

REPORT

THE NATIONAL ASSEMBLY	
P. 7	
DATE: 05 JUL 2023	DAY: WED
TABLED BY:	Hon Owen Bayo, CBS, MP Deputy Leader, majority
CLERK AT THE TABLE:	Finlays Mwangi

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THE AUDITOR-GENERAL

ON

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

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

Revised Template 30th June 2022



RABAI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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



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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;

Rabai Constituency

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

- 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 XXX Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Beatrice Kulaphira Tembe
2.	Sub-County Accountant	Erick Mutuku
3.	Chairman NGCDFC	Emmanuel Muhaso Muhaso
4.	Member NGCDFC	Elvis Bokore Hare

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Rabai Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) Rabai Constituency NGCDF Headquarters

P.O. Box 119-80114
Mazeras

(f) Rabai Constituency NGCDF Contacts

Telephone: (254) 0703 155 871
E-mail: cdfrabai@ngcdf.go.ke
Website: www.ngcdf.go.ke

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(g) Rabai Constituency NGCDF Bankers

African Banking Corporation
P.O Box 46452-00100
Nairobi
Mombasa Branch
Account Number 003215001001384

(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

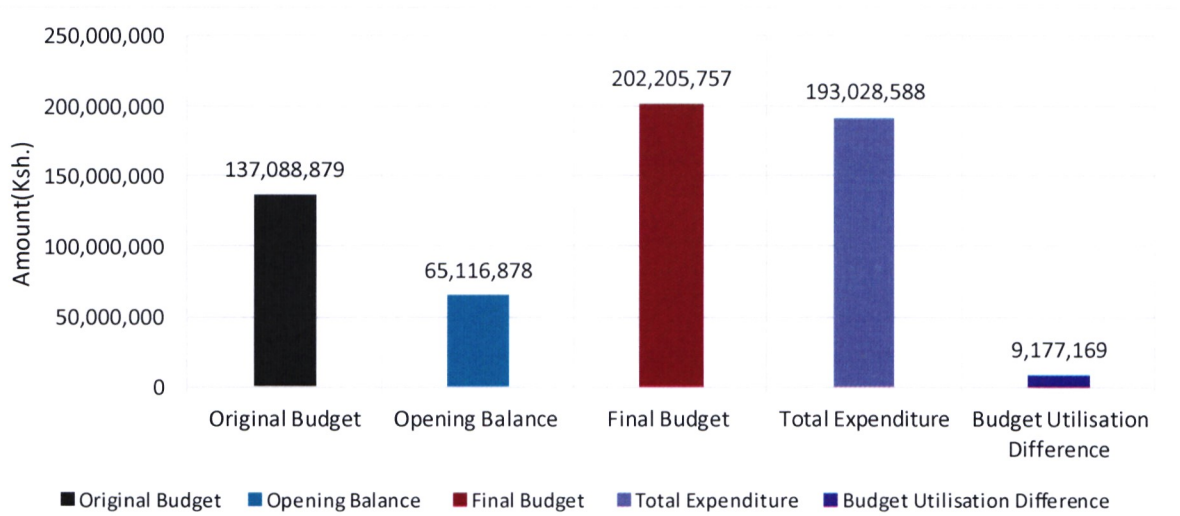
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDF Chairman’s Report

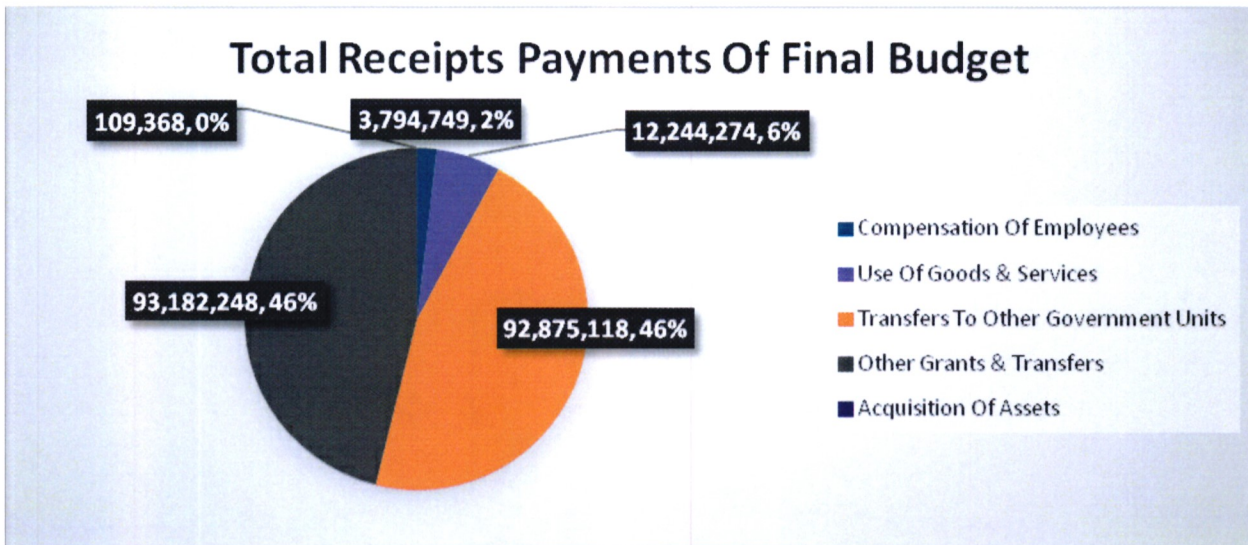
Emmanuel Muhaso
Muhaso

The Rabai NG-CDF had a final budget of Ksh. 202,205,757 for the FY 2021/2022. This budget is the summation of the original budget of Ksh. 137,088,879 and the opening balance of Ksh. 65,116,878 brought forward from the FY 2020/2021.

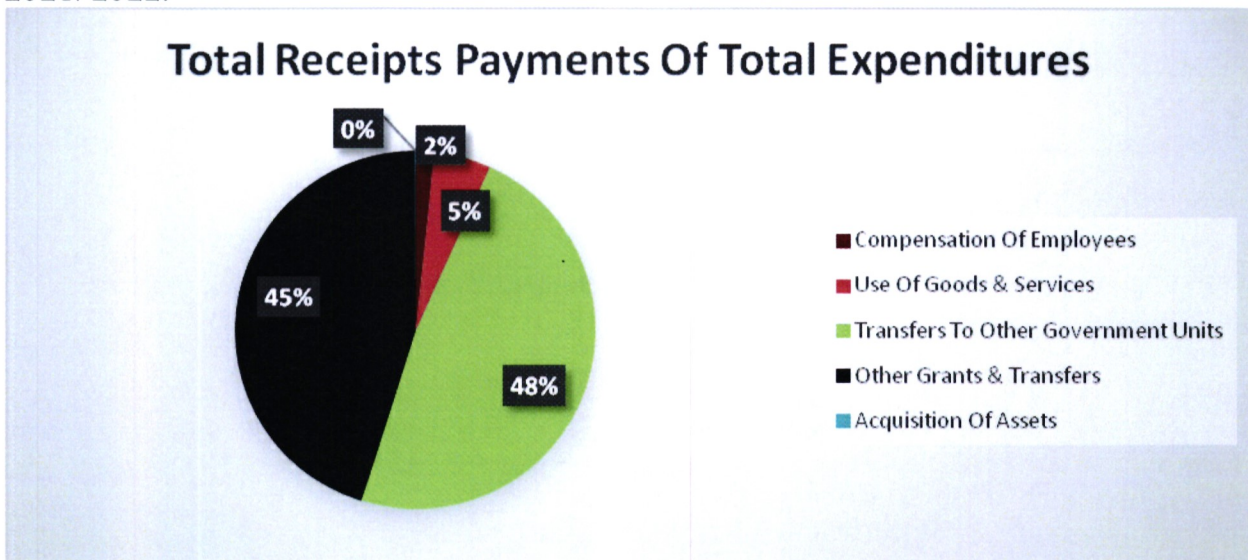
Below is a summary of the above mentioned budget of the Rabai NG-CDF showing the statement of appropriation for the FY 2021/2022, displayed in a bar graph.



The FY 2021/2022 budget consists of receipts of transfers from the NG-CDF Board and the sale of tender documents of Ksh. 103,000. The total of Ksh. 202,205,757 receipt is broken down in 5 sectors as shown in the pie charts below.



The pie chart below displays the total receipts payments of the total expenditures for the FY 2021/2022.



The Rabai NG-CDFC set aside Ksh. 3,794,749 as compensation for employees and as at 30th June 2022, 85% (Ksh. 3,227,212) of the allocation was effectively utilized and had a balance of Ksh. 567,537. Under recurrent expenditures, Ksh. 12,244,274 was set aside for goods and services used in office operations and 80.6% (Ksh. 9,865,833) was used by 30th June 2022 with a residue of Ksh. 2,378,441.

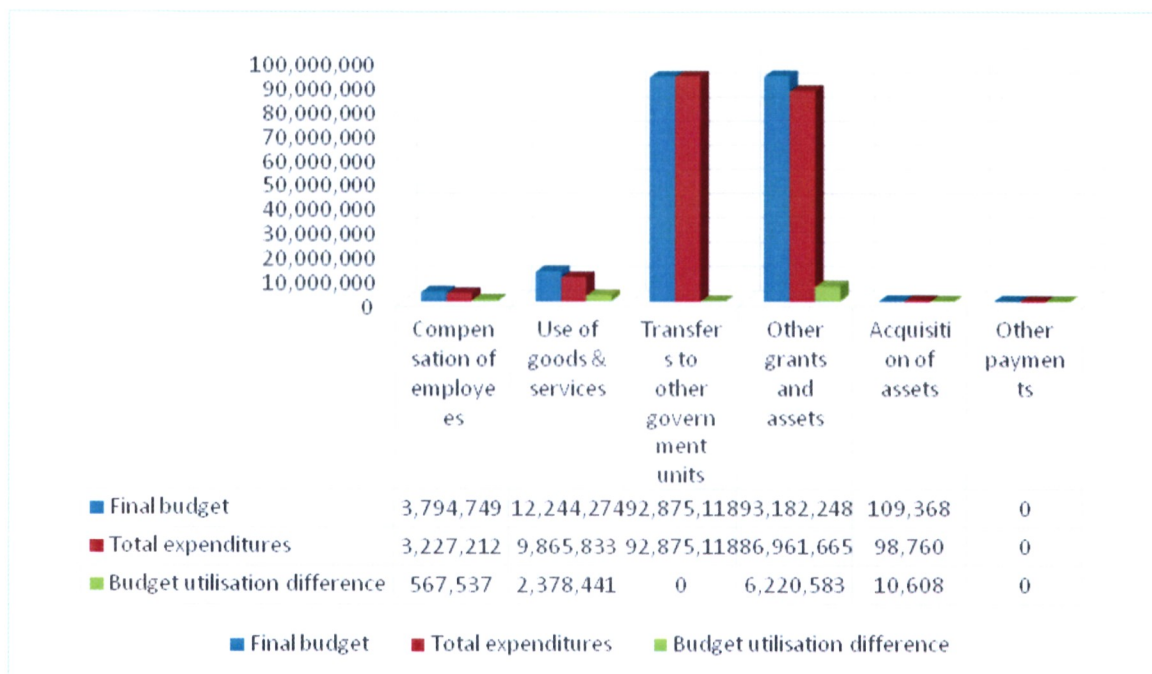
In the education sector, our constituency took the initiative of empowering school projects and the various projects carried out extend from construction of administration blocks, classrooms to provision of desks. The total allocation in this sector was Ksh. 92,875,118 and 100% (Ksh. 92,875,118) was efficiently used with zero balance.

In the FY 2021/2022, the Rabai NG-CDF offered grants and transfers that accumulate to Ksh. 93,182,248 which includes; bursaries, security projects such as construction of police posts, environmental projects such as construction of pit latrines, gutters installation and water-tanks,

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emergency projects and sports. 93.3% (Ksh. 86,961,665) was put into use and only Ksh. 6,220,583 remained.

Under the acquisition of assets, Ksh. 109,368 was assigned and the Rabai NG-CDF office acquired a computer which spent 90.3% (Ksh. 98,760) with a residue of 10,608. All the named information is captured in the graph shown below.



The total percentage of utilization of the funds for the FY 2021/2022 as at the end of June 30th 2022 from the final budget of Ksh. 202,205,757 was 95.5% (Amounting Ksh. 193,028,588) with a remainder of 4.5% (Amounting Ksh. 9,177,169).

CHALLENGES AND WAY FORWARD

i. Late disbursement of funds

This has challenged the CDF operations and untimely projects implementation. The NG-CDF board should ensure timely disbursement of funds.

ii. Insufficient allocation of funds

The allocation provided for the constituency is not sufficient enough to address the needs captured in the strategic plan. CDFC Rabai requested the board to increase the allocation to the constituency.

iii. Poor Road network

Some projects could not be implemented within the stipulated time e.g Mgalla and Kaoyeni primary schools



 Name **EMMANUEL MUHASO**
 CHAIRMAN NGCDF 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 *Rabai constituency 2018-2022* plan are to:

Education Accessibility	To improve access, affordability and availability of quality education	<ul style="list-style-type: none">-Expansion of schools through rehabilitation/renovation/construction of classrooms in various primary and secondary schools in the constituency-Purchase and supply of desks and Lockers-Construction of staff houses-Construction/rehabilitation of laboratories in secondary schools in the constituency-Supply of laboratory equipment to secondary schools-Construction/rehabilitation of multipurpose halls in all schools-Construction/rehabilitation of libraries in secondary schools-Construction/rehabilitation of dormitories in secondary schools-Construction/rehabilitation of toilet blocks in both primary and secondary schools-Provision of bursary to needy and bright secondary school/tertiary institutions' students
Youth and Sports	To harness talent and empower youth	Creating awareness among the youth on the establishment of youth groups, and accessing devolved funds Funding of youth sporting initiatives
Emergency Support	To cater for any unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency (e.g. trucking water services)
Environment	To promote environmental	Supporting the establishment of tree Nurseries sustainability in the constituency -Purchase of tree seedlings and their

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

		planting Organizing tree planting days
Security	To enhance security in the constituency	Construction of offices for chiefs and Ass. Chiefs Renovation of chief's offices Awareness creation on community policing Sensitization of community members on security matters Construction/rehabilitation of Police Stations/Administration Offices Construction/rehabilitation of police houses Fencing AP camps and police stations
Tracking of results	To improve tracking of implementation CDF programmes	Monitoring and Capacity Building of NGCDF's and PMC's Organizing regular projects monitoring field visits Synthesis of PMC reports into quarterly PIS
Institutional Strengthening	To promote performance management and smooth running of the CDF office	Preparation of Constituency Strategic Plan (2018/19-2022/23) Staff training Purchase of working tools and Equipment

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
EDUCATION	To ensure all children in Rabai constituency acquire education	Bigger enrolment in primary schools hence increasing the transition rate in secondary schools and tertiary institution	The numbers of bursary applicants are higher. Also the classes are over flooded i.e. students /pupils are crowding, thus the education stakeholders are pressurized on increase of number of	In FY 2021/2022 We supplied 200 desks to primary schools and 120 lockers and chairs to secondary schools. The no. of new classrooms built in the FY 2021-2022 were 32 in primary schools and 1 twin science laboratory

			classrooms, toilets, and desk lockers.	
SECURITY	To ensure that Rabai Residence are living in a peaceful environment and their properties are secured. Also there is easy accessibility of services in security agencies.	<ul style="list-style-type: none"> • Reduced Insecurity cases • Need of Usable infrastructure of security agencies. 	Proposals from administrative agencies to put up administrative offices.	In FY 2021/2022 we have constructed one police post and completed two police stations
ENVIRONMENT	To have conducive environment in learning institution	Improved sanitation in institutions	High no of proposals to put up more toilets and put up water harvesting facilities.	In FY 2021/2022 we have put up 5water harvesting project and also constructed 23 no of toilets.
SPORTS	Nature talents among Rabai residence especially youths.	Increase sports clubs	Demand for more sports / games equipment and sports ground	In FY 2021/2022 one sports ground was levelled at Bedida primary school.
EMERGENCY	To address unforeseen occurrence	Continuity of service delivery to the mwananchi and in learning institutions.	Ensure that we have emergency voter head	In FY 2021/2022 , 2 classrooms were constructed at Boyanai primary school, 7door no.pit latrines and completed one police post at Bwagamoyo .

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Rabai NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential

benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 2021/2022 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

NG-CDFC and staff planted trees at the office compound and sponsored sporting activities tournament bringing communities and sensitizing them on environmental conservation matters.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Rabai 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-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness


Rabai Constituency

National Government Constituencies Development Fund (NGCDF)

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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.

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



.....
Name *Beatrice Ki Temba*

FAM

V. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

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

Rabai Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Approval of the financial statements

The NGCDF- Rabai Constituency financial statements were approved and signed by the Accounting Officer on 12th March 2023.



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Name: EMMANUEL MUHASO

Chairman – NGCDF Committee

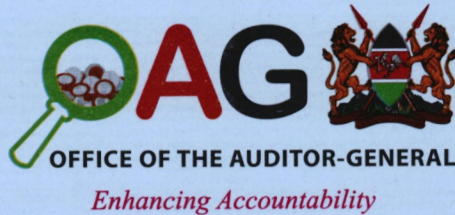


.....
Name: Beatrice Kulaphira Tembe

Finance Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance, which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

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

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Rabai Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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

Budgetary Control and Performance

The summary statement of appropriation reflects both final receipts budget and actual on comparable basis of Kshs.202,575,257 or 100% budget utilization. Further, the Fund expended an amount of Kshs.193,028,588 against an approved budget of Kshs.202,575,257, resulting in an under-expenditure of Kshs.9,546,669 or 5% of the budget.

The under expenditure may have curtailed realization of planned project activities and service delivery to citizens.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(26) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

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

In addition to the responsibility for the preparation and presentation of the financial statements describes 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 transaction 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error of 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 controls, 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 or material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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

14 June, 2023

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

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

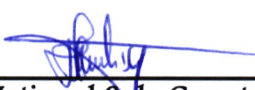
VII. Statement of Receipts and Payments for the Year Ended 30th June 2022


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	179,177,758	95,000,000
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	103,000	60,000
Total Receipts		179,280,758	95,060,000
Payments			
Compensation Of Employees	4	3,227,212	3,041,462
Use Of Goods and Services	5	9,865,833	9,659,294
Transfers To Other Government Units	6	92,875,118	71,113,273
Other Grants and Transfers	7	86,961,665	55,397,512
Acquisition Of Assets	8	98,760	-
Other Payments	9	-	-
Total Payments		193,028,588	139,211,541
Surplus/(Deficit)		(13,747,830)	(44,151,541)

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 17th March 2023 and signed by:


 Fund Account Manager


 National Sub-County Accountant


 Chairman NG-CDF Committee

Name: Beahle K. Temba

Name: ERIC Mutyaka
 ICPAK M/No: 20668

Name: EMMANUEL MUTHASA

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

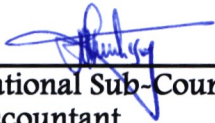
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	9,546,669	23,294,499
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		9,546,669	23,294,499
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		9,546,669	23,294,499
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities			
Net Financial Assets		9,546,669	23,294,499
Represented By			
Fund Balance B/Fwd	13	23,294,499	67,446,041
Prior Year Adjustments	14	-	
Surplus/Deficit for The Year		(13,747,830)	(44,151,541)
Net Financial Position		9,546,669	23,294,499

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 17th March 2023 and signed by:


 Fund Account Manager

Name: Beatrice K. Temba


 National Sub-County Accountant

Name: Eric Mutuku
 ICPAK M/No: 20668


 Chairman NG-CDF Committee




Name: EMMANUEL MUTHASI

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

	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	179,177,758	95,000,000
Other Receipts	3	103,000	60,000
Total Receipts		179,280,758	95,060,000
Payments			
Compensation Of Employees	4	3,227,212	3,041,462
Use Of Goods and Services	5	9,865,833	9,659,294
Transfers To Other Government Units	6	92,875,118	71,113,273
Other Grants and Transfers	7	86,961,665	55,397,512
Other Payments	9	-	-
Total Payments		192,929,828	139,211,541
Total Receipts Less Total Payments		(13,649,070)	(44,151,541)
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(13,649,070)	(44,151,541)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(98,760)	-
Net Cash Flows from Investing Activities		(98,760)	
Net Increase In Cash And Cash Equivalent		(13,747,830)	(44,151,541)
Cash & Cash Equivalent At Start Of The Year	10	23,294,499	67,446,041
Cash & Cash Equivalent At End Of The Year	10	9,546,669	23,294,499

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 17th March 2023 and signed by:

 _____	 _____	 _____
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Beatrice K. Tembo	Name: Eric Mutinyi ICPAK M/No: 20668	Name: EMMANUEL MUHASO

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

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


Receipts/Payments	Original Budget		Adjustments			Final Budget		Actual on comparable basis	Budget utilization difference	% of Utilization
	a	2021/2022	b	2021/2022	c=a+b	d	e=c-d			
		2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022				
Receipts	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		
Transfers From NGCDF Board		137,088,879	23,294,499	42,088,879	202,472,257	202,472,257	-	-	100%	
Proceeds From Sale of Assets		-	-	-	-	-	-	-		
Other Receipts		-	103,000	-	103,000	103,000	-	-		
Totals		137,088,879	23,397,499	42,088,879	202,575,257	202,575,257	-	-	100%	
Payments										
Compensation Of Employees		3,213,945.00	580,804	-	3,794,749	3,227,212	567,537	85%		
Use Of Goods and Services		9,124,054	3,120,220	-	12,244,274	9,865,833	2,378,441	81%		
Transfers to other government units		61,875,118	31,000,000	-	92,875,118	92,875,118	-	100%		
Other Grants and Transfers		62,875,762	30,306,486	-	93,182,248	86,961,665	6,220,583	93%		
Acquisition Of Assets		-	109,368	-	109,368	98,760	10,608	90%		
Other Payments		-	-	-	-	-	-	-		
Funds Pending Approval (AIA)		-	369,500	-	369,500	-	369,500	-		
Totals		137,088,879	65,486,378	-	202,575,257	193,028,588	9,546,669	95%		


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


(a) Underutilization of funds for compensation of employees and use of goods and services, 85% and 81% respectively was because funds were budgeted to cater for expenses three months after closure of the financial year before disbursement of funds for FY 2022 2023 is done.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	9,546,669
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	9,546,669

The Constituency financial statements were approved on 17/03/2023 and signed by:


 Fund Account Manager
 Name: Beahle K. Tembe


 National Sub-County Accountant
 Name: ERIC MUKURU
 ICPAK M/No: 20668


 Chairman NG-CDF Committee
 Name: EMMANUEL MUTHA

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

Programme/Sub-programme	Original Budget	Adjustments		Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Kshs				
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,213,945	580,804			3,794,749	3,227,212	567,537
1.2 Committee allowances	2,230,000	709,355			2,939,355	2,292,920	646,435
1.3 Use of goods and services	2,781,388	866,842			3,648,230	3,448,713	199,517
	8,225,333	2,157,001			10,382,334	8,968,845	1,413,489
2.0 Monitoring and evaluation							
2.1 Capacity building	2,000,000	673,069			2,673,069	2,174,200	498,869
2.2 Committee allowances	1,500,000	563,176			2,063,176	1,665,000	398,176
2.3 Use of goods and services	612,666	307,778			920,445	285,000	635,445
	4,112,666	1,544,023			5,656,690	4,124,200	1,532,490
3.0 Emergency							
3.1 Mwele Primary School	-	3,500,000			3,500,000	3,500,000	-
3.2 Bwagamoyo Police Post	425,000	-			425,000	425,000	-
3.3 Bedida Primary School	1,600,000	-			1,600,000	1,600,000	-
3.4 Boyani Primary School	2,200,000	-			2,200,000	2,200,000	-
Unutilized	2,967,207	156,947			3,124,154		3,124,154
	7,192,207	3,656,947			10,849,154	7,725,000	3,124,154
4.0 Bursary and Social Security							
4.1 Primary Schools	-						

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Secondary Schools	20,000,000	7,146,031	-	27,146,031	26,827,100	318,931
4.3 Tertiary Institutions	17,000,000	4,977,600	-	21,977,600	21,946,010	31,590
	37,000,000	12,123,631	-	49,123,631	48,773,110	350,521
5.0 Sports						
5.1 Bedida Primary School	2,741,778	2,745,907	-	5,487,685	2,741,778	2,745,907
	2,741,778	2,745,907	-	5,487,685	2,741,778	2,745,907
6.0 Environment						
6.1 Mitsajeni Primary School	1,341,778	-	-	1,341,778	1,341,778	-
6.2 Mitsajeni Primary School	360,000	-	-	360,000	360,000	-
6.3 Makobeni Primary School	340,000	-	-	340,000	340,000	-
6.4 Mwangutwa primary school	340,000	-	-	340,000	340,000	-
6.5 Chonyi Primary School	360,000	-	-	360,000	360,000	-
	2,741,778	-	-	2,741,778	2,741,778	-
7.0 Primary Schools Projects (List all the Projects)						
7.1 Kailo Primary School	3,300,000	-	-	3,300,000	3,300,000	-
7.2 Mgalla Primary School	3,300,000	-	-	3,300,000	3,300,000	-
7.3 Kaoyeni Primary School	3,300,000	-	-	3,300,000	3,300,000	-
7.4 Bwagamoyo Primary School	2,200,000	-	-	2,200,000	2,200,000	-
7.5 Chonyi Primary School	2,200,000	-	-	2,200,000	2,200,000	-
7.6 Mbungoni Primary School	4,300,000	-	-	4,300,000	4,300,000	-
7.7 Ribbe Primary School	2,200,000	-	-	2,200,000	2,200,000	-

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			
7.8 Kasidi Primary School	3,300,000	-	-	3,300,000	3,300,000	-
7.9 Jeuri Primary School	1,300,000	-	-	1,300,000	1,300,000	-
7.10 Bofu Primary School	2,400,000	-	-	2,400,000	2,400,000	-
7.11 Kawala Primary School	3,900,000	-	-	3,900,000	3,900,000	-
7.12 Mawemabomu Primary School	3,300,000	-	-	3,300,000	3,300,000	-
7.13 Ziroy Primary School	2,200,000	-	-	2,200,000	2,200,000	-
7.14 Mikomani Primary School	1,300,000	-	-	1,300,000	1,300,000	-
7.15 Mleji Primary School	550,000	-	-	550,000	550,000	-
7.16 Boheka Primary School	550,000	-	-	550,000	550,000	-
7.17 Mwandodo Primary School	-	600,000	-	600,000	600,000	-
7.18 Maerini Primary School	-	3,500,000	-	3,500,000	3,500,000	-
Total	39,600,000	4,100,000	-	43,700,000	43,700,000	-
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Rabai Secondary School	8,800,000	-	-	8,800,000	8,800,000	-
8.2 Mikahani Secondary School	6,000,000	-	-	6,000,000	6,000,000	-
8.3 Chiferi Secondary School	1,115,118	-	-	1,115,118	1,115,118	-
8.4 Kasidi Secondary School	6,000,000	-	-	6,000,000	6,000,000	-
8.5 Kambe Secondary School	360,000	-	-	360,000	360,000	-
8.6 Kombeni Secondary School	-	10,000,000	-	10,000,000	10,000,000	-
8.7 Kamoti Secondary School	-	16,000,000	-	16,000,000	16,000,000	-
8.8 Kamoti Secondary School	-	900,000	-	900,000	900,000	-

Programme/Sub-programme	Original Budget	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			
Total	22,275,118	26,900,000	-	49,175,118	49,175,118	-
9.0 Tertiary institutions Projects (List all the Projects)						
10.0 Security Projects						
10.1 Kambe/Ribe Police Station	5,500,000	3,000,000	-	8,500,000	8,500,000	-
10.2 Rabai Police station	5,500,000	8,000,000	-	13,500,000	13,500,000	-
10.3 Bwagamoyo Police Post	2,200,000	-	-	2,200,000	2,200,000	-
Total	13,200,000	11,000,000	-	24,200,000	24,200,000	-
11.0 Acquisition of assets						
11.1 Construction of CDF office Parking	-	780,000		780,000	780,000	-
11.2 Purchase of computers	-	109,368		109,368	98,760	10,608
12.0 Others						
Funds pending approval(AIA)	-	369,500		369,500	-	369,500
Total	137,088,879	65,486,378		202,575,257	193,028,588	9,546,669

(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-Rabai 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 NGCDF Act, 2015

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B105268	33,000,000	-
AIE NO. B105402	34,000,000	-
AIE NO. B105617	10,000,000	-
AIE NO. B105912	22,000,000	-
AIE NO. B128677	5,000,000	-
AIE NO. B128988	12,000,000	-
AIE NO. B154185	12,000,000	-
AIE NO. B154409	18,000,000	-
AIE NO. B154467	24,088,879	-
AIE NO. B089080	9,088,879	-
AIE NO. B124650	-	9,000,000
AIE NO. B119624	-	9,000,000
AIE NO. B128014	-	13,000,000
AIE NO. B128256	-	6,900,000
AIE NO. B132017	-	6,000,000
AIE NO. B132311	-	6,000,000
AIE NO. B138980	-	13,000,000
AIE NO. B126272	-	7,100,000
AIE NO. B105067	-	10,000,000
AIE NO. B140711	-	15,000,000
TOTAL	179,177,758	95,000,000

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-

Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts.

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	103,000	266,500
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	103,000	266,500

Notes To the Financial Statements (Continued)**4. Compensation of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,144,959	1,980,410
Personal allowances paid as part of salary	45,000	72,000
House Allowance	412,000	365,000
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	604,653	604,652
Employer Contributions Compulsory national social security schemes	20,600	19,400
Total	3,227,212	3,041,462

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	-
Utilities, supplies and services	699,005	1,732,159
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	2,174,200	1,685,600
Hospitality supplies and services	-	-
Other committee expenses	285,000	-
Committee allowance	3,957,920	4,935,620
Insurance costs	116,562	144,000
Specialized materials and services	-	-
Office and general supplies and services	869,636	-
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	364,575	376,713
Security Operations	382,797	-
Fuel , oil & lubricants	872,000	700,000
Bank service commission and charges	144,138	85,202
Total	9,865,833	9,659,294

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)	43,700,000	54,213,273
Transfers To Secondary Schools (See Attached List)	49,175,118	16,900,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	92,875,118	71,113,273

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	26,634,100	14,004,000
Bursary – tertiary institutions (see attached list)	22,139,010	12,522,400
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Road and bridge	-	7,722,590
Security projects (see attached list)	24,200,000	10,120,000
Sports projects (see attached list)	2,741,778	2,747,355
Environment projects (see attached list)	2,741,777	4,745,908
Emergency projects (see attached list)	7,725,000	3,535,260
NG-CDF office vehicle parking	780,000	-
Total	86,961,665	55,397,512

8. Acquisition of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-

Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	98,760	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	98,760	-

Notes to the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	9,546,669	23,294,499
<i>Name of Bank, Account No.</i>	-	-
Total	9,546,669	23,294,499
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>	-	-

11: Outstanding Imprests

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

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	604,653	604,652
Gratuity paid during the Year (C)	604,653	604,652
Closing Gratuity as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	23,294,499	67,446,041
Cash in hand	-	-
Imprest	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

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	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

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

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	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

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

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	567,537	580,804
Use of goods and services	2,378,441	3,120,220
Amounts due to other Government entities (see attached list)	-	31,000,000
Amounts due to other grants and other transfers (see attached list)	6,220,583	30,306,486
Acquisition of assets	10,608	109,368
Funds pending approval(AIA)	369,500	266,500
Total	9,546,669	65,383,378

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	50,216,566	33,749,985
Total	50,216,566	33,749,985

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

Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		567,537	580,804	
Use of goods & services		2,378,441	3,120,220	
Amounts due to other Government entities				
Mwandodo primary School		-	600,000	
Maeremi Primary School		-	3,500,000	
Kombeni Girls Secondary School		-	10,000,000	
Kamoti Secondary School		-	16,000,000	
Kamoti Secondary School		-	900,000	
Sub-Total		-	31,000,000	
Amounts due to other grants and other transfers				
Bursary Secondary Schools		318,931	7,146,031	
Bursary Tertiary		31,590	4,977,600	
Emergency		3,124,154	3,656,947	
Rabai sports tournament		2,745,908	2,745,907	
Kambe/Ribe police Station		-	3,000,000	
Rabai Police Station		-	8,000,000	
Sub-Total		6,220,583	29,526,485	
Acquisition of assets		10,608	109,368	
Others-NG-CDF office parking		-	780,000	
Sub-Total		10,608	889,368	
Funds pending approval		369,500	266,500	
Grand Total		9,546,669	65,383,378	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f s(Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	-	-	-	500,000
Buildings and structures	17,498,279	-	-	17,498,279
Transport equipment	7,162,747	-	-	7,162,747
Office equipment, furniture and fittings	1,553,878	-	-	1,553,878
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	1,077,454	98,760	-	1,176,214
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	27,292,358	98,760	-	27,891,118

Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Bedida Primary School	Co-operative Mariakani	01141764916100	2,927,967	-
Bofu Primary School	Co-operative Mariakani	01141764918500	369,569	-
Boheka Primary School	Co-operative Mariakani	01141764917800	693,098	-
Boyani Primary School	Co-operative Mariakani	01141765506900	2,198,975	-
Bwagamoyo Police Post	Co-operative Mariakani	01141765430000	450,294	-
Bwagamoyo Primary School	Co-operative Mariakani	01141764914000	1,173,002	-
Chiferi Secondary School	Co-operative Mariakani	01141765507000	1,114,093	-
Chonyi Primary School	Co-operative Mariakani	01141765470500	2,216,975	-
Jeuri Primary School	Co-operative Mariakani	01141765506700	1,298,975	-
Kailo Primary School	Co-operative Mariakani	01141764918600	291,247	-
Kambe Secondary School	Co-operative Mariakani	01141764917600	19,901	-
Kamoti Secondary School	Co-operative Mariakani	01141765459000	2,567,700	-
Kaoyeni Primary School	Co-operative Mariakani	01141764915000	1,734,948	-
Kasidi Primary School	Co-operative Mariakani	01141765459400	1,806,550	-
Kasidi Secondary School	Co-operative Mariakani	01141765352900	6,046,855	-
Kawala Primary School	Co-operative Mariakani	01141764913500	308,371	-
Kombeni Girls Secondary School	Co-operative Mariakani	01141765390800	2,405,175	-
Maereni Primary School	Co-operative Mariakani	01141765256100	170,568	-
Makobeni Primary School	Co-operative Mariakani	01141765152800	80,645	-
Mawemabomu Primary School	Co-operative Mariakani	01141765459100	249,187	-
Mbungoni Primary School	Co-operative Mariakani	01141765459500	1,460,975	-
Mgalla Primary School	Co-operative Mariakani	01141764913800	1,336,332	-
Mikahani Secondary School	Co-operative Mariakani	01141765507700	5,999,975	-
Mikomani Primary School	Co-operative Mariakani	01141764915100	1,301,731	-
Mitsajeni Primary School	Co-operative Mariakani	01141765254000	1,380,753	-
Muleji Primary School	Co-operative Mariakani	01141765506800	548,975	-
Mwandodo Primary School	Co-operative Mariakani	01141764916300	153,766	-
Mwangutwa Primary School	Co-operative Mariakani	01141765254100	250,228	-


PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Mwele Primary School	Co-operative Mariakani	01141254631900	185,059	-
Rabai Police Station	Co-operative Mariakani	01141765389900	4,017,475	-
Rabai Secondary School	Co-operative Mariakani	01141765427700	533,585	-
Ribe Primary School	Co-operative Mariakani	01141765040500	2,440,025	-
Ziro Primary School	Co-operative Mariakani	01141765458500	581,599	-
Kambe/Ribe Police station	Co-operative Mariakani	01141254631900	1,901,998	-
Boheka Primary School	Co-operative Mariakani	01141765152800	-	162,405
Bwagamoyo Primary School	Co-operative Mariakani	01141765459100	-	1,081,568
Chang'ombe Secondary School	Co-operative Mariakani	01141765459500	-	5,762
Chiferi Primary School	Co-operative Mariakani	01141764913800	-	519,988
Gandani Primary School	Co-operative Mariakani	01141765507700	-	205,099
Isaac Nyundo Primary School	Co-operative Mariakani	01141764915100	-	671,564
Jimba Primary School	Co-operative Mariakani	01141765254000	-	518,748
Jimba Secondary School	Co-operative Mariakani	01141765506800	-	577,700
Kajiwe Primary School	Co-operative Mariakani	01141764916300	-	1,658,678
Kaliangombe Primary School	Co-operative Mariakani	01141765254100	-	118,620
Kambe/Ribe Police station	Co-operative Mariakani	01141254631900	-	4,998,974
Kangakamo Primary School	Co-operative Mariakani	01141765389900	-	2,396,975
Kasidi Secondary School	Co-operative Mariakani	01141765427700	-	873,4580
Kinunguna Primary School	Co-operative Mariakani	01141765040500	-	22,996.63
Lugwe Primary School	Co-operative Mariakani	01141765458500	-	344,501.75
Maereni Assistant Chief	Co-operative Mariakani	01141765313100	-	779,078.00
Maereni Primary School	Co-operative Mariakani	01141765256100	-	19,369
Makobeni Primary School	Co-operative Mariakani	01141765152800	-	172,266
Malau Primary School	Co-operative Mariakani	01141765348400	-	1,004,759
Masaani Primary school	Co-operative Mariakani	01141765159000	-	43,835
Mbwaka Primary School	Co-operative Mariakani	01141765159100	-	357,235
Mikomani Assistant Chief	Co-operative Mariakani	01141765153500	-	167,718
Mitsajeni Primary School	Co-operative Mariakani	01141765254000	-	1,048,975
Miyuni Assistant Chief	Co-operative Mariakani	01141765335100	-	167,718

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Mwangutwa Primary School	Co-operative Mariakani	01141765254100	-	4,299,175
Mwanjama Primary School	Co-operative Mariakani	01141765077000	-	1,707,674
Mwatsama Primary School	Co-operative Mariakani	01141765318000	-	721,476
Rev. Canon Kuri secondary school	Co-operative Mariakani	01141764917500	-	412,551
Ribe Boys High School	Co-operative Mariakani	01141765152300	-	590,022
Ribe Primary School	Co-operative Mariakani	01141765040500	-	239,975
Total			50,216,566	33,749,985

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)
No opinion				



 Name Beekle K. Tembe
 Fund Account Manager.