

**REPORT**

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THE NATIONAL ASSEMBLY  
DATE: 05 JUL 2023 DAY: WED  
TABLED BY: Hon Owen Baya, CBS, MP  
CLERK-AT-THE-TABLE: Deputy leader, majority party  
Finlays Muriuki

**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**NATIONAL GOVERNMENT**  
**CONSTITUENCIES DEVELOPMENT**  
**FUND - KILIFI SOUTH CONSTITUENCY**

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

OFFICE OF THE AUDITOR GENERAL  
P.O. Box 95202, MOMBASA  
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KILIFI SOUTH 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)

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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;
- 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 Kilifi South Constituency NG-CDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)

ii. National Government Constituency Development Fund Committee (NG-CDFC)

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	George Juma Obesmus
2.	Sub-County Accountant	Margaret Mokiera Mwanyiro
3.	Chairperson NGCDFC	Sylvia Pahe Mwaboza
4.	Member NGCDFC	Ruth Riziki Kadanga

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Kilifi South 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) Kilifi South Constituency NG-CDF Headquarters**

P.O. Box 1368-80108,  
NG-CDF Building-Vipingo  
Off Mombasa Malindi Highway  
Kilifi, Kenya

**(f) Kilifi South Constituency NG-CDF Contacts**

Telephone: (254) 724-169951  
E-mail: [cdfkilifisouth@ngcdf.go.ke](mailto:cdfkilifisouth@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) Kilifi South Constituency NG-CDF Bankers**

Co-operative Bank  
A/C No.01141143001500  
Mtwapa Branch  
P.O. Box 521-80109  
Mtwapa

**(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 Chairperson's Report



I wish to take this opportunity on behalf of Kilifi South NG-CDFC to present the Financial Reports and Statements for the period ending June 30 2022.

Kilifi South Constituency is in Kilifi County. The constituency borders Kaloleni Constituency to the west, Kilifi North to the north, Kisauni Constituency to the south and the Indian Ocean to the east. It borders Mombasa County and Mombasa City which is the second largest metropolis in the country and also which has the Kenya's main seaport of Kilindini; the centre of trade and commerce for east and central Africa.

Prior to the 2012 delimitation of boundaries by the Independent Boundaries and Electoral Commission (IBEC), Kilifi South Constituency was part of Bahari constituency. At that time, Bahari Constituency was ranked one of the poorest constituencies in the country a fact that made it receive the largest amount of CDF allocation in the country.

The constituency occupies an area of 401 square kilometres and its geographical position puts it in a strategic location for Agricultural, Tourism and Industrial growth. Administratively, it is divided into Shimo la Tewa, Mtepeni, Mwarakaya, Junju and Chasinba wards. Each of these wards is divided into sub-locations. It has an estimated population of 181,556 people.

### Program Budget

The final budget for the year, which consists of all the funds available for use, was Kshs. 185,797,056.82. This amount was made up of the following:

ITEM	AMOUNT
Amount B/F(Cash Book Balances)	20,573,510.12



**Kilifi South Constituency**

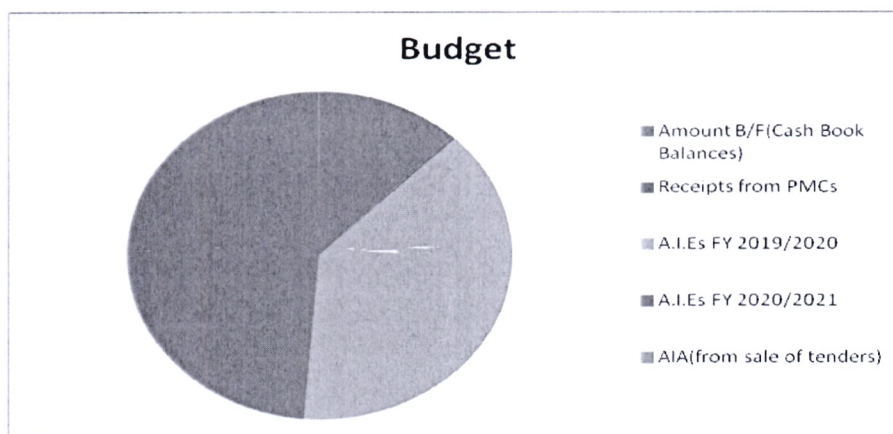
**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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Receipts from PMCs	310,667.70
A.I.Es FY 2020/2021	33,000,000.00
A.I.Es FY 2021/2022	131,888,879.00
AIA(from sale of tenders)	24,000.00
<b>Total</b>	<b>185,797,056.82</b>

The following is a graphical presentation of the final budget as depicted above:



**Program Implementation Status**

Despite the delays, the constituency managed to implement a number of projects particularly in the development of school infrastructure. These included coming up with a new primary school aimed at decongesting existing Mtomondoni Primary School which had a population of over 3,000 pupils. The activities for the new primary school included the purchase of 3 acres piece of land and construction of a tuition block cum administration block on it. Other school infrastructures included construction of Chonyi Sub-County Director of Education office. Under the emergency program the constituency did toilets at Kizingo Primary School, Mwangaza Primary School and Mapawa Primary School. Other projects that have been done included the purchase of sports equipment for local teams.

Some of the projects implemented have been sampled below:

**1. Construction of new Mtomondoni Scheme Primary School tuition/administration block**



The tuition/administration block is complete and in use. The project was aimed at decongesting existing nearby Mtomondoni Primary School which had a population of over 3,000 pupils.

**2. Construction of Chonyi Sub-County Director of Education office**



The project is almost complete and in use. The project has created a conducive environment for the Sub-County Director of Education.

### 3. Construction of Ng'ombeni Girls Secondary School dormitory



The dormitory is complete and in use and has enabled reduce congestion in the existing dormitory.

#### Challenges

The only challenge was with regard to delay in disbursement of funds from the NG-CDF Board. Consequently many activities started late in the middle of the financial year.

#### Way Forward

There was enormous support from the political office and from government departments which made our work very easy. We will seek to enhance these relations and also appeal to the Government and the NG-CDF Board to sync our program with the financial year so that activities start during the first quarter of the year.

#### Signature

Richard .M. Mwambura  
CHAIRPERSON NG-CDF COMMITTEE

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

#### Introduction

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

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

#### Progress on attainment of Strategic development objectives

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

Constituency Sector/Program	Objective	Outcome	Indicator	Performance
Education	-To have all children of school going age attending school -To rehabilitate and build school infrastructure so as to create an enabling environment for learning.	-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 -Number of bursary beneficiaries at all levels	In FY 21/22 -We increased number of classrooms, dormitories, laboratories etc from 535 to 579 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	-To improve in residential and commercial areas -To provide infrastructure to ease the process of administering justice, law and order at local level	-Safe and secure environment -Growth and sustainability of economic activities -Decline in number of criminal instances -Existence of peace, justice and order.	-Number of usable physical infrastructure build in police stations/post, chief's/assistant chief's offices and street lights	In F/Y 21/22 -We increased number of police stations/post, chief's offices and assistant chief's offices etc from 25-28.

**Kilifi South Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2022**

Environment	-To promote sustainable utilization of natural resources -To enhance socio-economic empowerment of the youth.	-An increased forest cover. -Sustainable socio-economic development.	-Increased forest cover -Improved climate changes	In F/Y 21/22 -We increased number of schools with supplies with tree seedlings from 22-27.
Sports	-To nurture sporting and artistic talents among the youth. -Sponsoring of various tournaments.	-Increased talents among youths.	-Increased of number of talents among the youth.	In F/Y 21/22 -Increased the number of talented youth who rose to national standards.
Information Communication and Technology (ICT)	-To enhance access to information and technology -To enhance service delivery	-Equip schools and chief's office with ICT equipment	-Increased number of schools and chief's offices with computers and internet connectivity.	-Increased number of ICT users from 0-10 in schools and chief's offices.
Emergency	-To improve infrastructure to reduce unforeseen occurrences	-Improve sanitation and hygiene in schools -Improve learning environment	-Increased number of usable infrastructure both in school and security stations	In F/Y 21/22 -We increased the number usable classrooms and toilets

#### IV. Environmental and Sustainability Reporting

Kilifi South 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 Kilifi South NG-CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kilifi South 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

## 3. Employee welfare

We invest in providing the best working environment for our employees. Kilifi South 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. Kilifi South 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-**

Kilifi South 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-**

Kilifi South 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.



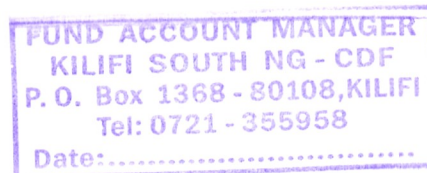
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



**Peter .M. Mwaighonda**  
**Fund Account Manager**

## **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- Kilifi South 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-Kilifi South 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- Kilifi South 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.

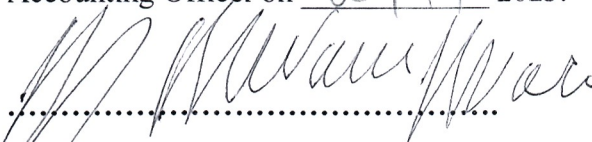
***Kilifi South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022***

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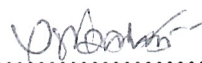
The Accounting Officer in charge of the NG-CDF Kilifi South Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used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

**Approval of the financial statements**

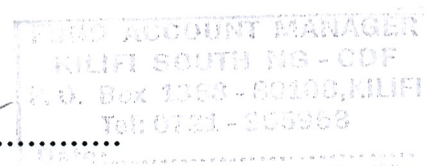
The NG-CDF- Kilifi South Constituency financial statements were approved and signed by the Accounting Officer on 05/4/ 2023.



**Name: Richard .M. Mwambura**  
**Chairperson – NG-CDF Committee**



**Name: Peter .M. Mwaighonda**  
**Fund Account Manager**



# REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KILIFI SOUTH 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, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kilifi South Constituency set out on pages 1 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the

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

statement of receipts and payments, statement of cash flows and the 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 National Government Constituencies Development Fund - Kilifi South Constituency as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Cash and Cash Equivalents - Outstanding Reconciling Items**

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects a bank balance of Kshs.19,539,166. Review of the supporting bank reconciliation statement revealed that there were unrepresented cheques amounting to Kshs.3,953,130, out of which Kshs.3,951,970 relates to bursaries. However, the unrepresented cheques amount includes a stale cheque of Kshs.15,120 which had not been reversed in the cash book as at 30 June, 2022. Further, the statement reflects payments in bank statement not yet recorded in cashbook amounting to Ksh.30,000 which Management had not posted in the cashbook after establishing that it was an erroneous payment of a stale cheque by the bank.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.19,539,166 as at 30 June, 2022 could not be confirmed.

#### **2. Undisclosed Fixed Asset**

Annex 4 to the financial statements reflects summary of fixed asset register with a historical cost of Kshs.46,915,862. As previously reported, the assets register excluded land located on Mombasa-Malindi Road where the Constituency office block is situated. The title deed to the land is registered under the name Kilifi South Constituency Development Fund, contrary to National Government Constituencies Development Fund Act, 2015, Section 36(3) which states that, "all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board".

In the circumstances, the accuracy, valuation and ownership of the fixed assets with a historical cost of Kshs.46,915,862 could not be confirmed.

#### **3. Unsupported Use of Goods and Services Expenditure**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.8,997,565 in respect of use of goods and services. Included in the expenditure is an amount of Kshs.7,394,921 which was not supported with

detailed schedules indicating the activities, services or goods supplied and payment voucher numbers.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.8,997,565 in respect of use of goods and services could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.203,085,936 and Kshs.185,797,057 respectively, resulting in an under-funding of Kshs.17,288,879 or 9% of the budget. Similarly, the Fund incurred Kshs.166,257,891 against an approved budget of Kshs.203,085,936, resulting in an under-expenditure of Kshs.36,828,045 or 18% of the budget.

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

#### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. Although the issues were indicated as having been resolved, Management did not provide evidence of how they were resolved or a satisfactory explanation for the delay in resolving the issues.

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

### **Conclusion**

As required by Article 229(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. Uninsured Assets and Maintenance of Damaged Assets**

Annex 4 to the financial statements reflect summary of fixed asset register with historical cost of Kshs.46,915,862. However, the assets were not insured, contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015.

Further, review of the detailed fixed assets register revealed assets with historical cost of Kshs.2,016,800 which were indicated as damaged and not in use but had not been disposed off. This is contrary to Section 163(1) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer to establish a disposal committee as and when prescribed for the disposal of unserviceable, obsolete and obsolescent or surplus store, equipment or assets.

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

### **2. Unauthorized Expenditure on Emergency Projects**

The statement of receipts and payments reflects other grants and other payments of Kshs.60,376,000, out of which Kshs.9,500,000 is in respect of emergency projects. Included in the balance is an amount of Kshs.7,192,207 incurred on emergency projects whose utilization was not reported in the format prescribed by the Board and within thirty (30) days of occurrence, contrary to Regulation 20(2) of National Government Constituencies Development Fund Regulations, 2016.

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

### **3. Transfers to Other Government Units**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other government units of Kshs.91,126,057 which comprised of amounts of Kshs.70,159,120 and Kshs.20,966,937 in respect of transfers to primary and secondary schools respectively. However, the following anomalies were noted;

#### **3.1 Unauthorized Expenditure**

Included in the amount of Kshs.70,159,120 transferred to primary schools is an amount of Kshs.1,700,000 for renovations of one classroom and Head Teacher's Office at Chondari Primary School. However, the amount included in the project proposal for financial year 2021/2022 and which was approved by the Board was Kshs.1,250,000, resulting in an unauthorised and unexplained over-expenditure of Kshs.450,000. This is contrary to Regulation 25(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall not incur expenditure unless such expenditure is supported by an approved work plan, a procurement plan and a budget.

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

#### **3.2 Expenditure Without Value for Money**

Included in the amount of Kshs.70,159,120 transferred to primary schools is an amount of Kshs.9,615,751 transferred to Mtomondoni Scheme Primary School for the construction of four classrooms which were completed and officially opened on

24 June, 2022. However, the classrooms were not in use as at the time of the audit in March, 2023.

In the circumstances, value for money on the project has not been obtained by the students of the school.

#### **4. Incomplete and Unutilized Projects**

The audit inspection exercise carried out in March, 2023 revealed that five projects valued at Kshs.42,080,000 had various implementation anomalies as detailed in **Appendix 1** attached.

In the circumstances, value for money on the projects has not been obtained by the constituents of Kilifi - South Constituency.

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 processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### **Responsibilities of Management and those Charged with Governance**

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

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

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



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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**26 May, 2023**

## Appendix 1 – Incomplete and Unutilized Projects

No.	Project Name	Approved Activity	Amount Disbursed (Kshs.)	Observations
1.	Mtomondoni Scheme Primary School	Construction of 3 floors storey tuition block of 10 classrooms, staffroom, head and deputy head teachers' offices, and store to completion	19,900,000	<ul style="list-style-type: none"> <li>Project complete although 8 classrooms were not in use while 8 classrooms were in use.</li> <li>The balconies were not fixed with grilles posing a safety risk.</li> <li>The land in which the school is constructed did not have a fence and part of the school was encroached upon by a private developer.</li> <li>Windows did not have fanlights and mosquito gauze which were provided for in the Bill of Quantities.</li> </ul>
2.	Chije Primary School	Two classrooms, two 3-door pit latrines and supply of 60 desks	4,060,000	<ul style="list-style-type: none"> <li>UPVC Gutter was not fixed.</li> <li>Hardwood chalk rails were not fixed on the blackboard.</li> <li>Floor skirting was not done.</li> <li>Cracks seen on the walls.</li> <li>Window louvers were fixed without clear glass instead of window casement complete with stays, fasteners and permanent vents with mosquito gauze.</li> </ul>
3.	Chengoni Primary School	Two classrooms, two 3-door pit latrines and supply of 60 desks	4,060,000	<ul style="list-style-type: none"> <li>UPVC Gutter was not fixed.</li> <li>Harwood chalk rails were not fixed on the blackboard.</li> <li>Floor skirting was not done.</li> <li>Window louvers were fixed without clear glass instead of window casement complete with stays, fasteners and permanent vents with mosquito gauze.</li> <li>Huge cracks were visible on the walls.</li> </ul>
4.	Vipingo Central Primary School	Two 3-door pit latrines and supply of 60 desks	4,060,000	<ul style="list-style-type: none"> <li>Hardwood chalk rails were not fixed on the blackboard.</li> <li>Floor skirting was not done.</li> <li>Window louvers were fixed without clear glass instead of window casement complete with stays, fasteners and permanent vents with mosquito gauze.</li> <li>Visible cracks on the walls.</li> </ul>
5.	Lutsangani Secondary School	Gground floor (phase 1) of a Two Floors Storey Dormitory	10,000,000	<ul style="list-style-type: none"> <li>Project was ongoing at the time of audit inspection</li> <li>Contractor's signpost was not on site.</li> <li>Materials were on site while construction of the ground floor foundation slab, walling, concrete roof slab was complete.</li> <li>Plastering, windows, doors, painting and labelling had not been done.</li> </ul>
		<b>Total</b>	<b>42,080,000</b>	

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


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


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NG-CDF Board	1	164,888,879	165,367,724
Proceeds From Sale of Assets	2	-	00
Other Receipts	3	334,668	701,340
<b>Total Receipts</b>		<b>165,223,547</b>	<b>166,069,064</b>
<b>Payments</b>			
Compensation Of Employees	4	5,152,199	3,612,718
Use Of Goods and Services	5	8,997,565	10,747,266
Transfers To Other Government Units	6	91,126,057	93,198,849
Other Grants and Transfers	7	60,376,000	58,752,487
Acquisition Of Assets	8	606,070	1,997,122
Other Payments	9	00	00
<b>Total Payments</b>		<b>166,257,891</b>	<b>168,308,442</b>
<b>Surplus/(Deficit)</b>		<b>(1,034,344)</b>	<b>(2,239,378)</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 05/4/2023 and signed by:

  
 Fund Account Manager

  
 National Sub-County Accountant

  
 Chairperson NG-CDF Committee

Name: Peter .M. Mwaighonda

Name: Nancy Mwarabu

Name: Richard .M. Mwambura

FUND ACCOUNT MANAGER  
 KILIFI SOUTH NG - CDF  
 P. O. Box 1368 - 80108, KILIFI  
 Tel: 0721 - 355958  
 Date:.....

ICPAK M/No: ~~56006~~  
 15006

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

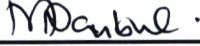
VIII. Statement of Assets and Liabilities As At 30<sup>th</sup> June, 2022

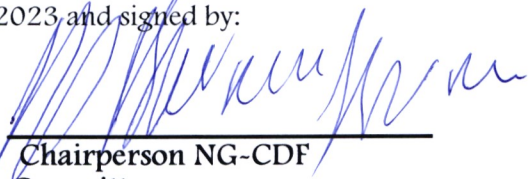
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	10A	19,539,166	20,573,511
Cash Balances (Cash at Hand)	10B	00	00
<b>Total Cash and Cash Equivalents</b>		<b>19,539,166</b>	<b>20,573,166</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	00	00
<b>Total Financial Assets</b>		<b>19,539,166</b>	<b>20,573,511</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	00	00
Gratuity	12B	00	00
<b>Total Financial Liabilities</b>		<b>00</b>	<b>00</b>
<b>Net Financial Assets</b>		<b><u>19,539,166</u></b>	<b><u>20,573,511</u></b>
<b>Represented By</b>			
Fund Balance B/Fwd	13	20,573,510	22,812,889
Prior Year Adjustments	14	00	00
Surplus/Deficit for The Year		(1,034,344)	(2,239,378)
<b>Net Financial Position</b>		<b><u>19,539,166</u></b>	<b><u>20,573,511</u></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 05/4/2023 and signed by:

  
Fund Account Manager

  
National Sub-County Accountant

  
Chairperson NG-CDF Committee

Name: Peter M. Mwaighonda  
KILIFI SOUTH NG - CDF  
P. O. Box 1368 - 80108, KILIFI  
Tel: 0721 - 355958  
Date: .....

Name: Nancy Mwarabu  
ICPAK M/No: ~~56006~~ 15006

Name: Richard M. Mwambura

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

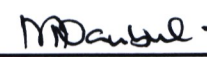
	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NG-CDF Board	1	164,888,879	165,367,724
Other Receipts	3	<u>334,668</u>	<u>701,340</u>
<b>Total Receipts</b>		<b>165,223,547</b>	<b>166,069,064</b>
Payments			
Compensation Of Employees	4	5,152,199	3,612,718
Use Of Goods and Services	5	8,997,565	10,747,266
Transfers To Other Government Units	6	91,126,057	93,198,849
Other Grants and Transfers	7	60,376,000	58,752,487
Other Payments	9	00	00
<b>Total Payments</b>		<b>165,651,821</b>	<b>166,311,320</b>
<b>Total Receipts Less Total Payments</b>		<b>(428,274)</b>	<b>(242,256)</b>
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	00	00
Increase/(Decrease) In Accounts Payable	16	00	00
Prior Year Adjustments	14	00	00
<b>Net Cash Flow from Operating Activities</b>		<b>(428,274)</b>	<b>(242,256)</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	00	00
Acquisition Of Assets	8	(606,070)	(1,997,122)
<b>Net Cash Flows from Investing Activities</b>		<b>(606,070)</b>	<b>(1,997,122)</b>
Net Increase In Cash And Cash Equivalent		(1,034,344)	(2,239,378)
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>13</b>	<b>20,573,510</b>	<b>22,812,889</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>10</b>	<b><u>19,539,166</u></b>	<b><u>20,573,511</u></b>

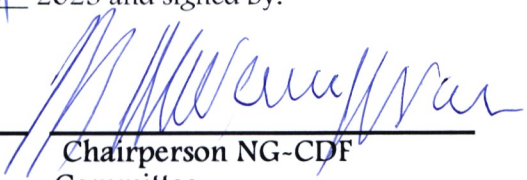
**Kilifi South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022**

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 05/4/ 2023 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

  
\_\_\_\_\_  
National Sub-County  
Accountant

  
\_\_\_\_\_  
Chairperson NG-CDF  
Committee

Name: Peter .M. Mwaighonda  
**FUND ACCOUNT MANAGER**  
**KILIFI SOUTH NG - CDF**  
P. O. Box 1368 - 80108, KILIFI  
Tel: 0721 - 356958  
Date:.....

Name: Nancy Mwarabu  
ICPAK M/No: 56006  
15006

Name: Richard .M.  
Mwambura

**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 30<sup>th</sup> June 2022**

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a		b					
Receipts	2021/2022		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879		20,573,510	45,088,879	202,751,268	185,462,389	17,288,879	91.5
Proceeds From Sale of Assets	00		00	00	00	00	00	00
Other Receipts	00		334,668	00	334,668	334,668	00	100.0
<b>Totals</b>	<b>137,088,879</b>		<b>20,908,178</b>	<b>45,088,879</b>	<b>203,085,936</b>	<b>185,797,057</b>	<b>17,288,879</b>	<b>91.5</b>
Payments								
Compensation Of Employees	4,790,000		1,500,000	2,669,829	8,959,829	5,152,199	3,807,630	57.3
Use Of Goods and Services	7,547,999		2,567,440	1,071,654	11,187,093	8,997,765	2,189,528	80.4
Transfers To Other Government Units	72,510,000		9,500,000	22,846,057	104,856,057	91,126,057	13,730,000	86.9
Other Grants and Transfers	52,240,880		6,400,000	17,800,000	76,440,880	60,376,000	16,064,880	79.0
Acquisition Of Assets	00		606,070	00	606,070	606,070	00	100.0
Other Payments	00		00	701,340	701,340	00	701,340	00
Funds Pending Approval**	00		334,667	00	334,667	00	334,667	00
<b>Totals</b>	<b>137,088,879</b>		<b>20,908,177</b>	<b>45,088,880</b>	<b>203,085,936</b>	<b>166,257,891</b>	<b>36,828,045</b>	<b>81.9</b>

(a) The total receipts of kshs. 165,223,546.70 include other receipts of kshs.334,668 which comprises of PMC balances refund to the main NG-CDF Account of kshs.310,667.70 and A.I.A of kshs.24,000

(b) The under-utilization of funds below 90% in the sector is attributed by delay in disbursement of fund by the NG-CDF Board.



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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	36,828,045
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	(17,288,879)
	19,539,166
Add Accounts payable	00
Less Accounts Receivable	(00)
Add/Less Prior Year Adjustments	00
Cash and Cash Equivalents at the end of the FY 2021/2022	19,539,166

The Constituency financial statements were approved on 05/4/2023 and signed by:

  
Fund Account Manager

Name: Peter .M. Mwaighonda

  
National Sub-County Accountant

Name: Nancy Mwarabu  
ICPAK M/No: ~~56006~~

15006

  
Chairperson NG-CDF Committee

Name: Richard .M. Mwambura

**Kilifi South Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**X. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget 2021/2022		Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	Kshs			
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,790,000	1,500,000	2,669,829		8,959,829	5,152,199	3,807,630
1.2 Committee allowances	1,800,000	00	00		1,800,000	1,141,000	659,000
1.3 Use of goods and services	1,635,333	2,000,000	00		3,635,333	2,191,805	1,443,528
<b>Total</b>	<b>8,225,333</b>	<b>3,500,000</b>	<b>2,669,829</b>		<b>14,395,162</b>	<b>8,485,004</b>	<b>5,910,158</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,600,000	00	00		1,600,000	1,513,000	87,000
2.2 Committee allowances	1,700,000	00	511,000		2,211,000	2,211,000	00
2.3 Use of goods and services	812,666	567,440	560,654		1,940,760	1,940,760	00
<b>Total</b>	<b>4,112,666</b>	<b>567,440</b>	<b>1,071,654</b>		<b>5,751,760</b>	<b>5,664,760</b>	<b>87,000</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools							
3.1.1 Katikiri Primary School	00	2,400,000	00		2,400,000	2,400,000	00
3.1.2 M'bomboni Primary School	00	1,500,000	00		1,500,000	1,500,000	00
3.1.3 Bodoi Primary School	2,600,000	00	00		2,600,000	2,600,000	00
3.1.4 Kizingo Primary School	1,190,324	00	00		1,190,324	1,190,324	00
3.1.5 Kizingo Primary School	1,809,676	00	00		1,809,676	1,809,676	00
3.2 Secondary schools	00	00	00		00	00	00
3.3 Tertiary institutions	00	00	00		00	00	00

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.4 Security projects	00	00	00	00	00	00
3.5 Unutilised	1,592,207	00	00	1,592,207	00	1,592,207
<b>Total</b>	<b>7,192,207</b>	<b>3,900,000</b>	<b>00</b>	<b>11,092,207</b>	<b>9,500,000</b>	<b>1,592,207</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Secondary Schools	28,548,673	00	17,000,000	45,548,673	42,239,000	3,309,673
4.2 Tertiary Schools	7,000,000	00	00	7,000,000	6,283,000	717,000
4.3 Social Security	900,000	00	00	900,000	654,000	246,000
4.4 Special Needs	00	00	00	00	00	00
<b>Total</b>	<b>36,448,673</b>	<b>00</b>	<b>17,000,000</b>	<b>53,448,673</b>	<b>49,176,000</b>	<b>4,272,673</b>
<b>5.0 Sports</b>						
5.1 Sports	00	2,500,000	00	2,500,000	00	2,500,000
5.2	00	00	00	00	00	00
<b>Total</b>	<b>00</b>	<b>2,500,000</b>	<b>00</b>	<b>2,500,000</b>	<b>00</b>	<b>2,500,000</b>
<b>6.0 Environment</b>						
6.1 Mtepeni Secondary School	1,300,000	00	00	1,300,000	500,000	800,000
6.2 Shariani Primary School	1,300,000	00	00	1,300,000	00	1,300,000
<b>Total</b>	<b>2,600,000</b>	<b>00</b>	<b>00</b>	<b>2,600,000</b>	<b>500,000</b>	<b>2,100,000</b>
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
7.1. Mtomondoni Scheme Primary School	16,000,000	00	00	16,000,000	16,000,000	00
7.2 Chijje Primary School	4,060,000	00	00	4,060,000	3,320,000	740,000
7.3 Chengoni Primary School	4,060,000	00	00	4,060,000	3,320,000	740,000

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.4 Vipingo Primary School	4,060,000	00	00	4,060,000	4,060,000	00
7.5 Mitomondoni Scheme Primary School	3,900,000	00	00	3,900,000	3,900,000	00
7.6 Bureni Primary School	2,760,000	00	00	2,760,000	2,760,000	00
7.7 Chodari Primary School	1,250,000	00	00	1,250,000	00	1,250,000
7.8 Mtepeni Primary School	4,060,000	00	00	4,060,000	00	4,060,000
7.9 Barani Primary School	3,600,000	00	00	3,600,000	3,300,000	300,000
7.10 Matandale Primary School	4,060,000	00	00	4,060,000	4,060,000	00
7.11 Mtundani Primary School	4,060,000	00	00	4,060,000	4,060,000	00
7.12 Gandini Chonyi Primary School	500,000	00	00	500,000	500,000	00
7.13 Shariani Primary School	500,000	00	00	500,000	500,000	00
7.14 Gandini Chonyi Primary School	1,850,000	00	00	1,850,000	00	1,850,000
7.15 Shariani Primary School	1,850,000	00	00	1,850,000	00	1,850,000
7.16 Ziani Primary School	00	00	200,000	200,000	200,000	00
7.17 Chasimba Primary School	00	00	1,260,000	1,260,000	1,260,000	00
7.18 Mitulani Primary School	00	00	3,760,000	3,760,000	3,760,000	00
7.19 Shariani Primary School	00	00	3,299,120	3,299,120	3,299,120	00
7.20 Tsalu Primary School	00	00	2,260,000	2,260,000	2,260,000	00
7.21 Bundacho Primary School	00	3,000,000	00	3,000,000	3,000,000	00
7.22 Chodari Primary School	00	00	1,700,000	1,700,000	1,700,000	00
7.23 Kidutani Primary School	00	00	2,400,000	2,400,000	2,400,000	00
7.24 Mitomondoni Scheme Primary School	00	4,500,000	00	4,500,000	4,500,000	00

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.25 Bundacho Primary School	00	2,000,000	00	2,000,000	2,000,000	00
<b>Total</b>	<b>56,570,000</b>	<b>9,500,000</b>	<b>14,879,120</b>	<b>80,949,120</b>	<b>70,159,120</b>	<b>10,790,000</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
8.1 Lutsangani Secondary School	10,000,000	00	00	10,000,000	10,000,000	00
8.2 Bundacho Secondary School	5,000,000	00	00	5,000,000	3,000,000	2,000,000
8.3 Chonyi Sub-County Education Office	940,000	00	00	940,000	00	940,000
8.4 Paul Harris Secondary School	00	00	1,800,000	1,800,000	1,800,000	00
8.5 Ng'ombeni Girls Secondary School	00	00	2,500,000	2,500,000	2,500,000	00
8.6. Paul Harris Secondary School	00	00	666,937.30	666,937	666,937.30	00
8.7 Chonyi Sub-County Education Office	00	00	3,000,000.00	3,000,000	3,000,000	00
<b>Total</b>	<b>15,940,000</b>	<b>00</b>	<b>7,966,937</b>	<b>23,906,937</b>	<b>20,966,937</b>	<b>2,940,000</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
9.1	00	00	00	00	00	00
<b>Total</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>
<b>10.0 Security Projects</b>						
10.1 Chasimba Chiefs Office	650,000	00	00	650,000	00	650,000
10.2 Kitsoeni Primary School	2,500,000	00	00	2,500,000	00	2,500,000
10.3 Chonyi Police Station	700,000	00	00	700,000	00	700,000
10.4 Chonyi Police Station	1,500,000	00	00	1,500,000	00	1,500,000

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
10.5 Shariani Chiefs Office	650,000	00	00	650,000	400,000	250,000
10.6 Chonyi Police Station	00	00	800,000	00	800,000	00
<b>Total ✓</b>	<b>6,000,000</b>	<b>00</b>	<b>800,000</b>	<b>6,800,000</b>	<b>1,200,000</b>	<b>5,600,000</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)	00	00	00	00	00	00
11.2 Construction of NG-CDF office	00	00	00	00	00	00
11.3 Purchase of furniture and equipment	00	00	00	00	00	00
11.4 Purchase of computers	00	00	00	00	00	00
11.5 Purchase of land	00	00	00	00	00	00
<b>Total</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>
<b>12.0 Others Payment</b>						
12.1 NG-CDF Motorcycle	00	606,070	00	606,070	606,070	00
12.2 Strategic Plan	00	00	00	00	00	00
12.3 Innovation Hub	00	00	00	00	00	00
<b>Total</b>	<b>00</b>	<b>606,070</b>	<b>00</b>	<b>606,070</b>	<b>606,070</b>	<b>00</b>
Funds pending approval**	00	00	701,340	701,340	00	701,340
A.I.A	00	00	00	00	00	00
FMC Savings	00	334,667	00	334,667	00	334,667
<b>Total</b>	<b>00</b>	<b>334,667</b>	<b>701,340</b>	<b>1,036,007</b>	<b>00</b>	<b>1,036,007</b>
	<b>137,088,879</b>	<b>20,908,177</b>	<b>45,088,880</b>	<b>203,085,937</b>	<b>166,257,891</b>	<b>36,828,045</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)

## **XI. Significant Accounting Policies**

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

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

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

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

### **2. Reporting Entity**

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

*Unutilized Funds from PMCs.*

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

**External Assistance**

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

**b) Recognition of payments**

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



***Significant Accounting Policies continued***

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalents.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

*Significant Accounting Policies continued*

**14. Errors**

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

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

**15. Related Party Transactions**

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

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO.		
B140942	33,000,000.00	
B105466	44,000,000.00	
B105811	24,000,000.00	
B128552	5,000,000.00	
B128864	12,000,000.00	
B154060	15,000,000.00	
B164401	20,000,000.00	
B155903	11,888,879.00	
B104725		18,000,000.00
A823542		35,000,000.00
B104807		4,000,000.00
B104550		16,367,724.10
B124557		9,000,000.00
B124992		8,500,000.00
B128135		6,900,000.00
B119846		13,000,000.00
B128447		6,000,000.00
B132191		6,000,000.00
B138859		13,000,000.00
B126153		7,000,000.00
B126447		10,600,000.00
B140591		12,000,000.00
<b>TOTAL</b>	<b>164,888,879.00</b>	<b>165,367,724.00</b>

*Kilifi South Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	00	00
Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
Others (specify)		
<b>Total</b>	<b>00</b>	<b>00</b>

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	00	00
Rents	00	00
Receipts from sale of tender documents (A.I.A)	24,000	80,000
Hire of plant/equipment/facilities	00	00
Unutilized funds from PMCs	170,199.70	621,340
Unutilized funds from PMCs	140,468.00	00
Other Receipts Not Classified Elsewhere	00	00
<b>Total</b>	<b>334,667.70</b>	<b>701,340</b>

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

*Notes To the Financial Statements (Continued)*

**4. Compensation Of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,949,514.00	2,985,838
<b>Personal allowances paid as part of salary</b>		
House Allowance	00	00
Transport Allowance	00	00
Leave allowance	00	00
Gratuity to contractual employees	1,104,405.00	542,100.00
Employer Contributions Compulsory national social security schemes	98,280.00	84,780.00
<b>Total</b>	<b>5,152,199.00</b>	<b>3,612,718.00</b>

**5. Use Of Goods and Services**

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses		00
Utilities, supplies and services	211,900.00	843,000.00
Electricity	27,000.00	86,000.00
Water & Sewerage charges	68,205.00	59,226.00
Office rent	00	00
Communication, supplies and services	196,000.00	937,591.00
Domestic travel and subsistence	261,250.00	558,475.00
Printing, advertising and information supplies & services	251,216.00	374,013.00
Rentals of produced assets	00	00
Training expenses	1,513,000.00	00
Hospitality supplies and services	210,000.00	1,406,000.00
Other committee expenses	15,000.00	3,092,000.00
Committee allowance	4,050,000.00	1,025,000.00
Insurance costs	00	314,276.00
Specialized materials and services	00	00
Office and general supplies and services	557,403.00	1,014,980.00
Fuel, oil & lubricants	798,494.00	608,000.00
Other operating expenses	101,952.00	143,400.00
Security Operations	389,482.00	30,000.00

***Kilifi South Constituency***

***National Government Constituencies Development Fund (NGCDF)***

***Annual Report and Financial Statements for The Year Ended June 30, 2022***

Bank Charges	48,159.95	47,240.00
Routine maintenance – vehicles and other transport equipment	298,503.00	208,065.00
Routine maintenance – other assets		
<b>Total</b>	<b>8,997,564.95</b>	<b>10,747,266</b>



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

*Notes To The Financial Statements (Continued)*

**6. Transfer To Other Government Units**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	70,159,119.80	70,353,850.00
Transfers To Secondary Schools (See Attached List)	20,966,937.21	22,844,999.00
Transfers To Tertiary Institutions (See Attached List)	00	00
<b>Total</b>	<b>91,126,057.01</b>	<b>93,198,849.00</b>

**7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	42,239,000.00	26,493,000.00
Bursary – tertiary institutions (see attached list)	6,283,000.00	13,708,000.00
Bursary – special schools (see attached list)	00	00
Mock & CAT (see attached list)	00	00
Social Security programmes (NHIF)	654,000.00	00
Security projects (see attached list)	1,200,000.00	11,901,487.00
Sports projects (see attached list)	00	2,500,000.00
Environment projects (see attached list)	500,000.00	00
Emergency projects (see attached list)	9,500,000.00	4,150,000.00
<b>Total</b>	<b>60,376,000.00</b>	<b>58,752,487</b>

**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	00	00
Construction of Buildings	00	00
Refurbishment of Buildings	00	00
Purchase of Vehicles and Other Transport Equipment/Motorcycle	606,070.00	961,822.00
Purchase of Household Furniture and Institutional Equipment	00	00
Purchase of Office Furniture and General Equipment	00	1,035,300.00
Purchase of ICT Equipment, Software and Other ICT Assets	00	00
Purchase of Specialized Plant, Equipment and Machinery	00	00
Acquisition of Land	00	00
<b>Total</b>	<b>606,070.00</b>	<b>1,997,122.00</b>

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

**Notes To the Financial Statements (Continued)**

**9. Other Payments**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	00	00
ICT Hub	00	00
	<b>00</b>	<b>00</b>

**10: Cash Book Bank Balance**

<b>Name Of Bank, Account No. &amp; Currency</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>		20,573,511
<i>Co-operative Bank, Mtwapa Branch 01141143001500</i>	19,539,165.86	00
<b>Total</b>	<b>19,539,165.86</b>	<b>20,573,511</b>
<b>10 B: Cash on Hand</b>		
Location 1	00	00
Location 2	00	00
Location 3	00	00
Other Locations ( <i>Specify</i> )	00	00
<b>Total</b>	<b>00</b>	<b>00</b>
<i>[Provide Cash Count Certificates for Each]</i>		

**11: Outstanding Imprests**

<b>Name of Officer or Institution</b>	<b>Date Imprest Taken</b>	<b>Amount Taken</b>	<b>Amount Surrendered</b>	<b>Balance</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Name of Officer</i>		00	00	00
<i>Name of Officer</i>		00	00	00
<i>Name of Officer</i>		00	00	00
<i>Name of Officer</i>		00	00	00
<i>Name of Officer</i>		00	00	00
<i>Name of Officer</i>		00	00	00
<b>Total</b>		<b>00</b>	<b>00</b>	<b>00</b>

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

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

**Notes to the Financial Statement Continued**

**12A. Retention**

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	00	00
Retention held during the year (B)	00	00
Retention paid during the Year (C)	00	00
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	00	00

*[Provide short appropriate explanations as necessary.]*

**12B. Gratuity**

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	00	00
Gratuity held during the year (B)	00	00
Gratuity paid during the Year (C)	00	00
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	00	00

*[Provide short appropriate explanations as necessary]*

**13. Balances Brought Forward**

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	20,573,510.12	22,812,889.00
Cash in hand	00	00
Imprest	00	00
<b>Total</b>	<b>20,573,510.12</b>	<b>22,812,889.00</b>

*[Provide short appropriate explanations as necessary]*

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**14. Prior Year Adjustments**

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	00	00	00
Cash in hand	00	00	00
Accounts Payables	(00)	(00)	(00)
Receivables	00	00	00
Others ( <i>specify</i> )	00	00	00
<b>Total</b>	<b>00</b>	<b>00</b>	<b>00</b>

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

**15. Changes in Accounts Receivable – Outstanding Imprests**

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	00	00
Imprest issued during the year (B)	00	00
Imprest surrendered during the Year (C)	00	00
closing accounts in account receivables D= A+B-C	00	00
<b>Changes in Account Receivables E= D-A</b>	<b>00</b>	<b>00</b>

**16. Changes in Accounts Payable – Deposits and Retentions**

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	00	00
Deposit and Retentions held during the year (B)	00	00
Deposit and Retentions paid during the Year (C)	00	00
closing account payables D= A+B-C	00	00
<b>Changes in Accounts Payable E= D-E</b>	<b>00</b>	<b>00</b>

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**Notes to the Financial Statements (Continued)**

**17. Other Important Disclosures**

**17.1: Pending Accounts Payable (See Annex 1)**

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**17.2: Pending Staff Payables (See Annex 2)**

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	00	00
Others ( <i>specify</i> )	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**17.3: Unutilized Fund (See Annex 3)**

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	5,277,261.00	3,200,000.00
Use of goods and services	63,074.00	4,115,999.14
Amounts due to other Government entities (see attached list)	28,123,943.00	37,540,000.00
Amounts due to other grants and other transfers (see attached list)	22,901,070.00	20,606,389.90
Acquisition of assets	00	00
Funds pending approval	701,340.00	00
<b>Total</b>	<b>57,066,688.00</b>	<b>65,662,389.04</b>

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	11,494,889.70	18,343,816.00
Total	<b>11,494,889.70</b>	<b>18,343,816.00</b>

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**Annexes**  
**Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

**Annex 2 - Analysis of Pending Staff Payables**

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Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				



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Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		5,277,261.00	3,200,000.00	
Use of goods & services		63,074.00	4,115,999.14	
Amounts due to other Government entities		28,123,943.00	37,540,000.00	
Sub-Total		<b>33,464,278.00</b>	<b>44,855,999.14</b>	
Amounts due to other grants and other transfers		22,901,070.00	20,806,389.90	
Sub-Total		<b>22,901,070.00</b>	<b>20,806,389.90</b>	
Acquisition of assets		00	00	
Others ( <i>specify</i> )		00	00	
Sub-Total		<b>00</b>	<b>00</b>	
Funds pending approval		<b>701,340.00</b>	<b>00</b>	
Grand Total		<b>57,066,688.00</b>	<b>65,662,389.04</b>	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	00	00	00	00
Buildings and structures	31,054,456.00	00	00	31,054,456.00
Transport equipment	10,761,822.00	606,070.00	00	11,367,892.00
Office equipment, furniture and fittings	2,232,180.00	00	00	2,232,180.00
ICT Equipment, Software and Other ICT Assets	721,839.00	00	00	721,839.00
Other Machinery and Equipment	1,539,495.00	00	00	1,539,495.00
Heritage and cultural assets	00	00	00	00
Intangible assets	00	00	00	00
<b>Total</b>	<b>46,309,792.00</b>	<b>606,070.00</b>	<b>00</b>	<b>46,915,862</b>

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Barani Primary School	Co-operative	01141141537900	1,314,805.00	62,375.00
Gandini Primary School	Co-operative	01141779627300	74,282.70	1,802.10
Mtomondoni Scheme Primary School	Co-operative	01141144901700	1,788.70	3,013,067.50
Shariani Primary School	Co-operative	01141140936700	391,186.50	1,899,815.00
Chodari Primary School	Co-operative	01141144169600	501,802.10	900,000.00
Bundacho Secondary School	Co-operative	01141140885700	312,723.00	
Mtundani Priamary School	Co-operative	01141142759900	327,444.50	
Matandale Primary School	Co-operative	01141142757300	2,845,961.00	
Bureni Primary School	Co-operative	01141142754900	1,946.10	
Vipingo Central Primary School	Co-operative	01141142755100	5,636.00	
Chije Primary School	Co-operative	01141140547200	3,320,000.00	
Chengoni Primary School	Co-operative	0114114074700	414.00	
Bodoi Priamry School	Co-operative	01141142756400	4,398.00	
Lutsangani Secondary School	Co-operative	01141142755600	1,125.40	
Mtepeni Secondary School	Co-operative	01141143549301	502,844.00	
Chonyi Sub-County Education Office	Co-operative	01141141005700	1,728.00	
Chonyi Police Station	Co-operative	01141143937900	1,484,440.30	3,652,688.30
Shariani Chief's Office	Co-operative	01141140937900	402,364.40	185,889.90

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Gongoni primary school	Co-operative	01141141113700		111,912.40
Mwarakaya primary school	Co-operative	01141141113100		5,243.60
Karimboni primary school	Co-operative	01141141296600		301,842.10
Primary schools desks	Co-operative	01141143766900		10,077.85
Ngo'ombeni primary school	Co-operative	01141144278001		453,802.35
Tsalu primary school	Co-operative	01141141143000		428,259.86
Tunzanini primary school	Co-operative	01139142957700		996,158.60
Ziani primary school	Co-operative	01141140938600		653,948.00
Chasimba central primary school	Co-operative	01141141000300		2,498,975.00
Mbomboni primary school	Co-operative	01141140936900		600,688.50
Vipingo secondary school	Co-operative	01141144635900		12,134.60
Paul Harris secondary school	Co-operative	01141143308600		399,582.40
St. Teresas secondary school	Co-operative	01141140298700		4,840.40
Mwarakaya secondary secondary school	Co-operative	01139142948000		306,217.75
Bungu secondary school	Co-operative	01141144695200		671.80
Ngo'mbeni girls secondary school	Co-operative	01141143937900		1,704,488.00
Ziani chiefs office	Co-operative	01141142784900		465.05
Kilifi south Constituency sports	Co-operative	01141143370200		62,377.00
Mtwapa police station	Co-operative	01141143410800		9,836.14

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
DCC Chonyi Sub-County	Co-operative	01141144647801		66,656.80
<b>Total</b>			<b>11,494,889.70</b>	<b>18,343,816.00</b>

**Annex 6: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Unaccounted committee allowances	Validity of committee allowances of Kshs. 637,000 could not be confirmed	Schedules for the committee allowances are availed	Resolved	
2.0 Unaccounted Bursary-Tertiary Institutions	The validity, occurrence and lawfulness of bursary-tertiary institutions expenditure of Kshs. 1,500,000 and accuracy of Kshs. 12,005,700 could not be confirmed	The necessary schedules, application forms and receipts are produced	Resolved	
3.0 Summary of fixed assets Register	The accuracy, completeness and rights and obligations of the fixed assets balance of Kshs. 48,193,731 could not be confirmed	The Fixed assets register has been updated	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

FUND ACCOUNT MANAGER  
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Peter M. Mwaighonda  
Fund Account Manager.