



REPORT

OF

THE NATIONAL ASSEMBLY	
DATE: 23 FEB 2023 THURSDAY	
TABLED BY:	Leader of majority Party (Lom)
Clerk at the Table:	Joyce Kemerelle

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUMIAS WEST CONSTITUENCY

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



Revised Template 30th June 2021



MUMIAS WEST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Christine Muyaka
2.	Sub-County Accountant	Paul Onono
3.	Chairman NGCDFC	Idd Abbas Keya
4.	Member NGCDFC	Hawa Mumia

(d) Fiduciary Oversight Arrangements

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

(e) Mumias West Constituency NGCDF Headquarters

P.O. Box 1087 - 50102
Mumias West NGCDF Office Building
Mumias - Bungoma Road
MUMIAS, KENYA

*Mumias West Constituency
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(f) NGCDF MUMIAS WEST Constituency Contacts

Telephone: (254) 720334928
E-mail: cdfmumiaswest@ngcdf.go.ke
Website: www.cdfmumiaswest.go.ke

(a) NGCDF MUMIAS WEST Constituency Bankers

Cooperative Bank of Kenya
01141498664400
Mumias Branch
P. O. Box 905 - 50102
Mumias, Kenya

(b) Independent Auditors

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

(c) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT

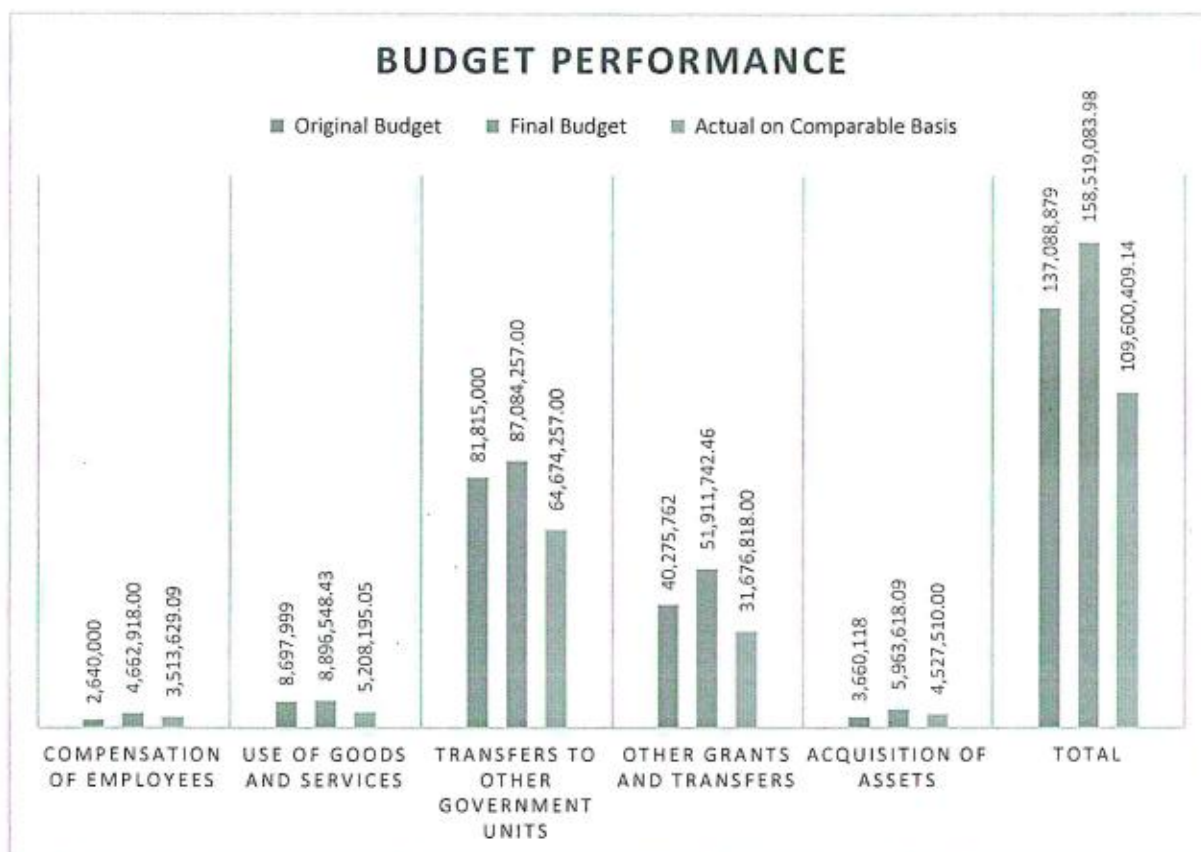


IDD ABBAS KEYA
CHAIRMAN MUMIAS WEST
NGCDF COMMITTEE

I am pleased to present to you the Chairman's Report on performance of Mumias West NG- CDF for the Year 2020/2021

Budget Performance

The budget performance against the actual amounts achieved an average of 69.0 % utilization for the economic classification and programmes represented as follows:



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Key Achievements of the Fund

Below we present our achievement per sector

Bursary

The fund was able to sponsor 2,418 students under the bursary program that enabled the needy beneficiaries stay in the various education institutions there by accessing education despite their socio-economic status.

The fund contributed towards the government agenda on Universal Health Coverage through sponsoring of KMTC students.

Education

The fund contributed towards the government policy on 100% transition by provision of infrastructure including classrooms in Eshihaka Primary school, (*Diagram 1*) & Eshikalame Primary school, (*Diagram 2*) and St. Martin Mumias Primary for the Deaf (*Diagram 3*).

Security

The fund also contributed towards enhancing of security in the constituency by provision of facilities in Nyalenya Police Post (*Diagram 4*) and Khungema(Matawa)Police post(*Diagram 5*).

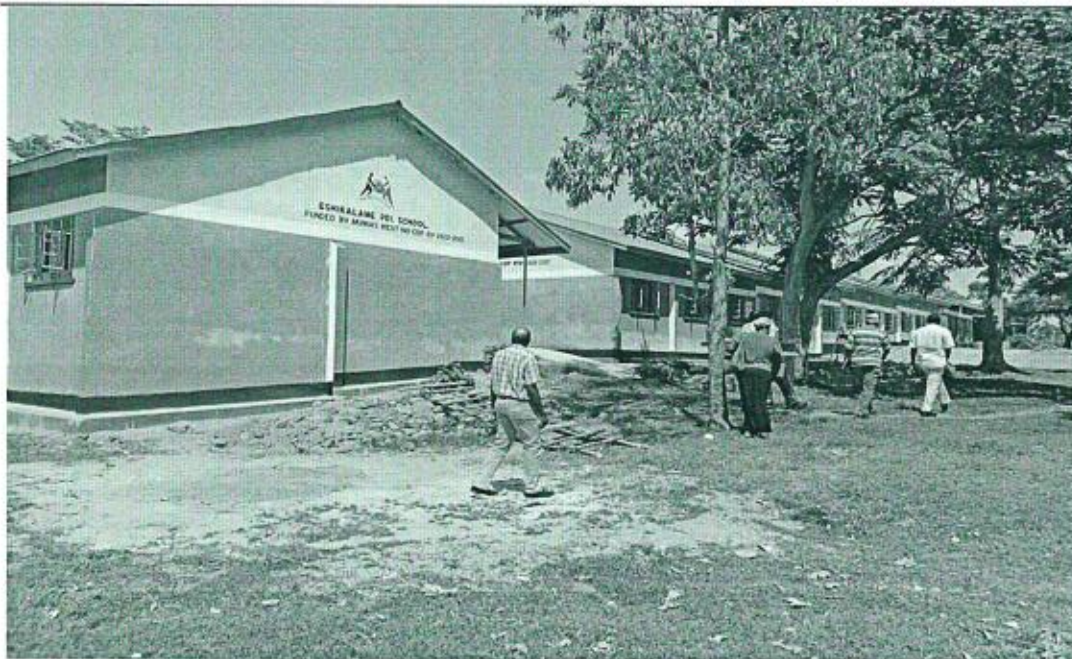
Diagram 1



Eshihaka Primary school- construction of 2 classrooms

Diagram 2

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Eshikalame Primary school- construction of 6 classrooms

Diagram 3



St. Martin School for the Deaf- construction of 6 classrooms and Administration Block

Diagram 4



Matawa(Khungema) Police Post - construction of police station

Diagram 5



Nyalenya Police Post- construction of police post

Emerging issues

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-
- i. Police reforms that have seen AP camps converted to police posts & further directed that security officers reside outside the housing units provided for within the police stations and posts.
 - ii. The COVID 19 pandemic that led to closure of all institutions affecting learning and hence bursary disbursements not successfully accomplished.

Challenges

- i. Delay in release of funds by the exchequer close to the financial year end that has led to delays in implementation of projects

Way forward

- i. NG CDF committee to prioritize high impact projects in consideration for disbursement of funds once receipt from the exchequer.

Sign



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IDD ABBAS KEYA
CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of *Mumias West Constituency 2018-2022* plan are to:

- a) To improve access to quality education
- b) To harness youth talent and empower them
- c) To enhance security in the constituency
- d) To promote environmental sustainability in the constituency
- e) To cater for any unforeseen occurrences in the constituency
- f) To improve tracking of implementation CDF programmes
- g) To promote performance management and smooth running of the CDF office

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve access to quality education and to have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	-number of usable physical infrastructure build in primary, secondary, and tertiary institutions -number of bursary beneficiaries at all levels	In FY 20/21 -we increased number of classrooms, dormitories, laboratories etc by 45. - Bursary beneficiaries at all levels increased by 4000.
Security	To enhance security in the constituency	-Increased security coverage, -Reduced incidences of crime	-Number of usable physical infrastructure build in police stations, AP camps and chiefs offices	In FY 20/21 -we increased number of police stations and AP camps by 4
Environment	To promote environmental sustainability and improve access to	-Planting of tree seedlings in schools and public	Number of tree seedlings planted	We increased Number of tree seedlings by 7000

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Constituency Program	Objective	Outcome	Indicator	Performance
	clean and safe water.	institutions, Installation of Roof-water harvesting tanks in schools and public institutions	Number of Roof-water harvesting tanks installed	We increased Roof-water harvesting tanks by 10
Sports	To empower the youth and harness their talent	Funding of youth sports initiative	No. of sporting initiatives supported	We increased the number of youths sporting initiatives by 1
Emergency	Catering for any unforeseen occurrences in the constituency	Handling emergencies promptly when they arise	Number of emergency projects funded.	We increased the number emergency projects by 10

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Mumias West constituency is committed to managing its operations in a responsible, environmentally sound and sustainable manner.

Our main concern is to achieve continuous improvement in our environmental performance. NGCDF has achieved environmental conservation through:

- *Organizing tree planting day in schools where students and teachers are involved in the exercise usually done once in a year.*

- *Organizing Sensitization workshops for youth and the public community on the impact of drugs and also through construction of police stations supported by NG-CDF.*
- *Sponsoring sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*
- *Sensitizing the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.*

3. Employee welfare

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

Mumias West NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Mumias West 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.

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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.

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

Mumias West Constituency

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V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Mumias West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Mumias West Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Mumias West 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 Mumias West 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- Mumias West Constituency financial statements were approved and signed by the Accounting Officer on 24/8/2022.


Chairman NGCDF Committee
Name:




Fund Account Manager
Name:

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mumias West Constituency set out on pages 17 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Mumias West Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

The following balances reflected in the financial statements were not supported with sufficient appropriate records:

1. Transfers to Other Government Units

The statement of receipts and payments reflects transfers to other Government units totalling Kshs.64,674,257. However, the statement of cash flows reflects Kshs.6,674,257 in respect to the account. The variance amounting to Kshs.58,000,000 between the two sets of records was not reconciled.

In the circumstance, the accuracy and completeness of the transfers to other Government units totalling Kshs.58,000,000 could not be confirmed.

2. Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers totalling Kshs.31,676,818 as further disclosed in Note 7 of the financial statements. Included in the balance are bursary disbursements totalling Kshs.18,836,304 made to secondary schools (Kshs.8,633,400), tertiary colleges (Kshs.10,126,904) and special schools (Kshs.76,000) in the year under review. However, records confirming receipt of the bursaries by the institutions were not provided for audit.

As a result, the occurrence and propriety of the reported disbursements totalling Kshs.18,836,304 could not be confirmed.

3. Fund Balance Brought Forward

The statement of assets and liabilities reflects a Fund balance brought forward totalling Kshs.15,438,972 which, however, differs with the closing balance totalling Kshs.14,263,356 reflected in respect to the account in the audited financial statements for the year ended 30 June, 2020. No reconciliation was provided for the variance amounting to Kshs.1,175,616 2 between the two balances.

In the circumstance, the comparative Fund balance totalling Kshs.15,438,912 may not be fairly stated.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actuals on comparable basis totalling Kshs.158,741,084 and Kshs.113,625,205 respectively, resulting to a shortfall of revenue totalling Kshs.45,088,879 or 28% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling Kshs.158,741,084 and Kshs.109,600,409 respectively resulting to an under-expenditure of Kshs.49,140,675 or 31 % of the budget.

The significant revenue shortfall and under-expenditure may have hampered execution of planned activities and delivery of services to the residents of Mumias West Constituency.

2. Unresolved Prior Year Matters

The audit report for the year ended 30 June, 2020 raised several issues in the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2021. Further no disclosures were made on the matters in the financial statements for the year under review as required in the reporting format prescribed by the Public Sector Accounting Standards Board.

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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 September, 2022

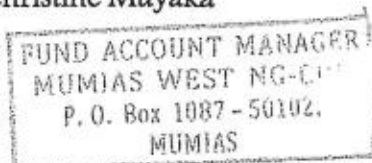
*Mumias West Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

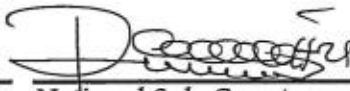
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021

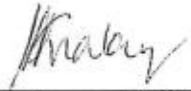
	Note	2020 – 2021	2019 – 2020
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	98,750,000	131,617,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	183,000	39,000
TOTAL RECEIPTS		98,933,000	131,656,724
PAYMENTS			
Compensation of employees	4	3,513,629	2,972,147
Use of goods and services	5	5,208,195	7,773,545
Transfers to Other Government Units	6	64,674,257	80,321,013
Other grants and transfers	7	31,676,818	40,663,284
Acquisition of Assets	8	4,527,510	646,500
Other Payments	9	-	-
TOTAL PAYMENTS		109,600,409	132,376,490
SURPLUS/DEFICIT		(10,667,409)	(719,766)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mumias West Constituency financial statements were approved on 24/8/2022 and signed by:


Fund Account Manager
Christine Muyaka




National Sub-County
Accountant
Paul Onono
ICPAK M/No:14044

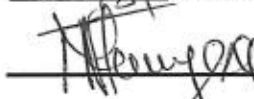

Chairman NG-CDF Committee
Idd Abbas Keya

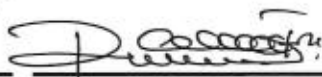
*Mumias West Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*


VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,051,797	14,719,206
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		4,051,797	14,719,206
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		4,051,797	14,719,206
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	1,175,615
NET FINANCIAL SSETS		<u>4,051,797</u>	<u>13,543,590</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	14,719,206	14,263,356
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(10,667,409)	(719,766)
NET FINANCIAL POSITION		<u>4,051,797</u>	<u>13,543,590</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mumias West Constituency financial statements were approved on 2022 and signed by:


Fund Account Manager
Christine Muyaka


National Sub-County
Accountant
Paul Onono
ICPAK M/No:14044


Chairman NG-CDF Committee
Idd Abbas Keya

FUND ACCOUNT MANAGER
MUMIAS WEST NG-CDF
P. O. Box 1087 - 50102,
MUMIAS

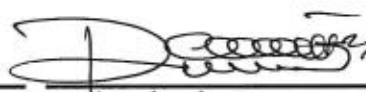
*Mumias West Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*


IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2021

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	98,750,000	131,617,724
Other Receipts	3	183,000	39,000
		98,933,000	131,656,724
Payments for operating activities			
Compensation of Employees	4	3,513,629	2,972,147
Use of goods and services	5	5,208,195	7,773,545
Transfers to Other Government Units	6	64,674,257	80,321,013
Other grants and transfers	7	31,676,818	40,663,284
Other Payments	9	-	-
		105,072,899	131,729,990
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	1,175,615
Prior year Adjustments	14	-	-
Net Adjustments		-	1,175,615
Net cash flow from operating activities		(6,139,899)	1,102,349
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(4,527,510)	(646,500)
Net cash flows from Investing Activities		(4,527,510)	(646,500)
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,667,409)	455,849
Cash and cash equivalent at BEGINNING of the year	10	14,719,206	14,263,356
Cash and cash equivalent at END of the year		4,051,796	14,719,206

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mumias West Constituency financial statements were approved on 24/8/2022 and signed by:


Fund Account Manager
Christine Muyaka


National Sub-County
Accountant
Paul Onono
ICPAK M/No:14044


Chairman NG-CDF Committee
Idd Abbas Keya

FUND ACCOUNT MANAGER
MUMIAS WEST
P. O. Box 1087 - 50102
MUMIAS

X. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	Opening Balance (C/Bk) and AIA	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS			Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	14,719,205	6,750,000	158,558,084	113,469,205	45,088,879	72%
Proceeds from Sale of Assets	-	-	-	-	-	-	0%
Other Receipts- Sale of tender documents	-	183,000	-	183,000	183,000	-	100%
TOTAL RECEIPTS	137,088,879	14,902,205	6,750,000	158,741,084	113,652,205	45,088,879	72%
PAYMENTS							
Compensation of Employees	2,640,000	2,022,918	-	4,662,918	3,513,629	1,149,289	75%
Use of goods and services	8,697,999	198,549	-	8,896,548	5,208,195	3,688,353	59%
Transfers to Other Government Units	81,815,000	1,169,257	4,100,000	87,084,257	64,674,257	22,410,000	74%
Other grants and transfers	40,275,762	11,185,980	450,000	51,911,742	31,676,818	20,234,924	61%
Acquisition of Assets	3,660,118	103,500	2,200,000	5,963,618	4,527,510	1,436,108	76%
AIA	-	222,000	-	222,000	-	222,000	0%
TOTAL	137,088,879	14,902,205	6,750,000	158,741,084	109,600,409	49,140,675	69%

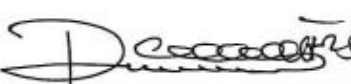
Mumias West Constituency
National Government Constituencies Development Fund (NGCDF)
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- i. Compensation of Employees had 75.4% level of utilization translating to budget utilization difference of Kes. 1,149,289; these funds take care of employees' salaries before receiving funds from the NG CDF Board for the next financial year, it cushions penalties that arises from late payment of PAYE and NHIF deductions.
- ii. Transfers to other government entities had 74.3% level of utilization translating to budget utilization difference of Kes. 22,410,000; these are funds undisbursed by the NGCDFB.
- iii. Other grants and transfers had 61.0% level of utilization translating to budget utilization difference of Kes. 20,234,924 that includes bursaries that were not disbursed by the NGCDFB.
- iv. Acquisition of Assets had 75.9% level of utilization translating to budget utilization difference of Kes. 1,436,108 that includes an amount of 960,000 for refurbishment of NGCDF office block that was not received from the NG CDF Board.

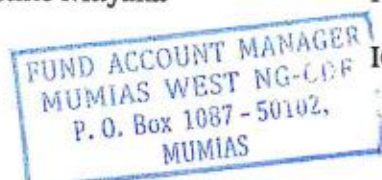
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	49,140,676
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	4,051,797
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	4,051,797

The NGCDF-Mumias West Constituency financial statements were approved on 24/8/2022 and signed by:


 Fund Account Manager
 Christine Muyaka


 National Sub-County
 Accountant
 Paul Onono


 Chairman NG-CDF Committee
 Idd Abbas Keya



ICPAK M/No:14044

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

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2020/2021	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2020/2021	2020/2021	2020/2021	
	Kshs	Kshs		Kshs	Kshs	Kshs	
1.0 Administration							
1.1 Compensation of employees	2,640,000	2,022,919	-	4,662,919	3,513,629	1,149,289	75
1.2 Committee allowances	1,368,000	-	-	1,368,000	940,600	427,400	69
1.3 Use of goods and services	3,217,333	198,549	-	3,415,882	2,452,603	963,279	72
Sub-Total	7,225,333	2,221,468	-	9,446,801	6,906,832	2,539,968	73
2.0 Monitoring and Evaluation							
2.1 Capacity building	1,200,000	-	-	1,200,000	-	1,200,000	-
2.2 Committee allowances	1,920,000	-	-	1,920,000	1,265,000	655,000	66
2.3 Use of goods and services	992,666	-	-	992,666	549,992	442,674	55
Sub-Total	4,112,666	-	-	4,112,666	1,814,992	2,297,674	44
3.0 Emergency							
Emergency	7,192,207	845,164	450,000	8,487,371	1,460,000	7,027,371	17
Sub-Total	7,192,207	845,164	450,000	8,487,371	1,460,000	7,027,371	17
4.0 Bursary and Social Security Programme							
4.1 Secondary Schools	14,000,000	433,502	-	14,433,502	10,202,904	4,230,598	71
4.2 Tertiary Institutions	6,000,000	7,626,800	-	13,626,800	8,633,400	4,993,400	63
4.3 Social Security	-	-	-	-	-	-	-
4.4 Special Needs	-	-	-	-	-	-	-
Sub-Total	20,000,000	8,060,302	-	28,060,302	18,836,304	9,223,998	67
5.0 Sports							
Tournament & sports equipment	2,741,778	-	-	2,741,778	-	2,741,778	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(c = c-d)	% of Utilisation(f=d/c %)
Sub-Total	2,741,778	-	2,741,778	-	2,741,778	-
6.0 Environment						
Environmental Activities	2,741,778	-	2,741,778	1,500,000	1,241,778	55
Sub-Total	2,741,778	-	2,741,778	1,500,000	1,241,778	55
7.0 Primary School Projects						
Emulembwa Primary School	600,000	-	600,000	600,000	-	100
Booker Primary School	1,300,000	-	1,300,000	1,300,000	-	100
Bukaya Primary School	1,100,000	-	1,100,000	1,100,000	-	100
Buchifi Primary School	2,400,000	-	2,400,000	1,000,000	1,400,000	42
Bumia Primary School	3,900,000	-	3,900,000	3,900,000	-	100
Buriya Primary School	170,000	-	170,000	170,000	-	100
Butende Primary School	700,000	-	700,000	700,000	-	100
Butobe Primary School	1,100,000	-	1,100,000	1,100,000	-	100
Buyundo Primary School	420,000	-	420,000	420,000	-	100
Ebubala Primary School	350,000	-	350,000	350,000	-	100
Ebubaka Primary School	2,500,000	-	2,500,000	1,000,000	1,500,000	40
Ebumanyi Primary School	2,270,000	-	2,270,000	1,700,000	570,000	75
Ebuyeshera Primary School	670,000	-	670,000	670,000	-	100
Ebuyenjere Primary School	500,000	-	500,000	500,000	-	100
Ekambara Primary School	160,000	-	160,000	160,000	-	100
Elukala Primary School	500,000	-	500,000	500,000	-	100
Emaungu Primary School	220,000	-	220,000	220,000	-	100
Emulaka Primary School	500,000	-	500,000	500,000	-	100
Emulembwa Primary School	125,000	-	125,000	125,000	-	100
Eshibina Primary School	1,670,000	-	1,670,000	1,000,000	670,000	60
Eshihaka Primary School	5,900,000	-	5,900,000	5,900,000	-	100

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(=d/c %)
Eshikalame Primary School	7,800,000	-	-	7,800,000	7,800,000	-	100
Eshisundusia Primary School	740,000	-	-	740,000	740,000	-	100
Etenje Primary School	500,000	-	-	500,000	500,000	-	100
Ihonje Primary School	800,000	-	-	800,000	800,000	-	100
Ingusi Primary School	2,500,000	-	-	2,500,000	1,000,000	1,500,000	40
Iranda Primary School	1,600,000	-	-	1,600,000	1,600,000	-	100
Iyabo Primary School	500,000	-	-	500,000	500,000	-	100
Khungwani Primary School	500,000	-	-	500,000	500,000	-	100
Lukoye Primary School	2,570,000	-	-	2,570,000	1,000,000	1,570,000	39
Lureko Primary Sch	4,000,000	-	-	4,000,000	1,500,000	2,500,000	38
Matawa Primary School	4,500,000	-	-	4,500,000	1,500,000	3,000,000	33
Milimani Primary School	1,300,000	-	-	1,300,000	1,300,000	-	100
Mumias Deaf Primary School	1,000,000	-	-	1,000,000	1,000,000	-	100
Mumias Township Primary School	800,000	-	-	800,000	800,000	-	100
Mumias Muslim Primary School	3,700,000	-	-	3,700,000	1,000,000	2,700,000	27
Musanda Primary School	1,550,000	-	-	1,550,000	1,550,000	-	100
Nyakwaka Primary School	5,000,000	-	-	5,000,000	1,000,000	4,000,000	20
Nyapeta Primary School	500,000	-	-	500,000	500,000	-	100
Nyapora Primary School	1,700,000	-	-	1,700,000	1,000,000	700,000	59
Ugana Primary School	500,000	-	-	500,000	500,000	-	100
Wang'nyang Primary School	2,400,000	-	-	2,400,000	2,400,000	-	100
Sub-Total	71,515,000	-	-	71,515,000	51,405,000	20,110,000	72
8.0 Secondary School Projects							
Bumia Girls Secondary school	500,000	-	-	500,000	500,000	-	100
Butobe Secondary School	600,000	-	-	600,000	600,000	-	100

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
St. Christopher Nyapora Secondary School	3,300,000	-	3,300,000	1,000,000	2,300,000	30
St. Peters' Boys High School	1,500,000	-	1,500,000	1,500,000	-	100
Shibale Secondary School	3,900,000	-	3,900,000	3,900,000	-	100
Lukongo Secondary School	-	-	4,100,000	4,100,000	-	100
Ichinga Muslim Secondary School	-	1,169,257	1,169,257	1,169,257	-	100
Sub-Total	9,800,000	1,169,257	15,069,257	12,769,257	2,300,000	85
9.0 Tertiary Institutions						
Mumias West TTI	500,000	-	500,000	500,000	-	100
Sub-Total	500,000	-	500,000	500,000	-	100
10.0 Security Projects						
Nyalanya AP Camp	1,200,000	-	1,200,000	1,200,000	-	100
Eshihaka AP Camp	1,900,000	-	1,900,000	1,900,000	-	100
Khungema AP Camp	1,900,000	-	1,900,000	1,900,000	-	100
Musanda Police Station	700,000	-	700,000	700,000	-	100
Bungasi Police Post	-	290,257	290,257	290,257	-	100
Otiato Police Post	-	290,257	290,257	290,257	-	100
Sub-Total	5,700,000	580,514	6,280,514	6,280,514	-	100
11.0 Acquisitions of Assets						
NG-CDF office Block	2,660,118	-	4,860,118	3,900,000	960,118	80
CDF office Furniture & Equipment	1,000,000	103,500	1,103,500	627,510	475,990	57
Sub-Total	3,660,118	103,500	5,963,618	4,527,510	1,436,108	76
12.0 Others Payments						
Mumias Law Court	1,900,000	1,700,000	3,600,000	3,600,000	-	100

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
13.0 Unallocated funds	1,900,000	1,700,000	3,600,000	3,600,000	-	100
AIA	-	222,000	222,000	-	222,000	-
Sub-Total	-	222,000	222,000	-	222,000	-
GRAND TOTAL	137,088,879	14,902,205	158,741,085	109,600,409	49,140,675	69

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

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Mumias West Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

a) Recognition of Receipts

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
	B047153		1,000,000
Normal Allocation	B041152		4,000,000
	B047623		20,000,000
	B047987		9,000,000
	B049397		17,000,000
	B104422		18,000,000
	B096767		62,617,724
	B104650	6,750,000	
	B121624	9,000,000	
	B119586	10,000,000	
	B119978	13,000,000	
	B128219	6,900,000	
	B129181	6,000,000	
	B129181	6,000,000	
	B138944	13,000,000	
	B126236	6,100,000	
	B105031	10,000,000	
	B140674	12,000,000	
TOTAL		98,750,000	131,617,724

3. OTHER RECEPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	183,000	39,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	183,000	39,000

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,842,636	1,657,932
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	1,519,793	1,175,615
Employer Contributions Compulsory national social security schemes	151,200	138,600
TOTAL	3,513,629	2,972,147

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	354,320	606,653
Electricity	39,225	-
Water & sewerage charges	40,548	-
Office rent	-	-
Communication, supplies and services	375,916	202,055
Domestic travel and subsistence	336,132	2,023,420
Printing, advertising and information supplies & services	800	14,000
Rentals of produced assets	-	173,000
Training expenses	-	12,000
Hospitality supplies and services	266,790	1,586,899
Other committee expenses	-	-
Committee allowance	2,355,600	1,084,500
Insurance costs	-	-
Specialised materials and services	26,049	76,900
Office and general supplies and services	567,720	634,860
Fuel , oil & lubricants	509,222	758,705
Other operating expenses	33,650	56,500
Bank service commission and charges	24,160	25,420
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	263,163	474,833
Routine maintenance- other assets	14,900	43,800
TOTAL	5,208,195	7,773,545

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	51,405,000	50,600,000
Transfers to secondary schools (see attached list)	12,769,257	29,721,013
Transfers to tertiary institutions (see attached list)	500,000	-
TOTAL	64,674,257	80,321,013

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	10,126,904	10,235,652
Bursary – tertiary institutions (see attached list)	8,633,400	5,517,000
Bursary – special schools (see attached list)	76,000	178,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	6,280,514	13,915,500
Sports projects (see attached list)	-	2,747,352
Environment projects (see attached list)	1,500,000	1,449,780
Emergency projects (see attached list)	1,460,000	6,620,000
Social Hall	3,600,000	-
Total	31,676,818	40,663,284

1. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	3,900,000	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	627,510	646,500
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	4,527,510	646,500

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10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Bank Mumias Branch 1141498664400	4,051,797	14,719,206
	-	-
	-	-
Total	4,051,797	14,719,206
10B: CASH IN HAND		
Location 1	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	1,175,615	-
Gratuity held during the year (B)	344,178	-
Gratuity paid during the Year (C)	1,519,793	1,175,615
Closing Gratuity as at 30 th June D= A+B-C	-	1,175,615

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	14,719,206	15,438,972
Cash in hand		
Imprest		
TOTAL	14,719,206	15,438,972

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS

	2020- 2021	2019- 2020
	Kshs	Kshs
Deposits and Retention as at 1st July 2019 (A)		
Deposits and Retention held during the year (B)		1,175,615
Deposits and Retention paid during the year ©		-
Closing accounts payable at 30th June (D=A+B-C)	-	1,175,615

17. OTHER IMPORTANT DISCLOSURES

17.2: PENDING STAFF PAYABLES

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	1,175,615
Others (<i>specify</i>)	-	-
	-	1,175,615

17.3: UNUTILIZED FUND (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	804,290	2,022,919
Use of goods and services	605,354	198,549
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	2,094,162	11,185,980
Acquisition of assets	325,990	103,500
Others (<i>specify</i>)	222,000	1,208,257
Funds pending approval	45,088,879	6,750,000
Total	49,140,675	21,469,205

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	35,909,162	33,943,903
	35,909,162	33,943,903

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	A	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Basic wages of contractual employees	804,290	2,022,919	
Use of goods & services	Goods and Services	605,354	198,549	
	Sub-Total	1,409,644	2,221,468	
Amounts due to other grants and other transfers				
Bursary Funds	Bursary Secondary Schools	-	433,502	
Bursary Funds	Bursary Tertiary Institutions	-	7,626,800	
Emergency Funds	Emergency Projects	2,094,162	2,545,164	
Security Projects	Security Projects		580,514	
	Sub-Total	2,094,162	11,185,980	

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Acquisition of assets					
Office Equipment	Office Equipment		325,990	103,500	
	Sub-Total		325,990	103,500	
Others (<i>specify</i>)					
AIA	AIA		222,000	39,000	
Constituency Innovation Hub	CIH		-	1,169,257	
	Sub-Total		222,000	1,208,257	
Funds pending approval			45,088,879	6,750,000	
	Grand Total		49,140,675	21,469,205	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	2,000,000	-	-	2,000,000
Buildings and structures	14,651,515	3,900,000	-	18,551,515
Transport equipment	6,330,760	-	-	6,330,760
Office equipment, furniture and fittings	2,000,000	627,510	-	2,627,510
ICT Equipment, Software and Other ICT Assets	1,646,500	-	-	1,646,500
Other Machinery and Equipment	167,995	-	-	167,995
Heritage and cultural assets	-	-	-	-
Intangible assets	494,000	-	-	494,000
Total	27,290,770	4,527,510	-	31,818,280

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

PMC	Bank	Account number	Bank Balance	Bank Balance
			2020/21	2019/20
Ahong'injo Primary School	Cooperative Bank - Mumias.	1141067542500	6,894	519,710
Buchifi Primary School	Cooperative Bank - Mumias.	1141067546600	1,139,629	219,156
Bukaya Primary School	Cooperative Bank - Mumias.	1141067184500	1,105,823	6,304
Butobe Primary School	Cooperative Bank - Mumias.	1141234570900	1,124,664	111,434
Butobe Sec School	Cooperative Bank - Mumias.	01141798745100	588,301	33,781
ACC South Wanga	Cooperative Bank - Mumias.	01141798773300	2,574,646	3,175,867
Ebubaka Pri School	Cooperative Bank - Mumias.	1141068446700	1,037,132	127,945
Ebubala Pri School	Cooperative Bank - Mumias.	1141498804300	30,967	1,468,899
Ebuyenjere Primary School	Cooperative Bank - Mumias.	1141067166600	495,573	49,732
Emuberi Primary School	Cooperative Bank - Mumias.	1141234632400	221,692	222,172
Emukhuwa Primary School	Cooperative Bank - Mumias.	1141067546400	98,627	182,037
Eshikalame Primary School	Cooperative Bank - Mumias.	1141067542700	7,772,880	98,200
Eshisundusia Pri School	Cooperative Bank - Mumias.	1141499512200	867,892	1,982,780
Etenje Pri School	Cooperative Bank - Mumias.	1141067574500	33,773	91,120
Ichinga Muslim Pri School	Cooperative Bank - Mumias.	1141067156200	30,394	30,874
Ihonje Primary School	Cooperative Bank - Mumias.	1141498103600	233,071	142,223
Iyabo Primary School	Cooperative Bank - Mumias.	1141067543300	626,656	1,614,990
Khungwani Primary School	Cooperative Bank - Mumias.	1141067262800	26,652	280,643
Lukoye Community ECD School	Cooperative Bank - Mumias.	1141498097300	1,070,321	1,264,388
Lureko Primary School	Cooperative Bank - Mumias.	1141499543000	1,638,428	138,908
Lusheya Primary School	Cooperative Bank - Mumias.	1141067543800	903	1,863
Milimani Primary School	Cooperative Bank - Mumias.	1141067730700	133,960	3,103,506
Mumias Central Pri School	Cooperative Bank - Mumias.	1141234298100	1,459	57,789
Mumias Deaf Primary School	Cooperative Bank - Mumias.	1141498449900	2,667,074	2,940,348
Mumias Muslim Girls Sec	Cooperative Bank - Mumias.	1141234419900	5,015	5,495
Mumias Muslim Primary School	Cooperative Bank - Mumias.	1141068261600	1,317,625	318,105
Mumias Sugar Complex Pri School	Cooperative Bank - Mumias.	1141499543500	11,160	11,640
Mumias West NG Environment	Cooperative Bank - Mumias.	1141499720700	1,689,224	1,517,803
Mumias West Sports Project	Cooperative Bank - Mumias.	1141498779200	19,857	2,862,059
Musanda Primary school	Cooperative Bank - Mumias.	1141068368600	160,616	2,084,457
Nyakwaka Primary School	Cooperative Bank - Mumias.	1141234741100	1,246,035	246,515
Nyalenya AP Camp	Cooperative Bank - Mumias.	1141499511800	1,450,602	3,462,986
Nyapeta Primary School	Cooperative Bank - Mumias.	1141234845500	500,953	126,093
Ranjiri Primary School	Cooperative Bank - Mumias.	1141499529400	42,253	527,323

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PMC	Bank	Account number	Bank Balance	Bank Balance
Shibale Pri School	Cooperative Bank - Mumias.	1141067324900	232,610	1,214,620
St. Cyprian Ebuyeshera Primary School	Cooperative Bank - Mumias.	1141498094500	1,191,453	1,654,366
St. John Bumala Sec School	Cooperative Bank - Mumias.	1141798719600	6,757	63,875
St. Elias Iyabo Sec School	Cooperative Bank - Mumias.	1141498103400	68,074	522,094
St.Elizabeth Bumia Girls Sec	Cooperative Bank - Mumias.	1141068321200	554,186	255,226
St. Joseph Ugana Sec School	Cooperative Bank - Mumias.	1141498109200	256,160	63,875
St.Michael Ingusi Sec School	Cooperative Bank - Mumias.	1141233055500	233,226	233,706
St. Patrick's Lusheya Pri School	Cooperative Bank - Mumias.	1141067543800	903	1,863
St. Peters Boys Primary School	Cooperative Bank - Mumias.	1141067562500	114,457	114,937
St. Romano's Matawa Sec School	Cooperative Bank - Mumias.	1141234424300	77,417	85,797
Utende Primary School	Cooperative Bank - Mumias.	1141067544300	728,717	611,354
Wang'nyang' Primary School	Cooperative Bank - Mumias.	1141068175200	2,474,452	95,052
TOTAL			35,909,162	33,943,903

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	St Cyrilla Emulembwa Primary School- Value for money may not be realized as a result of poor workmanship on the construction of classrooms	Retention money has not been paid. We are going to ensure that all the defects observed by the auditors are made good by the contractor before we release the retention.	Not Resolved	3 months
2.	Delay in Completion of Projects- Delay in implementation and completion of the projects means that the constituents of Mumias West may not accrue the full benefits of the fund.	Delay in completion of the planned projects is as a result of untimely disbursement of funds by the NGCDF Board. Sometimes the AIEs come very late making it difficult to implement the projects as had been planned. However all projects have been implemented as initially planned and they are at their various stages of completion.	Not Resolved	3 months
3.	Budget Analysis- Budget underutilization may lead to non-delivery of planned services and programs to the people of Mumias West Constituency	We normally do our planning in good time and send our proposals to the board for approval. However, funding is done in piecemeal. This affects implementation of our budgets. We are forced to spread the funds that have been disbursed across. Late funding and approval of project code list makes it difficult to absorb all the funds available by end of the financial year	Not Resolved	3 months
4.	Delayed completion & Irregularities at Nyalenya AP Camp- Variation of designs without requisite approval may	The changes in the structure of the building were done after consultation with our client (beneficiary). The OCPD indicated to us that there were changes and police officers are now	Not Resolved	3 months

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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)
	lead to implementation of projects contrary to the initial requisition and the user needs, whereas delayed completion of the projects means that the constituents of Mumias West do not benefit from the benefits of the projects in a timely manner	not expected to stay within the police stations or posts. Delay in completion of the works is caused by small allocations from the NGCDF Board. However, the works are ongoing with the contractor on site.		
5.	Lack of Returns on Bursary's Disbursed- Lack of acknowledgments letters means that there is no evidence that the institutions received the funds as disbursed thus the money may not have been used for the intended purposes.	The office has been sending bursary cheques to institutions with letters of instruction to acknowledge receipt of the funds. However, the response has not been very good as observed by the auditors. We will strive to improve on this in future while devising new strategies to ensure that the institutions acknowledge our disbursements.	Not Resolved	3 months

