

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
REPORT	
DATE: 26 JUL 2023	DAY: WED
TABLED BY:	ADN NAOMI WAGGMP
OF	Deputy Majority Whip
CLEAR THE TABLE:	Fenlays Mwarahi

THE AUDITOR-GENERAL

ON

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

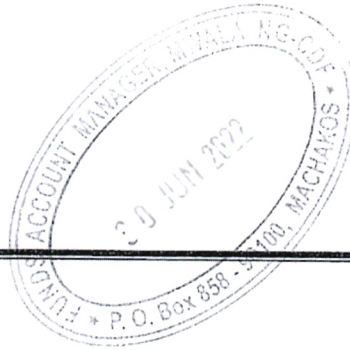
**FOR THE YEAR ENDED
30 JUNE, 2022**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

Revised Template 30th June 2022

06 APR 2023

RECEIVED



MWALA 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

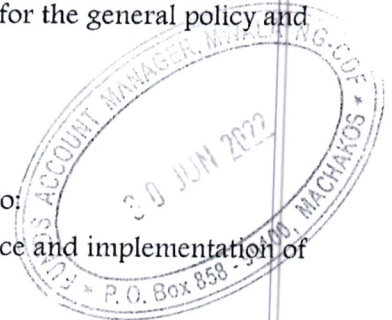
(a) Background information

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;



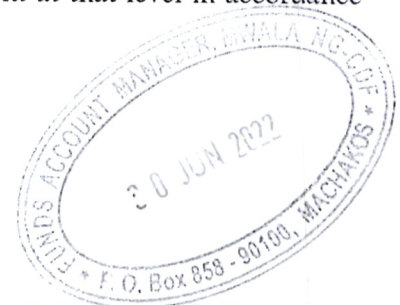
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government 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 MWALA Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)

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

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	Erick Munyao
2.	Sub-County Accountant	Lucy Matee
3.	Chairman NGCDFC	Danson Muange
4.	Member NGCDFC	Dominic Mutiso

(d) Fiduciary Oversight Arrangements

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

P.O. Box 858-90100
CDF Building MWALA
Along Kitui – Machakos Road
Machakos, KENYA



(f) MWALA Constituency NGCDF Contacts

Telephone: (254) 0722-594-319
E-mail: mwala@ngcdf.go.ke
Website: www.mwalangcdf.go.ke

(g) MWALA Constituency NGCDF Bankers

Kenya Commercial Bank
Account no. 1106340353
Masii, Branch

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

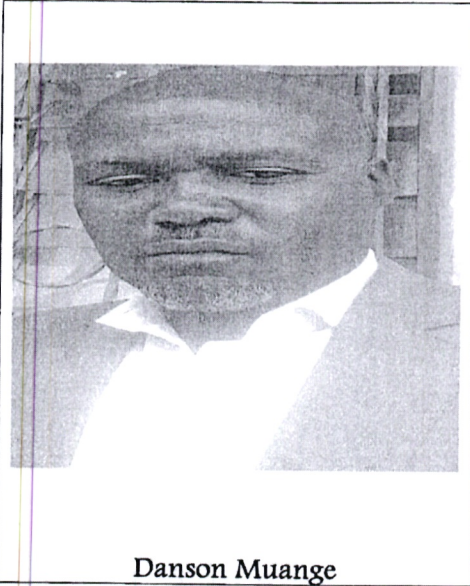
(i) Principal Legal Adviser

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



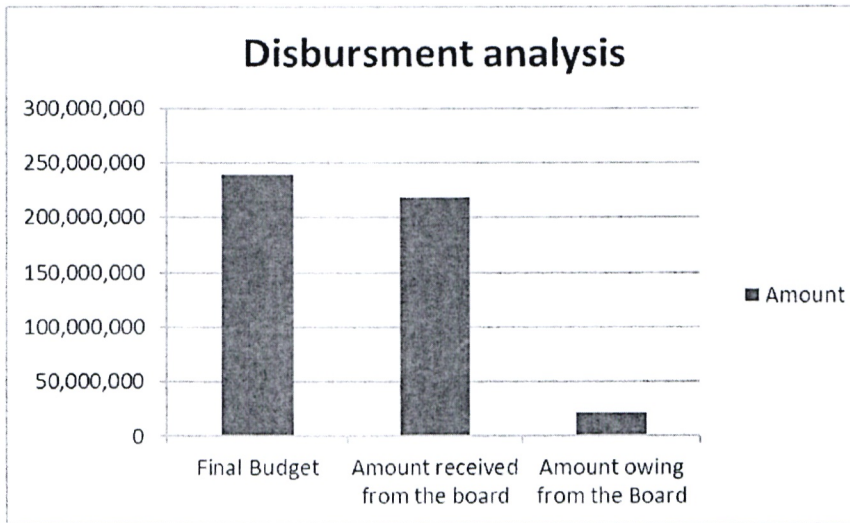
II. NG-CDFC Chairman's Report

(One to two pages)

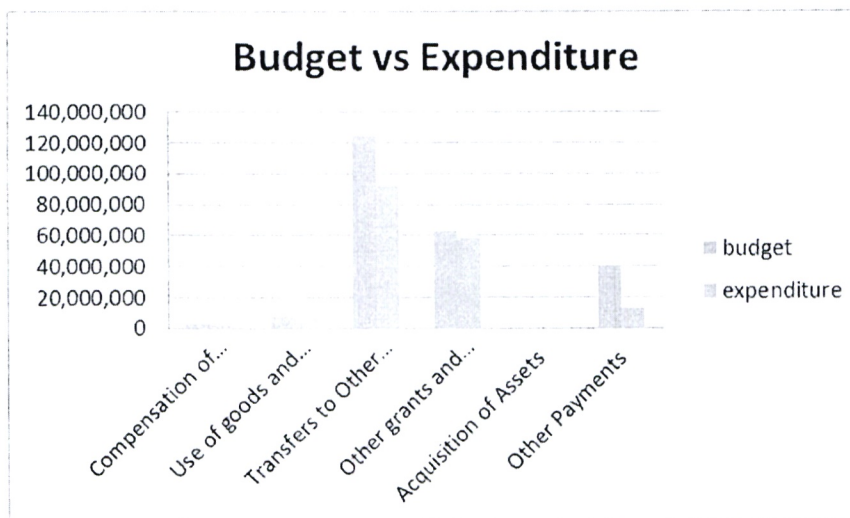


The following are graphs and pie charts showing the constituency performance on budget execution for summarized items of expenditure:

Compensation of Employees	3,286,140.80	2,101,428.00
Use of goods and services	7,375,551.30	7,012,148.00
Transfers to Other Government Units	125,150,000.00	91,760,000.00
Other grants and transfers	62,582,207.00	57,992,046.00
Acquisition of Assets		-
Other Payments	39,737,004.20	12,842,500.00
	0	1,500,000.00
TOTAL	239,630,903.30	171,708,122.00



Ng-CDF fund has enhanced great development by giving Mwala constituency residence a way of meeting their development needs. The fund has aided children from poor families to get education and not forgetting giving schools' opportunity to hold sporting activities. Presented is the constituency Annual Report and Financial Statements for the year ended 30th June 2022. The actual receipt from the NGCDF board for the year 2021/22 was Kshs. 184,677,758. The allocation for the year was Kshs. 137,088,879, other owing from the board was Kshs. 69,488,879 the opening balance was Kshs. 33,053,145. All this formed part of the budget for the year. By the closure of the financial year, a balance of Kshs.21,900,000 of the allocated had not been received as elaborated in the appropriate summary (see graph on appropriation of the budget utilization).



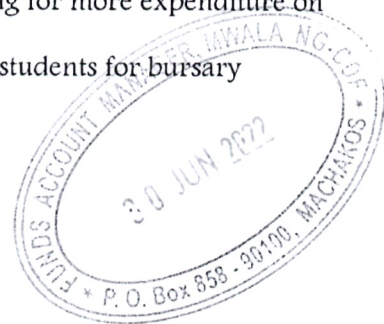


Development Planning

The Constituency Development Funds continue to draw interest of beneficiaries and communities alike. This has seen the receipt of many proposals from communities spanning various sectors. To ensure focus and expedite Constituency development, the Committee is reviewing its strategic plan which is a formalized road map that spells out where the Constituency is going over the next five years in project identification, implementation and management taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030 and related County Integrated Development Plans. The NGCDF Committee is convinced that the strategic plan shall help the Constituency in setting priorities, focusing energy and resources, strengthening operations and ensuring that the Committee, its employees and other stakeholders are working towards a common goal and results.

EMERGING ISSUES RELATED TO MWALA NG-CDF

1. The rapidly increasing population in the constituency demanding for more expenditure on projects e.g. more classrooms
2. Declining sources of income for constituents leading to needier students for bursary
3. Increasing emergency cases due to lack of rainfall



The rapid rate of inflation. This leads to more expenditure on projects than previously projected

4. Influx of the Covid-19 pandemic and related challenges

IMPLEMENTATION CHALLENGES


I. The Covid-19 virus which has paralyzed most of the development project implementation and particularly affected the degree of interaction of the NG-CDFC, staff and constituents.

In this regard the constituency is strictly adhering to the ministry of health directives of social distancing, hand washing and wearing of face masks at all times.

II. Inadequate funds for emergency projects. Most emergency cases are left unfunded because the available funds are not sufficient to meet the increasing emergency

The constituency usually seeks support from other government and non-governmental entities to fund all or some of the emergency cases not factored by Mwala NG-CDF.

III. Lack of knowledge on the part of PMCs on procurement procedures and guidelines.

..... DANSON MWANGI
Name 
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 *MWALA Constituency 2018-2022* plan are to:

Strategic Area One: Education

Objective: Become a national model for education by improving schools' infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Develop and enhance schools' infrastructure to enhance facilities and provide conducive learning environment for children.

Initiative: Enhance and develop social programmes that support education within the constituency.

Strategic Area Two: Environment

Objective: Improve access to clean water and a more sustainable and conserved environment in Mwala through natural resources conservation initiatives

Initiative: Initiate and enhance conservation programs within the constituency

Initiative:

Water and Sanitation: To ensure water sustainability in the Constituency.

Strategic Area Three: Security

Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

Initiative: Improving infrastructure and servicedelivery

Strategic Area Four: Sports

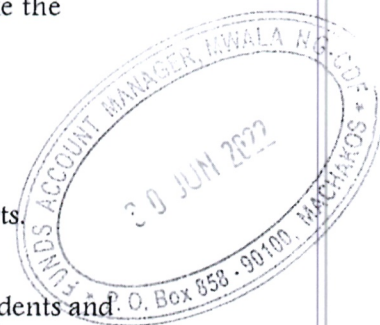
Objective: Empower and develop youth and special groups to reduced dependence and spur economic growth through sports

Initiative: Develop and empower youth and special groups through sports.

Strategic Area Five: Information Communication and Technology (ICT)

Objective: Enhance access to information and technology by Mwala residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.



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 Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	Number of classrooms increased from 510 to 530 Number of laboratories increased from 5 to 7 Number of dormitories increased from 7 to 10 Number of administration blocks increased from 12 to 14
Environment	Conserved environment through natural resources conservation initiatives	Environment conservation Equip schools and public facilities with sanitation	Number of sand dams Number of sanitation facilities built in primary and secondary Number of trees	Number of sand dams increased from 13 to 17 Number of sanitation facilities increased from 40 to 52



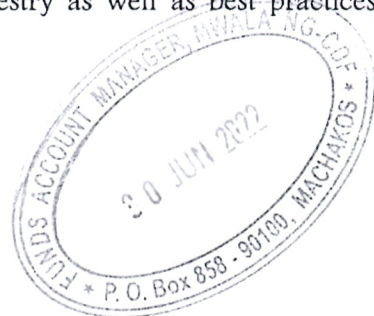
IV. Environmental and Sustainability Reporting

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

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

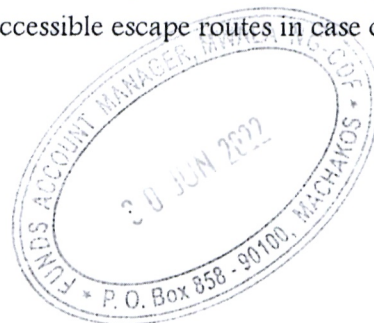
- a. Monitoring and continuously improving our environmental performance.
- b. Seeking to leverage our environmental impact by encouraging stakeholderstoimprove their environmental performance

3. Employee welfare

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

MWALA 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

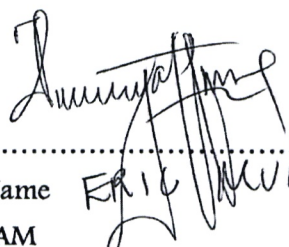
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.


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

Public Awareness

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

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


.....
Name **ERIC MWANGI**
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-MWALA 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-MWALA 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- MWALA Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

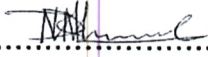
The Accounting Officer in charge of the NGCDF MWALA Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external

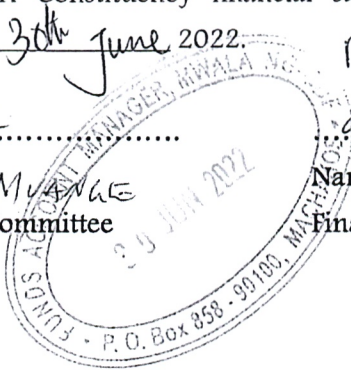
MWALA Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

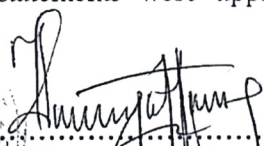
financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared 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- MWALA Constituency financial statements were approved and signed by the Accounting Officer on 30th June 2022.


.....
Name: DAWSON MWANGI
Chairman – NGCDF Committee




.....
Name: ERIC MWANGI
Finance Account Manager