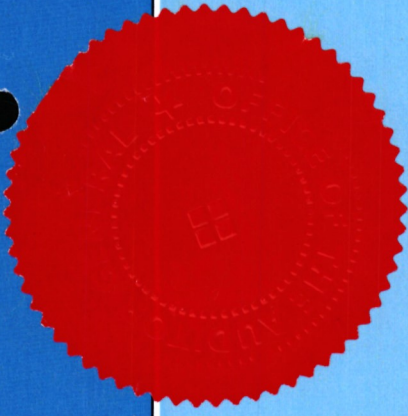
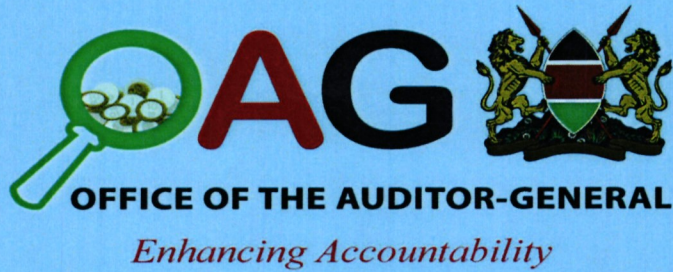


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

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Wednesday

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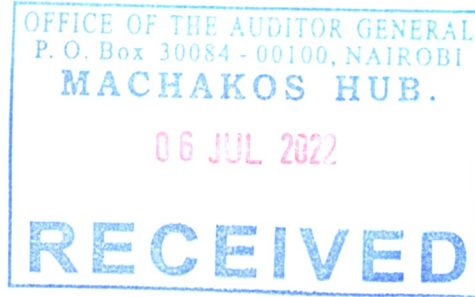
OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**



MWALA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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*Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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

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

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Eric Munyao
2.	Sub-County Accountant	Lucy Matee
3.	Chairman NGCDFC	Danson Muange
4.	Member NGCDFC	Dominic Mutiso

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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.

(a) Mwala Constituency NGCDF Headquarters

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



***Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

(a) Mwala Constituency NGCDF Contacts

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

(b) Mwala Constituency NGCDF Bankers

Kenya Commercial Bank (Account no.1106340353)
Masii Branch
P.O Box 400-90101

(c) Independent Auditors

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

(d) Principal Legal Adviser

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

*Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

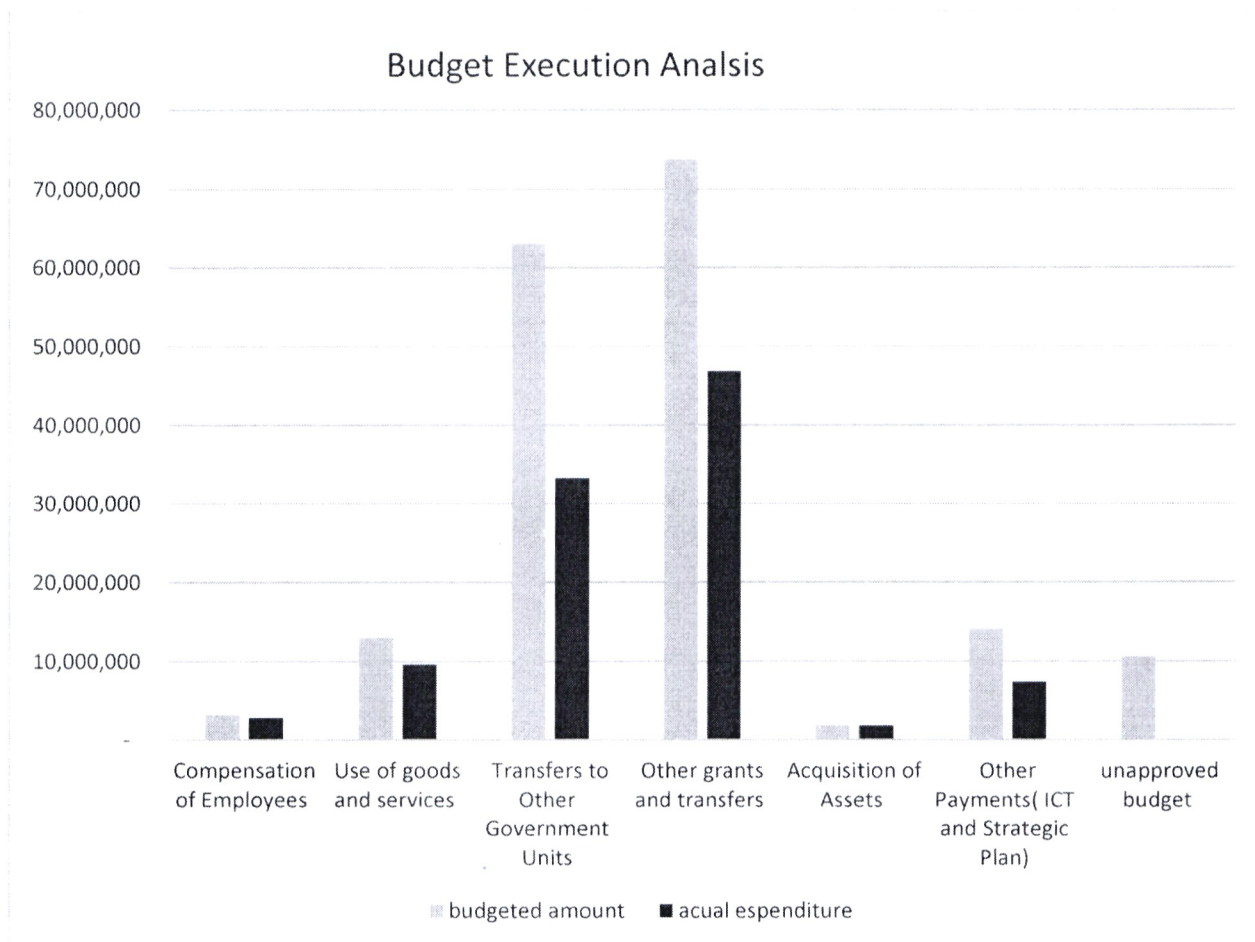
I. NG-CDFC CHAIRMAN'S REPORT

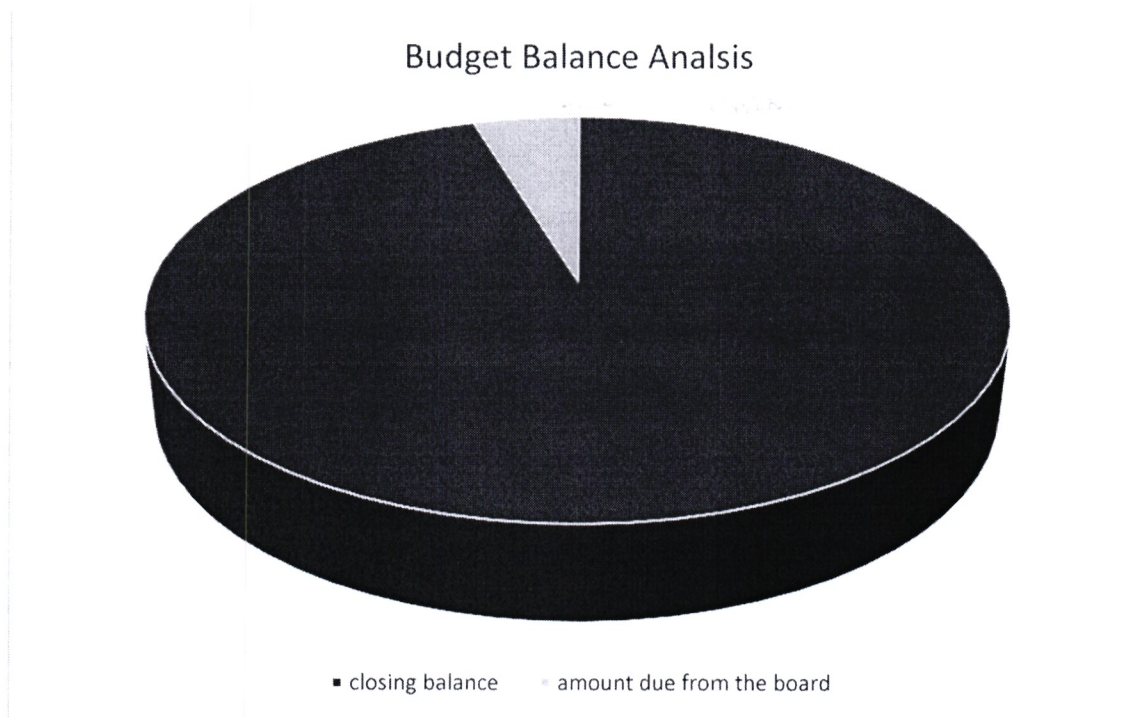


The following are graphs and pie charts showing the constituency performance on budget execution for summarized items of expenditure:

	Final Budget	Actual on Comparable Basis
Compensation of Employees	3,766,020	2,935,794
Use of goods and services	12,529,508	9,876,982
Transfers to Other Government Units	108,312,069	65,600,000
Other grants and transfers	122,492,894	108,072,650
Acquisition of Assets	0	0
Other Payments	24,499,510	9,122,482

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 2021. The actual receipt from the NGCDF board for the year 2020/21 was Kshs. 179,467,724. The allocation for the year was Kshs, 137,112,879, other owing from the board was Kshs. 95,855,724 and the opening balance was Kshs. 49,181,329. All this formed part of the budget for the year. By the closure of the financial year, a balance of Kshs.53, 488,879 of the allocated had not been received as elaborated in the appropriate summary (see graph on appropriation of the budget utilization).





Achievements and Major Undertakings

During the year, the Committee disbursed a total of Kshs.85,247,100 as bursary to needy students in secondary, tertiary institutions and this benefitted a total of over 2,000 student Major physical facilities funded are infrastructure such as classrooms, administration blocks, laboratories, dormitories, toilets, lockers and chairs, desks and equipping of laboratories and libraries. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally.

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

***Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

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.

To mitigate the above, the committee during the year 2020/2021 scaled up its capacity building programmes for NGCDF Committee, Project Management Committees and staff on various aspects of NGCDF projects management. These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2020/2021.

I wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions even performing better and attaining better assessments in its performance targets for FY 2020/2021

Sign



DANSON MUANGE

CHAIRMAN NG-CDF COMMITTEE

I. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

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.

Mwala is a constituency whose latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2022) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sought to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, healthcare for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NG-CDF Mwala Constituency's *2018-2022* plan are to: In underscoring the above, the key development objectives of NGCDFC-Mwala Constituency's 2018-2022 plan included but not limited 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

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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 service delivery

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

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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
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Constituency Program	Objective	Outcome	Indicator	Performance
Security	Equip, facilitate and enhance capacity of provincial administration and other security organism order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 9 to 12 Number of assistant chiefs' offices increased from 1 to 8 Number of police lines increased from 2 to 3
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 15 to 20

II. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/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 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

2. Environmental performance

**Environment Policy and
Action Plan**

Protection of the environment in which we live and operate is part of Mwala NG-CDF initiatives.

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Mwala NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our NG-CDF and staffs so that we all working accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Mwala NG-CDF has identified four areas in which we as an office have indirect environmental impact and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> • Promote environmental awareness by sensitizing the Mwala NG-CDFC, NG-CDFC staff and PMCs on good conservation practices • To encourage, through regular communication to Mwala NG-CDFC, staff, and other stakeholders changes in individual behavior to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none"> • To maximize use of available technologies to remove the need to use paper • To encourage our clients to engage with us using electronic means where possible • To maximize on rain water harvesting • To make energy efficiency a key factor in the selection of any new energy device being purchased • To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	<ul style="list-style-type: none"> • To promote use of volt guards to control power surges • We have constructed culverts and gabions to prevent soil erosion • To encourage tree planting in the constituency to improve the forest cover. • To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	<ul style="list-style-type: none"> • To ensure that all paper waste is recycled • To ensure segregation of waste • To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

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. Mwala constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

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 practises-

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 interests

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.

I. 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.

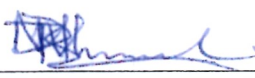
The Accounting Officer in charge of the NGCDF-Mwala Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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, 2021, 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.

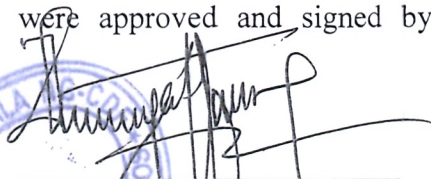
The Accounting Officer in charge of the NGCDF Mwala Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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 2021.



Chairman NGCDF Committee
Name: Hanson Mwangi



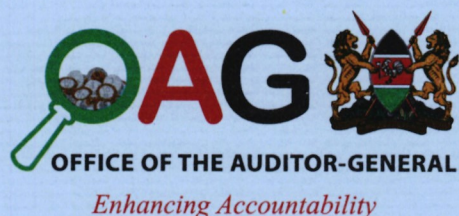
Fund Account Manager
Name: ERIC MUNYA



xix

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MWALA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Mwala Constituency set out on pages 21 to 55, which comprise of the statement of assets and liabilities as at 30 June, 2021, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Mwala Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

Review of the financial statements for the year ended 30 June, 2021 presented for audit revealed the following:

- i. The statement of assets and liabilities reflects a fund balance brought forward of Kshs.49,181,329 which differs with the balance of Kshs.48,653,145 disclosed in Note 13 to the financial statements. The resultant difference of Kshs.528,184 was not explained.
- ii. The summary of fixed assets register at Annex 4 reflects a historical cost brought forward balance of Kshs.26,474,434 which differs with the balance in the prior year audited financial statements of Kshs.26,991,434 by an unexplained variance of Kshs.517, 000. Further, the assets register reflected assets valued at Kshs.699,000 acquired in the year. However, the assets were not disclosed as additions during the year at Annex 4.
- iii. The statement of assets and liabilities reflects the period of the financial statements as 2019/2020 and 2018/2019 instead of the correct years of 2020/2021 and 2019/2020.
- iv. The Report on budget execution by sectors and projects reflects a utilization difference of Kshs.109,675,724 which differs with recalculated amount of Kshs.109,575,724. The variance of Kshs.100,000 was not explained.
- v. The Summary statement of appropriation reflects original payments budget total of Kshs.137,112,879 instead of the calculated total of Kshs.137,100,878 resulting in an unexplained difference of Kshs.12,001. Further, final receipts budget is reflected as Kshs.282,149,932 and final expected expenditure of Kshs.282,137,932 resulting to an unexplained variance of Kshs.12,0000.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Expenditure

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects expenditure of Kshs.108,072,650 in respect of other grants and transfers. Included in the balance is Kshs.73,775,600 relating to bursary disbursements to tertiary institutions. However, the supporting documents reflected bursary disbursements amounting to Kshs.50,617,900 resulting to an unexplained variance of Kshs.23,157,700.

In addition, Included in the transfers is the amount of Kshs.1,055,900 under bursary to tertiary institutions which was spent on students training in various driving schools. However, Management did not explain how the various driving schools were identified for bursary disbursements and did not provide details of the number of students booked for the driving test and how many passed. Further, approved criteria for selection, records of the details of the student's enrolment numbers, registration numbers and their contacts were not provided for audit verification.

In the circumstances, the regularity and completeness of expenditure of Kshs.1,055,900 disbursed to driving schools could not be ascertained.

3. Misclassification of Expenditure

Included in the expenditure of Kshs.108,072,650 in respect of other grants and transfers is an amount of Kshs.55,550 relating to social security programmes. However, the amount relates to employees National Hospital Insurance Fund deductions which should have been classified under compensation of employees.

In the circumstances, other grants and transfers were overstated by Kshs.55,550.

4. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities as disclosed in Note 10A to the financial statements reflect cash and cash equivalents balance of Kshs.33,053,146. However, review of the bank reconciliation statements revealed unrepresented cheques amounting to Kshs.21,719,755 out of which Kshs.5,203,820 were stale cheques totalling to which had not been written back to the cashbook.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.33,053,146 could not be confirmed.

5. Inaccuracies in the Project Management Committees' Account Balances

Review of Project Management Committee (PMC) bank account balances of Kshs.16,714,589 disclosed in Note 17.4 and Annex 5 of the financial statements, revealed that balances amounting to Kshs.5,925,868 were not disclosed in Annex 5. Further, PMC bank balances totalling to Kshs.16,714,589 reflected in the financial statements were not supported with bank certificates as at 30 June, 2021.

In the circumstances, it was not possible to confirm the accuracy and completeness of the PMC bank account balances.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects the budgeted receipts Kshs.282,149,932 while the actual receipts was Kshs.228,661,053 resulting in underfunding of Kshs.53,488,879 or 19% of the approved budget. Further, out of the available receipts of Kshs.228,661,053, the actual expenditure was Kshs.195,607,908 resulting in under absorption of the approved budget of Kshs.33,053,145 or 14%.

The underfunding and the under absorption of approved budget negatively affects the implementation of planned projects and service delivery to the public.

2. Unresolved Prior Year Matters

In the audit of the previous year several issues were raised. However, the Management has not resolved the issues or provided any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Anomalies in Projects Implementation

The statement of receipts and payments as disclosed in Note 6 to the financial statements reflects transfers to other government units amounting Kshs.65,600,000 which includes an amount of Kshs.6,150,000 which was disbursed to six (6) Institutions for various projects. However, audit inspection carried out in May, 2022 revealed anomalies in

projects implementation such as poor workmanship, lack of branding, irregular variation of works and reallocation of funds without authority.

In the circumstances, value for money from the expenditure of Kshs.6,150,000 incurred on the Projects could not be confirmed.

2. Delay in Completion of Projects

Review of projects implementation documents revealed that the Fund approved five (5) projects worth Kshs.8,338,514 in the 2017/2018 financial year which remained incomplete. Failure to complete projects for which funds has been allocated is a contravention of the provisions of Regulation 11(1)(j) of the National Government Constituencies Development Regulations, 2016 which states that all projects should receive adequate funding and be completed within three years.

In the circumstances, Management was in breach of law and the residents of Mwala constituency may have been denied the benefits from the planned projects.

3. Failure to Report Utilization of Emergency Fund to National Government Constituency Development Fund (NGCDF) Board

The statement of receipts and payments as disclosed in Note 7 to the financial statements reflect other grants and transfers of Kshs.108,072,650. Included in the transfers is the amount of Kshs.3,800,000 which was used in emergency projects. However, documents were not provided to confirm that the expenditure was reported to the NGCDF Board within thirty days of the occurrence as required by Regulation 20(2) of National Government Constituencies Development Fund Regulations, 2016.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 September, 2022

7. STATEMENT OF RECEIPTS AND PAYMENTS

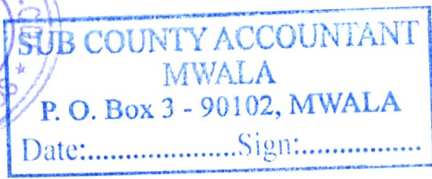
	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	179,467,724	116,678,807
Proceeds from Sale of Assets	2	00	00
Other Receipts	3	12,000	12,000
TOTAL RECEIPTS		179,479,724	116,690,807
PAYMENTS			
Compensation of employees	4	2,935,794	1,975,196
Use of goods and services	5	9,876,982	5,622,870
Transfers to Other Government Units	6	65,600,000	36,750,000
Other grants and transfers	7	108,072,650	25,807,682
Acquisition of Assets	8	00	00
Other Payments	9	9,122,482	00
TOTAL PAYMENTS		195,607,908	70,155,748
SURPLUS/(DEFICIT)		<u>(16,128,184)</u>	<u>46,535,059</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mwala Constituency financial statements were approved on 25th June 2021 and signed by:

[Handwritten Signature]
 Fund Account Manager
 Name: *[Handwritten Name]*

[Handwritten Signature]
 National Sub-County
 Accountant
 Name: LUCY MAFCE
 ICPAK M/No: 13648

[Handwritten Signature]
 Chairman NG-CDF Committee
 Name: *[Handwritten Name]*



8. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	33,053,146	49,181,330
Cash Balances (cash at hand)	10B	00.0	00.0
Total Cash and Cash Equivalents		33,053,146	49,181,330
Accounts Receivable			
Outstanding Imprests	11	00.0	00.0
TOTAL FINANCIAL ASSETS		33,053,146	49,181,330
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	00.0	00.0
Gratuity	12B	00.0	00.0
TOTAL FINANCIAL LIABILITES		00.0	00.0
NET FINANCIAL ASSETS		33,053,146	49,181,330
REPRESENTED BY			
Fund balance b/fwd	13	49,181,329	2,646,271
Prior year adjustments	14	00.0	00.0
Surplus/Deficit for the year		(16,128,184)	46,535,059
NET FINANCIAL POSITION		33,053,146	49,181,330

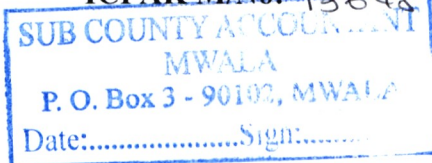
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mwala Constituency financial statements were approved on 30th June 2021 and signed by:

Fund Account Manager
Name:

National Sub-County
Accountant

Name: LUCH MAITEE

ICPAK M/No: 13645



Chairman NG-CDF Committee

Name:

Paulo Mwangi

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

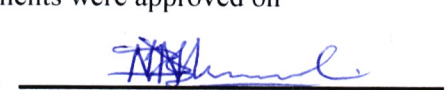
9. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	179,467,724	116,678,807
Other Receipts	3	<u>12,000</u>	<u>12,000</u>
Total receipts		179,479,724	116,690,807
Payments for operating activities			
Compensation of Employees	4	2,935,794	1,975,196
Use of goods and services	5	9,876,982	5,622,870
Transfers to Other Government Units	6	65,600,000	36,750,000
Other grants and transfers	7	108,072,650	25,807,682
Other Payments	9	<u>9,122,482</u>	00.0
Total payments		(195,607,908)	(70,155,748)
Total Receipts Less Total Payments		<u>(16,128,184)</u>	46,535,059
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	(00.0)	(00.0)
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	00.0	00.0
Prior year adjustments	14	00.0	00.0
Net cash flow from operating activities		<u>(16,128,184)</u>	46,535,059
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	00.0	00.0
Acquisition of Assets	9	(00.0)	(00.0)
Net cash flows from Investing Activities		00.0	00.0
NET INCREASE IN CASH AND CASH EQUIVALENT		<u>(16,128,184)</u>	46,535,059
Cash and cash equivalent at BEGINNING of the year	10	<u>49,181,330</u>	2,646,271
Cash and cash equivalent at END of the year		<u>33,053,146</u>	<u>49,181,330</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mwala Constituency financial statements were approved on

June 30, 2021 and signed by

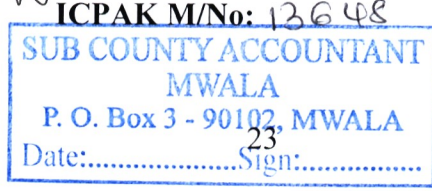
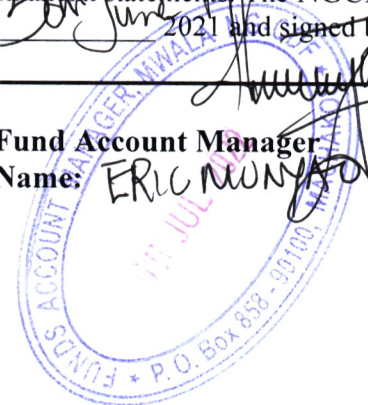
 _____
National Sub-County Accountant

 _____
Chairman NG-CDF Committee

Fund Account Manager
Name: **ERIC MWANGI**

Name: **LUCY MAGEE**
ICPAK M/No: **13648**

Name: **Johnson Mwangi**



*Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

10. SUMMARY STATEMENT OF APPROPRIATION

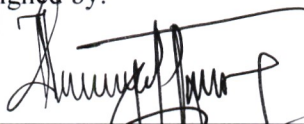
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		a	b			
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	
	Kshs		Kshs	Kshs	Kshs	Kshs
RECEIPTS						
	137,100,879	49,181,330	95,855,724	282,137,932	228,649,053	53,488,879
Transfers from NGCDF Board	00.0	00.0	00.0	00.0	00.0	00.0
Proceeds from Sale of Assets	12,000	00.0	00.0	12,000	12,000	00.0
Other Receipts						
TOTALS	137,112,879	49,181,330	95,855,724	282,149,932	228,661,053	53,488,879
PAYMENTS						
Compensation of Employees	2,508,695		1,257,325	3,766,020	2,935,794	830,226
Use of goods and services	6,720,000		5,809,508	12,529,508	9,876,982	2,652,526
Transfers to Other Government Units	65,650,000		42,662,069	108,312,069	65,600,000	42,712,069
Other grants and transfers	48,922,183		73,570,711	122,492,894	108,072,650	14,420,244
Acquisition of Assets	00.0		00.0	00.0		
Other Payments	13,300,000		11,199,510	24,499,510	9,122,482	15,377,028
Funds pending approval**	00.0		10,537,931	10,537,931		10,537,931
TOTALS	137,112,879		145,037,054	282,137,932	195,607,908	86,530,024

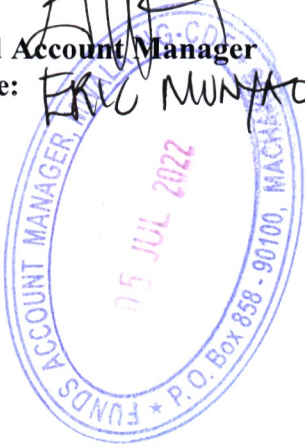
Compensation of Employees	22%	Unremitted AIE's and late remittance
Use of goods and services	20%	Unremitted AIE's and late remittance
Transfers to Other Government Units	39%	Unremitted AIE's and late remittance
Other Grants	11%	Unremitted AIE's and late remittance
Other Payments	61%	Unremitted AIE's and late remittance

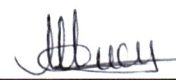
**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

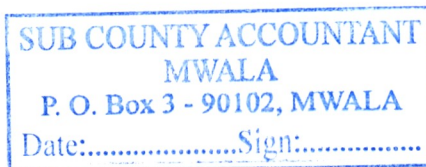
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	86,542,025
Less undisbursed funds receivable from the Board as at 30 th June 2021	(53,488,880)
	33,053,145
Add Accounts payable	0.00
Less Accounts Receivable	(0.00)
Add/Less Prior Year Adjustments	0.00
Cash and Cash Equivalents at the end of the FY 2020/2021	33,053,145


The NGCDF-Mwala Constituency financial statements were approved on 30th June 2021 and signed by:


Fund Account Manager
Name: ERIC MUNKO




National Sub-County Accountant
Name: LUCY MACE
ICPAK M/No: 13648




Chairman NG-CDF Committee
Name: Benson Mwangi

*Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

11. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2020/2021			2020/2021	30/06/2021	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,208,695		1,257,325	3,466,020	2,935,794	818,226
1.2 Committee allowances	2,070,000			2,070,000	5,763,762	
1.3 Use of goods and services	2,500,000		5,809,508	8,309,508	4,113,220	2,652,526
1.4 NSSF	200,000			200,000		
1.5 NHIF	100,000			100,000		
Sub Total	7,078,695	-	7,066,833	14,145,528	12,812,776	3,470,752
2.0 Monitoring and Evaluation						
2.1 Capacity building	850,000			850,000		
2.2 Committee allowances	900,000			900,000		
2.3 Use of goods and services	400,000			400,000		
Sub Total	2,150,000			2,150,000		
3.0 Emergency						
3.1 Primary Schools	7,192,207			7,192,207	622,300	
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
Sub Total	7,192,207			7,192,207		7,192,207
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	5,900,000			5,900,000	11,471,500	
4.3 Tertiary Institutions	1,500,000	23,000,000	73,570,711	98,070,711	73,775,600	64,449,509
4.4 Universities	24,000,000			24,000,000		
4.5 Social Security				-	55,550	
4.6 Mwala online bursary system	2,500,000			2,500,000		

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

b Total	33,900,000	23,000,000	73,570,711	130,470,711	85,302,650	64,449,509
5.0 Sports				-		
5.1 Mwala sport	2,740,000			2,740,000	2,747,000	
				-		
6.0 Environment				-		
6.1 Mumbuni Sand Dam	450,000			450,000		
UsiUmu sand dam	450,000			450,000		
Mwala sand dam	450,000			450,000		
Yathui sand dam	450,000			450,000		
Mwala Technical Training college	100,000			100,000		
SUB Total	1,900,000	-	-	1,900,000	2,747,000	-
7.0 Primary Schools Projects						
(List all the Projects)						
Masii Township Primary School	500,000			500,000		
Katheka 'B' Primary School	500,000			500,000		
Iiani 'B' Primary School	500,000			500,000		
Kinga'tuani Primary School	850,000			850,000		
Makutano AIC Primary School	500,000			500,000		
Muumoni Primary School	500,000			500,000		
St .Mary's Primary School	500,000			500,000		
Masii DEB Primary School	500,000			500,000		
Kavumbu ABC Primary School	500,000			500,000		
Kithangaini Primary School	500,000			500,000		
Mulau ABC Primary School	500,000			500,000		
Kangondi Primary School	500,000			500,000		
Ilinge Primary School	500,000			500,000		
Katheka AIC Primary School	500,000			500,000		
Muusini S.A Primary School	500,000			500,000		
Kathama AIC	500,000			500,000		

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Primary School					
Mithanga AIC Primary School	500,000			500,000	
ABC Kyeenthei Primary School	500,000			500,000	
Kyaitha Primary School	500,000			500,000	
Kitooni Primary School	500,000			500,000	
Mithini ABC Primary School	500,000			500,000	
Kithuia Primary School	500,000			500,000	
Mithuluni Primary School	500,000			500,000	
Utithini Primary School	500,000			500,000	
Nthuluni Primary School	500,000			500,000	
Ngamba Primary School	500,000			500,000	
Mbaani Primary School	500,000			500,000	
Windala Primary School	650,000			650,000	
Kiuukuni Primary School	500,000			500,000	
Matuu Primary School	500,000			500,000	
Mutendeu Primary School	500,000			500,000	
Malaani Primary School	500,000			500,000	
Kaliambeu Primary School	500,000			500,000	
Kisola Primary School	500,000			500,000	
Kikuuni Primary School	500,000			500,000	
Masaw'a Primary School	500,000			500,000	
Kwamutula Primary School	500,000			500,000	
Ulaani Primary School	1,700,000			1,700,000	
Kunikila Primary School	500,000			500,000	
Kathama deb Primary School	500,000			500,000	
Etikoni Primary School	500,000			500,000	
Miseleni Primary School	500,000			500,000	
Mavindini Primary School	500,000			500,000	
Makaalu Primary	500,000			500,000	

*Mwala Constituency National Government Constituencies Development Fund (NGCDF)
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ool					
Kyeengai Primary School	500,000			500,000	
Lema Primary School	500,000			500,000	
Nyaani Primary School	500,000			500,000	
Mbaikini Primary School	500,000			500,000	
Kituiu Primary School	500,000			500,000	
Nduluku Primary School	500,000			500,000	
Mutyangoi Primary School	500,000			500,000	
Kaitha Primary School	500,000			500,000	
Sofia Primary School	500,000			500,000	
Nunga Primary School	500,000			500,000	
Matulani Primary School	900,000			900,000	
Uvanga Primary School	500,000			500,000	
Ikalaasa Primary School	500,000			500,000	
Ngumbau Primary School	500,000			500,000	
Yamalwa Primary School	500,000			500,000	
Katulani Primary School	650,000			650,000	
Kyamboo Primary School	500,000			500,000	
Kaliakundu Primary School	500,000			500,000	
Mumbuni Primary School	500,000			500,000	
Nzololo Primary School	500,000			500,000	
Kamuya Primary School	500,000			500,000	
Kwamutia Primary School	500,000			500,000	
Mbiuni DEB Primary School	1,100,000			1,100,000	
Miu DEB Primary School	1,100,000			1,100,000	
Kwavenge Primary School	500,000			500,000	
Utithi AIC Primary School	800,000			800,000	
Ikumini Primary School	500,000			500,000	
Itumbini Primary	500,000			500,000	

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
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School						
Kavunyu Primary School	700,000			700,000		
Mathunthini Primary School	500,000			500,000		
Kivulusa Primary School	500,000			500,000		
Musaalani Primary School	500,000			500,000		
Kandumbu Primary School	500,000			500,000		
Iiani Primary School	500,000			500,000		
Muvwa'na Primary School	500,000			500,000		
Kwakatunge Primary School	500,000			500,000		
Kasolongo Primary School	600,000			600,000		
Yikiatine Primary school	500,000			500,000		
Kyamwei Primary school	500,000			500,000		
Myanyani Primary School	500,000			500,000		
Kisinzini Primary School	4,000,000			4,000,000		
Kavumbu ABC Primary School	1,000,000			1,000,000		
Kwandoo Primary School	2,500,000			2,500,000		
Kenze Primary School	650,000			650,000		
Mavindini Primary School	650,000			650,000		
Ulaani Primary School	2,500,000			2,500,000		
sub total	56,850,000	26,181,329	15,118,180	98,149,509	90,796,650	37,577,945
8.0 Secondary Schools Projects (List all the Projects)						
Kawaa Secondary School	650,000			650,000		
Ukalani Secondary School	500,000			500,000		
Maweli Secondary School	500,000			500,000		
Kaloleni Secondary School	650,000			650,000		
Embui Secondary School	650,000			650,000		
Kikaso Secondary School	1,000,000			1,000,000		
AIC Kiuanzukini Secondary School	800,000			800,000		

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
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na Girls Secondary School	1,400,000			1,400,000		
Kwandoo Secondary School	650,000			650,000		
Makutano Secondary School	1,000,000			1,000,000		
Kiuukuni Secondary School	500,000			500,000		
ELECTRIFICATION						
0	4,589,977			4,589,977		
10.0 Security Projects						
Kyawango Police Post	1,500,000			1,500,000	13,800,000	
Yathui Police Station	1,100,000			1,100,000		
Sub total	2,600,000	-	-	2,600,000	13,800,000	
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-					
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
				-		
Masii Innovation Hub	1,500,000			1,500,000		
Kabaa Innovation Hub	1,600,000			1,600,000		
Yathui Innovation Hub	1,100,000			1,100,000		
Assistant chief's office - Ulaani	1,500,000			1,500,000		
Masii Innovation Hub	4,000,000			4,000,000	1,500,000	
Kabaa Innovation Hub	600,000			600,000	4,522,482	
Kabaa Innovation Hub	1,000,000			1,000,000		
Yathui Innovation Hub	2,000,000			2,000,000	600,000	
Mwala technical training college					2,500,000	
sub total	13,300,000	-	-	13,300,000	9,122,482	9,122,482

*Mwala Constituency National Government Constituencies Development Fund (NGCDF)
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Funds pending approval**						
Total	137,088,879	49,181,329	95,755,724	282,025,932	172,450,208	109,675,724

12. 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-Mwala 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.

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.

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.

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

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 June 2020 for the period 1st July 2020 to 30th June 2021 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 2021.

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.

13. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO		17,500,000.00	
AIE NO		64,367,724.10	
AIE NO		8,000,000.00	
AIE NO		1,600,000.00	
AIE NO		8,500,000.00	
AIE NO		13,000,000.00	
AIE NO		6,900,000.00	
AIE NO		7,000,000.00	
AIE NO		6,000,000.00	
AIE NO		13,000,000.00	
AIE NO		7,000,000.00	
AIE NO		10,600,000.00	
AIE NO		12,000,000.00	
AIE NO		4,000,000.00	
AIE NO	B041057		30,040,876
AIE NO	B041154		4,000,000
AIE NO	B047335		7,000,000
AIE NO	B047277		6,587,931
AIE NO	B047279		5,050,000
AIE NO	B047788		16,000,000
AIE NO	B047838		7,000,000
AIE NO	B104108		10,000,000
AIE NO	B104424		16,000,000
AIE NO	B096626		15,000,000
TOTAL		179,467,724	116,678,807

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	00	00
Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
Total	00	00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	00	00
Rents	12,000	12,000
Receipts from sale of tender documents	00	00
Hire of plant/equipment/facilities	00	00
Unutilized funds from PMCs	00	00
Other Receipts Not Classified Elsewhere	00	00
Total	12,000	12,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,682,667	1,943,996
Personal allowances paid as part of salary	00	00
House Allowance	00	00
Transport Allowance	00	00
Leave allowance	00	00
Gratuity to contractual employees	1,194,727	00
Employer Contributions Compulsory national social security schemes	58,400	31,200
Total	2,935,794	1,975,196

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	5,763,762	3,736,950
Utilities, supplies and services	9,247	12,200
Communication, supplies and services	9,450	9,450
Domestic travel and subsistence	00	00
Printing, advertising and information supplies & services	54,583	00
Rentals of produced assets	00	00
Training expenses	00	00
Hospitality supplies and services	00	00
Insurance costs	00	00
Specialized materials and services	00	00
Office and general supplies and services	2,657,975	00
Other operating expenses	1,381,965	1,864,270
Routine maintenance – vehicles and other transport equipment	00	00
Routine maintenance – other assets	00	00
Total	9,876,982	5,622,870

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	49,850,000	17,700,000
Transfers to secondary schools (see attached list)	15,750,000	19,050,000
Transfers to tertiary institutions (see attached list)	00	00
TOTAL	65,600,000	36,750,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,471,500	11,636,000
Bursary – tertiary institutions (see attached list)	73,775,600	1,595,000
Bursary – special schools (see attached list)	00	00
Mock & CAT (see attached list)	00	00
Social Security programmes (NHIF)	55,550	
Security projects (see attached list)	13,800,000	3,800,000
Sports projects (see attached list)	2,747,000	2,151,882
Environment projects (see attached list)	00	00
Emergency projects (see attached list)	6,223,000	6,624,800
Total	108,072,650	25,807,682

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	00	00
Construction of Buildings	00	00
Refurbishment of Buildings	00	00
Purchase of Vehicles and Other Transport Equipment	00	00
Overhaul of Vehicles and Other Transport Equipment	00	00
Purchase of Household Furniture and Institutional Equipment	00	00
Purchase of Office Furniture and General Equipment	00	00
Purchase of ICT Equipment, Software and Other ICT Assets	00	00
Purchase of Specialized Plant, Equipment and Machinery	00	00
Rehabilitation and Renovation of Plant, Machinery and Equip.	00	00
Acquisition of Land	00	00
Acquisition of Intangible Assets	00	00
Total	00	00

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	00	00
ICT Hub	9,122,482	00
	9,122,482	00

**Mwala Constituency National Government Constituencies Development Fund (NGCDF)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>KCB, Account No. 1106340353</i>	33,053,145	49,181,329
Total	33,053,145	49,181,329
10B: CASH IN HAND		
Location 1	00.0	00.0
Location 2	00.0	00.0
Location 3	00.0	00.0
Other Locations (<i>specify</i>)	00.0	00.0
Total	00.0	00.0
<i>[Provide cash count certificates for each]</i>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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>	00.0	0.00	00.0	00.0

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	00.0	00.0
Retention held during the year (B)	00.0	00.0
Retention paid during the Year (C)	00.0	00.0
Closing Retention as at 30 th June D= A+B-C	00.0	00.0

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	00.0	00.0
Gratuity held during the year (B)	00.0	00.0
Gratuity paid during the Year (C)	00.0	00.0
Closing Gratuity as at 30 th June D= A+B-C	00.0	00.0

13. BALANCES BROUGHT FORWARD

	2020-2021 (1st July 2020)	2019-2020 (1st July 2019)
	Kshs	Kshs
Bank accounts	48,653,145	2,646,271
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	48,653,145	2,646,271

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	00.0	00.0	00.0
Cash in hand	00.0	00.0	00.0
Accounts Payables	00.0	00.0	00.0)
Receivables	00.0	00.0	00.0
Others (<i>specify</i>)	00.0	00.0	00.0
TOTAL	00.0	00.0	00.0

14. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	00.0	00.0
Imprest issued during the year (B)	00.0	00.0
Imprest surrendered during the Year (C)	00.0	00.0
closing accounts in account receivables D= A+B-C	00.0	00.0

a. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	00.0	00.0
Deposit and Retentions held during the year (B)	00.0	00.0
Deposit and Retentions paid during the Year (C)	00.0	00.0
closing account receivables D= A+B-C	00.0	00.0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	00.0	00.0
Construction of civil works	00.0	00.0
Supply of goods	00.0	00.0
Supply of services	00.0	00.0
	00.0	00.0

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	00.0	00.0
Others (<i>specify</i>)	00.0	00.0
	00.0	00.0

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	830,226	1,257,325
Use of goods and services	2,652,526	5,809,508
Amounts due to other Government entities (see attached list)	29,554,369	42,662,069
Amounts due to other grants and other transfers (see attached list)	27,577,944	73,570,711
Acquisition of assets	0.00	11,199,510
Others (<i>specify</i>)	15,177,028	10,537,931
Funds pending approval	10,537,931	
	86,330,024	145,037,054

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (See Annex 5)	16,714,588.85	145,037,057.00
	16,714,588.85	145,037,057.00

*Mwala Constituency National Government Constituencies Development Fund (NGCDF)
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16. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	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.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
	Sub-Total			
	Grand Total			

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		830,226		
Use of goods & services		2,652,526		
Amounts due to other Government entities		42,712,069		
Sub-Total				
Amounts due to other grants and other transfers		14,420,244		
Sub-Total				
Acquisition of assets		0		
Others (<i>specify</i>)		15,177,028		
Sub-Total				
Funds pending approval		10,537,931		
Grand Total		86,330,024		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost 2020/2021 (Kshs) 2018/19
Land	374,000	-	-	374,000
Buildings and structures	9,200,000	-	-	9,200,000
Transport equipment	5,800,000	-	-	5,800,000
Office equipment, furniture and fittings	8,900,000	-	-	8,900,000
ICT Equipment, Software and Other ICT Assets	660,434	-	-	660,434
Other Machinery and Equipment	1,540,000	-	-	1,540,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	26,474,434			26,474,434

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

S/NO:	PMC NAME(PROJECT NAME)	PMC ACC: NO:	PMC ACC: BALANCE AS @ 30/06/2021
1	ST JOHNS KANGII SEC SCHOOL	1202593682	715,367.00
2	AIC KIUANZUKINI SEC SCHOOL	1176693107	999,953.50
3	MWAASUA SEC SCHOOL	1183437811	114
4	MUTHETHENI DAY SEC SCHOOL	1282903020	195
5	KIMUUNI SEC SCHOOL	1202897207	53,395.00
6	ST MARTIN'S UTITHI SEC SCHOOL	1203453744	248,765.00
7	KASOLONGO SEC SCHOOL	1283976919	475,170.00
8	ST STEPHENS SEC SCHOOL	1170903142	65,760.00
9	KWA MUTULA SEC SCHOOL	1152428926	535
10	KABAA DAY SEC SCHOOL	1157033113	53,954.50
11	KIUNDWANI SEC SCHOOL	1202233252	25
12	MUTULA DAY SEC SCHOOL	1263286828	29,520.00
13	KASOLONGO SEC SCHOOL	1283976919	475,170.00
14	LEMA GIRLS SEC SCHOOL	1182456197	71,834.50
15	MASII POLICE STATION	1283229595	398,800.00
16	KIBAUNI POLICE STATION	1282703889	420
17	MBIUNI POLICE STATION	1279221038	100,460.00
18	ETIKONI ASST CHIEF'S OFFICE	1284380289	139,400.00
19	MUTHWANI ASST CHIEF'S OFFICE	1285940857	300,000.00
20	NYAANYAA ASST CHIEF'S OFFICE	1283688646	4,560.00
21	MAKILIVA ASST CHIEF'S OFFICE	1284437345	141,900.00
22	KABAA ASST CHIEF'S OFFICE	1285686098	300,000.00
23	NGULINI ASST CHIEF'S OFFICE	1283578727	300,000.00
24	MUKAA ASST CHIEF'S OFFICE	1283635275	299,395.00
25	ITUMBULE ASST CHIEF'S OFFICE	1283635178	299,395.00
26	KAMUTHWA ASST CHIEF'S OFFICE	1284317390	89,880.00
27	NDITHINI ASST CHIEF'S OFFICE	1284530760	300,000.00
28	NGUNGI ASST CHIEF'S OFFICE	1285928733	300,000.00
29	EMBUI ASST CHIEF'S OFFICE	1284437221	35,190.00
30	MATULANI ASST CHIEF'S OFFICE	1283898888	760
31	KWAMUTULA ASST CHIEF'S OFFICE	1263626661	300
32	KYETHIVO ASST CHIEF'S OFFICE	1283688565	89,880.00
33	KIONYWENI ASST CHIEF'S OFFICE	1283772264	760
34	KANG'ETHE ASST CHIEF'S OFFICE	1283858673	93,800.00
35	KIUNDWANI ASST CHIEF'S OFFICE	1284530736	300,000.00
36	KYANGANGA ASST CHIEF'S OFFICE	1208524097	89,914.50
37	KALAU PRIMARY	1171224249	4,760.00
38	KALIAMBEU ASST CHIEFS OFFICE	1285686055	44,880.00

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39	KAMUYA PRIMARY	1182273424	105,970.00
40	KATHAMA AIC PRIMARY SCHOOL	1182345077	100
41	KIKUUNI PRIMARY SCHOOL	1178233073	800
42	KISAANI PRIMARY	1182071333	200
43	KITANGE PRIMARY SCHOOL	1199296929	1,584.20
44	KITWAMBA PRI	1182229034	239,900.00
45	KUNDU PRIMARY	1202794394	150,215.00
46	KUSYONDONGA PRI SCHOOL	1167337204	104,079.65
47	KYAIMU PRI SCHOOL	1280085053	400
48	KYAITHA PRIMARY SCHOOL	1175697508	1,770.00
49	KYENI PRI SCHOOL	1211493628	2,450.00
50	MAIANI PRIMARY SCHOOL	1200488067	221,735.75
51	MATUU PRIMARY SCHOOL	1202387306	100,075.00
52	MISELENI PRIMARY	1181893496	100,559.50
53	MISELENI PRIMARY SCHOOL	1181893496	100,559.50
54	MITHANGA ASST CHIEFS OFFICE	1284437086	760
55	MUANGONI PRIMARY	1279219025	96
56	MUTHETHENI CHIEFS OFFICE	1285940938	100,000.00
57	MUUSINI ASST CHIEFS OFFICE	1284598799	640
58	NTHAANI ASST CHIEFS OFFICE	1270630296	760
59	NYAANYAA ASST	1283688646	4,560.00
60	SYATHANI PRIMARY SCHOOL	1171151853	1,434.50
61	ULAANI PRIMARY SCHOOL	1152382691	202,588.00
62	UTITHI PRIMARY SCHOOL	1171360118	9,809.00
63	UTITHINI PRI SCHOOL	1269874993	405
64	UUNI ASST CHIEFS OFFICE	1252459165	151,000.00
65	UVAINI PRI SCHOOL	1264369158	1,880.00
66	UVATHANI PRIMARY SCHOOL	1285560418	100,000.00
67	WAMUNYU ABC PRIMARY SCHOOL	1181606543	142,080.00
68	WAMUNYU CHIEFS OFFICE	1285941012	-
69	WETAA ASST CHIEFS OFFICE	1284846288	100,000.00
70	AIC KATHYOLI PRIMARY SCHOOL	1153898993	84,210.00
71	IKALAASA PRIMARY SCHOOL	1199274755	126,156.95
72	KABAA PRIMARY SCHOOL	1198559268	446,775.15
73	KALAU PRIMARY SCHOOL	1171224249	4,760.00
74	KATHUKI AIC PRIMARY SCHOOL	1182324525	1,640.00
75	KATITHI PRIMARY SCHOOL	1202757723	500,240.00
76	KIKASO PRIMARY SCHOOL	1184354146	2,543.50
77	KIKULUMI PRIMARY SCHOOL	1167813766	1,885.40
78	KILAATU PRIMARY SCHOOL	1206174951	510,470.00

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79	KILALA PRIMARY SCHOOL	1265352380	9,800.00
80	KISAANI PRIMARY SCHOOL	1182071333	200
81	KITANGE PRIMARY SCHOOL	1199296929	1,584.20
82	KITHIANI PRIMARY SCHOOL	1202078214	500,480.00
83	KITILE PRIMARY SCHOOL	1209515911	2,013.00
84	KITWAMBA PRIMARY SCHOOL	1182229034	239,900.00
85	KIUNDWANI PRIMARY SCHOOL	1167147790	830
86	KIUUKUNI PRIMARY SCHOOL	1280425318	800
87	KOMBE PRIMARY SCHOOL	1283688468	280
88	KONZA PRIMARY SCHOOL	1182436277	500,000.00
89	KUSYONDONGA PRIMARY SCHOOL	1167337204	104,079.65
90	KWAKISAU PRIMARY SCHOOL	1232572683	3,600.00
91	KWAMWONGA PRIMARY SCHOOL	1285940822	134,880.00
92	KYAMBUSYA PRIMARY SCHOOL	1182181317	501,175.00
93	KYAMWEI PRIMARY SCHOOL	1206331720	500,324.50
94	KYOWANI PRIMARY SCHOOL	1274892430	760
95	MAANZONI PRIMARY SCHOOL	1202212069	760
96	MAIANI PRIMARY SCHOOL	1200488067	221,735.75
97	MAKILIVA PRIMARY SCHOOL	1279837373	940
98	MAWELE PRIMARY SCHOOL	1136012303	1,896.55
99	MIKUYUNI PRIMARY SCHOOL	1183419236	310
100	MIONDONI PRIMARY SCHOOL	1129691330	1,766.10
101	MUANGONI PRIMARY SCHOOL	1279219025	96
102	MUKUYUNI PRIMARY SCHOOL	1167210409	121,588.95
103	MUTHETHENI PRIMARY SCHOOL	1271125870	5,160.00
104	MUTHWANI PRIMARY SCHOOL	1182978649	108,650.00
105	MWALA DEB PRIMARY SCHOOL	1198188499	97.8
106	NGANGANI PRIMARY SCHOOL	1168126959	600,548.90
107	NGOMANO PRIMARY SCHOOL	1182277454	640
108	NGULUI PRIMARY SCHOOL	1198264411	44,720.60
109	NGULUNI PRIMARY SCHOOL	1171099738	6,195.00
110	NGUNYUMU PRIMARY SCHOOL	1171604637	732.5
111	SYATHANI PRIMARY SCHOOL	1171151853	1,434.50
112	TULILA PRIMARY SCHOOL	1168206251	167.5
113	UKALANI PRIMARY SCHOOL	1269398059	18,460.00
114	ULAANI PRIMARY SCHOOL	1152382691	202,588.00
115	UTITHINI PRIMARY SCHOOL	1269874993	405
116	VYULYA PRIMARY SCHOOL	1153115352	159,354.50
117	VYULYA PRIMARY SCHOOL	1153115352	9,754.50
118	WAKAELA PRIMARY SCHOOL	1276408560	3,640.00
119	WAMUNYU ABC PRIMARY SCHOOL	1181606543	142,080.00

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120	YIKIATINE PRIMARY SCHOOL	1171432240	6,385.00
121	YOANI PRIMARY SCHOOL	1278038973	2,520.00
122	YATHUI INNOVATION HUB	1241044090	2,100,160.00
123	CONSTITUENCY SPORTS	1198484276	1,790.25
			16,714,588.85

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17. 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	Focal Point person to resolve the issue(Name & Designation	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statement of assets and liabilities and the statement of receipts and payments not signed by the Sub-county accountant as required.	statement of assets and liabilities and the statement of receipts and payments to be signed by the Sub-county accountant as required.	Fund Account Manager	NOT RESOLVED	1 st Nov 2022
	Unbalanced acquisition of assets. The accuracy of Assets register could not be confirmed	The NGCDF office will amend the said variance and provide the correct assets expenditure in the next financial statement	Fund Account Manager	NOT RESOLVED	1 st Nov 2022
	Unconfirmed accuracy of Bank balances	The FAM will liaise with the sub-county treasury office and provide the accurate bank balance after eliminating the unrepresented stale cheques	Fund Account Manager	NOT RESOLVED	1 st Nov 2022
	Completeness, Accuracy and regularity of bursary disbursements	Through the Fund Account Manager, the NG-CDF office will clearly elaborate how bursaries are disbursed within the constituency.	Fund Account Manager	NOT RESOLVED	1 st Nov 2022

