |  |   |  |  |
|-----------------------------|--|---|--|--|
| Environment                 | To promote environmental sustainability                            | Increase in the number of trees and proper collection of garbage and disposal of sewerage waste | Conservation of soil by trees and usable pit latrines  | We constructed additional number of pit latrines and planted trees   |
| Sports                      | To empower the youth and harness their talent                      | Increase in the number of youth groups and active sporting initiatives                          | Increase in development projects among the youth and increase in the number of forums held. Ease of access on devolved funds | We create awareness among the youth on the establishment of youth groups and allow ease of access to devolved funds        |
| Emergency support           | To cater for unforeseen occurrences in the constituency            | Catering for any unforeseen occurrences in the constituency                                     | Prompt response in case of any occurrences   | We set aside funds for any emergencies   |
| Tracking of results         | To improve tracking of implementation of CDF programmes            | Quality work is achieved  | Efficiency in work performance and within the specified period   | We organise capacity building programmes for NG-CDF C'S and PMC's<br>-we organise regular projects monitoring field visits |
| Institutional strengthening | To promote performance management and smooth running of CDF office | Well planned and organised work is achieved   | Increase in the number of usable physical tools and equipments<br>Employee satisfaction and availability of reports          | We purchase working tools and equipments to make work easy and of quality<br>We strategically plan for the future          |



#### **IV. Environmental and Sustainability Reporting**

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

- a. **Education and Training:** Galole 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; NG-CDF 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 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**

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *NG-CDF 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 NG-CDF supported projects.*

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Galole Constituency recruitment is guided by Employment Act, NG-CDF 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. Galole 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-**

Galole Ng-Cdf 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.

NG-CDF 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-**

Galole NG-CDF 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.

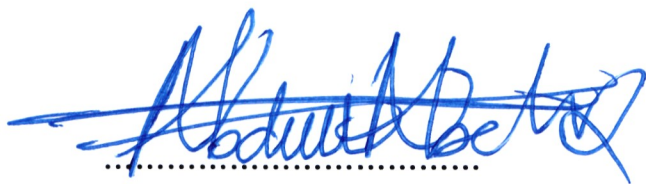
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



**Hussein Abdullahi**

**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 NG-CDF -Galole 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 NG-CDF -Galole 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 NG-CDF - Galole 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 NG-CDF Galole 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

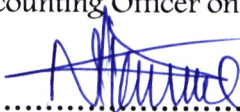
***Galole Constituency National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022***

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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 NG-CDF - Galole Constituency financial statements were approved and signed by the Accounting Officer on 28/03 2023.



.....

**Nathan Oddo**  
**Chairman – NG-CDF Committee**

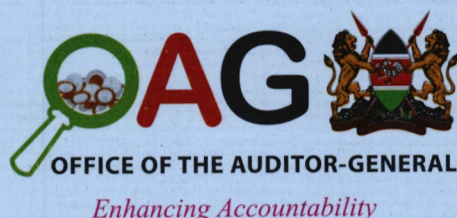


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**Hussein Abdullahi**  
**Finance Account Manager**

# REPUBLIC OF KENYA

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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 - GALOLE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazetted 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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Galole Constituency set out on pages 1 to 34, which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Galole Constituency as at 30 June, 2022, 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 Qualified Opinion**

### **1.0. Unconfirmed Accuracy of Cash and Cash Equivalents Balance**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.14,110,649. However, the bank reconciliation statement for the month of June, 2022 included a reconciling amount of Kshs.782,260 in respect of unrepresented cheques. Included in the list of unrepresented cheques were stale cheques totaling to Kshs.377,000 which had not been reversed in the cash book.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.14,110,649 could not be confirmed.

### **2.0. Unsupported Expenditure in Transfers to Primary Schools**

The statement of receipts and payments reflects transfers to other government units balance of Kshs.35,250,400 which, as disclosed in Note 4 to the financial statements, includes transfers to primary schools amount of Kshs.25,545,400 out of which, Kshs.9,940,000 was spent on projects whose Bills of Quantities were not provided for audit.

In the circumstances, the accuracy of transfers amounting to Kshs.9,940,000 to primary schools could not be confirmed.

### **3.0. Other Grants and Transfers**

The statement of receipts and payments reflects other grants and transfers balance of Kshs.111,539,282 as disclosed in Note 5 to the financial statements. However, the following audit issues were noted:

#### **3.1. Unsupported Bursary Payments**

The other grants and transfers balance of Kshs.111,539,282 includes bursaries amount of Kshs.96,006,226 out of which, Kshs.4,751,000 was disbursed to various institutions whose acknowledgement letters or official receipts were not provided for audit.



In the circumstances, the accuracy of bursary payments amounting to Kshs.4,751,000 could not be confirmed.

### **3.2. Unsupported Expenditure from Emergency Reserve**

The other grants and transfers balance of Kshs.111,539,282 also includes expenditure on emergency projects of Kshs.9,198,208 out of which, Kshs.3,609,415 was in respect of projects whose Bills of Quantities were not provided for audit.

Further, Management did not report the emergency expenditure to the National Government Constituencies Development Fund Board within 30 days of the occurrence of the emergency expenditure. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016, which provides that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

In the circumstances, the accuracy of emergency expenses amounting to Kshs.3,609,415 could not be confirmed. In addition, Management was in breach of the law.

### **4.0. Unconfirmed Accuracy of Fixed Assets Balance**

The summary of fixed asset register at Annex 2 to the financial statements reflects fixed assets balance of Kshs.44,251,583 as at 30 June, 2022. However, the supporting fixed asset register was not provided for audit. Further, the cost of land on which the buildings and structures reflected in the Annex were built was not disclosed and ownership documents for the land were also not provided for audit.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.44,251,583 and the ownership of the land could not be confirmed. In addition, it was not possible to confirm the existence of effective internal controls over fixed assets.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Galole 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.190,284,544 and Kshs.182,095,665 respectively, resulting to an underfunding of Kshs.8,188,879 or 4% of the budget. Similarly, the Fund

spent Kshs.167,985,016 against the approved budget of Kshs.190,284,544, resulting to an under expenditure of Kshs.22,299,528 or 12% of the budget.

The underfunding and under expenditure may have adversely affected planned activities and service delivery to the residents of Galole Constituency.

## **2.0. Delayed Projects Implementation**

Review of the Project Implementation Status Report provided for audit revealed that Management planned to implement thirty-six (36) projects at a total cost of Kshs.102,496,896 during the year under review. According to the report, thirty (30) projects were completed, while six (6) projects with a budget of Kshs.36,200,000 were on-going even though the projects were supposed to be completed before 30 June, 2022.

Failure to implement the projects in time may have denied Galole constituents the intended services.

## **3.0. Unresolved Prior Year Matters**

In the audit report for the previous year, several issues were raised. However, the Management had not resolved the issues as at 30 June, 2022. Management did not provide an explanation for the failure to resolve the prior year issues.

# **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

## **Conclusion**

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

## **Basis for Conclusion**

### **1.0. Lack of Project Management Committees Records and Reports**

Management did not provide for audit Project Management Committee records, including procurement plans, work plans, as well as handover reports to the Constituency Development Committees for the projects completed worth Kshs.8,600,000. This was contrary to Regulation 15(2) of the National Government Constituencies Development Fund Regulation, 2016, which provides that a Project Management Committee shall prepare and submit hand over reports to a Constituency Committee, and Regulation 15(4)(b), which provides that a Project Management Committee shall prepare work plans showing how it intends to utilize the funds given to it for implementing the project.

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

## **2.0. Lack of Constituency Oversight Committee**

Management did not establish a constituency Oversight Fund Committee, as required by Section 53(1) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting, unless 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 control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal 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 which 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 control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

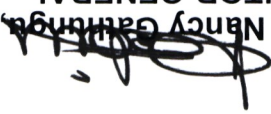
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathiga, CBS  
AUDITOR-GENERAL

Nairobi

30 May, 2023

**Galole 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**

|                                     | 2021 - 2022        | 2020 - 2021         |
|-------------------------------------|--------------------|---------------------|
|                                     | Kshs               | Kshs                |
| <b>Receipts</b>                     |                    |                     |
| Transfers From NG-CDF Board         | 170,088,879        | 95,900,000          |
| Proceeds From Sale of Assets        | -                  | -                   |
| Other Receipts                      | -                  | -                   |
| <b>Total Receipts</b>               | <b>170,088,879</b> | <b>95,900,000</b>   |
| <b>Payments</b>                     |                    |                     |
| Compensation Of Employees           | 4,452,492          | 2,813,234           |
| Use Of Goods and Services           | 8,265,255          | 11,124,650          |
| Transfers To Other Government Units | 35,250,400         | 56,650,788          |
| Other Grants and Transfers          | 111,539,282        | 60,910,234          |
| Acquisition Of Assets               | 4,477,587          | 4,189,765           |
| Other Payments                      | 4,000,000          | -                   |
| <b>Total Payments</b>               | <b>167,985,016</b> | <b>135,688,671</b>  |
| <b>Surplus/(Deficit)</b>            | <b>2,103,863</b>   | <b>(39,788,671)</b> |

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<sup>th</sup> 02<sup>nd</sup> 2023 and signed by:

**Fund Account Manager**

**National Sub-County**

**Chairman NG-CDF**

**Committee**

**Nathan Oddo**

**Amon thamanga**

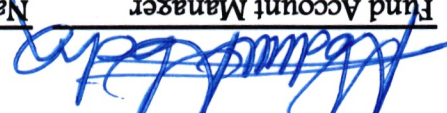
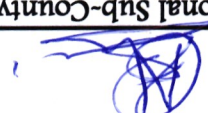
**ICPAK M/No:12499**

**Hussein Abdullahi**

VIII. Statement of Assets and Liabilities as At 30<sup>th</sup> June, 2022

|                                      | 2021-2022  | 2020-2021    |
|--------------------------------------|------------|--------------|
| Financial Assets                     | Kshs       | Kshs         |
| Cash And Cash Equivalents            |            |              |
| Bank Balances (As Per the Cash Book) | 14,110,649 | 12,006,786   |
| Cash Balances (Cash at Hand)         | -          | -            |
| Total Cash and Cash Equivalents      | 14,110,649 | 12,006,786   |
| Accounts Receivable                  |            |              |
| Outstanding Imprests                 | 12         | -            |
| Total Financial Assets               | 14,110,649 | 12,006,786   |
| Financial Liabilities                |            |              |
| Accounts Payable (Deposits)          |            |              |
| Retention                            | -          | -            |
| Gratuity                             | 9          | -            |
| Total Financial Liabilities          | -          | -            |
| Net Financial Assets                 | 14,110,649 | 12,006,786   |
| Represented By                       |            |              |
| Fund Balance B/Fwd                   | 10         | 51,795,457   |
| Prior Year Adjustments               | 11         | -            |
| Surplus/Deficit for The Year         | 2,103,863  | (39,788,671) |
| Net Financial Position               | 14,110,649 | 12,006,786   |

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 28/03/2023 and signed by:

 Hussein Abdullahi  
 Fund Account Manager  
 National Sub-County Accountant  
 Amon Thanga  
 ICPAK M/No:12499  
 Nathan Oddo  
 Chairman NG-CDF Committee

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 NG-CDF Board                     | 1           | 170,088,879         |
| Other Receipts                                  | -           | -                   |
| <b>Total Receipts</b>                           |             | <b>170,088,879</b>  |
| Payments  |             |                     |
| Compensation Of Employees                       | 2           | 4,452,492           |
| Use Of Goods and Services                       | 3           | 8,265,255           |
| Transfers To Other Government Units             | 4           | 35,250,400          |
| Other Grants and Transfers                      | 5           | 111,539,282         |
| Acquisition of Assets                           | 6           | -                   |
| Other Payments                                  | 7           | 4,000,000           |
| <b>Total Payments</b>                           |             | <b>163,507,429</b>  |
| <b>Total Receipts Less Total Payments</b>       |             | <b>131,498,906</b>  |
| Adjusted For:                                   |             |                     |
| Decrease/(Increase) In Accounts Receivable      | 12          | -                   |
| Increase/(Decrease) In Accounts Payable         | 13          | -                   |
| Prior Year Adjustments                          | 11          | 6,581,450           |
| <b>Net Cash Flow from Operating Activities</b>  |             | <b>(35,598,906)</b> |
|   |             |                     |
| <b>Net Cash Flow from Investing Activities</b>  |             |                     |
| Cashflow From Investing Activities              |             | -                   |
| Proceeds From Sale of Assets                    | -           | -                   |
| Acquisition Of Assets                           | 6           | (4,477,587)         |
|   |             | (4,189,765)         |
| <b>Net Cash Flows from Investing Activities</b> |             | <b>(4,189,765)</b>  |
|   |             |                     |
| Net Increase In Cash And Cash Equivalent        |             | 2,103,863           |
|   |             | (39,788,671)        |
|   |             |                     |
| Cash & Cash Equivalent At Start Of The Year     | 8           | 12,006,786          |
| Cash & Cash Equivalent At End Of The Year       | 8           | 14,110,649          |
|   |             | 12,006,786          |

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 28/03 and signed by:

Fund Account Manager

Hussein Abdullahi

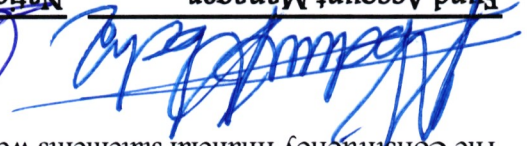
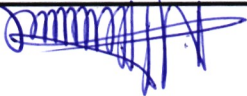
National Sub-County Accountant

Amon thananga

ICPAK M/No:12499

Chairman NG-CDF Committee

Nathan Oddo



**Galole 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**

| Receipt/Expense Item                | Original Budget    | Opening Balance (C/Bk) and AIA | Adjustments<br>Previous years<br>Outstanding<br>Disbursements | Final Budget<br>c=a+b | Actual on<br>Comparable<br>Basis<br>d | Budget<br>Utilisation<br>Difference<br>e=c-d | % of Utilisation<br>f=d/c % |
|-------------------------------------|--------------------|--------------------------------|---|-----------------------|---------------------------------------|--|-----------------------------|
|                                     | a                  |                                | b   |                       |                                       |  |                             |
| <b>RECEIPTS</b>                     |                    |                                |   |                       |                                       |  |                             |
| Transfers from NG-CDF Board         | 137,088,879        | 12,006,786                     | 41,188,879  | 190,284,544           | 182,095,665                           | 8,188,879                                    | 95.7%                       |
| Proceeds from Sale of Assets        | -                  | -                              | -   | -                     | -                                     | -  | 0.0%                        |
| Other Receipts                      | -                  | -                              | -   | -                     | -                                     | -  |                             |
| <b>TOTAL RECEIPTS</b>               | <b>137,088,879</b> | <b>12,006,786</b>              | <b>41,188,879</b>   | <b>190,284,544</b>    | <b>182,095,665</b>                    | <b>8,188,879</b>                             | <b>95.7%</b>                |
| <b>PAVMENTS</b>                     |                    |                                |   |                       |                                       |  |                             |
| Compensation of Employees           | 4,010,000          | 1,255,774                      | 24,708  | 5,290,482             | 4,452,492                             | 837,990                                      | 84.2%                       |
| Use of goods and services           | 8,127,999          | 538,962                        | 100,000   | 8,766,961             | 8,265,255                             | 501,706                                      | 94.3%                       |
| Transfers to Other Government Units | 44,200,000         | 3,100,000                      | 8,014,226   | 51,314,226            | 35,250,400                            | 16,063,826                                   | 68%                         |
| Other grants and transfers          | 71,075,762         | 7,112,050                      | 31,100,000  | 113,287,812           | 111,539,282                           | 1,748,530                                    | 98%                         |
| Acquisition of Assets               | 5,000,000          | -                              | -   | 5,000,000             | 4,477,587                             | 522,413                                      | 89.6%                       |
| Other Payments                      | 4,675,118          | -                              | 1,949,945   | 6,625,063             | 4,000,000                             | 2,625,063                                    | 60.4%                       |
| <b>TOTAL</b>                        | <b>137,088,879</b> | <b>12,006,786</b>              | <b>41,188,879</b>   | <b>190,284,544</b>    | <b>167,985,016</b>                    | <b>22,299,528</b>                            | <b>88.3%</b>                |

*\*\*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.*

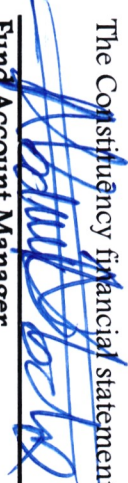
*Explanatory Notes .*

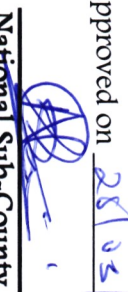
- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]  
 (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

*(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.*

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities |            |
|---|------------|
| Description   | Amount     |
| Budget utilisation difference totals  | 22,299,528 |
| Less undischursed funds receivable from the Board as at 30th June 2022                      | 8,188,879  |
|   | 14,110,649 |
| Add Accounts payable  | -          |
| Less Accounts Receivable  | -          |
| Add/Less Prior Year Adjustments   | -          |
| Cash and Cash Equivalents at the end of the FY 2021/2022                                    | 14,110,649 |

The Constituency financial statements were approved on 28/05/2023 and signed by:

  
**Fund Account Manager**

  
**National Sub-County Accountant**

  
**Chairman NG-CDF Committee**

**Hussein Abdullahi**

**Amon Thananga**  
 ICPAK M/No:12499

**Nathan Oddo**

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

| Programme/Sub-programme                 | Original Budget(a) | Adjustments(b)                 |  | Final Budget c = (a+b) | Actual on comparable basis(d) | Budget utilization difference(e = c-d) | % of Utilisation(f=d/c %) |
|---|--------------------|--------------------------------|--|------------------------|-------------------------------|--|---------------------------|
|   |                    | Opening Balance (C/Bk) and AIA | Previous years Outstanding Disbursements |                        |                               |  |                           |
| <b>1.0 Administration and Recurrent</b> | <b>Kshs</b>        |                                | <b>Kshs</b>                              | <b>Kshs</b>            | <b>Kshs</b>                   | <b>Kshs</b>                            |                           |
| 1.1 Compensation of employees           | 4,010,000          | 1,255,774.00                   | 24,708                                   | 5,290,482              | 4,452,492                     | 837,990                                | 84                        |
| 1.2 Committee allowances                | 1,600,000          | 10,000.00                      | -  | 1,610,000              | 1,200,000                     | 410,000                                | 75                        |
| 1.3 Use of goods and services           | 2,415,333          | 33,396.00                      | 100,000                                  | 2,548,729              | 2,547,441                     | 1,288                                  | 100                       |
| 1.4 capacity building                   | -                  | -                              | -  | -                      | -                             | -                                      | -                         |
| <b>Total</b>                            | <b>8,025,333</b>   | <b>1,299,170</b>               | <b>124,708</b>                           | <b>9,449,211</b>       | <b>8,199,933</b>              | <b>1,249,278</b>                       | <b>87</b>                 |
| <b>2.0 Monitoring and evaluation</b>    |                    |                                |  |                        |                               |  |                           |
| 2.1 Capacity building                   | 1,457,491          | 57,491.00                      | -  | 1,514,982              | 1,499,400                     | 15,582                                 | 99                        |
| 2.2 Committee allowances                | 2,055,175          | 200,175.00                     | -  | 2,255,350              | 2,185,740                     | 69,610                                 | 97                        |
| 2.3 Use of goods and services           | 600,000            | 237,900.00                     | -  | 837,900                | 832,674                       | 5,226                                  | 99                        |
| <b>Total</b>                            | <b>4,112,666</b>   | <b>495,566</b>                 | <b>-</b>                                 | <b>4,608,232</b>       | <b>4,517,814</b>              | <b>90,418</b>                          | <b>98</b>                 |
| <b>3.0 Emergency</b>                    |                    |                                |  |                        |                               |  |                           |
| 3.1 Primary Schools                     | 7,192,207          | 82,400.00                      | -  | 7,274,607              | 6,186,793                     | 1,087,814                              | 85                        |
| 3.2 Secondary schools                   | -                  | -                              | -  | -                      | -                             | -                                      | -                         |
| 3.3 Tertiary institutions               | -                  | -                              | -  | -                      | -                             | -                                      | -                         |
| 3.4 Security projects                   | -                  | -                              | -  | -                      | -                             | -                                      | -                         |

|  |                   |                  |                   |                   |                   |                     |                  |   |                  |   |                  |   |   |   |   |   |   |   |   |
|--|-------------------|------------------|-------------------|-------------------|-------------------|---------------------|------------------|---|------------------|---|------------------|---|---|---|---|---|---|---|---|
| 3.5 Unutilised                         | -                 | -                | -                 | -                 | -                 | -                   | -                | - | -                | - | -                | - | - | - | - | - | - | - | - |
| <b>Total</b>                           | <b>7,192,207</b>  | <b>82,400</b>    | -                 | -                 | <b>7,274,607</b>  | -                   | <b>6,186,793</b> | - | <b>1,087,814</b> | - | <b>85</b>        | - | - | - | - | - | - | - | - |
| <b>4.0 Bursary and Social Security</b> |                   |                  |                   |                   |                   |                     |                  |   |                  |   |                  |   |   |   |   |   |   |   |   |
| 4.1 Secondary Schools                  | 40,000,000        | 6,661,773.00     | 18,100,000        | 64,761,773        | 75,471,089        | (10,709,316)        |                  |   |                  |   | 117              |   |   |   |   |   |   |   |   |
| 4.2 Tertiary Institutions              | 7,200,000         | -                | -                 | 7,200,000         | 7,088,168         |                     |                  |   |                  |   | 98               |   |   |   |   |   |   |   |   |
| 4.3 Social Security                    | -                 | -                | -                 | -                 | -                 | -                   |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 4.4 Special Needs                      | -                 | -                | -                 | -                 | -                 | -                   |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| <b>Total</b>                           | <b>47,200,000</b> | <b>6,661,773</b> | <b>18,100,000</b> | <b>71,961,773</b> | <b>82,559,257</b> | <b>(10,597,484)</b> |                  |   |                  |   | <b>115</b>       |   |   |   |   |   |   |   |   |
| <b>5.0 Sports</b>                      |                   |                  |                   |                   |                   |                     |                  |   |                  |   |                  |   |   |   |   |   |   |   |   |
| 5.1 sports                             | 2,741,778         | 93,434.00        | -                 | 2,835,212         | 2,781,400         | 53,812              |                  |   |                  |   | 98               |   |   |   |   |   |   |   |   |
| <b>Total</b>                           | <b>2,741,778</b>  | <b>93,434</b>    | -                 | <b>2,835,212</b>  | <b>2,781,400</b>  | <b>53,812</b>       |                  |   |                  |   | <b>98</b>        |   |   |   |   |   |   |   |   |
| <b>6.0 Environment</b>                 |                   |                  |                   |                   |                   |                     |                  |   |                  |   |                  |   |   |   |   |   |   |   |   |
| 6.1 Galole NG-CDF Office               | 1,800,000         | -                | -                 | 1,800,000         | -                 | 1,800,000           |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 6.2 Galole NG-CDF Office               | 600,000           | -                | -                 | 600,000           | -                 | 600,000             |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 6.3 Galole NG-CDF Office               | 100,000           | -                | -                 | 100,000           | -                 | 100,000             |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 6.4 Galole NG-CDF office               | 241,778           | -                | -                 | 241,778           | -                 | 241,778             |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 6.5 galole model secondary sch         | -                 | 87,778.00        | -                 | 87,778            | -                 | 87,778              |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 6.6 kone primary school                | -                 | 46,665.00        | -                 | 46,665            | -                 | 46,665              |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 6.7 fanjua primary school              | -                 | 60,000.00        | -                 | 60,000            | -                 | 60,000              |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 6.8 Katalani primary school            | -                 | 60,000.00        | -                 | 60,000            | -                 | 60,000              |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| 6.9 kone primary school                | -                 | 20,000.00        | -                 | 20,000            | -                 | 20,000              |                  |   |                  |   | -                |   |   |   |   |   |   |   |   |
| <b>Total</b>                           | <b>2,741,778</b>  | <b>274,443</b>   | -                 | <b>3,016,221</b>  | -                 | <b>3,016,221</b>    |                  |   |                  |   | <b>3,016,221</b> |   |   |   |   |   |   |   |   |

| 7.0 Primary Schools Projects  |           |            |   |         |           |           |           |   |     |
|-------------------------------|-----------|------------|---|---------|-----------|-----------|-----------|---|-----|
| 7.1 nyangwani primary school  | 400,000   | -          | - | -       | 400,000   | -         | 400,000   | - | -   |
| 7.2 bahati primary school     | 2,400,000 | -          | - | -       | 2,400,000 | -         | 2,400,000 | - | -   |
| 7.3 bohoni primary school     | 1,500,000 | -          | - | -       | 1,500,000 | 1,500,000 | -         | - | 100 |
| 7.4 rhoka primary school      | 1,000,000 | -          | - | -       | 1,000,000 | -         | 1,000,000 | - | -   |
| 7.5 chewani primary school    | 1,500,000 | -          | - | -       | 1,500,000 | 1,500,000 | -         | - | 100 |
| 7.6 hara primary school       | 1,000,000 | -          | - | -       | 1,000,000 | -         | 1,000,000 | - | -   |
| 7.7 kiarakungu primary school | 2,900,000 | -          | - | -       | 2,900,000 | 1,750,000 | 1,150,000 | - | 60  |
| 7.8 daba primary school       | 4,500,000 | -          | - | -       | 4,500,000 | 2,500,000 | 2,000,000 | - | 56  |
| 7.9 duwayo primary school     | 4,500,000 | -          | - | -       | 4,500,000 | 2,650,000 | 1,850,000 | - | 59  |
| 7.10 lisa school for the deaf | 3,500,000 | -          | - | -       | 3,500,000 | 1,300,000 | 2,200,000 | - | 37  |
| 7.11 kone primary school      | 600,000   | -          | - | -       | 600,000   | 500,000   | 100,000   | - | 83  |
| 7.12 hola primary school      | 1,200,000 | -          | - | -       | 1,200,000 | 1,200,000 | -         | - | 100 |
| 7.13 laza primary school      | 600,000   | -          | - | -       | 600,000   | 600,000   | -         | - | 100 |
| 7.14 bohoni primary school    | 5,000,000 | -          | - | -       | 5,000,000 | 2,500,000 | 2,500,000 | - | 50  |
| 7.15 farjua primary school    | 800,000   | -          | - | -       | 800,000   | 800,000   | -         | - | 100 |
| 7.16 moroni primary school    | 1,200,000 | -          | - | 600,000 | 1,800,000 | 1,800,000 | -         | - | 100 |
| 7.17 hola primary school      | -         | 100,000.00 | - | 36,000  | 136,000   | -         | 136,000   | - | -   |
| 7.18 nyangwani primary school | -         | -          | - | 400,000 | 400,000   | -         | 400,000   | - | -   |
| 7.19 bohoni primary school    | -         | 400,000.00 | - | -       | 400,000   | 300,000   | 100,000   | - | 75  |
| 7.20 hola primary school      | -         | -          | - | 380,000 | 380,000   | 350,400   | 29,600    | - | 92  |
| 7.21 hakoka primary school    | -         | -          | - | 510,000 | 510,000   | 510,000   | -         | - | 100 |

|                                       |                   |                  |                   |                   |                   |                   |           |
|---------------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-----------|
| 7.22 makere primary school            | -                 | -                | 269,182           | 269,182           | -                 | 269,182           | -         |
| 7.23 laini primary school             | -                 | -                | 350,000           | 350,000           | 300,000           | 50,000            | 86        |
| 7.24 handampia primary school         | -                 | 1,800,000.00     | -                 | 1,800,000         | 1,800,000         | -                 | 100       |
| 7.25 rhoka primary school             | -                 | -                | 1,500,000         | 1,500,000         | 1,490,000         | 10,000            | 99        |
| 7.26 wayu primary school              | -                 | 800,000.00       | 150,000           | 950,000           | 950,000           | -                 | 100       |
| 7.27 chewani primary school           | -                 | -                | 300,000           | 300,000           | 300,000           | -                 | 100       |
| 7.28 hara primary school              | -                 | -                | 1,800,000         | 1,800,000         | 1,800,000         | -                 | 100       |
| 7.29 koticha primary school           | -                 | -                | 200,000           | 200,000           | -                 | 200,000           | -         |
| 7.30 gafuru primary school            | -                 | -                | 800,000           | 800,000           | 800,000           | -                 | 100       |
| 7.31 bondeni primary school           | -                 | -                | 40,000            | 40,000            | -                 | 40,000            | -         |
| 7.32 baksano primary school           | -                 | -                | 1,800,000         | 1,800,000         | 1,800,000         | -                 | 100       |
| 7.33 kilindini primary school         | -                 | -                | 200,000           | 200,000           | -                 | 200,000           | -         |
| 7.34 kiarkungu primary school         | -                 | -                | 100,000           | 100,000           | -                 | 100,000           | -         |
| 7.35 bondeni primary school           | -                 | -                | 2,000,000         | 2,000,000         | 2,000,000         | -                 | 100       |
| <b>Total</b>                          | <b>32,600,000</b> | <b>3,100,000</b> | <b>11,435,182</b> | <b>47,135,182</b> | <b>31,000,400</b> | <b>16,134,782</b> | <b>66</b> |
| <b>8.0 Secondary Schools Projects</b> |                   |                  |                   |                   |                   |                   |           |
| 8.0 lulu secondary school             | 1,200,000         | -                | -                 | 1,200,000         | -                 | 1,200,000         | -         |
| 8.1 lulu secondary school             | 2,400,000         | -                | -                 | 2,400,000         | 2,000,000         | 400,000           | 83        |
| 8.2 daku secondary school             | 2,500,000         | -                | -                 | 2,500,000         | 2,500,000         | -                 | 100       |
| 8.3 ndura secondary school            | 7,900,000         | -                | -                 | 7,900,000         | 2,900,000         | 5,000,000         | 37        |
| 8.4 wenje secondary school            | 3,000,000         | -                | -                 | 3,000,000         | 3,000,000         | -                 | 100       |
| 8.5 galole model secondary school     | -                 | -                | 100,000           | 100,000           | -                 | 100,000           | -         |

|  |                   |          |                  |                   |                   |                  |                |            |
|--|-------------------|----------|------------------|-------------------|-------------------|------------------|----------------|------------|
| 8.6 galole model secondary school          | -                 | -        | 6,000,000        | 6,000,000         | 6,000,000         | -                | -              | 100        |
| 8.7 tana river sub-county education office | -                 | -        | 54,000           | 54,000            | -                 | -                | 54,000         | -          |
| 8.8 rafiki secondary school                | -                 | -        | 75,044           | 75,044            | -                 | -                | 75,044         | -          |
| 8.9 wacha kone secondary school            | -                 | -        | 350,000          | 350,000           | 350,000           | -                | -              | 100        |
| <b>Total</b>                               | <b>17,000,000</b> | <b>-</b> | <b>6,579,044</b> | <b>23,579,044</b> | <b>16,750,000</b> | <b>6,829,044</b> | <b>-</b>       | <b>71</b>  |
| <b>9.0 Tertiary institutions Projects</b>  |                   |          |                  |                   |                   |                  |                |            |
| 9.1 hola vocational training institute     | 2,400,000         | -        | -                | 2,400,000         | 2,400,000         | -                | -              | 100        |
| 9.2 hola vocational training institute     | 2,200,000         | -        | -                | 2,200,000         | 2,200,000         | -                | -              | 100        |
| <b>Total</b>                               | <b>4,600,000</b>  | <b>-</b> | <b>-</b>         | <b>4,600,000</b>  | <b>4,600,000</b>  | <b>-</b>         | <b>-</b>       | <b>100</b> |
| <b>10.0 Security Projects</b>              |                   |          |                  |                   |                   |                  |                |            |
| 10.1 hola police camp                      | 1,200,000         | -        | -                | 1,200,000         | -                 | -                | 1,200,000      | -          |
| 10.2 tana river county com residence       | -                 | -        | 500,000          | 500,000           | 500,000           | -                | -              | 100        |
| 10.3 tana river county com boardroom       | -                 | -        | 1,800,000        | 1,800,000         | 1,800,000         | -                | -              | 100        |
| 10.4 hola prison camp                      | -                 | -        | 700,000          | 700,000           | 700,000           | -                | -              | 100        |
| <b>Total</b>                               | <b>1,200,000</b>  | <b>-</b> | <b>3,000,000</b> | <b>4,200,000</b>  | <b>3,000,000</b>  | <b>1,200,000</b> | <b>-</b>       | <b>71</b>  |
| <b>11.0 Acquisition of assets</b>          |                   |          |                  |                   |                   |                  |                |            |
| 11.1 Motor Vehicles                        | -                 | -        | -                | -                 | -                 | -                | -              | -          |
| 11.2 Construction of CDF office            | 5,000,000         | -        | -                | 5,000,000         | 4,477,587         | -                | 522,413        | 90         |
| 11.3 Purchase of furniture and equipment   | -                 | -        | -                | -                 | -                 | -                | -              | -          |
| 11.4 Purchase of computers                 | -                 | -        | -                | -                 | -                 | -                | -              | -          |
| <b>Total</b>                               | <b>5,000,000</b>  | <b>-</b> | <b>-</b>         | <b>5,000,000</b>  | <b>4,477,587</b>  | <b>-</b>         | <b>522,413</b> | <b>90</b>  |
| <b>12.0 Other payments</b>                 |                   |          |                  |                   |                   |                  |                |            |



|  |                    |                   |                   |                    |                    |                   |           |
|--|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|-----------|
| 12.1 hola magistrate court                 | 2,275,118          | -                 | -                 | 2,275,118.11       | -                  | 2,275,118.11      | -         |
| 12.2 Innovation Hub-galole resource centre | 2,400,000          | -                 | 1,935,353         | 4,335,353.00       | 4,000,000          | 335,353.00        | 92        |
| 12.3 galole zubaki chiefs office hub       | -                  | -                 | 14,592            | 14,592.00          | -                  | 14,592.00         | -         |
| <b>Total</b>                               | <b>4,675,118</b>   | -                 | <b>1,949,945</b>  | <b>6,625,063</b>   | <b>4,000,000</b>   | <b>2,625,063</b>  | <b>60</b> |
| <b>13.0 unallocated fund</b>               |                    |                   |                   |                    |                    |                   |           |
| Unapproved projects                        | -                  | -                 | -                 | -                  | -                  | -                 | -         |
| AIA  | -                  | -                 | -                 | -                  | -                  | -                 | -         |
| PMC savings                                | -                  | -                 | -                 | -                  | -                  | -                 | -         |
| <b>Total</b>                               | <b>-</b>           | <b>-</b>          | <b>-</b>          | <b>-</b>           | <b>-</b>           | <b>-</b>          | <b>-</b>  |
|  | <b>137,088,879</b> | <b>12,006,786</b> | <b>41,188,879</b> | <b>190,284,544</b> | <b>167,985,016</b> | <b>22,299,528</b> | <b>88</b> |

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

**XII. Significant Accounting Policies**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

**2. Reporting Entity**

The financial statements are for the NG-CDF -Galole 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 Galole NG-CDF 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.

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 fulfillment 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.

#### **8. Accounts Payable**

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.

#### **7. Accounts Receivable**

#### ***Significant Accounting Policies continued***

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.

#### **6. Cash and Cash Equivalents.**

#### ***Significant Accounting Policies continued***

***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 NG-CDF 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 20xx for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> 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 30<sup>th</sup> June 2022.

**14. Errors**  
*Significant Accounting Policies continued*

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 Galole NG-CDF 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.

## 1. Transfers from NG-CDF Board

| Description      | 2021-2022             | 2020-2021         |
|------------------|-----------------------|-------------------|
|                  | Kshs                  | Kshs              |
| NGCDF Board      |                       |                   |
| AIE NO. B 128675 | 5,000,000             |                   |
| AIE NO. B 105765 | 9,000,000             |                   |
| AIE NO. B 105123 | 10,000,000            |                   |
| AIE NO. B 103367 | 12,000,000            |                   |
| AIE NO. B 102671 | 6,900,000             |                   |
| AIE NO. B 103674 | 6,000,000             |                   |
| AIE NO. B 105341 | 6,000,000             |                   |
| AIE NO. B 105891 | 13,000,000            |                   |
| AIE NO. B 105318 | 6,000,000             |                   |
| AIE NO. B 105785 | 10,000,000            |                   |
| AIE NO. B 105321 | 12,000,000            |                   |
| AIE NO. B 103671 | 33,000,000.00         |                   |
| AIE NO. B 128508 | 34,000,000.00         |                   |
| AIE NO. B 105974 | 10,000,000.00         |                   |
| AIE NO. B 105601 | 22,000,000.00         |                   |
| AIE NO. B 105386 | 6,000,000.00          |                   |
| AIE NO. B 136753 | 12,000,000.00         |                   |
| AIE NO. B 125321 | 12,000,000.00         |                   |
| AIE NO. B 136890 | 18,000,000.00         |                   |
| AIE NO. B 105467 | 23,088,879.00         |                   |
| <b>TOTAL</b>     | <b>170,088,879.00</b> | <b>95,900,000</b> |



Notes to the Financial Statements (Continued)

2. Compensation of Employees

|  | 2021-2022           | 2020-2021        |
|--|---------------------|------------------|
|  | Kshs                | Kshs             |
| NG-CDFC Basic staff salaries                                       | 3,194,000.00        | 2,448,115        |
| Personal allowances paid as part of salary                         | -                   | -                |
| House Allowance  | -                   | -                |
| Transport Allowance  | -                   | -                |
| Leave allowance  | -                   | -                |
| Gratuity to contractual employees                                  | 1,082,572.00        | -                |
| Employer Contributions Compulsory national social security schemes | 175,920.00          | 365,119          |
| <b>Total</b>   | <b>4,452,492.00</b> | <b>2,813,234</b> |

3. Use of Goods and Services

|  | 2021-2022        | 2020-2021         |
|--|------------------|-------------------|
|  | Kshs             | Kshs              |
| Bank service commission and charges                          | 22,174           | -                 |
| Utilities, supplies and services                             | 81,600           | 195,000           |
| Communication, supplies and services                         | 298,800          | -                 |
| Domestic travel and subsistence                              | 1,269,100        | 811,200           |
| Printing, advertising and information supplies & services    | -                | 60,150            |
| Rentals of produced assets                                   | -                | -                 |
| Training expenses  | -                | -                 |
| Hospitality supplies and services                            | 466,300          | 430,000           |
| Electricity  | -                | 0                 |
| Water and sewerage charges                                   | -                | 0                 |
| Office rent  | 587,241          | 696,000           |
| Other committee expenses                                     | 899,400          | 4,170,100         |
| Committee allowance  | 3,385,740        | 3,543,700         |
| Office and general supplies and services                     | 444,400          | 1,174,000         |
| Other operating expenses                                     | 130,500          | 44,500            |
| Fuel, Oils and Lubricants                                    | 680,000          | -                 |
| Routine maintenance – vehicles and other transport equipment | -                | -                 |
| Routine maintenance – other assets                           | -                | -                 |
| <b>Total</b>   | <b>8,265,255</b> | <b>11,124,650</b> |

Notes To The Financial Statements (Continued)

4. Transfer To Other Government Units

| Description  | 2021-2022         | 2020-2021         |
|--|-------------------|-------------------|
| Transfers To Primary Schools (See Attached List)       | 25,545,400        | 50,022,370        |
| Transfers To Secondary Schools (See Attached List)     | 6,005,000         | 6,628,418         |
| Transfers To Tertiary Institutions (See Attached List) | 3,700,000         | -                 |
| <b>Total</b>   | <b>35,250,400</b> | <b>56,650,788</b> |

5. Other Grants and Other transfers

|   | 2021-2022          | 2020-2021         |
|---|--------------------|-------------------|
| Bursary – secondary schools (see attached list)     | 89,623,500         | 35,302,986        |
| Bursary – tertiary institutions (see attached list) | 6,382,726          | 4,184,248         |
| Bursary – special schools (see attached list)       | -                  | -                 |
| Mock & CAT (see attached list)                      | -                  | -                 |
| Social Security programmes (NHIF)                   | -                  | -                 |
| Security projects (see attached list)               | 1,200,000          | 7,700,000         |
| Sports projects (see attached list)                 | 2,481,400          | 4,054,000         |
| Environment projects (see attached list)            | 2,653,448          | 2,654,000         |
| Emergency projects (see attached list)              | 9,198,208          | 7,015,000         |
| <b>Total</b>  | <b>111,539,282</b> | <b>60,910,234</b> |

|                  | 2021-2022    | 2020-2021 |
|------------------|--------------|-----------|
|                  | Kshs         | Kshs      |
| Strategic plan   | -            | -         |
| Education office | -            | -         |
| ICT Hub          | 4,000,000.00 | -         |
|                  | 4,000,000    | -         |

## 7. Other Payments

*Notes To the Financial Statements (Continued)*

|   | 2021-2022           | 2020-2021           |
|---|---------------------|---------------------|
|   | Kshs                | Kshs                |
| Purchase of Buildings                                       | -                   | -                   |
| Construction of Buildings                                   | 4,477,587.00        | 4,189,765.00        |
| Refurbishment of Buildings                                  | -                   | -                   |
| Purchase 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    | -                   | -                   |
| Purchase of Specialized Plant, Equipment and Machinery      | -                   | -                   |
| Acquisition of Land   | -                   | -                   |
| <b>Total</b>  | <b>4,477,587.00</b> | <b>4,189,765.00</b> |

## 6. Acquisition Of Assets

|  | 2021-2022 | 2020-2021 |
|--|-----------|-----------|
| Gratuity as at 1 <sup>st</sup> July (A)                | -         | -         |
| Gratuity held during the year (B)                      | 1,082,572 | -         |
| Gratuity paid during the Year (C)                      | 1,082,572 | -         |
| Closing Gratuity as at 30 <sup>th</sup> June D = A+B-C | -         | -         |

*[Provide short appropriate explanations as necessary]*

### 9. Gratuity

*[Provide short appropriate explanations as necessary.]*

### Notes to the Financial Statement Continued

| Name Of Bank, Account No. & Currency            | 2021-2022         | 2020-2021         |
|---|-------------------|-------------------|
|   | Kshs              | Kshs              |
| 10A: Bank Accounts (Cash Book Bank Balance)     | (30/06/2022)      | (30/06/2021)      |
| GALOLE NG-CDF, Account No. 1108807879, KCB HOLA | 14,110,649        | 12,006,786        |
| <b>Total</b>                                    | <b>14,110,649</b> | <b>12,006,786</b> |
| 10 B: Cash on Hand                              |                   |                   |
| Location 1                                      | -                 | -                 |
| Location 2                                      | -                 | -                 |
| Location 3                                      | -                 | -                 |
| Other Locations ( <i>Specify</i> )              | -                 | -                 |
| <b>Total</b>                                    | <b>-</b>          | <b>-</b>          |

*[Provide Cash Count Certificates for Each]*

### 8: Cash Book Bank Balance

| 2020-2021 | 2021-2022 |  |
|-----------|-----------|--|
|           |           | Outstanding Imprest as at 1 <sup>st</sup> July (A) |
| -         | -         | Imprest issued during the year (B)                 |
| 8,830,800 | 6,635,340 | Imprest surrendered during the Year (C)            |
| 8,830,800 | 6,635,340 | closing accounts in account receivables D = A+B-C  |
| -         | -         | Changes in Account Receivables E = D-A             |

### 12. Changes in Accounts Receivable – Outstanding Imprests

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

| Adjusted Balance** b/f<br>FY 2021/2022 | Adjustments | Balance b/f<br>FY 2021/2022<br>as per Audited<br>Financial<br>statements | Description of the error |
|--|-------------|--|--------------------------|
|  |             |  | Bank account Balances    |
|  |             |  | Cash in hand             |
|  |             |  | Accounts Payables        |
|  |             |  | Receivables              |
|  |             |  | Others (specify)         |
| 12,006,786                             | -           | 12,006,786   | Total                    |

### 11. Prior Year Adjustments

[Provide short appropriate explanations as necessary]

| 2020-2021  | 2021-2022  |               |
|------------|------------|---------------|
|            |            | Bank accounts |
|            |            | Cash in hand  |
|            |            | Imprest       |
| 51,795,457 | 12,006,786 | Total         |

### 10. Balances Brought Forward

## 13.Changes in Accounts Payable – Deposits and Retentions

|   | 2021 – 2022  | 2020 – 2021 |
|---|--------------|-------------|
|   | KShs         | KShs        |
| Deposit and Retentions as at 1 <sup>st</sup> July (A) | -            | -           |
| Deposit and Retentions held during the year (B)       | 1,367,765.80 | -           |
| Deposit and Retentions paid during the Year (C)       | 1,367,765.80 | -           |
| closing account payables D = A+B-C                    | -            | -           |
| Changes in Accounts Payable E= D-A                    | -            | -           |

*Notes to the Financial Statements (Continued)*

14. Other Important Disclosures

14.1: Unutilized Fund (See Annex 3)

| 2020-2021            | 2021-2022         |   |
|----------------------|-------------------|---|
| Kshs                 | Kshs              |   |
| 2,138,479            | 837,990           | Compensation of employees   |
| 1,324,612            | 501,706           | Use of goods and services   |
| 27,206,691           | 16,063,826        | Amounts due to other Government entities (see attached list)        |
| 20,675,937           | 1,748,530         | Amounts due to other grants and other transfers (see attached list) |
| 1,835,353            | 522,413           | Acquisition of assets   |
| 14,592               | 2,625,063         | Others (specify)  |
| -                    | -                 | Funds pending approval  |
| <b>53,195,664.41</b> | <b>22,299,528</b> | <b>Total</b>  |

14.2: PMC account balances (See Annex 5)

|  | 2021-2022 | 2020-2021 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| PMC account balances (see attached list) | 19,041.35 | ~         |
| Total                                    | 19,041.35 | ~         |



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

**Annex 1 – Unutilized Fund**

| Name                                    | Outstanding Balance<br>2021/2022 | Outstanding Balance<br>2020/2021<br>Kshs | Outstanding<br>Balance 2018/2019<br>Kshs | Comment              |
|---|----------------------------------|--|--|----------------------|
| <b>1.0 Administration and Recurrent</b> |                                  |  |  |                      |
| 1.1 Compensation of employees           | 837,990.00                       | 2,380,482.00                             | -  | Pending Disbursement |
| <b>Subtotals</b>                        | <b>837,990.00</b>                | <b>2,380,482.00</b>                      |  |                      |
| 2.3 Use of goods and services           | 501,706.00                       | 538,962.00                               | -  | Pending Disbursement |
| <b>Subtotals</b>                        | <b>501,706.00</b>                | <b>538,962.00</b>                        |  |                      |
| <b>7.0 Primary Schools Projects</b>     |                                  |  |  |                      |
| 7.1 Hola Primary School                 | 136,000.00                       | 2,146,000.00                             | -  | Pending Disbursement |
| 7.2 Nyangwani Primary School            | 800,000.00                       | 2,400,000.00                             | -  | Pending Disbursement |
| 7.3bohoni Primary School                | 2,600,000.00                     | 400,000.00                               | -  | Pending Disbursement |
| 7.4hola Primary School                  | -                                | 2,090,000.00                             | -  | Pending Disbursement |
| 7.5 Hola Primary School                 | 29,600.00                        | 290,000.00                               | -  | Pending Disbursement |
| 7.6 Makere Primary School               | 269,182.00                       | 1,019,182.00                             | -  | Pending Disbursement |
| 7.8 Bondeni Primary School              | 40,000.00                        | 400,000.00                               | -  | Pending Disbursement |
| 7.10 Handampia Primary School           | -                                | 900,000.00                               | -  | Pending Disbursement |
| 7.11 Rhoka Primary School               | 1,010,000.00                     | 3,500,000.00                             | -  | Pending Disbursement |
| 7.12 Wayu Primary School                | -                                | 800,000.00                               | -  | Pending Disbursement |
| 7.13 Chewani Primary School             | -                                | 400,000.00                               | -  | Pending Disbursement |
| 7.14 Hara Primary School                | 1,000,000.00                     | 2,400,000.00                             | -  | Pending Disbursement |
| 7.15 Koticha Primary School             | 200,000.00                       | 1,200,000.00                             | -  | Pending Disbursement |
| 7.2 Gafuru Primary School               | -                                | 50,000.00                                | -  | Pending Disbursement |
| 7.21 Bondeni Primary School             | -                                | 30,000.00                                | -  | Pending Disbursement |
| 7.22 Laini Primary School               | 50,000.00                        | -  | -  | Pending Disbursement |
| 7.23 Kone Primary School                | 100,000.00                       | -  | -  | Pending Disbursement |

|  |              |              |   |   |                      |
|--|--------------|--------------|---|---|----------------------|
| 7.24 Baksano Primary School                | -            | 1,200,000.00 | - | - | Pending Disbursement |
| 7.25 Makere Primary School                 | -            | -            | - | - | Pending Disbursement |
| 7.26 Kilindini Primary School              | 200,000.00   | 2,200,000.00 | - | - | Pending Disbursement |
| 7.27 Handampia Primary School              | -            | -            | - | - | Pending Disbursement |
| 7.28 Kirakungu Primary School              | 1,250,000.00 | -            | - | - | Pending Disbursement |
| 7.29 Bula Primary School                   | -            | -            | - | - | Pending Disbursement |
| 7.3 Ongola Primary School                  | -            | -            | - | - | Pending Disbursement |
| 7.31 Vukoni Primary School                 | -            | -            | - | - | Pending Disbursement |
| 7.32 Kiarukungu Primary School             | -            | 100,000.00   | - | - | Pending Disbursement |
| 7.33 Kalalani Primary School               | -            | -            | - | - | Pending Disbursement |
| 7.34 Jarrriot Primary School               | -            | -            | - | - | Pending Disbursement |
| 7.35 Majengo Primary School                | -            | -            | - | - | Pending Disbursement |
| 7.36 Duwayo Primary School                 | 1,850,000.00 | -            | - | - | Pending Disbursement |
| 7.37 Waldera Primary School                | -            | 10,000.00    | - | - | Pending Disbursement |
| 7.38 Bondeni Primary School                | -            | -            | - | - | Pending Disbursement |
| 7.39 Lisa School For The Deaf              | -            | -            | - | - | Pending Disbursement |
| Bahati Primary School                      | -            | -            | - | - | Pending Disbursement |
| Daba Primary School                        | -            | -            | - | - | Pending Disbursement |
| <b>8.0 Secondary Schools Projects</b>      |              |              |   |   |                      |
| 8.1 Galole Model Secondary School          | 100,000.00   | 1,200,000.00 | - | - | Pending Disbursement |
| 8.2 Galole Model Secondary School          | -            | 7,800,000.00 | - | - | Pending Disbursement |
| 8.3 Tana River Sub-County Education Office | 54,000.00    | 500,000.00   | - | - | Pending Disbursement |
| 8.4 Tana River Sub-County Education Office | -            | 1,404,000.00 | - | - | Pending Disbursement |
| 8.5 Lulu Secondary School                  | 1,300,000.00 | -            | - | - | Pending Disbursement |
| 8.6 Chanini Sec Sch                        | -            | -            | - | - | Pending Disbursement |
| 8.7 Rafiki Sec Sch                         | 75,044.00    | 75,044.00    | - | - | Pending Disbursement |
| 8.8 Ndura Sec Sch                          | 5,000,000.00 | -            | - | - | Pending Disbursement |

|   |                   |                      |   |                      |
|---|-------------------|----------------------|---|----------------------|
| 8.9daku Secondary School                  | -                 | -                    | - | Pending Disbursement |
| 8.10 Wenje Secondary School               | -                 | -                    | - | Pending Disbursement |
| 8.11 Majengo Secondary School             | -                 | -                    | - | Pending Disbursement |
| <b>9.0 Tertiary Institutions Projects</b> |                   |                      |   |                      |
| 9.1hola Kmtc                              | -                 | 800,000.00           | - | Pending Disbursement |
| <b>Sub-Total</b>                          | <b>16,063,826</b> | <b>33,314,226.00</b> |   | Pending Disbursement |
|   |                   |                      |   |                      |
| <b>3.0 Emergency</b>                      |                   |                      |   |                      |
| 3.1Emergency                              | 1,748,530         | 782,400.00           | - | Pending Disbursement |
| <b>4.0 Bursary and Social Security</b>    |                   |                      |   |                      |
| 4.2 Secondary Schools                     |                   | 7,137,617.00         | - | Pending Disbursement |
| 4.3 Tertiary Institutions & Universities  |                   | 1,124,156.00         | - | Pending Disbursement |
| 4.5 Social Security                       |                   | -                    | - | Pending Disbursement |
| <b>5.0 Sports</b>                         |                   |                      |   |                      |
| 5.1Sports                                 |                   | 793,434.00           | - | Pending Disbursement |
| <b>6.0 Environment</b>                    |                   |                      |   |                      |
| 6.1 Galole Model Secondary School         |                   | 87,778.00            |   | Pending Disbursement |
| 6.2 Kone Primary School                   |                   | 46,665.00            |   | Pending Disbursement |
| 6.3 Farijua Primary School                |                   | 60,000.00            | - | Pending Disbursement |
| 6.4 Kalalani Primary School               |                   | 60,000.00            | - | Pending Disbursement |
| 6.5 Kone Primary School                   |                   | 20,000.00            | - | Pending Disbursement |
| 6.6 Kone Primary School                   |                   | -                    |   | Pending Disbursement |
| 6.7 Hola Treasury Office                  |                   | -                    |   | Pending Disbursement |
| 6.8 Galole NG-CDF Office                  |                   | -                    |   | Pending Disbursement |
| 6.9 Kariakungu Primary School             |                   | -                    |   | Pending Disbursement |
| 6.10 Daku Primary School                  |                   | -                    |   | Pending Disbursement |
| 6.11 Lakole Primary School                |                   | -                    |   | Pending Disbursement |

|   |                     |                      |          |                        |
|---|---------------------|----------------------|----------|------------------------|
| 6.12 Jarriot Sec School                         | -                   | -                    | -        | Pending Disbursement   |
| 6.13 Farjua Primary School                      | -                   | -                    | -        | Pending Disbursement   |
| 6.14 Kalalani Primary School                    | -                   | -                    | -        | Pending Disbursement   |
| 6.15 Kone Primary School                        | -                   | -                    | -        | Pending Disbursement   |
| <b>10.0 Security Projects</b>                   |                     |                      |          |                        |
| 10.1 Tana River County Commissioner's Residence | -                   | 2,400,000.00         | -        | Pending Disbursement   |
| 10.2 Tana River County Commissioner's Boardroom | -                   | 1,800,000.00         | -        | Pending Disbursement " |
| 10.4 Hola County Commander                      | -                   | 700,000.00           | -        | Pending Disbursement   |
| 10.5 Hola Ap Camp                               | -                   | -                    | -        | Pending Disbursement   |
| 10.6 Wenje Police Camp                          | -                   | -                    | -        | Pending Disbursement   |
| 10.7 Hola Prison Camp                           | -                   | -                    | -        | Pending Disbursement   |
| <b>Subtotals</b>                                | <b>1,748,530</b>    | <b>15,012,050.00</b> |          |                        |
| <b>11.0 Acquisition Of Assets</b>               |                     |                      |          |                        |
| 11.1 Construction Of Cdf Office                 | 522,413.00          | 1,935,353.00         | -        | Pending Disbursement   |
| <b>Subtotals</b>                                | <b>522,413.00</b>   | <b>1,935,353.00</b>  |          |                        |
| <b>12.0 Others</b>                              |                     |                      |          |                        |
| 12.1 Hola Magistrate Court                      | 2,275,118.11        |                      |          | Pending Disbursement   |
| 12.2 Galole Zubaki Chief's Office Hub           | 14,592.00           | 14,592.00            |          | Pending Disbursement   |
| 12.3 Innovation Hub-Galole                      | 335,353.00          | -                    | -        | Pending Disbursement   |
| <b>Subtotals</b>                                | <b>2,625,063.11</b> | <b>14,592.00</b>     |          |                        |
| <b>13.0 Health Institutions Projects</b>        |                     |                      |          |                        |
| 13.1 Nhif Cover                                 | -                   | -                    | -        |                        |
| <b>Subtotals</b>                                | <b>-</b>            | <b>-</b>             | <b>-</b> |                        |
| <b>Total</b>                                    | <b>22,299,528</b>   | <b>53,195,665.00</b> |          |                        |

Annex 2 – Summary of Fixed Asset Register

| Asset class                                  | Historical Cost b/f<br>(Kshs) |                     | Additions during the<br>year (Kshs) | Disposals during<br>the year (Kshs) | Historical Cost<br>(Kshs) |   |
|--|-------------------------------|---------------------|-------------------------------------|-------------------------------------|---------------------------|---|
|  | 2020-2021                     | 2021-2022           |                                     |                                     |                           |   |
| Land   | -                             | -                   | -                                   | -                                   | -                         | - |
| Buildings and structures                     | 15,433,996                    | 4,477,587.20        | -                                   | -                                   | 19,911,583.20             | - |
| Transport equipment                          | -                             | -                   | -                                   | -                                   | -                         | - |
| Office equipment, furniture and fittings     | 1,940,000.00                  | -                   | -                                   | -                                   | 1,940,000.00              | - |
| ICT Equipment, Software and Other ICT Assets | 2,400,000.00                  | 4,000,000.00        | -                                   | -                                   | 6,400,000.00              | - |
| Other Machinery and Equipment                | 16,000,000.00                 | -                   | -                                   | -                                   | 16,000,000.00             | - |
| Heritage and cultural assets                 | -                             | -                   | -                                   | -                                   | -                         | - |
| Intangible assets                            | -                             | -                   | -                                   | -                                   | -                         | - |
| <b>Total</b>                                 | <b>35,773,996.00</b>          | <b>8,477,587.20</b> | -                                   | -                                   | <b>44,251,583.20</b>      | - |

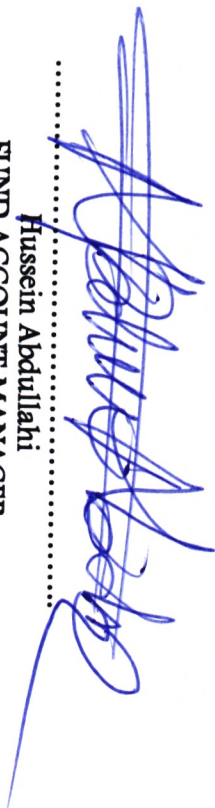
Annex 3 –PMC Bank Balances as at 30th June 2022

| <b>PMC</b> |                               | <b>Bank</b> | <b>Account number</b> | <b>Bank Balance<br/>2021/22</b> | <b>Bank Balance<br/>2020/21</b> |
|------------|-------------------------------|-------------|-----------------------|---------------------------------|---------------------------------|
|            | Kiarukungu Primary School Pmc | KCB         | 1274006066            | 1,965.00                        | -                               |
|            | Bondeni Primary School Pmc    | KCB         | 1169748368            | 1,974.00                        | -                               |
|            | Daku Secondary School Pmc     | KCB         | 1132488362            | 15,102.35                       | -                               |
|            | <b>TOTAL</b>                  |             |                       | <b>19,041.35</b>                | -                               |

**Annex 4: 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) |
|--|---|---------------------|-----------------------------------|--|
| GALOLE/CDF/AUD/VOL.II/(4)                  | Unsupported Expenditure on Committee Allowances     | To be responded     | Not resolved                      | 30/6/2023  |
| GALOLE/CDF/AUD/VOL.II/(4)                  | Unaccounted for Bursary Funds                       | To be responded     | Not resolved                      | 30/6/2023  |
| GALOLE/CDF/AUD/VOL.II/(4)                  | Emergency Reserves                                  | To be responded     | Not resolved                      | 30/6/2023  |
| GALOLE/CDF/AUD/VOL.II/(4)                  | Unsupported Expenditure on Sports                   | To be responded     | Not resolved                      | 30/6/2023  |
| GALOLE/CDF/AUD/VOL.II/(4)                  | Unsupported Expenditure on Security Projects        | To be responded     | Not resolved                      | 30/6/2023  |
| GALOLE/CDF/AUD/VOL.II/(4)                  | Construction of social Hall at Holla Primary School | To be responded     | Not resolved                      | 30/6/2023  |

  
 .....  
**Hussein Abdullahi**  
**FUND ACCOUNT MANAGER.**