

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY

REPORT

DATE: 08 MAR 2023

DAY

Wednesday

OF

TABLED
BY:

Hon Owen Baya, CBS, MP
Deputy Majority Leader

CLERK-AT
THE-TABLE:

Miriam Moko

THE AUDITOR-GENERAL

ON

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

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

Revised Template 30th June 2021



KINANGO 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)

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. NG-CDFC CHAIRMAN'S REPORT	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES	8
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY.....	11
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES	19
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- KINANGO CONSTITUENCY</i>	20
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	21
VIII. STATEMENT OF ASSETS AND LIABILITIES	22
IX. SUMMARY STATEMENT OF APPROPRIATION	24
X. BUDGET EXECUTION BY SECTORS AND PROJECTS	28
XI. SIGNIFICANT ACCOUNTING POLICIES	37
XII. NOTES TO THE FINANCIAL STATEMENTS.....	40

*Kinango 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
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The Kinango 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	Beatrice Kulaphira Tembe
2.	Sub-County Accountant	Maxwell Buni
3.	Chairman NGCDFC	Augustine Ndegwa Fredrick
4.	Member NGCDFC	Lilian Nyanje

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kinango 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) NGCDF Kinango Constituency Offices
Kinango NGCDF Office Building
Kinango Sub-county Head Quarters
P.O. Box 41
Kinango, Kwale County - Kenya

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

(e) NGCDF Kinango Constituency Contacts

Telephone: (254) 710 629 633
E-mail: cdffkinango@ngcdf.go.ke
Website: www.cdf.go.ke

(f) NGCDF Kinango Constituency Bankers

KCB Bank (K) Limited
Kwale Branch
A/C NO 1108631142
P.O. Box 60-80500
Kwale, Kenya

(b) Independent Auditors

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

(c) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT



Background

Kinango Constituency is geographically located in Kwale County in the southern region of coastal Kenya. It covers a total area of 4,011 square kilometers and borders Lungalunga in the south, Matuga and Changamwe in the east, Kaloleni, Ganze in the North and Voi in West. According to the most recent census data, it has a total population of 249,560 people with a poverty index of 84.5%. Most of Kinango land mass is semi arid.

Administratively, Kinango Constituency is composed of 7 electorate wards; namely: Kinango ward, Mwavumbo ward, Kasemeni ward, Puma ward, Samburu ward, Mackinnon road ward and Ndavaya ward.



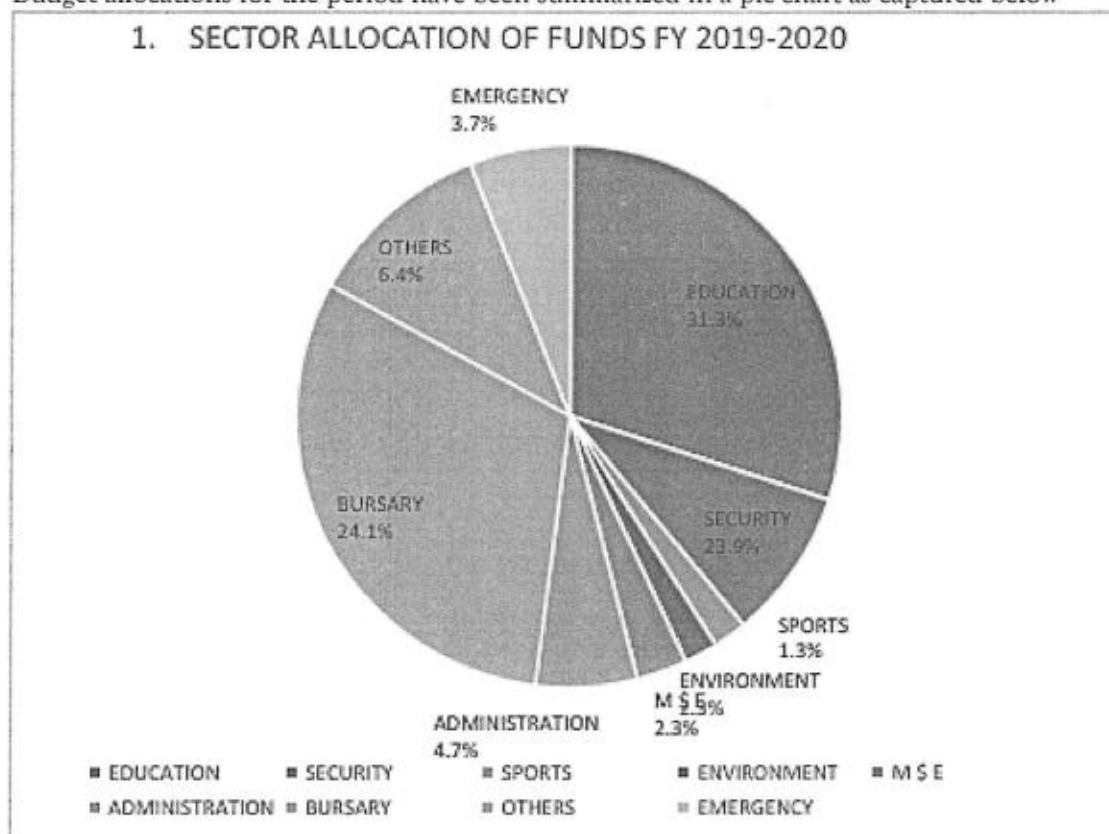
Financial Statement FY 2020-2021

I am pleased to forward the Financial Statements and Reports for NGCDF Kinango Constituency for the period ended 30th June 2021 as the expended Budget for the Financial Year 2020/2021. The actual budget from the NGCDF Board for the referred period was kshs. 137,088,879.10 which represents the total annual Project Proposal Budget for the FY 2020/2021. The actual final budget for the referred period was kshs. 213,415,982 backed up by an Adjustment (unutilized funds balances brought forward) of kshs. 82,127,101.

Total expenditure for the period was Kshs. 173,060,425 which is equivalent to 81% of the actual final budget closing with a unutilized funds balance of Kshs. 40,355,557 representing a 29% of the final actual budget for the referred period

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

Budget allocations for the period have been summarized in a pie-chart as captured below



As depicted in the pie-chart, education has remained a major priority as it takes a lion's share of the entire budget totalling 55.4% comprised of 31.3% being for education infrastructure projects such as construction of classrooms, dormitories, libraries, laboratories, administration blocks, ablution blocks among others and 24.1% being bursaries for needy and bright students both in secondary and tertiary institutions of learning.

Environment allocation has gone along way to conserve the environment through implementation of projects such as construction of VIP toilets to improve waste disposal and planting of trees in schools and public compounds.

Sports allocation has awoken talents harnessing for the youths as they engage in various sporting activities and competitions.

Emergency allocation has come in hand to arrest life threatening calamities mostly caused by mother nature that may not have been prior planned for as they are unforeseen in nature

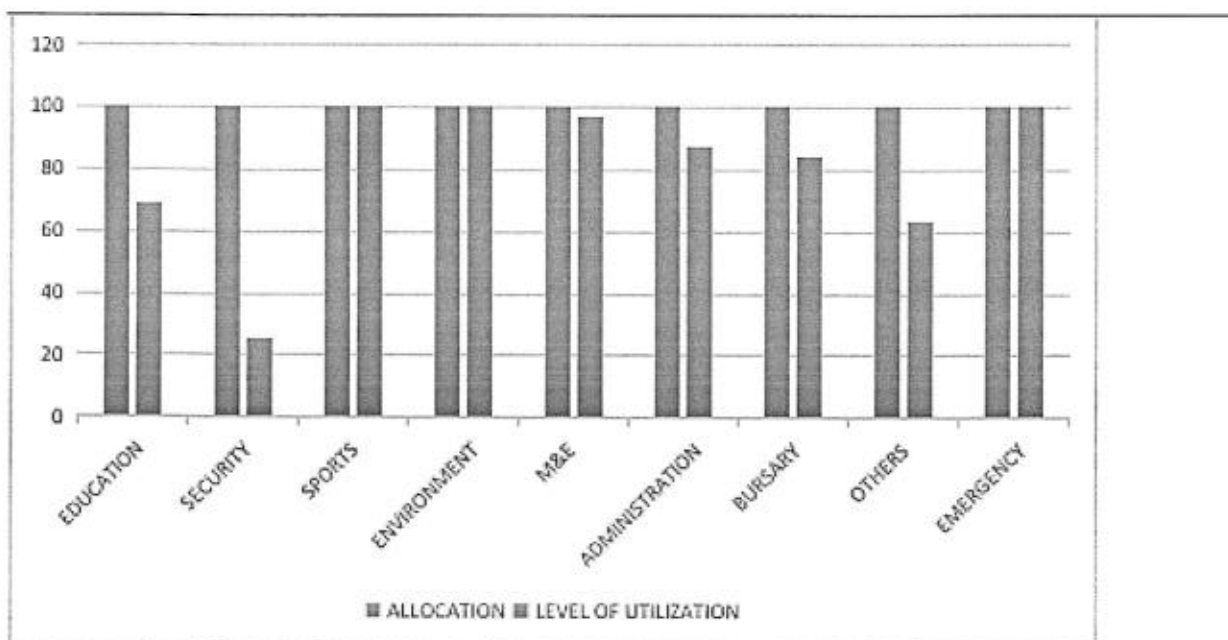
Administration allocation capacitates the committee to manage the fund efficiently and effectively

2. PROJECTS OUT PUT AND LEVEL OF FUND UTILIZATION

The low level of project implementation was due to delays occasioned by late disbursement of funds by the Board coupled with the bureaucracies in the procurement laws which makes it virtually unviable to expend the budget within the required time frame

Hence the less than 100% utilization is as shown in the bar-graph below

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



PERENIAL ISSUES

Kinango Constituency suffers from pre-independence challenges of;

- i) Diseases,
- ii) Illiteracy
- iii) Poverty

As a result, the fund has continuously endeavoured to lead in the fight against illiteracy by supporting education 100% through infrastructure development and students sponsorship, construction of security facilities notable chief's offices and police posts in every village of the constituency and more so promotion of sports and conservation of the environment.

EMERGING ISSUES

- i. Economic collapse caused by covid-19 pandemic
- ii. Climatic changes causing droughts, unpredictable rainfall
- iii. Ban on charcoal burning
- iv. High rural-urban migration by youth due to joblessness thus stripping the community of much needed man-power for development

Despite a few challenges here and there, NG-CDF continues to be one of the most preferred devolved funds at the grassroots by the society due to its broadened and inclusive management style and the visible tangible results that have brought hope to many villages that not so long ago were leaving in despair and ravaging poverty.

Signature

CHAIRMAN NGCDF COMMITTEE

III. 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 including a statement of the national government entity's performance against predetermined objectives.

Kinango Constituency is mainly made up of the semi-arid lands of Kwale County. Thus the main economic activity is small scale farming and animal husbandry. Arable land is majorly semi-arid though the population practice some crop production mainly food crops such as maize, beans, green grams and sim-sim. They also keep some livestock such as cows and goats.

The constituency has people of diverse culture that co-exist and participate in the development of the constituency but majority of the population is composed of the duruma community

Majority of the population is poor and records high illiteracy rate and perennial food deficit. This is one of the biggest challenges that faces the population of Kinango Constituency. In terms of infrastructural development, the constituency lags behind in poor road network, inadequate safe drinking water, schools, security infrastructure and health facilities.

Majority of the population of Kinango Constituency derive their livelihood from subsistence agriculture and livestock keeping. The area experiences unreliable rainfall and the population has perennial shortage of food and has repeatedly to depend on the government for food relief. Thus 65 per cent of the populations are food poor, 43 per cent are hard-core poor meaning that they cannot meet the basic minimum food requirements even after spending all their income on food alone. About 60 per cent of the adult population cannot meet the minimum cost of food and non-food items essential for human life hence are absolutely poor. In terms of gender, 45 percent of the poor are male and 55 percent are female. The highest poverty incidence is found in the hinterland areas of the constituency where majority inhabitants are duruma.

Lack of sufficient and reliable sources of potable water supply and sanitation services in Kinango Constituency have greatly contributed to the high poverty levels inherent of the area. Provision of readily available potable water supply and improved sanitation will impact positively on the livelihoods of the communities by availing adequate time for engagement in farming and other economic activities, eradication of water borne related diseases, improved food security and better health care services.

The constituency has endeavoured to come up with strategic objectives and related programmes and projects that have been formulated to better the livelihoods of the constituents as envisaged in the five year strategic plan (2018-2022). This is a commitment by the Kinango NGCDF Committee to initiate projects for a period of five years that is expected to transform the livelihoods of the constituents for the better.

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

The vision statement is “To be a leader in promoting citizen’s driven socio-economic programmes for sustainable development”.

The strategic objectives include:

- To improve the quality of the socio-economic well-being of the marginalized and vulnerable local communities.
- To contribute in enhancing infrastructure improvement.
- To promote conservation and management of the environment.
- To contribute in reducing unemployment among the youth in the constituency
- To develop and sustain institutional capacity of Kinango Constituency NGCDF Committee

The key development objectives of NGCDF Kinango Constituency’s 2018-2022 plan are to:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In the FY 2020/2021 we increased number of classrooms, sanitation blocks, School buses, Multipurpose halls, Administration offices, Staff quarters, Desks, etc in the following institutions - 2no classrooms to each of the the following primary schools - Dzimanya, Matumbi, Bonje, Chengoni, Mabamani and Boyani primary Schools - Mackinnon Road Girls secondary school bus - Construction of 3no. classrooms at Moyeni primary, Renovation of 10no classrooms at Tsunza Primary - Construction of 100 bed capacity dormitory at Kinango Boys secondary school - Bursary beneficiaries at all levels were sponsored with tuition fees totaling kshs.30,000,000

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

Security	To have all government security agencies within the constituency provided with administration offices and secured working environment	Heightened security within the constituency that guarantees safe working environment and peaceful co-existence of communities and improved service delivery to the citizens	Number of police posts constructed and furnished Number of chiefs offices constructed and furnished	In the FY 2020/2021 the following infrastructure was implemented:- Construction of Samburu Police Station
Environment	Rehabilitation and Conservation of environment	Restoration of nature and protecting nature from degradation and pollution	Number of tree seedlings planted, gabions constructed, water harvesting facilities initiated and pit-latrines constructed	In the FY 2020/2021, we bought water tanks and rain water good to 8no. schools. Mnyenzi Secondary, Yapha Primary, Baha Kwenu Primary, Mubande Primary, Gandini Primary, Kisimani Primary, Shauri Moyo and Chizini Primary Schools
Sports	Promotion of Sports and Sporting activities	Harnessing of youth talents and promotion of peaceful coexistence of communities through social welfare activities such as ball games, boat racing and donkey competitions	Number of teams participated in sponsored sporting events Infrastructures constructed in institutions that providing sporting space Sporting gear and equipment procured for sporting teams	In the FY 2020/2021, we procured sports wear, sporting gear and distributed to foot ball teams 16no teams in our 7no electoral wards that were competing in a tournament that we were sponsoring for the constituency
Social Security Programs	Promotion of social welfare programs and activities	Provision of public amenities that cater for public utilities	Construction of public Dias Procurement of Office motor vehicles that enhance service delivery to the public	In the FY 2020/2021, we paid for NHIF for 718 no of needy constituents

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – Kinango Constituency 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 -

Kinango NGCDF Committee endeavored to work within the existing policy guidelines that help in focusing on the service delivery and drive to better performance with the involvement of both internal and external stakeholders on matters of development. The relevance of this is attributed to our vision, mission and core values as provided for in our strategic plan.

Vision

To be a leader in promoting citizen's driven socio-economic programmes for sustainable development

Mission

To provide an enabling environment to accelerate implementation of socio-economic programmes and projects for the benefit of the communities in Kinango Constituency.

Goal

The goal of Kinango Constituency Development Fund Committee is to improve the socio-economic well being of the marginalized and underprivileged communities.

Core Values

The core values are integral part of an organization's culture and create a sense of identity belonging and purpose. Kinango NGCDF Committee has therefore agreed to uphold the following principles as its core values:-

Team work – *We are deliberately nurturing team spirit, collaboration and consultation and we shall maximize our synergies in working together.*

Customer Satisfaction – *We are committed to satisfying both our internal and external customers.*

Integrity – *We aim to be accountable, transparent, ethical and honesty and at the same time adopt a zero tolerance to corruption.*

Gender Equity – *We shall embrace the principles of gender equity, fairness and balance across gender.*

Creativity and Innovativeness – *We shall remain open and pro-active in seeking better methods of delivery of service.*

Commitment – *We will be committed to our set objectives.*

Respect to diverse culture – *We will accommodate every stakeholder regardless of cultural background.*

2. ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Kinango NGCDF initiatives

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

Our Environmental Policy

In this policy statement Kinango NGCDF 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 CDFC and staff so that we all work in 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

Kinango NGCDF has identified four areas in which we as an office have direct or 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:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> ● Promote environmental awareness by sensitizing the KinangoNGCDFC,NG CDFC staff and PMCs on good conservation practices ● To encourage, through regular communication to Kinango NGCDFC, staff, and other stakeholders changes in individual behaviour 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

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

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
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3. EMPLOYEE WELFARE.

Employee welfare is a specialty within the broader field of management that focuses on managing employees. It is the efficient and effective process of acquisition, development, motivation and maintenance of labour at optimum levels. It is strategic; and it matches people to the strategic and operational needs of the organization, and ensures that the human resources are fully utilized. It is also holistic in nature, and is concerned with the overall people requirements of an organization. It ensures that an organization's people as the most important resource are taken in consideration, as well as, its financial and technological resources.

Categories of Employment

Kinango NGCDF offers two categories of employment, namely - Contractual employment which engages employees for 3 years on a renewable contract subject to satisfactory performance and Temporary employment that offers a 1 year open contract also renewable subject to satisfactory performance and assignments availability.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payments system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

Available job vacancies are advertised by the NGCDF Office - Kinango constituency with the blessings of the NGCDF Committee Kinango constituency

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job.
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

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

Letters of Appointment

A written contract of service that is signed by the NGCDF Committee Chairman is then issued, which stipulates specifications of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Health, Safety and Well Being

This provides guidelines on the health, safety and well-being of the office staff

Guidelines to General Safety

The office has maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, flood etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisors should make a claim for compensation in accordance with the procedures set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and well being of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offense for any person to discriminate another on the ground of actual, perceived or suspected HIV status. It is the responsibility of the Fund Account Manager in liaison with NGCDF

Committee to minimize the

risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screenings shall not be a requirement for job seekers, recruitment or for persons in employment. Screenings shall be confidential, voluntary and shall be after counseling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NGCDF Committee.

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Persons with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities. The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities.

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use of visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

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

Bullying—which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believe that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

4. MARKET PLACE PRACTICES

The National Government Constituencies Development Fund NGCDF was designed to support constituencies at the grassroots fight inequalities of the marginalized and alleviate poverty. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and ensure equitable distribution of development in line with the NGCDF Act 2015 (as amended in 2016)

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

a) Responsible competition practice.

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and material to the projects.

How the organization ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) Responsible marketing and advertisement—outline effort to maintain ethical marketing practices

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) Product stewardship

In order to safeguard consumer rights and interests, Kinango NGCDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complain handling and to resolve complaints as quickly as possible

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification, Implementation and Monitoring and Evaluation is a core indicator of transparency and accountability in the management of public resources

The NGCDF Act 2015 (as amended in 2016) stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NGCDF Committee shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NGCDF Committee shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NGCDF Committee to the NGCDF Board.

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.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs.

When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognizing that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more reviews gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensure their concerns are reconsidered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

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

Public Awareness and Sensitization Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NGCDF projects.
- Ensuring implementation of NGCDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carry out social audits as means to enhanced accountability in management of other devolved funds apart from NGCDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NGCDF
- Identify control and report any irregularities witnessed during NGCDF project implementation cycle
- Measure the impact of the projects funded by NGCDF

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

- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Government's directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- Through Kenya Ports Authority distributed 2,000 bottles of 500mls alcoholic sanitizers to the community free of charge.
- The office purchased 120 hand wash pots and basins that were redistributed to the Government offices within the constituency
- Through The National Youth Service the office distributed 4,000 facial masks
- Printing of brochures disseminating information regarding Corona Virus protection measures

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Kinango 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-Kinango 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- Kinango 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 Kinango 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- Kinango Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.



Chairman NGCDF Committee
Name: *Fredrick Ndegwa*



Fund Account Manager
Name: *Beatrice K. Tembe*

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KINANGO 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 Kinango National Government Constituencies Development Fund - Kinango Constituency set out on pages 21 to 66,

*Report of the Auditor-General on National Government Constituencies Development Fund - Kinango Constituency
for the year ended 30 June, 2021*

which comprise of the statement of assets and liabilities as at 30 June, 2021, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund – Kinango Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Statutory Deductions

The statement of receipts and payments and corresponding Note 4 to the financial statements reflects compensation of employees of Kshs.3,258,090 which includes payments of gratuity to contractual employees of Kshs.522,434. Records provided reflect that the gratuity was paid to four (4) members of staff during the year under review. However, evidence of statutory deductions from the payments, and accounting for the same to Kenya Revenue Authority in line with Section 37 of the Income Tax Act, 2007 Cap 470 was not provided for audit.

In the circumstances, the propriety of the expenditure of Kshs.522,434 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.219,215,981 and Kshs.173,060,425 respectively, resulting to a shortfall of Kshs.46,155,556 or 21% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.219,215,980 and Kshs.139,316,891 respectively, resulting in underperformance amounting to Kshs.79,899,089 or 36% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Kinango Constituency.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, However, the Management has not resolved the issues or given 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 matter 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

Projects Implementation Status

The projects implementation status report as at 30 June, 2021 provided for audit review indicated that the Fund had twenty-two (22) projects with approved budget of Kshs.83,250,000. Out of this amount, one (1) project with a funding allocation of Kshs.21,250,000 had not been completed and was ongoing at roofing level. Further, physical inspection of nine (9) projects with a total allocation of Kshs.42,550,000 in the month of April, 2021 revealed that seven (7) projects had been completed and were awaiting handing over to the user while one (1) project entailing construction of a new storey building with an allocation of Kshs.21,250,000 was at roofing level. Failure to use the projects for the intended purposes casts doubt on justification for the project and whether it was really a priority to the public.

In the circumstances, value for money on the uncompleted and completed but not in use projects could not be confirmed.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk Management and 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 overall 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 Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk Management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk Management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 October, 2022

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


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	165,801,047	117,540,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		165,801,047	117,540,876
PAYMENTS			
Compensation of employees	4	3,258,090	1,454,278
Use of goods and services	5	9,986,414	9,129,249
Transfers to Other Government Units	6	69,378,318	51,500,000
Other grants and transfers	7	56,544,069	47,146,376
Acquisition of Assets	8	-	9,530,431
Other Payments	9	150,000	-
TOTAL PAYMENTS		139,316,891	118,760,334
SURPLUS/(DEFICIT)		26,484,156	(1,219,459)


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



Fund Account Manager
Name: Beatrice Ki Tembe



National Sub-County
Accountant
Name: MAXWELL BWITI
ICPAK M/No:



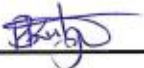
Chairman NG-CDF Committee
Name: Fredrick Ndegwa

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


VIII. 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	33,743,534	7,259,378
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		33,743,534	7,259,378
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		33,743,534	7,259,378
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		33,743,534	7,259,378
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balance b/fwd		7,259,378	8,478,837
Prior year adjustments	14	-	
Surplus/Deficit for the year		26,484,156	(1,219,459)
NET FINANCIAL POSITION		33,743,534	7,259,378

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



Fund Account Manager
Name: *Beatrice K. Tambo*



**National Sub-County
Accountant**
Name: *MAXWELL BUI*
ICPAK M/No:




Chairman NG-CDF Committee
Name: *Fredrick Ndegwa*


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


STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	165,801,047	117,540,876
Other Receipts	3	-	-
Total receipts		165,801,047	117,540,876
Payments for operating activities			
Compensation of Employees	4	3,258,090	1,454,278
Use of goods and services	5	9,986,414	9,129,249
Transfers to Other Government Units	6	69,378,318	51,500,000
Other grants and transfers	7	56,544,069	47,146,376
Other Payments	9	150,000	-
Total payments		139,316,891	109,229,903
Total Receipts Less Total Payments			
Adjusted for:		-	-
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
		26,484,156	8,310,972
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(9,530,431)
Net cash flows from Investing Activities		-	(9,530,431)
NET INCREASE IN CASH AND CASH EQUIVALENT		26,484,156	(1,219,459)
Cash and cash equivalent at BEGINNING of the year	10	7,259,378	8,478,837
Cash and cash equivalent at END of the year		33,743,534	7,259,378

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


 Fund Account Manager
 Name: Beatrice Ki Temba


 National Sub-County
 Accountant
 Name: MAXWELL BWANI
 ICPAK M/No:


 Chairman NG-CDF Committee
 Name: Fredrick Ndegwa

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

IX. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget a		Adjustments b		Final Budget c=a+b		Actual on comparable basis d		Budget utilization difference e=c-d		% of Utilization f=d/c %	
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	Kshs	30/06/2021	Kshs	Kshs	Kshs		
RECEIPTS												
Transfers from NGCDF Board	137,088,879		7,259,378	74,867,723	219,215,981		173,060,425		46,155,556		78.9%	
Proceeds from Sale of Assets					0		-		-		0.0%	
Other Receipts					0		-		-		#DIV/0!	
TOTALS	137,088,879		7,259,378	74,867,723	219,215,981		173,060,425		46,155,556		78.9%	
PAYMENTS												
Compensation of Employees	2,352,800		1,802,452		4,155,252		3,258,090		897,162		78.4%	
Use of goods and services	9,985,199		142,425		10,127,624		9,986,414		141,210		98.6%	
Transfers to Other Government Units	63,250,000		5,164,501	53,683,540	122,098,041		69,378,318		52,719,723		56.8%	
Other grants and transfers	61,500,880			19,489,087	80,989,967		56,544,069		24,445,898		69.8%	
Acquisition of Assets				1,695,096	1,695,096		-		1,695,096		0.0%	
Other Payments			150,000.00		150,000		150,000		-		100.0%	

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

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	b	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021				2020/2021	30/06/2021		
Funds pending approval**								
TOTALS	137,088,879		7,259,378	74,867,723	219,215,980	139,316,891	79,899,089	63.6%

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

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

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. There was 78.4% for compensation to employees since the remaining figure was a reserve for staff salaries as we await for funding for the next financial year.
- ii. The 56.8% fund utilization of transfer to other government unit was due to funds that were yet to be received from the Board.
- iii. The 69.8% fund utilization of transfer to other government unit was due to funds that were yet to be received from the Board, whereas some projects were at procurement stage.
- iv. 0% utilization is due to the project being at the procurement process,


(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	79,899,089
Less undisbursed funds receivable from the Board as at 30 th June 2021	46,155,556
	33,743,534
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	33,743,534

The NGCDF-Kinango Constituency financial statements were approved on _____ 2021 and signed by:



Fund Account Manager
Name: Beatrice K. Tembe



National Sub-County
Accountant
Name: MAXWELL BUNI
ICPAK M/No:



Chairman NG-CDF Committee
Name: Fredrick Ndegwa

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

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

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on Comparable Basis 30/06/2021 Kshs	Budget utilization Difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Year's Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,352,800.00	1,802,452.00		4,155,252.00	3,258,090.00	897,162.00
1.2 Committee allowances	2,800,000.00	45,242.00		2,845,242.00	2,830,995.00	14,247.00
1.3 Use of goods and services	3,072,532.76	1,184.00		3,073,716.76	3,070,716.76	3,000.00
2.0 Monitoring and evaluation						
2.1 Capacity building	1,462,666.38	85,236.99		1,547,903.37	1,453,450.00	94,453.37
2.2 Committee allowances	2,650,000.00	10,762.00		2,660,762.00	2,631,252.24	29,509.76
2.3 Use of goods and services						
3.0 Emergency						
3.1 Primary Schools	7,192,206.90	21,766.00		7,213,972.90	7,186,157.00	27,815.90
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
4.0 Bursary and Social Security						

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on Comparable Basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/BK) and AIA	Previous Year's Outstanding Disbursements			
4.1 Primary Schools	-			-		-
4.2 Secondary Schools	16,000,673.27	2,595.00		16,003,268.27	16,000,000.00	3,268.27
4.3 Tertiary Institutions	14,000,000.00		5,483,000.00	19,483,000.00	19,483,000.00	-
4.4 Universities				-		-
4.5 Social Security	4,308,000.00			4,308,000.00		4,308,000.00
5.0 Sports				-		-
5.1	2,600,000.00	6,607.00	2,100,000.00	4,706,607.00	2,100,000.00	2,606,607.00
5.2				-		-
5.3				-		-
6.0 Environment				-		-
Chizini Primary School		100,000.00		100,000.00	100,000.00	-
Ng'onzini Primary School		100,000.00		100,000.00	100,000.00	-
Dzivani Primary School		100,000.00		100,000.00	100,000.00	-
Mwashanga Primary School		100,000.00		100,000.00	100,000.00	-
Dzombo Primary School		100,000.00		100,000.00	100,000.00	-
Kafuduni Primary School		100,000.00		100,000.00	100,000.00	-
Mgandini Primary School		100,000.00		100,000.00	100,000.00	-

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on Comparable Basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
Miyani Primary School		100,000.00		100,000.00	100,000.00	-
Mbwaleni Primary School		100,000.00		100,000.00	100,000.00	-
Kasageni Primary School		100,000.00		100,000.00	100,000.00	-
Mwalukombe Primary School		100,000.00		100,000.00	100,000.00	-
Gona Primary School		100,000.00		100,000.00	100,000.00	-
Kaluweni Primary School		100,000.00		100,000.00	100,000.00	-
Taru Primary School		100,000.00		100,000.00	100,000.00	-
Kituoni Primary School		100,000.00		100,000.00	100,000.00	-
Mwache Primary School		100,000.00		100,000.00	100,000.00	-
Busho Primary School		100,000.00		100,000.00	100,000.00	-
Mbita Primary School		100,000.00		100,000.00	100,000.00	-
Mazola Primary School		100,000.00		100,000.00	100,000.00	-
Amani Primary School		100,000.00		100,000.00	100,000.00	-
Gangani Primary School		100,000.00		100,000.00	100,000.00	-
Makuluni Primary School		100,000.00		100,000.00	100,000.00	-
Muongano Primary School		100,000.00		100,000.00	100,000.00	-
Mgalani Primary School		100,000.00		100,000.00	100,000.00	-
				100,000.00	-	100,000.00

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on Comparable Basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
Vinyunduni Primary School		75,120.00		75,120.00	74,912.00	208.00
Mnyenzi Secondary School	300,000.00			300,000.00		300,000.00
Gandini Primary School	300,000.00			300,000.00		300,000.00
Kisimani Primary School	300,000.00			300,000.00		300,000.00
Shauri Moyo Primary School	300,000.00			300,000.00		300,000.00
Chizini Primary School	300,000.00			300,000.00		300,000.00
Yapha Primary School	300,000.00			300,000.00		300,000.00
Baha Kwenu Primary School	300,000.00			300,000.00		300,000.00
Mubande Primary School	300,000.00			300,000.00		300,000.00
7.0 Primary Schools Projects (List all the Projects)				-		-
7.1 Dzimana Primary School	2,400,000.00			2,400,000.00	2,400,000.00	-
7.2 Matumbi Primary School	2,400,000.00			2,400,000.00	2,400,000.00	-
7.3 Bonje Primary School	2,400,000.00			2,400,000.00	2,400,000.00	-
7.4 Boyani Primary School	2,400,000.00			2,400,000.00	2,400,000.00	-
7.5 Moyeni Primary School	3,600,000.00			3,600,000.00		3,600,000.00
7.6 Chengoni Primary School	4,400,000.00			4,400,000.00	2,000,000.00	2,400,000.00

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on Comparable Basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
7.8 Mabamani Primary School	4,000,000.00			4,000,000.00	2,400,000.00	1,600,000.00
7.9 Tsunza Primary School	5,500,000.00			5,500,000.00		5,500,000.00
Busho Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Minyenzi Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Ng'onzini Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Dzivani Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Dzombo Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Kafuduni Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Mbwaleni Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Mbita Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Mwangea Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Taru Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Kasageni Primary School			2,200,000.00	2,200,000.00	2,200,000.00	-
Mwalakombe Primary School			2,200,000.00	2,200,000.00	2,200,000.00	-
Gona Primary School			2,200,000.00	2,200,000.00	2,200,000.00	-
Kituu Primary School			1,100,000.00	1,100,000.00	1,100,000.00	-
Mbandi Primary School			400,000.00	400,000.00	400,000.00	-

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on Comparable Basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
Miyani Primary School			2,400,000.00	2,400,000.00	2,400,000.00	-
Gwadu Primary School			140,000.00	140,000.00	138,318.00	1,682.00
Bumani Primary School			140,000.00	140,000.00	140,000.00	-
Chengoni Primary School			210,000.00	210,000.00	210,000.00	-
Matumbi Primary School			210,000.00	210,000.00	210,000.00	-
Gandini South Primary School			210,000.00	210,000.00	210,000.00	-
Pemba Primary School			210,000.00	210,000.00	210,000.00	-
Mbilini Primary School			210,000.00	210,000.00	210,000.00	-
Amani Primary School			210,000.00	210,000.00	210,000.00	-
Mtaa Primary School			210,000.00	210,000.00	210,000.00	-
Samburu Primary School			210,000.00	210,000.00	210,000.00	-
Gulanze Primary School			210,000.00	210,000.00	210,000.00	-
Kifyonzo Primary School			210,000.00	210,000.00	210,000.00	-
Kituoni Primary School			210,000.00	210,000.00	210,000.00	-
Mwanda Primary School			210,000.00	210,000.00	210,000.00	-
Mulunguni Primary School			210,000.00	210,000.00	210,000.00	-
Mabamani Primary School			210,000.00	210,000.00	210,000.00	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
	2020/2021			2020/2021		
Gozani Primary School			210,000.00	210,000.00	210,000.00	-
Mazeras Primary School			210,000.00	210,000.00	210,000.00	-
Bofu Primary School			210,000.00	210,000.00	210,000.00	-
Kibandaongo Primary School			210,000.00	210,000.00	210,000.00	-
Chigutu Primary School			210,000.00	210,000.00	210,000.00	-
Magale Primary School			210,000.00	210,000.00	210,000.00	-
Egu Primary School			200,000.00	200,000.00	200,000.00	-
Kilibasi Special Unit			5,500,000.00	5,500,000.00	-	5,500,000.00
Dumbule Primary School		500,000		500,000.00	-	500,000.00
Kazamoyo Primary School		136,179		136,179.00	-	136,179.00
Tumaini Primary		300,000.00		300,000.00	-	300,000.00
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Kinango Boys Secondary School	10,700,000.00			10,700,000.00		10,700,000.00
8.2 Miaa Secondary School	4,200,000.00			4,200,000.00	2,000,000.00	2,200,000.00
8.3 Kinango Girls Secondary School	21,250,000.00			21,250,000.00		21,250,000.00
Makamini Secondary School			4,000,000.00	4,000,000.00	4,000,000.00	-
Taru Girls Secondary School			1,200,000.00	1,200,000.00	1,200,000.00	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
Vigurungani Secondary School	2020/2021		1,600,000.00	1,600,000.00	1,600,000.00	-
Mwavumbo Secondary School		1,000,000.00	-	1,000,000.00	1,000,000.00	-
Moyeni Girls Secondary School			3,200,000.00	3,200,000.00	3,200,000.00	-
Mackinnon Road Girls Secondary School			3,200,000.00	3,200,000.00	3,200,000.00	-
Mwakijembe Secondary School		45,276.00	204,724.00	250,000.00		250,000.00
Mtaa Secondary School		96,013		96,013.00		96,013.00
Taru Girls Secondary School		85,849		85,849.00		85,849.00
8.4				-		-
9.0 Tertiary institutions Projects (List all the Projects)				-		-
9.1 Kinango Education Office	11,000,000.00		9,000,000.00	20,000,000.00	9,000,000.00	11,000,000.00
9.2				-		-
10.0 Security Projects				-		-
10.1 Samburu Police Station	4,000,000.00			4,000,000.00		4,000,000.00
10.2 Mavivirini Police		400,000.00	-	400,000.00	400,000.00	-
11.0 Acquisition of assets				-		-
11.1 Motor Vehicles (including motorbikes)		24,569.00		24,569.00		24,569.00
11.2 Construction/Renovation of CDF office		70,527.00	1,600,000.00	1,670,527.00		1,670,527.00

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on Comparable Basis 30/06/2021	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
11.3 Purchase of furniture and equipment				-		-
11.4 Purchase of computers				-		-
11.5 Purchase of land				-		-
12.0 Others				-		-
12.1 Strategic Plan		150,000.00		150,000.00	150,000.00	-
12.2 Innovation Hub				-		-
Funds pending approval**				-		-
Total	137,088,879.31	7,259,378.0	74,867,723.00	219,215,980.30	139,316,891.00	79,899,089.30

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

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kinango 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

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

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 xx June 20xx 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.

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

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO. B047177	1		49,540,875.50
AIE NO. B047472	2		4,000,000.00
AIE NO. B041479	3		20,000,000.00
AIE NO. B047928	4		6,000,000.00
AIE NO. B049318	5		14,000,000.00
AIE NO. B104343	6		15,000,000.00
AIE NO. B096588	7		9,000,000.00
AIE NO. B096924	1	15,000,000.00	
AIE NO. B104618	2	20,000,000.00	
AIE NO. A823544	3	34,067,724.00	
AIE NO. B124561	4	9,000,000.00	
AIE NO. B124998	5	8,500,000.00	
AIE NO. B119850	6	12,000,000.00	
AIE NO. B128139	7	6,900,000.00	
AIE NO. B128451	8	7,000,000.00	
AIE NO. B132195	9	6,000,000.00	
AIE NO. B138863	10	13,000,000.00	
AIE NO. B126157	11	7,000,000.00	
AIE NO. B126451	12	10,600,000.00	
AIE NO. B105171	13	4,733,323.00	
	14	12,000,000.00	
TOTAL		165,801,047	117,540,876

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

2. PROCEEDS FROM SALE OF ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,594,128	1,405,455
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	522,434	-
Employer Contributions Compulsory national social security schemes	141,528	48,823
Total	3,258,090	1,454,278

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	2,830,995	2,579,990
Utilities, supplies and services	21,230	45,903
Communication, supplies and services		
Domestic travel and subsistence		
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	1,453,450	1,537,170
Hospitality supplies and services		
Other committee expenses	2,548,500	2,490,000
Committee allowance	-	-
Insurance costs	357,974	532,602
Bank Charges	17,836	1,317
Specialized materials and services	-	-
Office and general supplies and services	1,786,894	1,405,855
Other operating expenses	565,192	459,414
Routine maintenance – vehicles and other transport equipment	404,343	76,998
Routine maintenance – other assets	-	-
Total	9,986,414	9,129,249

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

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)	55,178,318	44,000,000
Transfers to secondary schools (see attached list)	14,200,000	7,500,000
Transfers to tertiary institutions (see attached list)		
TOTAL	69,378,318	51,500,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	16,000,000	17,025,000
Bursary – tertiary institutions (see attached list)	19,483,000	12,517,000
Bursary – special schools (see attached list)	-	0
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security projects (see attached list)	400,000	4,488,203
Sports projects (see attached list)	2,100,000	1,693,393
Environment projects (see attached list)	2,374,912	1,024,880
Emergency projects (see attached list)	7,186,157	10,397,900
Education Office	9,000,000	
Total	56,544,069	47,146,376

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	9,530,431.00
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	0	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	0	9,530,431.00

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	150,000	-
ICT Hub	-	-
	150,000	-

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

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 Bank, NGCDF Kinango Constituency Account A/C no.1108631142</i>	33,743,534	7,259,378
	-	-
	-	-
Total	33,743,534	7,259,378
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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

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>
N/A		-	-	-
N/A		-	-	-
N/A		-	-	-
N/A		-	-	-
N/A		-	-	-
N/A		-	-	-
Total		-	-	-

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

12A. RETENTION

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

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

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

[Provide short appropriate explanations as necessary]

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

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	33,743,534	7,259,378
Cash in hand	-	
Imprest	-	
Total	33,743,534	7,259,378

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST*

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	897,162	1,802,452.00
Use of goods and services	141,210	142,424.99
Amounts due to other Government entities (see attached list)	52,719,723	58,848,041.00
Amounts due to other grants and other transfers (see attached list)	24,445,898	19,489,088.00
Acquisition of assets	1,695,096	1,695,096.00
Others (<i>specify</i>)	-	150,000.00
Funds pending approval		
	79,899,089	82,127,102

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	24,180,829.09	11,473,853.77
	24,180,829.09	11,473,853.77

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
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					

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

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				

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

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		897,162	1,802,452	
Use of goods & services		141,210	142,425	
Amounts due to other Government entities		52,719,723	58,848,041	
Sub-Total		53,758,095		
Amounts due to other grants and other transfers		24,445,898	19,489,087	
Sub-Total		24,445,898	19,489,087	
Acquisition of assets		1,695,096	1,695,096	
Others (<i>specify</i>)			150,000	
Sub-Total		1,695,096	1,845,096	
Funds pending approval				
Grand Total		79,899,089	82,127,102	

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

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 (Kshs) 2020/21
Land	10,962,916.00	0.00	0.00	10,962,916.00
Buildings and structures	9,530,431.00	0.00	0.00	9,530,431.00
Transport equipment	470,026.00	0.00	0.00	470,026.00
Office equipment, furniture and fittings	1,082,623.00	0.00	0.00	1,082,623.00
ICT Equipment, Software and Other ICT Assets	27,700,394.00	0.00	0.00	27,700,394.00
Other Machinery and Equipment	10,962,916.00	0.00	0.00	10,962,916.00
Heritage and cultural assets				
Intangible assets				
Total	49,746,390.00	0.00	0.00	49,746,390.00

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

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Chengoni Chief's Office	KCB - Mariakani	1156881722	825	825
Magodzoni Primary School	KCB - Kwale	1153451182	CLOSED	0
Vigurungani Primary School	KCB - Kwale	1205174230	0	0
Guro Primary School	KCB - Mariakani	1207183156	CLOSED	0
Mafundani Primary School	KCB - Kwale	1207293490	CLOSED	0
Kaphingo Primary School	KCB - Mariakani	1206236817	1644.5	1,644.50
Kilibasi Unit for Mentally	KCB - Kwale	1178409996	16,274.50	16,274.50
Malungoni Primary School	KCB - Kwale	1205111565	CLOSED	4,858.00
Chidzaya Primary School	KCB - Kwale	1205178872	619	619
Muungano Primary School	KCB – Mwembe Tayari	1205179216	483	735
Mtulu Primary School	KCB - Mariakani	1157473830	632	632.5
Mbita Primary School	KCB - Ukunda	1156786436	670.95	670.95
Ziaradundo Primary School	KCB - Kwale	1204342588	CLOSED	479.5
Karyaka Primary School	KCB - Kwale	1164763722	CLOSED	949
Mbandi Primary School	KCB - Kwale	1151739189	101,306	605,270.00
Dzimanya Primary School	KCB - Kwale	1178415619	3,708.05	3,708.05
Gwadu Primary School	KCB - Kwale	1203953668	CLOSED	0
Nyari Primary School	KCB - Mariakani	1205634789	568.5	568.5
Maji ya Chumvi Primary School	KCB - Mariakani	1205630899	CLOSED	0.5
Dumbule Primary School	KCB - Kwale	1206849495	918.5	918.5
Gandini South Primary School	KCB - Kwale	1206013664	2,819	2,819.00
Wamasa Primary School	KCB - Kwale	1206573643	270	270
Kinango School for the Deaf	KCB - Kwale	1137131519	757.5	757.5
Nyango Primary School	KCB - Kwale	1159081441	5,656.64	232,647.89
Kilibasi Primary School	KCB - Mariakani	1210455528	54.5	54.5

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Moyeni Secondary School	KCB - Kwale	1124985220	16,467.87	16,467.87
Bofu Secondary School	KCB - Mvita	1128005107	1,946.70	1,946.70
Mwalukombe Girls Sec School	KCB - Kwale	1135345880	543	543
Makamini Secondary School	KCB - Kwale	1132977479	3,355,299	-700
Mwarovesa Secondary School	KCB - Kwale	1120495644	CLOSED	0
Tsunza Secondary School	KCB - Mwembe Tayari	1154843262	10,091	689,020.00
Mwavumbo Secondary School	KCB - Mariakani	1125113677	1,009,112.50	8,312.50
Kinagoni Secondary School	KCB - Mwembe Tayari	3335235931	NOT KCB ACCOUNT	
Nzovuni Secondary School	KCB - Kwale	1129646009	CLOSED	Closed
Mtaa Secondary School	KCB - Mvita	1129066215	2,002,038	2,164.00
Mwabila Secondary School	KCB - Mariakani	1120799996	6,672.50	6,672.50
Matumbi Secondary School	KCB - Mariakani	11077898234	801,620	801,620.85
Mazeras High School	KCB - Mariakani	1126413976	11,933.90	12,385.90
Mwakijembe Secondary School	KCB - Kwale	1126323403	6,199.75	6,199.75
Bang'a Secondary School	KCB - Kwale	1149843888	4,016.50	4,839.50
Mnyenzeni Secondary School	KCB - Mariakani	1126261327	CLOSED	Closed
Mackinnon Road Sec School	KCB - Mariakani	1107818370	192,961.65	192,961.65
Kinango Secondary School	KCB - Kwale	1125632984	118,691.10	118,517.10
Salim Mvurya Secondary School	KCB - Mariakani	1150968303	340.08	340.08
Vigurungani Secondary School	KCB - Mariakani	1112696687	0	0
Malomani AP Post	KCB - Mvita	1178518213	4,209.25	4,037.20
Bofu AP Post	KCB - Mariakani	1178228177	159.35	152.8
Mavirivirini Police Station	KCB - Mariakani	11061325643	1,606.35	1,606.35
St. Joseph Primary School	KCB - Kwale	1258614030	26,115	26,115.00
Mafufuni Primary School	KCB - Mariakani	1258898314	720	72,846.00

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Mlola Primary School	KCB - Mariakani	1258614030	26,115	26,115.00
Tumaini Primary School	KCB - Kwale	1257081551	CLOSED	273,227.00
Yapha Primary School	KCB - Kwale			500.5
Majengo Primary School	KCB - Kwale	1154913643	1,005.75	1,005.75
Kinango Primary School	KCB - Kwale	1259725243	7,124	7,124.00
Mazola Primary School	KCB - Kwale	1274101018	21,937.70	0
Chizini Primary School	KCB - Kwale	1178485587	0	Closed
Ng"onzini Primary School	KCB - Kwale	1278073922	137,950	0
Dzivani Primary School	KCB - Kwale	1274588960	30,840	0
Mwashanga Primary School	KCB - Mariakani	1.13925E+12	NOT KCB ACCOUNT	Invalid A/c
Dzombo Primary School	Co-operative - Mariakani	1.13925E+12	NOT KCB ACCOUNT	Invalid A/c
Kafuduni Primary School	KCB - Mariakani	1274661943	959	0
Mgandini Primary School	KCB - Mariakani	1273892437	1,609.85	675,241.30
Miyani Primary School	Co-operative - Nkrumah	1.14145E+12		
Mbwaleni Primary School	KCB - Mariakani	1274696380	18,358	0
Mbita Primary School	KCB - Kwale	1277891494	73,655	0
Mwangea Primary School	KCB - Mariakani	1276015461	18,293	0
Kituoni Primary School	KCB - Mariakani	1273713389	18,293.85	2,299,975.00
Taru Primary School	KCB - Mariakani	1257097717	214,274.50	72,802.00
Busho Primary School	KCB - Kwale	1274768446	1,365	200
Mnyenzi Primary School	KCB - Mariakani	1274973287	23,11.85	0
Kaluweni Primary School	Co-operative - Mariakani	1.14176E+12		
Taru girls secondary school	KCB - Mariakani	1274668336	16,116.05	0
Bang"aa Chiefs Office	KCB - Kwale			
Makamini Chiefs Office	KCB - Kwale	1260552454	237.2	
Mtaa Chiefs Office	KCB - Mariakani			

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Gandini Chiefs Office	KCB - Kwale	1268344125	17,170.80	129,501.80
Kinango Police	KCB - Kwale	1239656726	CLOSED	188,587.00
Vinyunduni Primary School	KCB - Mariakani	1268426555	2,137	2,137.00
Mabanda Primary School	KCB - Kwale	1268212180	625	158,877.43
Nzovuni Primary School	KCB - Kwale	1257961624	2,132.30	1,646,321.00
Ndavaya Primary School	KCB - Kwale	1267412933	1,098.50	1,161,678.50
Makuluni Primary School	KCB - Mariakani			
Tsunza Secondary School	KCB - Mvita	1154843262	10,091	689,020.00
Vitsakaviri Primary School	KCB - Mariakani	1178414191	1,485.20	34,279.35
Fuleye Primary School	KCB - Mariakani	1261563352	158,077	618,204.00
Lutsangani Primary School	KCB - Kwale	1258447142	17,555	43,036.00
Mnyenzeni Primary	KCB - Mariakani	1274973287	2,311.85	
Mwangea Primary	KCB - Mariakani	1276015461	18,293.85	
Gona Primary	KCB - Mvita	1166135411	-4,100	
Ng'onzini Primary	KCB - Kwale	1278073922	137,950	
Kituu Primary	Cooperative Bank	109911740519	29,529	
Mwalukombe Primary	KCB - Kwale	1276870957	7,615	
Kasageni Primary	Cooperative Bank	1139043999204		
Matumbi Primary	KCB - Mariakani	1285992121	2,398,975.00	
Boyani Primary	KCB - Mariakani	1286826349	2,398,975.00	
Mtaa Primary	KCB - Mariakani	1286814263		
Mabamani Primary	KCB - Kwale	1285154762	1,578,974	
Bonje Primary	KCB - Mariakani	1284948137	2,400,000	
Chengoni Primary	KCB - Mariakani	1286349397	2,398,975	
Makamini Secondary School	KCB - Kwale	1132977479	3,355,299	
Taru Girls	KCB - Mariakani	1274668336	16,116.05	
Mwavumbo Secondary	KCB Bank	1125113677	1,009,112.50	

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Total			24,180,829.09	11,473,853.77

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>Presentation of financial statements</p> <p>The financial statements for the year ended 30 June 2020 presented for audit review had the following presentation anomalies:</p> <p>i) The statement of assets and liabilities as at 30 June, 2020, the statement of receipts and payments, the Summary statement of Appropriation: Recurrent and development are signed by the National Sub County Accountant, however the ICPAK Member number has not been indicated.</p>	<p>The statements are dully signed by the Sub-County Accountant.</p> <p>The Accountant is yet to get the ICPAK Member number.</p> <p>The comparative figure has been correctly captured.</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>ii) Comparative figure for pending staff payables has a nil balance while the certified financial statement for the year ended 30 June, 2019 had a balance of Kshs. 130,139.</p> <p>Consequently, the financial statements do not comply fully with the presentation guidelines prescribed and published by the Public Sector Accounting Standards Board.</p>			
2.0	<p>Use of Goods and Services Unsupported committee Expenses</p> <p>Note 5 to the financial statements for the year ended 30 June, 2020 reflects use of goods and services amounting to Kshs. 9,129,249. Included in this figure is an amount</p>	<p>The management shares notice of meeting through text messages.</p> <p>The monitoring and evaluation reports were not attached to the payment vouchers but rather in the respective file which was</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>of Kshs. 5,069,990 relating to committee allowances, out of which Kshs. 3,411,990 was paid to NG-CDFC Committee members as allowances for monitoring and evaluation. However, the management failed to provide schedules of meetings attended, notices of the meetings, attendance register and CDFC minutes contrary to section 26 (1) of NG-CDF Regulations 2016 which states that; A constituency committee shall carry out monitoring and evaluation of projects at regular intervals and shall submit reports on the monitoring and evaluation exercise</p>	<p>availed for audit however, moving forward, the management shall be attaching them on the vouchers. The attendance register book is available. The CDFC minutes are in the Minutes file but the management shall attach on the payment vouchers</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>in accordance with the guidelines issued under paragraph (1) Consequently, the propriety of Kshs. 3,411,990 paid as committee allowances for the year ended 30 June, 2020 could not be confirmed.</p>			
3.0	<p>Unsupported Bursaries Note 7 to the financial statement for the year ended 30 June, 2020 reflect Kshs. 17,025,000 in respect to Bursary secondary schools and Kshs. 12,517,000 in respect to bursary to tertiary institutions, all totalling to Kshs. 29,542,000 schedules availed for audit amounted to Kshs. 15,463,000 and Kshs. 14,206,000 resulting to variances of Kshs. 1,562,000 and Kshs. 1,689,000 respectively which were not explained nor reconciled. Consequently, the accuracy, validity</p>	<p>The anomalies were caused by not attaching the entire list of beneficiaries. However, the list has been attached to reconcile the difference.</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and completeness of other grants and transfers of Kshs. 29,542,000 for the year ended 30 June, 2020 could not be confirmed.			
4.0	<p>Bank Balances The statement of assets and liabilities as at 30 June 2019 reflects Kshs. 7,259,378 in respect of bank balance. The supporting bank reconciliation statement as at 30 June, 2020 reflects un-presented cheques amounting to Kshs. 28,235,110. However, included in the un-presented cheques of Kshs. 28,235,110 were stale cheques totalling Kshs. 421,426 which had not been reversed in the cash book, thereby understating the cash and bank balance by the same amount. In addition, the bank reconciliation reflected Kshs. 42,052 as payments in bank statements not yet recorded in cashbook, no explanation was provided for the failure to record the same in cashbook.</p>	<p>The cheques were reversed in the cashbook and cheques of similar were raised and payment made. The 42,052 is amount relating to bank charges 2,052 which has since been recorded in the cashbook whereas the 40,000 was an irregular payment made by the bank, however a letter was written to the bank to correct the anomaly.</p>	Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Consequently, accuracy and completeness of bank balance of Kshs.7,259,378 as at 30 June, 2020 could not be confirmed.			

