

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



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# REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 14 AUG 2024 DAY

TABLED BY: HON. OWEN BAYA MP  
DEPUTY LEADER OF THE MAJORITY PARTY

CLERK-AT-THE-TABLE: ESTHER NGINYO

## THE AUDITOR-GENERAL

### NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYALI CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2023



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NYALI CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2023

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

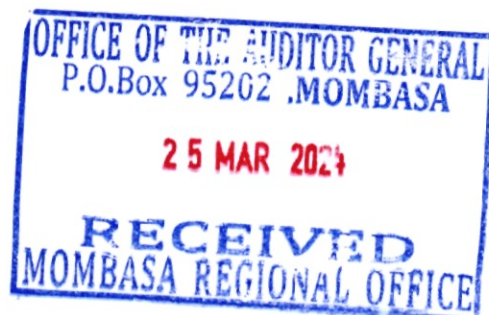


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**I. Acronyms and Abbreviations**

NGCDF-National Government Constituency Development Fund

NGCDFB-National Government Constituency Development Fund Board

NGCDFC- National Government Constituency Development Fund Committee

PFM-Public Finance Management

IPSAS- International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

ARMC- Audit and Risk Management Committee

OSHA- Occupational Safety and Health Act

## II. 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 2022. 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 Nyali 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)

### **Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 202X and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Michael Muema
2.	Sub-County Accountant	Halima Abuu
3.	Chairman NGCDFC	Bonface Munyasia
4.	Member NGCDFC	Khadija Ahmed

### **(c) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Nyali 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.

#### **Nyali Constituency NGCDF Headquarters**

P.O. Box 31-80122  
NG-CDF Building  
Nyali DCC compound  
Mombasa, KENYA

### **(d) Nyali Constituency NGCDF Contacts**

Telephone: (254) 706603681  
E-mail: [cdfnyali@ngcdf.go.ke](mailto:cdfnyali@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(e) Nyali Constituency NGCDF Bankers**

Equity Bank Account number 1140261189476

Kengeleni Branch

P.O.Box 155-80122

Mombasa

**(f) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(g) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

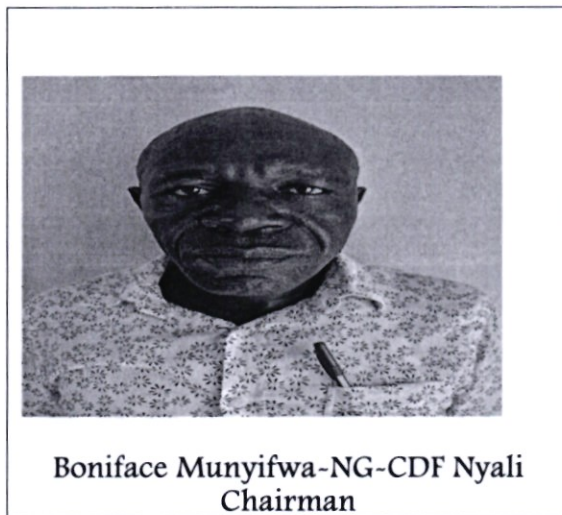
P.O. Box 40112

City Square 00200

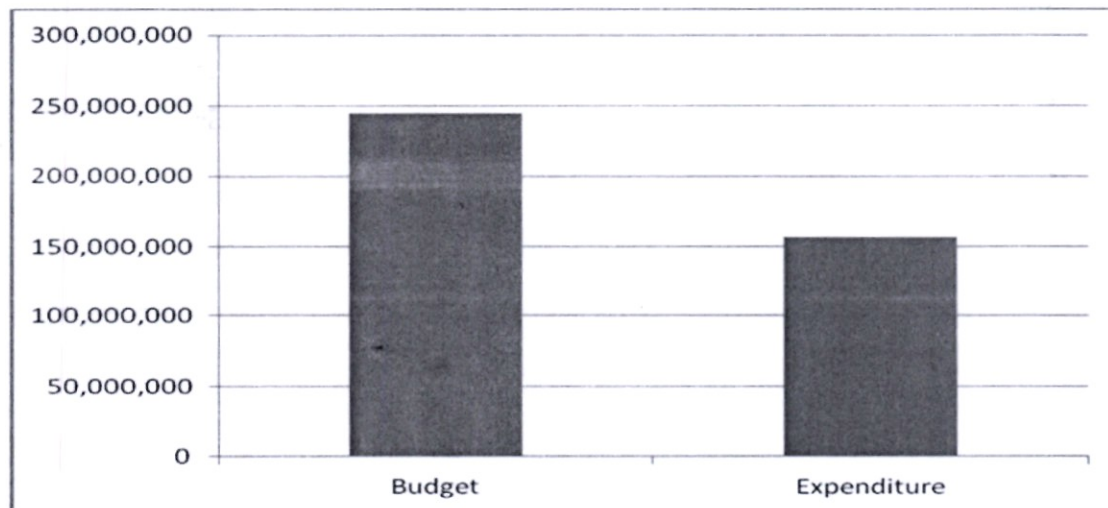
Nairobi, Kenya



### III. NG-CDFC Chairman's Report



NG-CDF Nyali was allocated Kshs.145,087,603 in Financial Year 2022/2023. The total Budget to be spent in Financial year 2022/2023 including the funds not received from NG-CDF Board other receipts and balance brought forward totalled to Kshs.176,945,977. Total Expenditure for the Financial Year totalled to Kshs.102,348,912 which is 58% of the total budget.



Among key successful projects implemented during the financial year include construction of a new dining hall and ultra modern kitchen at Mohamed Ali Girls in Frere town Ward that is the first public funded facility of its kind in secondary schools in the Ward.

Among the normal challenges NG-CDF Nyali has faced the following challenges;

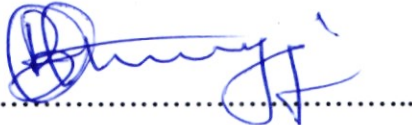
- Delay in receipt of funds from the Board. I urge the Board to expedite release of funds for timely execution of projects.
- Land scarcity that has led to construction of storey buildings in order to economically utilise the little space available for projects. This has however come with additional costs to projects

- Non implementation of two proposed projects due to land conflict. This made the committee to reallocate these funds to other viable projects
- External political influence and interference hampering implementation of projects
- Insufficient funds

Finally, may I take this opportunity to thank the NG-CDF Board for the support they have extended to the constituency and look forward to the same in the new Financial Year? I would also like to thank the Nyali Member of National Assembly for his dedicated leadership and my fellow NG-CDFC Members, the relevant Government Departmental Heads and NG-CDFC Staff with whom we have worked cordially. We look forward to improve lives of Nyali Constituents.

Signature

CHAIRMAN NG-CDF COMMITTEE



BONFACE MUNYIFWA SALASYA  
CHAIRMAN NGCDF COMMITTEE

**IV. Statement of Performance against Predetermined Objectives for FY2022/23**

**Introduction**

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

The key development objectives of *Nyali Constituency 2022-2023* plan are to:

- a) Mobilize resources for development.
- b) Reduce poverty and inequality.
- c) Improve access to quality education.
- d) Improve infrastructure in the constituency.
- e) Improve security in the constituency.
- f) Prevent environmental degradation.
- g) Build capacity to implement development projects.
- h) Promote sports activities in the constituency

**Progress on attainment of Strategic development objectives**

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

Sector	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.	NG_CDF Nyali Constructed dining hall and kitchen at Mohamed Ali Girls secondary school  The number of classrooms increased by 6 after the completion of Kwa bullo primary and school.  More than 3,500 students benefited from bursary.

**Nyali Constituency**

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

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

				awards both at secondary and tertiary levels.
Security	To improve security in the constituency.	Improved security in the constituency.	Number of police posts and staff houses constructed.	NG-CDF Nyali Constructed additional offices at Mwatamba Police station and construction of Khadija Police station which is on going
Environment	To prevent environmental degradation	Improved environmental awareness in the constituency	Number of environmental programmes initiated.	In the FY 2022/20223 NG-CDF Nyali was able to renovate toilets at Mlaleo primary school
Sports	To promote sports activities in the constituency	Increased sports activities in the constituency.	Number of sports activities implemented.	The annual constituency sports programme for 2022/23 is scheduled to take place once the funds are received from the NG-CDF Board
Disaster Management	To manage disasters in the constituency	Improved response to disasters.	Number of disaster management initiatives implemented.	NG-CDF Nyali office has fire extinguishers and a first aid kit in place for use in case of any emergency occurrence.

## V. Statement of Governance

The Nyali NG-CDF is managed by the National Government Constituency Development Fund Committees. The NG-CDFC are appointed in line with the existing NG-CDF Act 2015 and its regulations 2016.

The NG-CDFC members are selected through an appointed NG-CDFC Selection Panel Comprising of the following four persons:

- a) one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- b) the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- c) two persons, one of either gender nominated by the Constituency office.
  - i. This procedure shall start upon receipt of the guidelines on formation of NG CDFC from the NG CDF Board,
  - ii. The FAM shall write a letter to the DCC and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain a record confirming receipt
  - iii. The DCC shall nominate in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.
  - iv. The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
  - v. The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and female youth) and advertise (the applicants shall be given two weeks to submit their applications).
  - vi. The FAM shall then write to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NG-CDFC maintain a record confirming receipt
  - vii. The Constituency Office Manager shall then nominate in writing the two members to the NG-CDFC.
  - viii. The FAM shall write to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintain a record confirming receipt
  - ix. The PWD organization shall nominate in writing a member to the NG-CDFC.
  - x. Applications are received at the NG-CDF office and recorded in the application register.
  - xi. Within one week after the closure of the advertisement, the Selection panel shall convene to shortlist the suitable candidates as per the criteria in the advert. The successful candidates shall then be called for interviews within seven days.
  - xii. The Selection panel shall hold the interviews of the invited candidates and come up with the final list of qualified nominees to the NG-CDFC.
  - xiii. The FAM shall then submit to the NG-CDF Board the report of the selection panel which includes seven nominees and the Nominee of the Board to the NG-CDFC as per the guidelines within seven days.
  - xiv. The FAM shall ensure that the timelines set out in the regulations are adhered to during the process of selection and appointment of NGCDF Committee

The NG-CDFC members to be selected are required to meet the following criteria and qualifications:

- a) is a citizen of Kenya; Committee.
- b) is ordinarily a resident and a voter within the Constituency;
- c) is able to read and write and to communicate in English and Kiswahili;
- d) meets the requirements of Chapter Six of the Constitution; and
- e) is available to participate in the activities of a Constituency Committee.

The persons who have previously served in a Constituency Committee constituted under the Fund or served in a leadership position in the Community were deemed to have an added advantage.

The NG-CDFC members selected are to comprise of the following persons:

- (a) the national government official responsible for co-ordination of national government functions;
- (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (c) two women nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- (e) Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex official member without a vote.
- (g) One member co-opted

A member of the Constituency Committee may be removed from office on any one or more of the following grounds—

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practices;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

The functions of a Constituency Committee is to build the capacity of project management committees; sensitize the Community on the operations of the Fund; consider all project proposals

from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency; ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution; consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding; rank projects proposals in order of priority while ensuring that on-going projects take precedence; ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board; ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund; submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act; collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act; recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act; submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status; enter into performance contracting with the Board on an annual basis; in exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution; receive returns from project management committees in accordance with regulation 15; maintain a database of project management committees and reports from the respective committees; ensure

that the reports referred to in paragraph are received before funding is released for each phase of the project being implemented; record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office; receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level; ensure that the committee does not enter into commitments for which funding has not been allocated; ensure projects are labeled in accordance with the guidelines issued by the Board; and perform any other function assigned to it by the Board.

During the Financial Year 2022-23, the Nyali NG-CDFC Held a total of 14 Meetings to deliberate on the management issues and operations of the fund at the Constituency level. The Nyali NGCDF Committee members are paid a sitting allowance of Ksh 5000 per meeting and Ksh 7000 per meeting for the NG-CDFC Chairpersons. The entity also ensures that members declare their interest in management matters to avoid the conflict of interests.

On matters risk management, the constituency has kept a risk register where all the possible risks are outlined and the potential effect of such risks also outlined and ranked all together from the Low risk level to the Highest risk levels. These risks are monitored throughout the financial year and are consequently treated in case of their occurrence to minimize and eventually avoid such risks. The NG-CDF board has also put in place an Enterprise Risk Management Software to ensure well tracking of all potential risk and consequently mitigation of any such risks



## VI. Environmental and Sustainability Reporting

NYALI NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

### 1. Sustainability strategy and profile -

To ensure sustainability of NYALI NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** NYALI NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

During this financial year, Nyali NG-CDF was able to construct toilets in schools as a way of conserving our environment especially in areas which schools lack such basic amenities. The committee members also plan to include a tree planting exercise in the subsequent financial years to grow and improve on our water catchment areas, together with the construction of a police station to endure the youth get proper sensitization on drug abuse and its effects as this is a major threat to learners

## **3. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Nyali constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

#### **4. Market place practices-**

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

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

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

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

##### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

**Public Awareness**

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

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



.....  
**Michael Muema**  
**Fund Account Manager.**

## VII. 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-NYALI 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, 2023. 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.

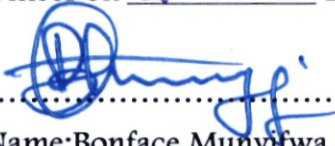
The Accounting Officer in charge of the NGCDF-NYALI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- NYALI 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 NYALI 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- NYALI Constituency financial statements were approved and signed by the Accounting Officer on 25.03 2023/2024.



.....  
Name: Bonface Munyifwa  
Chairman – NGCDF Committee



.....  
Name: Michael Muema  
Fund Account Manager

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYALI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Nyali Constituency set out on pages 1 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of

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*Report of the Auditor-General on National Government Constituencies Development Fund – Nyali Constituency for the year ended 30 June, 2023*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Nyalı Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis), National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects expenditure on compensation of employees amount of Kshs.4,473,772 while the Fund's bank account and statutory deductions schedule amounted to Kshs.5,252,327 resulting to an unexplained variance of Kshs.778,555. Further, the payroll records revealed that a total of Kshs.4,378,732 was paid as compensation of employees while the financial statements reflects an amount of Kshs.4,473,772 resulting to an unexplained variance of Kshs.95,040.

In addition, Note 6 to the financial statements reflects use of goods and services amount of Kshs.7,095,760 which include bank charges of Kshs.11,827, while the bank charges reflected in the bank statements was Kshs.6,000 resulting to an unexplained variance of Kshs.5,827.

In the circumstances, the accuracy and completeness of compensation of employees and bank charges amounting to Kshs.4,485,599 could not be confirmed.

### **2. Unexplained Variance in Social Security Programmes**

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and transfers totalling Kshs.70,496,784, which include an amount of Kshs.4,692,000 in respect of social security programmes (NHIF). However, the supporting schedules provided for audit amounted to Kshs.3,954,000 resulting to an unexplained variance of Kshs.738,000 .

In the circumstances, the accuracy and completeness of social security programmes amount of Kshs.4,692,000 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Nyalı Constituency Management in accordance with ISSAI 130 on



the 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.

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.176,945,977 and Kshs.118,858,374 respectively, resulting to an under-funding of Kshs.58,087,603, or 33% of the budget. Similarly, the Fund spent a balance of Kshs.102,348,912 against actual receipts of Kshs.118,858,374, resulting to an under-utilization of Kshs.16,509,462 or 14% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **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**

#### **Unresolved Prior Year Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Deduct NHIF Contributions**

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employees amount of Kshs.4,473,772. However,

Management failed to deduct NHIF contributions from the employees' salaries contrary to Section 16(1) of the National Hospital Insurance Fund Act, 2012 which requires that a person liable to pay a standard contribution under Section 15 shall pay such contribution through monthly deductions from his salary or other remuneration and the employer of such person shall be liable to deduct and to pay the contribution to the Board on behalf of and to the exclusion of that person.

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

## **2. Lack of Preference and Reservation in Procurement**

The Fund incurred expenditure totalling Kshs.80,215,492 through procurement of works, services and supplies as per the approved code list. However, there was no evidence that the Fund reserved procurement for preference groups as required by Section 53(6) of the Public Procurement and Asset Disposal Act, 2015, which provides that all procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

## **3. Unapproved Domestic Travel and Subsistence**

The statement of receipts and payments reflects use of goods and services amounting to Kshs.7,095,760 as disclosed in Note 6 to the financial statements, which include domestic travel and subsistence amounting to Kshs.181,000. Examination of the ledger and supporting documents revealed that in the three (3) months of October, November and December, 2022, the Fund Account Manager was paid imprest at different rates of between Kshs.11,200 and Kshs.14,000, without any basis of either the job group or approved rate.

In the circumstances, the regularity of domestic travel and subsistence amounting Kshs.181,000 could not be confirmed.

## **4. Failure to Prepare and Table Schedule of Meetings**

The statement of receipts and payments reflects committee expense of Kshs.2,058,000 which includes an amount of Kshs.1,418,000 in respect of committee sitting allowances. However, there was no schedule of annual committee meetings prepared and tabled by the Secretary to the Constituency Committee to discuss and approve so as to ascertain the number of meetings to be held in the financial year. This is contrary to Regulation 7(9)(ii) of National Government Constituencies Development Fund Regulations, 2016 which states that the Secretary shall, at the beginning of every financial year, in consultation with the officer of the Board seconded to the Constituency, prepare and table before a Constituency Committee a schedule of the meetings to be held during the year.

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

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

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

**Nairobi**


**17 May, 2024**


IX. Statement of Receipts and Payments for the Year Ended 30th June 2023


STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2022-2023	2021-2022
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	100,000,000	172,977,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	31,459	-
<b>TOTAL RECEIPTS</b>		<b>100,031,459</b>	<b>172,977,758</b>
<b>PAYMENTS</b>			
Compensation of employees	4	4,473,772	6,242,987
Committee expenses	5	2,058,000	3,942,060
Use of goods and services	6	7,095,760	2,989,183
Transfers to Other Government Units	7	16,468,436	98,610,976
Other grants and transfers	8	70,496,784	62,924,394
Acquisition of Assets	9	-	-
Oversight Committee expenses	10	956,160	
Other Payments	11	800,000	400,000
<b>TOTAL PAYMENTS</b>		<b>102,348,912</b>	<b>175,109,600</b>
<b>SURPLUS/DEFICIT</b>		<b>(2,317,453)</b>	<b>(2,131,842)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 25-03-2024 2023 and signed by:

  
 Fund Account Manager

  
 National Sub-County Accountant

  
 Chairman NG-CDF Committee

Name: Michael Muema

Name: Halima Abuu  
 ICPAK M/No: 12896

Name: Bonface Munyifwa

**Nyali Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**

**X. Statement Of Assets and Liabilities As At 30th June, 2023**


	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	12A	16,509,462	18,826,915
Cash Balances (cash at hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>16,509,462</b>	<b>18,826,915</b>
Accounts Receivable			
Outstanding Imprests	13	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>16,509,462</b>	<b>18,826,915</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
<b>NET FINANCIAL SSETS</b>		<b>16,509,462</b>	<b>18,826,915</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	15	18,826,915	20,958,757
Prior year adjustments	16	-	
Surplus/Defict for the year		(2,317,453)	(2,131,842)
<b>NET FINANCIAL POSITION</b>		<b>16,509,462</b>	<b>18,826,915</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

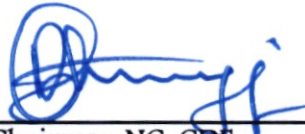
The Constituency financial statements were approved by the NGCDFC on 25.03.2024 and signed by:

  
 Fund Account Manager

Name: Michael Muema

  
 National Sub-County Accountant

Name: Halima Abuu  
 ICPAK M/No: 12896

  
 Chairman NG-CDF Committee

Name: Bonface Munyifwa

*Nyali Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

**XI. Statement Of Cash Flows for The Year Ended 30th June 2023**

STATEMENT OF CASH FLOW		2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	100,000,000	172,977,758
Other Receipts	3	31,459	-
		<b>100,031,459</b>	<b>172,977,758</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	4,473,772	6,242,987
Committee expenses	5	2,058,000	3,942,060
Use of goods and services	6	7,095,760	2,989,183
Transfers to Other Government Units	7	16,468,436	98,610,976
Other grants and transfers	8	70,496,784	62,924,394
Oversight Committee expenses	10	956,160	-
Other Payments	11	800,000	400,000
		<b>102,348,912</b>	<b>175,109,600</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	-	-
<b>Net Adjustments</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>(2,317,453)</b>	<b>(2,131,842)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(2,317,453)</b>	<b>(2,131,842)</b>



*Nyali Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Cash and cash equivalent at BEGINNING of the year	15	18,826,915	20,958,757
Cash and cash equivalent at END of the year		16,509,462	18,826,915


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 25.03.2024 2023 and signed by:



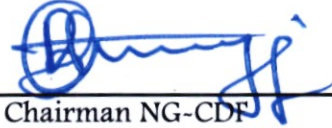
Fund Account Manager

Name: Michael Muema



National Sub-County Accountant

Name: Halima Abuu  
ICPAK M/No: 12896



Chairman NG-CDF Committee

Name: Bonface Munyifwa

*Nyali Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2023*

XII. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2023

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Previous years outstanding Disbursements	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a			c=a+b	d	e=c-d	f=d/c %
RECEIPTS			b				
Transfers from NG-CDF Board	145,087,603	18,826,915	13,000,000	176,914,518	118,826,915	58,087,603	67
Proceeds from Sale of Assets	-			0	0	0	0
Other Receipts		31,459		31,459	31,459	0	100
<b>TOTAL RECEIPTS</b>	<b>145,087,603</b>	<b>18,858,374</b>	<b>13,000,000</b>	<b>176,945,977</b>	<b>118,858,374</b>	<b>58,087,603</b>	<b>67</b>
PAYMENTS							
Compensation of Employees	5,928,540	1,299,369	0	7,227,909	4,473,772	2,754,137	62
Committee expenses	2,256,000	0	0	2,256,000	2,058,000	198,000	91
Use of goods and services	4,763,176	2,503,614	0	7,266,790	7,095,760	183,030	98
Transfers to Other Government Units	52,017,461	0	13,000,000	65,017,461	16,468,436	48,549,025	25
Other grants and transfers	77,166,266	14,327,872	0	91,494,138	70,496,784	20,985,354	77
Acquisition of Assets	0	0	0	0	0	0	0
Oversight committee expenses	956,160	0	0	956,160	956,160	0	100
Other Payments	2,000,000	0	0	2,000,000	800,000	1,200,000	40
Unapproved amount	0	727,519	0	727,519	727,519	727,519	0
<b>TOTAL</b>	<b>145,087,603</b>	<b>18,858,374</b>	<b>13,000,000</b>	<b>176,945,977</b>	<b>102,348,912</b>	<b>74,597,065</b>	<b>58</b>

*Nyali Constituency*


*National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

*Explanatory Notes.*

*(a) The under utilization is as a result of late disbursement of funds from the NG-CDF Board.*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	74,597,065
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	(58,087,603)
	16,509,462
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	16,509,462

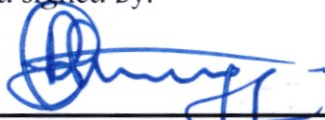
The Constituency financial statements were approved by NG CDFC on 25.03.2024 and signed by:

  
Fund Account Manager

Name: Michael Muema

  
National Sub-County Accountant

Name: Halima Abuu  
ICPAK M/No: 12896

  
Chairman NG-CDF Committee

Name: Bonface Munyifwa

*Nyali Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2023*

XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of utilization(
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Ksh.
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	5,928,540	1,299,369		7,227,909	4,473,773	2,454,136	62%
1.2 Committee allowances	1,616,000			1,616,000	1,418,000	198,000	88%
1.3 Use of goods and services	1,648,716			1,648,716	1,648,716	-	100%
<b>Total</b>	<b>9,193,256</b>	<b>1,299,369</b>		<b>10,492,625</b>	<b>7,540,489</b>	<b>2,952,136</b>	<b>72%</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,750,000			1,750,000	1,750,000		100%
2.2 Committee allowances	640,000			640,000	640,000		100%
2.3 Use of goods and services	1,364,460	2,503,614		3,868,074	3,685,044	183,030	95%
<b>Total</b>	<b>3,754,460</b>	<b>2,503,614</b>		<b>6,258,074</b>	<b>6,075,044</b>	<b>183,030</b>	<b>97%</b>
<b>3.0 Emergency</b>	<b>7,636,190</b>						
3.1 Primary Schools				3,180,000	3,180,000		100%
3.2 Secondary schools							0%
3.3 Tertiary institutions							0%
3.4 Security projects							0%

**Nyali Constituency**

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

**Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of utilization(
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
3.5 Unutilised				2,819,170		2,819,170	0%
<b>Total</b>	<b>7,636,190</b>			<b>7,636,190</b>	<b>4,817,020</b>	<b>2,819,170</b>	<b>53%</b>
<b>4.0 Bursary and Social Security</b>							
4.1 Secondary Schools	26,716,539	3,736,564		30,453,103	30,044,455	408,648	99%
4.2 Tertiary Institutions	17,098,000	5,050,660		22,148,660	22,148,660	-	100%
4.3 Social Security		4,734,000		4,734,000	4,692,000	42,000	99%
4.4 Special Needs	2,000,000	806,648		2,806,648	2,806,648	-	100%
<b>Total</b>	<b>45,814,539</b>	<b>14,327,872</b>		<b>60,142,411</b>	<b>59,691,763</b>	<b>450,648</b>	<b>99%</b>
<b>5.0 Sports</b>							
5.1 Carry Constituency football tournament	2,403,691			2,403,691	1,637,020	766,671	68%
5.2 Regional sports tournament	411,846			411,486		411,846	0%
<b>Total</b>	<b>2,815,537</b>			<b>2,815,537</b>		<b>2,815,537</b>	<b>0%</b>
<b>6.0 Environment</b>							
6.1 Pwani School for the mentally challenged	2,900,000			2,900,000			0%
<b>Total</b>	<b>2,900,000</b>			<b>2,900,000</b>			<b>0%</b>
<b>7.0 Primary Schools Projects (List all the Projects)</b>							
7.1 Kwa Bullo Primary School	7,500,000			7,500,000	3,468,436	4,031,564	46%
7.2 Pwani School for the mentally challenged	17,000,000			17,000,000	-	17,000,000	0%
7.3 Pwani School for the	7,000,000			7,000,000	-	7,000,000	0%

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of utilization(
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
mentally challenged							
7.4 Pentrose Community Primary School	7,500,000			7,500,000	-	7,500,000	0%
7.5 Frere town Primary School			12,000,000	12,000,000	12,000,000	-	100%
7.6 Kongowea Primary School			1,000,000	1,000,000	1,000,000	-	100%
<b>Total</b>	<b>39,000,000</b>		<b>13,000,000</b>	<b>52,000,000</b>	<b>16,468,436</b>	<b>35,531,564</b>	<b>32%</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>							
8.1 Kwa Bullo Secondary School	7,500,000			7,500,000		7,500,000	0%
<b>Total</b>	<b>7,500,000</b>			<b>7,500,000</b>		<b>7,500,000</b>	<b>0%</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>							
9.1 Nyali Technical and Vocational College	5,517,461			5,517,461		5,517,461	0%
<b>Total</b>	<b>5,517,461</b>			<b>5,517,461</b>		<b>5,517,461</b>	<b>0%</b>
<b>10.0 Security Projects</b>							
10.1 Nyali Deputy County Commissioner's office	6,000,000			6,000,000		6,000,000	0%
10.2 Vietnam Police Post	6,000,000			6,000,000		6,000,000	0%
10.3 Khadija Police Post	6,000,000			6,000,000	6,000,000		100%

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of utilization(
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
<b>Total</b>	<b>18,000,000</b>			<b>18,000,000</b>	<b>6,000,000</b>	<b>12,000,000</b>	<b>33%</b>
11.0 Acquisition of assets							
12.0 Oversight Committee expenses							
12.1 Committee expenses	956,160			956,160	956,160	-	100%
<b>Total</b>	<b>956,160</b>			<b>956,160</b>	<b>956,160</b>	<b>-</b>	<b>100%</b>
13.0 Other Payments							
13.1 Strategic Plan	2,000,000			2,000,000	800,000	1,200,000	40%
12.2 Innovation Hub							
<b>Total</b>	<b>2,000,000</b>			<b>2,000,000</b>	<b>800,000</b>	<b>1,200,000</b>	<b>40%</b>
14.0 Unallocated funds							
PMC Savings		727,519			727,519	727,519	0%
<b>Total</b>		<b>727,519</b>			<b>727,519</b>	<b>727,519</b>	<b>0%</b>
<b>Total</b>	<b>145,087,603</b>	<b>18,858,374</b>	<b>13,000,000</b>	<b>176,945,977</b>	<b>102,348,912</b>	<b>74,597,065</b>	<b>58%</b>

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

## **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-Nyali 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)**



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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 Equivalent.**

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

#### ***Significant Accounting Policies continued***

#### **7. Accounts Receivable**

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

is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 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.

*Significant Accounting Policies Continued*

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

**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.

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XIV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NG-CDF BOARD	Kshs	Kshs
AIE NO.B140816		3,800,000
AIE NO.B105254		32,088,879
AIE NO.B105401		34,000,000
AIE NO.B105616		10,000,000
AIE NO.B105904		22,000,000
AIE NO.B128665		5,000,000
AIE NO.B128977		12,000,000
AIE NO.B154174		12,000,000
AIE NO.B164400		18,000,000
AIE NO.B155526		24,088,879
AIE NO.B185219	7,000,000	
AIE NO.B185490	6,000,000	
AIE NO.B185821	15,000,000	
AIE NO.B206071	5,000,000	
AIE NO.B205566	12,000,000	
AIE NO.B205863	12,000,000	
AIE NO.B207625	13,000,000	
AIE NO.B207732	15,000,000	
AIE NO.B207987	15,000,000	
<b>TOTAL</b>	<b>100,000,000</b>	<b>172,977,758</b>

2. Proceeds From Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from the Sale of Buildings	0	-
Receipts from the Sale of Vehicles and Transport Equipment	0	-
Receipts from the Sale Plant Machinery and Equipment	0	-
Receipts from the Sale of Office and General Equipment	0	-
<b>TOTAL</b>	<b>0</b>	<b>0</b>

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3. Other Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	0	-
Hire of plant/equipment/facilities	0	-
Unutilized funds from PMCs	31,459	-
Other Receipts Not Classified Elsewhere (specify)	0	-
<b>TOTAL</b>	<b>31,459</b>	<b>-</b>

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*Notes To the Financial Statements (Continued)*

4. Compensation Of Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,928,850	4,265,230
Personal allowances paid as part of salary		
House allowance	0	-
Transport allowance	0	-
Leave allowance	0	-
Gratuity-contractual employees	431,522	1,815,757
Employer Contributions Compulsory national social security schemes	113,400	162,000
<b>TOTAL</b>	<b>4,473,772</b>	<b>6,242,987</b>

5. Committee Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,418,000	3,640,560
Other committee expenses	640,000	301,500
<b>TOTAL</b>	<b>2,058,000</b>	<b>3,942,060.00</b>



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6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	250,147	29,296
Communication, supplies and services	417,004	59,500
Domestic travel and subsistence	181,000	294,000
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	2,708,500	672,020
Hospitality supplies and services	527,748	91,157
Other committee expenses		
Committee allowance		
Insurance costs	135,668	-
Specialised materials and services	-	37,800
Office and general supplies and services	1,223,464	700,600
Fuel , oil & lubricants	634,700	400,000
Other operating expenses	148,000	417,793
Bank service commission and charges	11,827	22,777
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	731,602	264,240
Routine maintenance- other assets	126,100	-
<b>TOTAL</b>	<b>7,095,760</b>	<b>2,989,183</b>

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*Notes To The Financial Statements (Continued)*

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Primary Schools	16,468,436	36,848,614
Transfers to Secondary Schools	0	61,762,362
Transfers to Tertiary Institutions	0	
<b>TOTAL</b>	<b>16,468,436</b>	<b>98,610,976</b>

8. Other Grants and Other transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary ( see attached list)	30,032,456	23,271,000
Bursary -Tertiary ( see attached list)	22,148,660	23,689,174
Bursary- Special Schools	2,806,648	-
Mocks & CAT ( see attached list)		-
Social Security programmes (NHIF)	4,692,000	4,734,000
Security Projects ( see attached list)	6,000,000	3,750,000
Sports Projects ( see attached list)	1,637,020	4,465,340
Environment Projects ( see attached list)	-	-
Emergency Projects ( see attached list)	3,180,000	3,014,880
Roads Projects	0	-
<b>TOTAL</b>	<b>70,496,784</b>	<b>62,924,394</b>

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*Notes To the Financial Statements (Continued)*

**9. Acquisition Of Assets**

<b>Non Financial Assets</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	0	-
Construction of Buildings	0	-
Refurbishment of Buildings	0	-
Purchase of Vehicles Vehicles and Other Transport Equipment	0	-
Purchase of Household Furniture and Institutional Equipment	0	-
Purchase of office furniture and and General Equipment	0	-
Purchase of ICT Equipment, Software and Other ICT Assets	0	-
Purchase of Specialized Plant, Equipment and Machinery	0	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	-
Acquisition of Land	0	-
Acquisition of Intangible Assets	0	-
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**10. Oversight Committee Expenses**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee allowances	956,160	-
Committee expenses	0	-
<b>TOTAL</b>	<b>956,160</b>	<b>-</b>

**11. Other Payments**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic Plan	800,000	-
ICT Hubs	0	400,000
<b>TOTAL</b>	<b>800,000</b>	<b>400,000</b>

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12. Cash Book Bank Balance

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs	Kshs
<i>Equity Bank, A/C no. 1140261189476, Kengeleni Branch. (main account)</i>	16,509,462	18,826,915
	0	-
	0	-
<b>TOTAL</b>	<b>16,509,462</b>	<b>18,826,915</b>

13. Outstanding Imprests

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2022)</i>
	<b>Date imprest taken</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
			-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
<b>TOTAL</b>		-	-	-

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

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**Notes to the Financial Statement Continued**

**14. Retention and Gratuity**

<b>14A Retention</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1st July (A)	0	-
Retention held during the year (B)	0	-
Retention paid during the Year (C)	0	-
<b>Closing Retention as at 30th June D= A+B-C</b>	<b>0</b>	<b>-</b>

<b>14B Gratuity</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
<b>Closing Gratuity as at 30th June D= A+B-C</b>	<b>-</b>	<b>-</b>

**15. Fund Balance B/F**

	<b>1st July 2022</b>	<b>1st July 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	18,826,915	20,958,757
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>18,826,915</b>	<b>20,958,757</b>

*[Provide short appropriate explanations as necessary]*

**16. Prior Year Adjustments**

	Balance b/f FY 2021/2022 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	0		-
Cash in hand	0	-	-
Accounts Payable	0	-	-
Receivables	0	-	-
Others (specify)	0	-	-
<b>Total</b>	<b>0</b>	<b>-</b>	<b>-</b>

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

**17. Changes In Accounts Receivable – Outstanding Imprests**

	2022-2023	2021-2022
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	0	-
Imprest issued during the year (B)	0	-
Imprest surrendered during the Year (C)	0	-
Closing accounts receivable as at 30th June 2022 (D=A+B-C)	0	-
<b>Net changes in accounts receivables D-A</b>	<b>0</b>	<b>-</b>

**18. Changes In Accounts Payable – Deposits and Retentions**

	2022-2023	2021-2022
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	0	-
Deposits and Retention held during the year (B)	0	-
Deposits and Retention paid during the year ©	0	-
Closing accounts payable at 30th June (D=A+B-C)	0	-
<b>Net changes in accounts payables D-A</b>	<b>0</b>	<b>-</b>

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

**19. Other Important Disclosures**

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

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	0	-
Construction of civil works	0	-
Supply of goods	0	-
Supply of services	0	-
<b>TOTAL</b>	<b>0</b>	<b>-</b>

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

	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Staff gratuity	418,500	409,202
Others (specify)	0	-
	<b>418,500</b>	<b>409,202</b>

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

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,754,137	1,299,369
Committee expenses	198,000	-
Use of goods and services	183,030	2,503,614
Transfer to other government units	48,549,025	-
Amounts due to other grants and other transfers (see attached list)	20,985,354	14,327,872
Acquisition of assets	-	-
Oversight committee expenses	-	-
Other Payments	1,200,000	-
Unallocated funds	727,519	696,061
<b>TOTAL</b>	<b>74,597,065</b>	<b>18,826,916</b>

19.4: PMC account balances (See Annex 5)

PMC	2022-2023	2021-2022
	Ksh	Ksh
PMC Balances	28,495,563	54,139,068
<b>Total</b>	<b>28,495,563</b>	<b>54,139,068</b>



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XV. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount		Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2022-2023	2021-2022	
	a		b	c	d=a-c		
<b>Construction of buildings</b>							
1.							
2.							
3.							
Sub-Total							
<b>Construction of civil works</b>							
4.							
5.							
6.							
Sub-Total							
<b>Supply of goods</b>							
7.							
8.							
9.							
Sub-Total							
<b>Supply of services</b>							
10.							
11.							
12.							
Sub-Total							
<b>Grand Total</b>							

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2023	Comments
<b>NG-CDFC Staff</b>				
1.JUMA MWAGALU MWEMA	DRIVER	01.01.2023	39,060	
2.ESHA MOHAMED JERA	ADMIN.ASSISTANT	01.01.2023	44,640	
3.KENNETH JAGONGO	ACCOUNTANT	01.01.2023	66,960	
4.MEMWINYI RASHID MOHAMED	OFFICE ASSISTANT	01.01.2023	33,480	
5.JAMES NZAMBA	CLERK OF WORKS	01.04.2023	22,320	
6.GEORGE OKELLO	RECORDS MGT ASST.	01.01.2023	39,060	
7.LAURENT MWAURI	ICT ASSISTANT	01.01.2023	39,060	
8.ALWIYA HUSSEIN SHAMUT	RECEPTIONIST	01.01.2023	39,060	
9.MUMINA ABDULKADIR	OFFICE ASSISTANT	01.01.2023	33,480	
10.SHEILA NAITURIAY	PROJECTS CLERK	01.01.2023	33,480	
11.JACKLINE WAYUA MUINDI	OFFICE ASSISTANT	01.01.2023	27,900	
<b>Sub-Total</b>				
<b>Grand Total</b>			<b>418,500</b>	

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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
		Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees	Payment of staff salaries	1,299,369	2,754,136	
1.2 Committee allowances	Payment of ngcdf allowances	-	198,000	
1.3 Use of goods and services		-	-	
<b>Total</b>		<b>1,299,369</b>	<b>2,952,136</b>	
<b>2.0 Monitoring and evaluation</b>				
2.1 Capacity building	Payment of training facility during M&E	-	-	
2.2 Committee allowances	Payment of allowances during M&E	-	-	
2.3 Use of goods and services	Payment of goods for M&E	2,503,614	183,030	
<b>Total</b>		<b>2,503,614</b>	<b>183,030</b>	
<b>3.0 Emergency</b>				
3.1 Primary Schools		-	-	
3.2 Secondary schools		-	-	
3.3 Tertiary institutions		-	-	
3.4 Security projects		-	-	
3.5 Unutilised		-	2,819,170	
<b>Total</b>		<b>-</b>	<b>2,819,170</b>	
<b>4.0 Bursary and Social Security</b>				
4.1 Secondary Schools	Bursary to needy students	3,736,564	408,648	
4.2 Tertiary Institutions	Bursary to needy students	5,050,660	-	
4.3 Social Security	NHIF payments to vulnerable persons	4,734,000	42,000	

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4.4 Special Needs	Bursary to needy students	806,648	-	
<b>Total</b>		<b>14,327,872</b>	<b>450,648</b>	
<b>5.0 Sports</b>		-	-	
Carry Constituency Football tournament	Carry out Constituency Football Sports tournament and the winning teams to be awarded with trophies, balls, goal nets and games kits Kshs 2,403,691	-	2,403,691	
Regional sports tournament	(Facilitate regional sport tournament in partnership with other Constituencies within Coast Region	-	411,846	
<b>Total</b>		-	<b>2,815,537</b>	
		-	-	
<b>6.0 Environment</b>		-	-	
Pwani School for the mentally Challenged primary school	Leveling and Construction of a footpath	-	2,900,000	
		-	-	
		-	-	
		-	-	
		-	-	
		-	-	
<b>Total</b>		-	<b>2,900,000</b>	
		-	-	
		-	-	
<b>7.0 Primary Schools Projects</b>		-	-	
Kwa Bullo Primary School	(Construction to completion of an Administration Block with a suspended slab comprising of: Head teacher's office, Deputy Head teacher Office, Waiting Area, entry foyer ,staffroom,a store,secretary office,bursar office and 6 door toilets (2 door for male and 2 door for female) with 2 chambers catering for persons with disabilities	-	4,031,564	
Pwani School For the Mentally Challenged	construction to completion of six classrooms (Three at ground floor and three at first floor) at ksh 15,000,000 and installation of a ramp and stairs to first floor at 2,000,000	-	17,000,000	
Pwani School For the Mentally Challenged	Drilling of borehole,equipping and construction of a water tower at ksh .1000,000 and levelling of 100 by 60 metres school field:grading ,excavating ,backfilling,planting of grass,water piping ,fixing water sprinklers,field markings and fixing of goal posts at Ksh.6,000,000	-	7,000,000	
Pentrose community primary school	Construction of 3 classes	-	7,500,000	

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Frere town primary school	Renovation of 4 classrooms and additional of 4 more	12,000,000	-	
Kongowea Primary school	Field upgrading	1,000,000	-	
		-	-	
		-	-	
<b>Total</b>		<b>13,000,000</b>	<b>35,531,564</b>	
		-	-	
		-	-	
<b>8.0 Secondary Schools Projects</b>		-	-	
Kwa Bullo Secondary School	Construction of administration block.	-	7,500,000	
		-	-	
		-	-	
		-	-	
		-	-	
		-	-	
<b>Total</b>		-	<b>7,500,000</b>	
		-	-	
		-	-	
<b>9.0 Tertiary institutions Projects</b>		-	-	
Nyali Technical and vocational college	Construction of TVET	-	5,517,461	
<b>Total</b>		-	<b>5,517,461</b>	
<b>10.0 Security Projects</b>		-	-	
Nyali Deputy County Commissioner's Office & Administration	Construction to completion of ground floor with a suspended slab comprising of 7 offices ,gate house and 5 door toilets (2 ladies,2 gents & 1pwd)	-	6,000,000	
Vietnam Police Post	(Construction to completion of a non storey building comprising of OB, Work station, Washrooms (2 male,2 ladies & 1 pwd, Record office, In-charge office, Store,Armory, 2 Cells,	-	6,000,000	

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	septic tank and a Soak pit			
Khadija Police Post	contruction to completion of a non storey building comprising of OB office,work station,washrooms (2 male,2,ladies & 1 pwd,record office,in-charge office,store,armory,2 cells,septic tank and a soak pit.	-	-	
<b>Total</b>		-	12,000,000	
		-		
<b>11.0 Acquisition of assets</b>		-	-	
		-	-	
<b>Total</b>		-		
<b>12.0 Oversight committee expenses</b>		-	-	
Committee expenses		-	-	
<b>Total</b>		-	-	
		-		
<b>13.0 Other payments</b>		-		
Strategic plan		-	1,200,000	
		-		
<b>Total</b>		-	1,200,000	
		-		
<b>14.0 unallocated fund</b>		-	-	
Unapproved projects		-	-	
AIA		-	-	
PMC savings		727,519	727,519	
sub Total		727,519	727,519	
<b>Total</b>		31,858,374	74,597,065	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022-2023
Land		-	-	-
Buildings and structures	29,150,000	-	-	29,150,000.00
Transport equipment	4,084,500	-	-	4,084,500.00
Office equipment, furniture and fittings	5,166,765	-	-	5,166,765.00
ICT Equipment, Software and Other ICT Assets		-	-	-
Other Machinery and Equipment	837,491	-	-	837,491.00
Heritage and cultural assets		-	-	-
Intangible assets		-	-	-
<b>Total</b>	<b>39,238,756</b>	<b>-</b>	<b>-</b>	<b>39,238,756.00</b>

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
			Ksh	Ksh
NYALI NGDF GENERAL PROJECTS	EQUITY	1140261189498	12,100	12,100
KONGOWEA PRIMARY SCHOOL	EQUITY	1140262479404	407,604	3,421,720
BAMBURI HEALTH CENTRE	EQUITY	1140263575806		4,482,539
KADZANDANI PRIMARY SCHOOL	EQUITY	1140282142552	531	137,555
MLALEO PRIMARY SCHOOL	EQUITY	1140280986932	3,524,009	638,130
FRERETOWN SECONDARY SCHOOL	EQUITY	1140266106756	4,429	4,429
AZHAR SHARIFF PRIMARY SCHOOL	EQUITY	1140266526252		161
KADZANDANI KWA BULLO POLICE POST	EQUITY	1140271329420		22,069
KISAUNI PRIMARY SCHOOL	EQUITY	1140272883580	2,788	64,908
KONGOWEA YOUTH & WOMEN EMPOWERMENT	EQUITY	1140276136387	293,759	293,759
ZIWA LA NG'OMBE PRIMARY SCHOOL	EQUITY	1140280059376	62,748	166,602
FRERETOWN PRIMARY SCHOOL	EQUITY	1140277349649		7,437,715
PENTROSE COMMUNITY PRIMARY SCHOOL	EQUITY	1140277630469	114,323	114,323
MLALEO SECONDARY SCHOOL	EQUITY	1140278738993	414,544	414,544
MAWENI PRIMARY SCHOOL	EQUITY	1140278811554	55,130	1,808,165
KADZANDANI KWA BULLO PRIMARY	EQUITY	1140279801350	1,695,542	9,200,184
KADZANDANI KWA BULLO SEC.SCH	EQUITY	1140279801438	526,726	4,656,291
KONGOWEA SECONDARY SCHOOL	EQUITY	1140279963039	504,881	2,805,298
MOHAMED ALI GIRLS SEC.SCHOOL	EQUITY	1140280870608	1,159,394	17,819,926
KHADIJA POLICE POST	EQUITY	1140280973564	120	120
KHADIJA SECONDARY SCHOOL	EQUITY	1140282116813	400	400
KADZANDANI MWATAMBA POLICE STATION	EQUITY	1140280973849	1,950	638,130
FRERETOWN PRIMARY SCHOOL	EQUITY	114028097224	19,437,715	-
FATHIL ADHIM PRIMARY SCHOOL	EQUITY	1140263537830	254,802	-
KADZANDANI KWA BULLO POLICE STATION	EQUITY	1140271329420	22,069	-
<b>Total</b>			<b>28,495,563</b>	<b>54,139,068</b>



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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>ADL/68/19/20(2)</p> <p>(For the year ended 30.06.2020)</p>	<p>Projects with a total budget of Kshs.45,392,156 which had not been completed and one (1) with a budget of Kshs.1,300,000 which had not been started.</p> <p>In the circumstances, the public did not realize value for money equivalent to Kshs.46,692,156 which had not been completed and one(1) with a budget of Kshs.1,300,000 which had not been started.</p> <p>In the circumstances, the public did not realize value for money equivalent to Kshs.46,692,156.</p>	<p>Most projects were under implementation at the end of the financial hence the funds were still held in PMC accounts since the works had not been certified by Public Works officers for payment</p>	<p>Resolved</p>	

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MICHAEL MUEMA

Name

Fund Account Manager.

