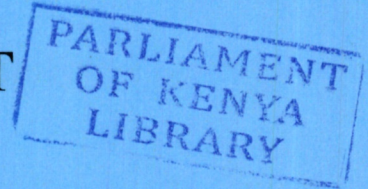





Enhancing Accountability

REPORT



OF

 THE NATIONAL ASSEMBLY PAPERS	
DATE: 10 NOV 2021	
DAY: Wed Morning	
TABLED BY:	Majority Whip Hon Wargwe
CLERK-AT THE-TABLE:	M. Mado

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – GANZE CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2019**







20 MAR 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GANZE
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, 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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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.

(b) Key Management

The NGCDF Ganze Constituency 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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Name of FAM	Peter Mwaighonda
2.	Name of D.A	Kazungu Lewa
3.	Name of Chairman	Patrick Ngumbao
4.	Name of alternate Signatory	Philister Sauti Kahindi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 489-80105, Kilifi, Kenya
Ganze NG-CDF Office
Ganze Sub-county Headquarters
Kilifi, KENYA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF Ganze Constituency Contacts

Telephone: (254) 0724 169951

E-mail: cdfganze@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF Ganze Constituency Bankers

Equity Bank

Kilifi Branch; Kibaoni-Hospital street

P.O. Box 381 - 80108

Kilifi, Kenya

Tel: 0736306810

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I hereby present the financial statements for Ganze NG-CDF for the financial year ended 30th June 2019. During the year, the constituency had a normal allocation of Kshs 109,040,875 as approved by the National assembly.

The Constituency received a total of Kshs. 40,000,000 representing 37% of the normal allocation and an additional Ksh. 54,134,483 being undisbursed balances as at 30th June 2018. Hence the total allocation available for use by the constituency within the financial year; including balances brought forward from previous financial years; was Kshs. 94,134,483.

Upon receipt of these funds, the constituency committee met and disbursed funds to various projects which had been earlier approved by the NGCDF Board. Most of the amount was spent on the Education sector with Kshs. 30,000,000 being disbursed as bursary to more than 2,000 needy students from the constituency and Kshs 44,010,041 as grants to Primary and Secondary schools. Primary Schools were earmarked for construction of classrooms and desks while Secondary Schools mainly benefitted with laboratories, dormitories and classrooms; many of which are now in use.

Other key projects that benefitted are construction of Bamba Police Post (pictured above) which is ready for official opening and environment projects.

The committee continued with the full sponsorship of students for courses in tertiary institutions. During the financial year, the first batch of students from Teachers Training College graduated and are better placed for the job market. The programme continues to achieve high retention rates for bright students from low income families whilst contributing to the big four agenda.

The committee was able to train project management committees and staff which has led to improved performance. In addition, the issue of the capacity of technical officers supervising the projects was addressed, leading to improved progress monitoring and quality work.

Challenges

The Committee encountered various challenges in the course of implementation of programmes. The main challenges include: Delay in the approval of reallocation requests and in approval of project proposals. This led to low budget utilisation as funds remained on the main account awaiting approval. There was also delayed disbursement of funds by the NG-CDF Board due to the low budget utilisation as well as political challenges. The prolonged drought period presented a challenge in implementation of the environment projects.

Way Forward

In order to address the challenges encountered, the committee shall continue with the capacity building programmes in the coming financial year to strengthen the project management committees and office staff as well as the NG-CDFC and improve on project implementation. We shall also be address other challenges such as completion of the large number of projects left uncompleted by previous regimes and the vastness of the constituency. Also expected to be addressed are matters touching on the increasing school enrolment and poor infrastructure in most schools. The committee will continue increasing the number of classrooms to address the demand.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

The Strategic Plan which has been developed will help shape the infrastructural development path that has been initiated.

The committee looks forward to a better performance in the next financial year, having understood the challenges ahead.

Sign 

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY 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.

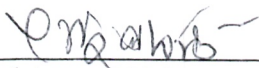
The Accounting Officer in charge of the NGCDF-Ganze Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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-Ganze 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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Ganze Constituency further confirms the completeness of the accounting records maintained for the *entity*, 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-Ganze Constituency confirms that the entity 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 entity'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-Ganze Constituency financial statements were approved and signed by the Accounting Officer on 29/9/2019 2019.



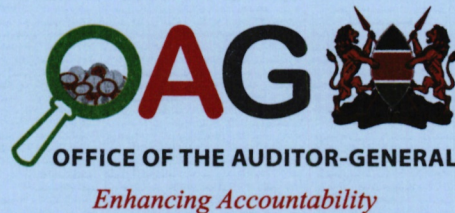
Fund Account Manager
Name: Peter Mwaighonda



Sub-County Accountant
Name: Kazungu Lewa
ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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–GANZE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund–Ganze Constituency set out on pages 7 to 39, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund–Ganze Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects a bank balance of Kshs.33,868,473. The bank reconciliation statement as at 30 June, 2019 reflected stale cheques amounting to Kshs.486,659 and receipts in bank statement amounting to Kshs.2,799. However, the cash book had not been updated with these balances as at 30 June, 2019.

Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.33,868,473 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

2. Outstanding Imprest

As previously reported, as disclosed in Note 11 to the financial statements, the statement of assets and liabilities reflects outstanding imprest totalling to Kshs.3,657,360. Included in this balance is an imprest amount of Kshs.3,129,360 which has been outstanding for more than five (5) years. Although the Management has explained that this imprest has since been surrendered, no supporting documents were provided.

Further, as previously reported, the statement of assets and liabilities as at 30 June, 2016 reflected opening outstanding imprest of Kshs.3,129,360 while the audited balance for the year 2014/2015 indicated a sum of Kshs.3,270,500, resulting to an unexplained and unreconciled variance of Kshs.141,140.

Consequently, the accuracy, completeness and validity of outstanding imprest amounting to Kshs.3,657,360 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be ascertained.

3. Pending Accounts Payables

Note 15.1 to the financial statements reflects pending accounts payable of Kshs.169,175. However, supporting schedule and invoices were not availed for audit verification.

In the circumstances, the accuracy, completeness and validity of pending bills accounts payables amounting to Kshs.169,175 as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund–Ganze 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: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.211,107,234 and Kshs.94,234,483 respectively resulting to an under-funding of Kshs.116,872,751 or 55% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.211,107,234 and Kshs.97,509,357 respectively resulting to an under expenditure of Kshs.113,497,877 or 54% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Projects Implementation

The projects implementation status report as at 30 June, 2019 indicated that sixty-one (61) projects with a total budget of Kshs.93,940,702 and total disbursements totalling to Kshs.88,616,347 were still on-going while twenty-eight (28) projects with a budget totalling to Kshs.79,258,670 had not started due to various reasons including lack of suitable projects site, delayed funding from the NGCDF Board and change of projects.

Further, physical verification conducted in the month of December, 2019 on three (3) projects; Mangororo Primary School, County Commissioner's Residence and Zia ra Wimbi Primary School with total allocation of Kshs.9,900,000 revealed that Mangororo

Primary School was completed but not in use while the other projects were ongoing at 50% level of completion.

In the circumstances, I am unable to confirm whether the public will obtain value for money on the projects not started and the unutilized.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Oversight and Governance Arrangement

The Management had not constituted a Constituency Oversight Committee to enhance the overall governance structure.

Consequently, the Fund may not efficiently and effectively mitigate the impact of financial and or operational risk should they occur.

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

Responsibilities of Management and those charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain 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 financial reporting process, reviewing the effectiveness of how the Fund 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 overall 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 policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

20 September, 2021

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY**

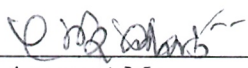
Reports and Financial Statements

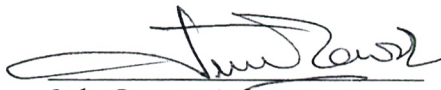
For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	94,134,483	74,842,918
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	100,000	50,000
TOTAL RECEIPTS		94,234,483	74,892,918
PAYMENTS			
Compensation of employees	4	3,182,990	2,145,102
Use of goods and services	5	7,494,759	6,076,351
Transfers to Other Government Units	6	44,010,040	3,800,000
Other grants and transfers	7	37,208,468	23,215,806
Acquisition of Assets	8	3,113,100	5,469,725
Other Payments	9	2,500,000	-
TOTAL PAYMENTS		97,509,357	40,706,984
SURPLUS/(DEFICIT)		(3,274,874)	34,185,934

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ganze Constituency financial statements were approved on 29/9 2019 and signed by:


Fund Account Manager
Name: Peter Mwaighonda


Sub-County Accountant
Name: Kazungu Lewa
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

GANZE CONSTITUENCY

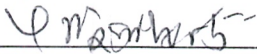
Reports and Financial Statements


For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2019

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	33,868,473	37,674,347
Cash Balances (cash at hand)	10B	93,562	93,562
Total Cash and Cash Equivalents		33,962,035	37,767,909
Current Receivables			
Outstanding Imprests	11	3,657,360	3,129,360
TOTAL FINANCIAL ASSETS		37,619,395	40,897,269
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		37,619,395	40,897,269
REPRESENTED BY			
Fund balance b/fwd.	13	40,894,269	6,711,333
Surplus/Deficit for the year		(3,274,874)	34,185,933
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		37,619,395	40,897,269

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ganze Constituency financial statements were approved on 29/9/2019 2019 and signed by:


 Fund Account Manager
 Name: Peter Mwaighonda


 Sub-County Accountant
 Name: Kazungu Lewa
 ICPAK Member Number:

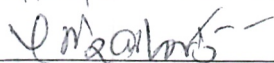
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GANZE CONSTITUENCY**


**Reports and Financial Statements
For the year ended June 30, 2019**

VI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	94,134,483	74,842,918
Other Receipts	3	100,000	50,000
Total receipts		94,234,483	74,892,918
Payments			
Compensation of Employees	4	3,182,990	2,145,102
Use of goods and services	5	7,494,759	6,076,351
Transfers to Other Government Units	6	44,010,040	3,800,000
Other grants and transfers	7	37,208,468	23,215,806
Other Payments	9	2,500,000	-
Total payments		94,396,257	35,237,259
Total Receipts Less Total Payments		(161,774)	39,655,659
Adjusted for:			
Outstanding imprest	11	3,657,360	3,129,360
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
Net Adjustments		(3,657,360)	(3,129,360)
Net cash flow from operating activities		(3,819,134)	36,526,299
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	3,113,100	5,469,725
Net cash flows from Investing Activities		(3,113,100)	(5,469,725)
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,932,234)	31,056,574
Cash and cash equivalent at BEGINNING of the year	13	40,894,269	6,711,335
Cash and cash equivalent at END of the year		33,962,035	37,767,909

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ganze Constituency financial statements were approved on 29/9/2019 2019 and signed by:


Fund Account Manager
Name: Peter Mwaighonda


Sub-County Accountant
Name: Kazungu Lewa
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GANZE CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019

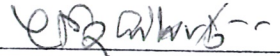
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2019

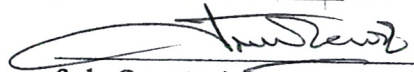
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,875	101,966,359	211,007,234	94,134,483	116,872,751	45.0%
Proceeds from Sale of Assets			-		-	
Other Receipts "AIA"		100,000	100,000	100,000	-	100.0%
TOTAL RECEIPTS	109,040,875	102,066,359	211,107,234	94,234,483	116,872,751	45.0%
PAYMENTS						
Compensation of Employees	2,698,000	2,144,630	4,842,630	3,182,990	1,659,640	66.0%
Use of goods and services	6,771,132	2,804,790	9,575,922	7,494,759	2,081,163	78.0%
Transfers to Other Government Units	53,300,000	56,172,450	109,472,450	44,010,040	65,462,410	40.0%
Other grants and transfers	46,271,743	27,279,611	73,551,354	37,208,468	36,342,886	51.0%
Acquisition of Assets	0	3,793,851	3,793,851	3,113,100	680,751	82.0%
Other Payments	0	9,771,027	9,771,027	2,500,000	7,271,027	26.0%
TOTALS	109,040,875	101,966,359	211,007,234	97,509,357	113,497,877	43.0%

Note:

1. The adjustments under RECEIPTS refers to balances brought forward from previous financial years and balances expected from the NG-CDF Board
2. During the financial year, the major receipts comprised of transfers from the NG-CDF Board vide AIEs, totalling Kshs. 94,134,483. Ganze NG-CDFC was able to raise Kshs. 100,000 as AIA through the sale of tender documents.
3. There is underutilization on the items due to a delay in disbursement of funding relating to the financial year. By close of the financial year, less than half the expected funding had been received. Part of the funds utilised relate to the budget for the FY 2017/2018.

The NGCDF-Ganze Constituency financial statements were approved on 29/9/2019 2019 and signed by:


 Fund Account Manager
 Name: Peter Mwaighonda


 Sub-County Accountant -
 Name: Kazungu Lewa
 ICPAK Member Number:

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustment	Total Budget 2018/2019	Actual on comparable basis 2018/2019	Budget utilization difference
	KSh	KSh	KSh	KSh	KSh
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,698,000	2,144,630	4,842,630	3,182,990	1,659,640
1.2 Committee allowances	1,800,000	469,000	2,269,000	1,376,500	892,500
1.3 Use of goods and services	1,700,112	950,099	2,650,211	2,514,659	135,552
1.4 Acquisition of assets					
2.0 Monitoring and evaluation					
2.1 Capacity building	2,698,000	2,144,630	4,842,630	3,182,990	1,659,640
2.2 Committee allowances	1,800,000	469,000	2,269,000	1,376,500	892,500
2.3 Use of goods and services	1,700,112	950,099	2,650,211	2,514,659	135,552
3.0 Emergency					
3.1 Emergency	5,738,993	4,840,027	10,579,020	1,000,000	9,579,020
4.0 Bursary and Social Security					
Secondary Schools	9,000,000		9,000,000	4,680,000	4,320,000
Tertiary Institutions	15,000,000		15,000,000	11,978,884	3,021,116
Special Schools	1,000,000	1,000,000	2,000,000		2,000,000
Bursaries		13,899,584	13,899,584	13,899,584	-
5.0 Sports					
5.1 Sports (2016/17)		240,000	240,000		240,000
5.2 Constituency Sports Tournament	1,650,000	1,650,000	3,300,000		3,300,000
6.0 Environment					
Environmental activities	882,750	1,650,000	2,532,750	1,650,000	882,750
7.0 Primary Schools Projects					
Bodoi Primary School	6,000,000	250,000	6,250,000	250,000	6,000,000
Kafitsoni Primary School	1,000,000		1,000,000		1,000,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GANZE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Actuals	Final Budget 2018/2019	Actuals on comparable basis 30/06/2019	Budget allocation difference
Marere Primary School	3,000,000		3,000,000		3,000,000
Misufini Primary School	7,500,000		7,500,000		7,500,000
Muhoni Primary School	2,000,000		2,000,000		2,000,000
Mwapula Primary School	2,000,000		2,000,000		2,000,000
Tsangalaweni Primary School	3,500,000		3,500,000		3,500,000
Zia ra Wimbi Primary School	3,000,000		3,000,000		3,000,000
Zia ra Wimbi Primary School	1,000,000	1,000,000	2,000,000	1,000,000	1,000,000
Dodosa Primary School		250,000	250,000	250,000	-
Kahingoni Primary School		250,000	250,000	250,000	-
Silala Primary School		250,000	250,000	250,000	-
Mwapula Primary School		500,000	500,000		500,000
Mwenge Primary School		3,000,000	3,000,000	3,000,000	-
Ganze Primary School		3,000,000	3,000,000	3,000,000	-
Chapungu Primary school		3,226,880	3,226,880		3,226,880
Dungicha Primary School		1,000,000	1,000,000	1,000,000	-
Palakumi Primary School		3,500,000	3,500,000	3,500,000	-
Bandari Primary School		2,500,000	2,500,000	750,000	1,750,000
Kagombani Primary School		500,000	500,000	500,000	-
Dungicha Primary School		500,000	500,000	500,000	-
Masemo Primary School		1,000,000	1,000,000		1,000,000
Katofeni Primary School		250,000	250,000	75,000	175,000
Mulungu wa Mawe Primary School		500,000	500,000	500,000	-
Petanguo Primary School		1,536,207	1,536,207	1,536,207	-
Muyuni Primary School		500,000	500,000	500,000	-
Midodoni Primary School		250,000	250,000	100,000	150,000
Bahero Primary School		500,000	500,000	350,000	150,000
Mabathani Primary School		2,010,529	2,010,529		2,010,529

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GANZE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Allocations	Final Budget 2019/2019	Actual on comparable basis 2018/2019	Budget utilization difference
Makonjeni Primary School		1,000,000	1,000,000		1,000,000
Tandia Primary School		1,000,000	1,000,000		1,000,000
8.0 Secondary Schools Projects					
Ambassador Kithi Secondary School	1,500,000		1,500,000		1,500,000
Bamba Girls' Secondary School	6,000,000		6,000,000		6,000,000
Bamba Girls' Secondary School	3,000,000		3,000,000		3,000,000
Jila Secondary School	5,000,000		5,000,000		5,000,000
Midoina Secondary School	1,800,000		1,800,000		1,800,000
Midoina Secondary School	3,000,000		3,000,000		3,000,000
Sosoni Secondary School	4,000,000		4,000,000		4,000,000
Ganze Boys Secondary School		6,000,000	6,000,000	4,800,000	1,200,000
Vitengeni Baptist Secondary School		6,000,000	6,000,000	6,000,000	-
Jila Secondary School		4,000,000	4,000,000	4,000,000	-
Petanguo Secondary School		400,000	400,000	400,000	-
Bandari Secondary School		400,000	400,000	400,000	-
Mwangea Girls Secondary School		11,098,834	11,098,834	11,098,834	-
9.0 Tertiary institutions Projects					
10.0 Security Projects					
DCC's Residence	3,000,000		3,000,000		3,000,000
Vitengeni Police Station	10,000,000		10,000,000		10,000,000
Bamba Police Station		4,000,000	4,000,000	4,000,000	-
11.0 Acquisition of assets					
Motor Cycle		400,000	400,000		400,000
Construction of NGCDF office		2,530,275	2,530,275	2,361,100	169,175
Purchase of furniture and equipment		863,576	863,576	752,000	111,576

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GANZE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/19	Adjustments	Total Budget 2018/19	Actual 2018/19	Budget utilization difference
12.0 Others					
Strategic Plan		4,000,000	4,000,000	2,500,000	1,500,000
Innovation Hub		4,677,027	4,677,027		4,677,027
Printing Machine DEO		1,000,000	1,000,000		1,000,000
AIA Revenue		94,000	94,000		94,000
GRAND TOTALS	109,040,876	101,966,358	211,007,233	97,509,358	113,497,876

IX. 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 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-Ganze 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.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is 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 public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. 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 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 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) --
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. Included in the adjustments are the unutilized funds.

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 2019.

14. Errors

Material prior period errors shall be 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

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO A855803	1		5,500,000
AIE NO A892553	2		31,437,746
AIE NO. A896811	3		37,905,172
AIE NO B005337	1	53,134,483	
AIE NO B030239	2	10,000,000	
AIE NO B006329	3	6,000,000	
AIE NO B030388	4	10,000,000	
AIE NO B047086	5	15,000,000	
TOTAL		94,134,483	74,842,918

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2019

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	100,000	50,000
Other Receipts Not Classified Elsewhere	-	-
Total	100,000	50,000

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	3,044,517	1,145,986
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	952,856
Other personnel payments	17,423	-
Employer contribution to NSSF	121,050	46,260
Total	3,182,990	2,145,102

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2019

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	3,125,500	1,184,000
Utilities, supplies and services	163,760	66,000
Communication, supplies and services	122,000	73,310
Domestic travel and subsistence	145,400	137,960
Printing, advertising and information supplies & services	131,220	-
Rentals of produced assets	0	-
Training expenses	1,605,400	1,619,000
Hospitality supplies and services	132,230	506,550
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	707,521	1,030,504
Fuel ,oil & lubricants	639,734	408,000
Other operating expenses	143,600	478,732
Bank service commission and charges	63,079	
Routine maintenance – vehicles and other transport equipment	465,315	374,495
Routine maintenance – other assets	50,000	197,800
Total	7,494,759	6,076,351

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2019

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	17,311,207	3,800,000
Transfers to secondary schools (see attached list)	26,698,833	-
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	44,010,040	3,800,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,040,000	11,627,500
Bursary – tertiary institutions (see attached list)	11,458,693	9,950,375
Bursary – special schools (see attached list)	670,000	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	6,398,782	-
Sports projects (see attached list)	-	-
Environment projects (see attached list)	2,180,000	1,637,931
Emergency projects (see attached list)	5,460,993	-
Total	37,208,468	23,215,806

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
GANZE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2019

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	2,361,100.00	5,469,725
Refurbishment of Buildings	-	-
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	752,000	0
Purchase of ICT Equipment, Software and Other ICT Assets	-	0
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	3,113,100	5,469,725

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	2,500,000	-
ICT Hub	-	-
TIVET	-	-
	-	-
TOTAL	2,500,000	-

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>EQUITY BANK, Kilifi Branch - Ganze NG-CDF A/C no.1060298195611</i>	33,868,473	37,674,347
Total	33,868,473	37,674,347
10B: CASH IN HAND		
Location 1	93,562	93,562
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	93,562	93,562
<i>[Provide cash count certificates for each]</i>		

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11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>CHRISTOPHER NYERERE</i>	24.02.2014	1,598,760	-	1,598,760
<i>CHRISTOPHER NYERERE</i>	05.08.2014	1,240,000	-	1,240,000
<i>TIMA S AHMED</i>	04.07.2011	240,600	-	240,600
<i>MWARUNGU MWANDOE</i>	08.06.2009	50,000	-	50,000
<i>EUNICE ONACHA</i>	25.03.2019	600,000	72,000	528,000
		-	-	-
<i>Total</i>				<u>3,657,360</u>

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

12A. RETENTION

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	37,674,347	3,488,413
Cash in hand	93,562	93,562
Imprest	3,129,360	3,129,360
Total	40,894,269	6,711,335

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	169,175	2,530,275
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	<u>169,175</u>	<u>2,530,275</u>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (NGCDFC Staff)	549,442	144,000
	<u>549,442</u>	<u>144,000</u>

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,659,640	2,144,630
Use of goods and services	2,081,163	1,780,652
Amounts due to other Government entities (see attached list)	65,462,410	10,962,409
Amounts due to other grants and other transfers (see attached list)	36,342,886	2,242,097
Acquisition of assets	680,751	2,530,275
Others (<i>specify</i>)	7,271,027	4,094,000
	<u>113,497,877</u>	<u>23,754,063</u>

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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	16,665,861	169,430
	16,665,861	169,430

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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 2019	Outstanding Balance 2018	Comments
	a	b	c	d=a-c		
Construction of buildings						
Recall Enterprises	18,000,000		2,361,100	169,175	2,530,275	
Sub-Total	18,000,000		2,361,100	169,175	2,530,275	
Construction of civil works						
Sub-Total	0		0	0	0	
Supply of goods						
Sub-Total	0		0	0	0	
Supply of services						
Sub-Total	0	0	0	0	0	
Grand Total	18,000,000	-	2,361,100	169,175	2,530,275	

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees				
Use of goods & services		1,659,640	2,144,630	
Amounts due to other Government entities		2,081,163	1,780,652	
Bodoi Primary School				
Kafitsoni Primary School		6,000,000		
Marere Primary School		1,000,000		
Misufini Primary School		3,000,000		
Muhoni Primary School		7,500,000		
Mwapula Primary School		2,000,000		
Tsangalaweni Primary School		2,000,000		
Zia ra Wimbi Primary School		3,500,000		
Zia ra Wimbi Primary School		3,000,000		
Mwapula Primary School		1,000,000		
Chapungu Primary school		500,000	500,000	
Bandari Primary School		3,226,881	3,226,880	
Masemo Primary School		1,750,000	1,750,000	
Katofeni Primary School		1,000,000	1,000,000	
Midodoni Primary School		175,000	175,000	
Bahero Primary School		150,000	150,000	
Mabathani Primary School		150,000	150,000	
Makonjeni Primary School		2,010,529	2,010,529	
Tandia Primary School		1,000,000	1,000,000	
Ambassador Kithi Secondary School		1,000,000	1,000,000	
Bamba Girls' Secondary School		1,500,000		
Bamba Girls' Secondary School		6,000,000		
Jila Secondary School		3,000,000		
Midoina Secondary School		5,000,000		
Midoina Secondary School		1,800,000		
Sosoni Secondary School		3,000,000		
Ganze Boys Secondary School		4,000,000		
		1,200,000		
Sub-Total		69,203,213	14,887,691	
Amounts due to other grants and other				

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
transfers				
Sports				
Emergency		3,540,000	240,000	
Bursary- Secondary Schools		9,579,020	2,002,097	
Bursary- Tertiary		4,320,000		
Bursary- Special Schools		3,021,116		
Environmental activities		2,000,000		
DCC's Residence		882,750		
Vitengeni Police Station		3,000,000		
	Sub-Total	10,000,000		
		36,342,886	2,242,097	
Acquisition of assets				
Construction of NGCDF office				
Motorcycle		169,175	2,530,275	
Purchase of furniture and equipment		400,000		
	Sub-Total	111,576		
		680,751	2,530,275	
Others (<i>specify</i>)				
Strategic Plan				
Innovation Hub		1,500,000	4,000,000	
Printing Machine DEO		4,677,027		
AIA Revenue		1,000,000		
	Sub-Total	94,000	94,000	
		7,271,027	4,094,000	
	Grand Total	113,497,877	23,754,063	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures °				
Transport equipment	15,469,725	2,361,100		17,830,825
Office equipment, furniture and fittings	8,462,382			8,462,382
ICT Equipment, Software and Other ICT Assets	313,595	752,000		1,065,595
Other Machinery and Equipment	272,000			272,000
Heritage and cultural assets	9,560,000			9,560,000
Intangible assets	-			-
	-			-
Total	34,077,702	3,113,100	0	37,190,802

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Katandewa Primary School	National Bank	1224068227500	1,506	149,206
Ambassador Kithi Memorial Sec. School	National Bank	1285068270800	20,224	20,224
Petanguo Secondary School	Equity Bank	1060278968467	640	
Bandari Secondary School	Equity Bank	1060278971832	400,000	
Mwangea Girls Secondary School	Equity Bank	1060277341298	5,502,352	
Vitengeni Baptist Secondary School	Equity Bank	1060277712508	4,022,296	
Jila Secondary School	Equity Bank	1060277475490	312,594	
Bamba Police Station	Equity Bank	1060177527651	176,069	
Environment PMC	Equity Bank	1060276401283	1,650,000	
Bahero Primary School	Equity Bank	1060278543397	2,220	
Bandari Primary School	Equity Bank	1060278581537	880	
Bodoi Primary School	Equity Bank	1060278542728	380	
Dodosa Primary School	Equity Bank	1060277490513	250,000	
Dungicha Primary School	Equity Bank	1060277489327	7,770	
Ganze Primary School	Equity Bank	1060277477111	211	
Kagombani Primary School	Equity Bank	1060278556749	500,000	
Kahingoni Primary School	Equity Bank	1060278581863	80	
Katofeni Primary School	Equity Bank	1060278597967	1,180	

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Midodoni Primary School	Equity Bank	1060278590462	100,000	
Mulungu wa Mawe Primary School	Equity Bank	1060278504320	500,000	
Muyuni Primary School	Equity Bank	1060278583019	125,880	
Mwenge Primary School	Equity Bank	1060277472454	352,573	
Petanguo Primary School	Equity Bank	1060278442495	1,536,206	
Silala Primary School	Equity Bank	1060277520726	1,500	
Zia ra Wimbi Primary School	Equity Bank	1060277607990	701,300	
Palakumi Primary School	Equity Bank	1060277552691	500,000	
Total			16,665,861	169,430

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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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Presentation of Financial Statements				
1.1	Numbering	The numbering of the financial statements is not sequential as some numbers are repeated	Fund Account Manager	Not Resolved	1 week
1.2	Date of signing	Date of signing on pages 5 to 8 missing	Fund Account Manager	Not resolved	1 week
1.3	Statement of receipts and payments	Statement of receipts and payments not signed	Fund Account Manager	Not Resolved	1 week
2.	Inaccuracy of the Financial Statements				
2.1	Comparative Statement of receipts and payments	The comparative statement of receipts and payments for the year ended 30th June 2017 reflects total payments of Kshs. 80,690,636 while audited accounts for the financial year 2015/2016 reflects total payments of Kshs. 80, 597,075 resulting to a variance of Kshs. 93,561	Fund Account Manager	Not Resolved	1 week
2.2	Comparative Statement of assets	The Comparative Statement of assets reflects fund balance brought forward of Kshs. 24,081,464 as at 30 th June 2017, while the statement of cash flows reflects a balance of Kshs. 24, 084, 464 resulting to a variance of Kshs. 3,000 which has not been explained or reconciled.	Fund Account Manager	Not Resolved	1 week
3.	Note 3 - Receipts	Other receipts amount to Kshs 44,000. However, schedules and daily cash sales	Fund Account Manager	Not Resolved	1 week

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		receipts were not availed for audit review.			
4.	Outstanding Imprest	Un-surrendered outstanding imprest	Fund Account Manager	Not resolved as imprest still outstanding/un-surrendered	
5.	Emergency Projects	Emergency projects are indicated as amounting to Kshs. 5,427,765. However, the management has not availed for audit payment vouchers totaling Kshs. 3,504,679. Further, payment vouchers totaling Kshs. 498,086 were paid for servicing, fueling of vehicles and car hire.	Fund Account Manager	Not Resolved	2 weeks
6.	Use of goods and services	Use of goods and services balance of Kshs. 11,826,963 includes other operating expenses amounting to Kshs. 2,377,435. However, this amount includes Kshs. 200,000 whose surrender documents were for persons who were not officers of the Ganze CDF.	Fund Account Manager	Not Resolved	1 month
7.	Acquisition of Assets				
7.1	Construction of buildings	The Acquisition of assets balance of Kshs. 19,197,830 includes construction of buildings amounting to Kshs. 10,000,000 for construction of Ganze Constituency Fund office building. There were major changes of design from the original plan, extension of one wing which was done by the works officer and the contractor without formal instructions on the drawing approval from the Board. The management has not explained why the design was changed nor availed the bills of quantities	Clerk of Works, Fund Account Manager	Not Resolved	1 month

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		for the changed design for audit.			
7.2	Purchase of vehicle and Other Transport Equipment	Purchase of vehicle and other transport equipment amounting to Kshs. 8,599,350 includes an amount of Kshs. 55,000 paid for fitting the vehicle with a tracking system that could not be verified. Ownership documents of Fund's motor vehicle registration GK 036R, and tractors registration KAV 583K, KAV 579K, and KAV 578 K were not availed for audit verification	Fund Account Manager	Not Resolved	1 month
7.3	Unremitted taxes	Management did not withhold tax on the payments amounting to Kshs. 10,000,000 made to the contractor thereby failing to comply with the income tax requirements. Possible fines and penalties accruing due to non-compliance were not catered for.	Fund Account Manager	Not Resolved	
8.	Other Grants and other Payments	Grants and other payments of Kshs. 49,004,733 includes roads projects amounting to Kshs. 1,660,650. The funds were paid in respect to bush clearing, grading and gravelling of Mnago wa Dola Jira road project which is a devolved function contrary to the NG-CDF Act. Management did not avail tender minutes to show how the contractor was procured for the project.	Fund Account Manager	Not Resolved	3 weeks
9.	Transfers from Other Government Entities	The comparative statement of receipts and payments for the year ended 30th June 2017 reflects transfers from other government entities of Kshs. 103,281,441 while records maintained by the NG-CDFB	Fund Account Manager	Not Resolved	3 weeks

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		reflects a figure of Kshs. 70,000,000 resulting to a variance of Kshs. 33,281,441 which has not been reconciled or explained.			
10.	Budgetary Controls and Performance	The Summary Statement of appropriation indicates that the Fund has a final balance of Kshs. 169,610,749 and spent Kshs. 152,331,347 or 90% resulting to under absorption of Kshs. 17,279,402 Or 10% of the budget.	Fund Account Manager	Not Resolved	
11.	Project Status				
11.1	Complete Projects but not Operational	The fund spent Kshs. 10,075,000 on ten projects which since completion have never been put to use, indicating possible lack of public participation before projects were implemented.	Fund Account Manager		
11.2	Project verification	Nine projects with a total cost of Kshs. 13,550,000 had stalled at various levels. The projects were to be implemented within the financial year but management has not explained why the projects were abandoned.	Fund Account Manager		

