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OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND-GANZE  
CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017



*Paper laid by  
LON on 9/10/2018  
(Afternoon)*



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
GANZE CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2017**

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

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

**Reports and Financial Statements**

**For the year ended June 30, 2017**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The National Government Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the National Government Constituencies Development Fund. The objective of the fund to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

**(b) Key Management**

The Ganze Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2017 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>George Juma Onesmus</b>
3.	Accountant	<b>Kazungu Lewa</b>

**(d) Fiduciary Oversight Arrangements**

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

<b>No.</b>	<b>Name</b>	<b>Designation</b>
1.	Partrick Ngumbao	Chaiman
2.	Philster Kahindi	Secretary
3.	Onesmus Dzombo	Member
4.	Onesmus Foleni	Member
5.	Purity Ngowa	Member
6.	Humphrey Safari	Member
7.	Rehema Charo	Mmber
8.	Jimmy Kitsao	Member
9.	Antony Munyao	fund account manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- GANZE  
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**(e) Ganze National Government Constituency Development Fund**

P.O. Box 489-80108

Kilifi-Kenya

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- GANZE  
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**Reports and Financial Statements  
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**(f) Ganze NG-CDF Contacts**

Telephone: +254721355958

E-mail: [cdfganze@cdf.go.ke](mailto:cdfganze@cdf.go.ke)

**(g) Ganze NG-CDF Bankers**

Equity Bank, Kilifi Branch

Account Name: Ganze National Government Constituency Development Fund,

Account Number: 1060298195611

P.O. Box 381-80108

Tel: 0736306810

**(h) Independent Auditors**

Auditor General

Kenya National Audit Office

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 CONSTITUENCY DEVELOPMENT FUND- GANZE  
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**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY  
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

Ganze NG-CDF in the financial year 2016/2017 budget proposal received 50 percent of its allocation which was spent on the budget projects. However, over the years the entity has improved education, access roads and water supply through drilling of dams in villages until the coming into force of NG-CDF Act 2015 which made the fund concentrate only on national government functions.

Ever since, this has improved the management and implementation of projects due to the narrow scope of embarking on only education and security projects. Consequently, through the fund construction of primary and secondary schools, payment of fees to over 15,000 needy and vulnerable students in the constituency have come to be a reality.

Emerging issues of increased population, increasing school enrolment, prolonged drought, boundaries conflict, political interferences and on-going court case have posed a challenge.

*Sign*

 26/6/2018  
CHAIRMAN NG-CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- GANZE  
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**III. STATEMENT OF NG-CDF 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 agency shall prepare financial statements in respect of that agency. 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 Ganze National Government Constituency Development Fund is responsible for the preparation and presentation of the Ganze NG-CDF financial statements, which give a true and fair view of the state of affairs of the Ganze NG-CDF for and as at the end of the financial year (period) ended on June 30, 2017. 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 NG-CDF; (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 NG-CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

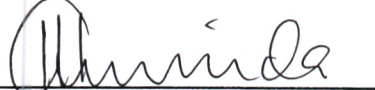
The Accounting Officer in charge of the Ganze NG-CDF accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of the Ganze NG-CDF further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Ganze NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF'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 NG-CDF'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 NG-CDF's financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2017.

  
Fund Account Manager  
FUND ACCOUNTANT MANAGER  
GANZE NG-CDF  
P.O. Box 489-80108, KILIFI  
Mob. 0733-540 304  
DATE: \_\_\_\_\_ SIGN: \_\_\_\_\_

 26/6/018  
Chairman NG-CDFC

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-GANZE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Disclaimer of Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Ganze Constituency set out on pages 6 to 26, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, as required by Article 229(6) of the Constitution, I have not been able to obtain sufficient appropriate audit evidence to confirm that public money has been applied lawfully and in an effective way.

#### Basis for Disclaimer of Opinion

##### 1. Presentation of the Financial Statements

The financial statements for the year ended 30 June 2017 presented for audit had the following anomalies: -

- i. The numbering of the financial statements is not sequential as some page numbers are repeated.
- ii. Date of signing on pages 5 to 8 are missing in these financial statements.
- iii. The statement of receipts and payments is not signed.

In the circumstances, the financial statements presented for audit do not comply with International Public Sector Accounting Standards No.1 on presentation of financial statements as prescribed by the Public Sector Accounting Standards Board.

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*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund-Ganze Constituency for the year ended 30 June 2017*

## **2. Inaccuracy of the Financial Statements**

The financial statements for the year ended 30 June 2017 availed for audit had the following inaccuracies:

- i. The comparative statement of receipts and payments for the year ended 30 June 2016 reflects total payments of Kshs.80,690,636 while the audited accounts for year 2015/2016 reflects total payments of Kshs.80,597,075 resulting to unexplained variance of Kshs.93,561.
- ii. As previously reported, the comparative statement of assets reflects fund balance brought forward of Kshs.24,081,464 as at 30 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.

Consequently, the accuracy and completeness of these financial statements could not be confirmed.

## **3. Other Receipts**

Note 3 to the financial statements reflects other receipts amounting to Kshs.44,000. However, schedules and daily cash sales receipts were not availed for audit review.

In the circumstances, the accuracy and completeness of other receipts amounting to Kshs.44,000 for the year ended 30 June 2017 could not be confirmed.

## **4. Outstanding Imprest**

As reported previously, note 11 to the financial statements reflects outstanding imprests of Kshs.3,129,360. The audit revealed that the imprests have been outstanding for more than two (2) years contrary Section 93 (5) of Public Finance Management National Government Regulations, 2015. Although the management has explained that these imprests have since been surrendered, documentary evidence to that effect has not been provided for audit verification.

Further, as previously reported, the statement of assets as at 30 June 2016 reflects opening outstanding imprests balance of Kshs.3,129,360 while the audited balance for the year 2014/2015 indicated a sum of Kshs.3,270,500, resulting to a variance of Kshs.141,140 which has not been explained.

Consequently, the regularity and completeness of outstanding imprest amounting to Kshs.3,129,360 as at 30 June 2017 could not be confirmed.

## **5. Emergency Projects**

Note 7 to the financial statements reflects emergency projects 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 as detailed below:

<b>PV No</b>	<b>Date</b>	<b>Payee</b>	<b>Description</b>	<b>Amount</b>
4030183	12/01.17	Toyota Kenya	Servicing vehicle GK B036R	23,086
4030182	12/01.17	Kilifi Filing Station	Fueling Vehicle	100,000
4030140	9/11/2016	Ganze Inn Filling Station	Fueling Vehicle	300,000
4030097	17/10/16	Kibs Tours	KCC846S- Car hire	75,000
<b>Total</b>				<b>498,086</b>

This is contrary to the National Government Constituencies Development Fund Act, 2015 Section 6 (2).

Consequently, the validity, completeness and accuracy of emergency projects balance of Kshs.5,427,765 for the year ended 30 June 2017 could not be confirmed.

## **6. Use of Goods and Services**

Note 5 to the financial statements reflects use of goods and services balance of Kshs.11,826,963 which 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. Further, the surrenders were for unspecified journeys.

In the circumstance, the propriety and regularity of the expenditure of Kshs.200,000 for the year ended 30 June 2017 could not be confirmed.

## **7. Acquisition of Assets**

### **7.1. Construction of Buildings**

Note 8 to the financial statements reflects acquisition of assets balance of Kshs.19,197,830 which includes construction of buildings amounting to Kshs.10,000,000. This amount was for construction of the Ganze Constituency Fund office building. However, the audit revealed that there were major changes of the design from the original plan, extension of one wing and changes of the design on windows which was done by works officer and the contractor without formal instructions on the drawing and approval from the Board. The management has not explained why the design was changed and the bill of quantities for the changed design were not availed for audit. Further, it has not been possible to ascertain if value for money has been obtained by the citizens of Ganze.

In the circumstance, the regularity and completeness of the construction of building amounting to Kshs.10,000,000 for the year ended 30 June 2017 could not be confirmed.

## **7.2. Purchase of Vehicles and Other Transport Equipment**

Note 8 to the financial statements reflects purchase of vehicles and other transport equipment amounting to Kshs.8,599,350. However, this figure includes an amount of Kshs.55,000 paid for fitting the vehicle with a car tracking system that could not be verified. Further, the ownership documents of Fund's motor vehicle registration GK 036 of Kshs.8,462,382 and Tractors with registration KAV 583K of Kshs.2,270,000, KAV 579K of Kshs.2,270,000 and KAV 578K of Kshs.2,270,000 were not availed for audit verification.

In the circumstance, the ownership of the motor vehicle and the tractors all valued at Kshs.15,272,382 could not be confirmed.

## **7.3. Unremitted Taxes**

Note 8 to the financial statements reflects construction of buildings amounting to Kshs.10,000,000. However, the management did not withhold tax on the payments made to the contractor contrary to Section 42A (4-C) of the Tax Procedures Act, 2015. As a result, the management did not comply with the income tax requirements and possible fines and penalties accruing due to non-compliance was not provided for in these financial statements.

## **8. Other Grants and Other Payments**

Note 7 to the financial statements for the year ended 30 June 2017 reflects other grants and other payments of Kshs.49,004,733 which includes roads projects amounting to Kshs.1,660,650. The funds were paid in respect to bush clearing, grading and gravelling of Mnango wa Dola Jira road project which is a devolved function. This is contrary to the National Government Constituencies Fund Act, 2015 Section 24(1). Further, the management did not avail the tender minutes and procurement documents to show how the contractor was procured for the project.

In the circumstance, the regularity and completeness of roads projects amounting to Kshs.1,660,650 could not be confirmed.

## **9. Transfers from Other Government Entities**

As previously reported, the comparative statement of receipts and payments for the year ended 30 June 2016 reflects transfers from other Government entities of Kshs.103,281,441 while records maintained by the National Government Constituencies Development Fund Board reflect a figure of Kshs.70,000,000, resulting in a variance of Kshs.33,281,441 which has not been explained or reconciled. Consequently, the accuracy and completeness of Kshs.103,281,441 balance of transfers from other Government units for the year cannot be confirmed.

## 10. Budgetary Controls and Performance

The summary statement of appropriation: recurrent and development combined for the year ended 30 June 2017 indicates that the Fund had a final budget 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 as shown below:

Item	Budgeted Amount (Kshs)	Actual Expenditure (Kshs)	Under Absorption (Kshs)	Under Absorption (%)
Compensation of employees	4,055,944	1,614,174	2,441,770	60
Use of goods and services	15,812,830	11,826,963	3,985,867	25
Transfer to other Government units	62,449,310	69,187,647	2,802,193	(4)
Other grants and transfers	52,907,135	49,004,733	3,902,402	7
Acquisition of assets	23,345,000	19,197,830	4,147,170	18
Other payments	1,500,000	1,500,000	0	0
<b>Total</b>	<b>169,610,749</b>	<b>152,331,347</b>	<b>17,279,402</b>	<b>10</b>

The overall under-utilization of the budget amounting to Kshs.17,279,402 (10%) affected delivery of goods and services to the residents of Ganze Constituency.

### 11.0 Project Status

#### 11.1 Complete Projects but not operational

The Fund spent Kshs.10,075,000 on ten (10) projects which since completion have never been put in to use as detailed below:

S/No	Project	Budget Allocation Kshs.	Payments as at 30 June 2017 Kshs.	Observations
1.	Lwandani Pri. School	250,000.00	250,000.00	Project is complete, unlabeled and not use
2.	Mwenge Pri. School	1,225,000.00	1,225,000.00	Project is complete, unlabeled and not in use
3.	Katendewa Pri. School	2,000,000.00	2,000,000.00	Project is complete, unlabeled and not in use
4.	Mwangea Pri. School	1,000,000.00	1,000,000.00	Project is complete, unlabeled and not in use

5.	Mwangea Pri. School	1,000,000.00	1,000,000.00	Project is complete, unlabeled and not in use
6.	Maojo Pri.School	800,000.00	800,000.00	Project is complete and not in use
7.	Petanguo Pri. School	800,000.00	800,000.00	Project is complete, unlabeled and not in use.
8.	Darajani Pri. School	1,000,000.00	1,000,000.00	Project is complete and not in use
9.	Nasoro Pri.School	1,000,000.00	1,000,000.00	Project is complete and not in use
10.	Bamba Pri. School	1,000,000.00	1,000,000.00	Project is complete and not in use
	<b>Total</b>		<b>10,075,000.00</b>	

It is not clear whether there was public participation before the projects were implemented. Consequently, the residents of Ganze Constituency did not get value for money spent on projects amounting to Kshs.10,075,000.

## 11.2 Project Verification

A total of fifteen (19) projects with a total allocation of Kshs.23,625,000 were verified during the audit. However, nine (9) projects with a total cost of Kshs.13,550,000 had stalled at various levels as detailed below:

	<b>Project</b>	<b>Payments as at 30 June 2017 Kshs.</b>	<b>Observations</b>
1	Jila Pri School	1,000,000	Project incomplete, unlabeled and in use. The roofing and exterior painting are incomplete
2	Kagambani Primary School	1,000,000	Project is incomplete, unlabeled and in use. However, the step to the classroom are too high for pupils.
3	Marere Pri. School	1,050,000.00	Project is incomplete, unlabeled and not in use
4	Mugumoni Pri.School	1,200,000.00	Project is incomplete and not in use
5	Muyuni Dispensary	500,000	Project is incomplete and not in use
6	Bandari Secondary School	1,500,000	Project is incomplete but in use
7	Magogoni Secondary	3,800,000	Project is incomplete but in use

8	Mwangea Secondary School	1,000,000	Project is incomplete and not in use
9	Ambassador Kithi Secondary School	2,500,000	Project is incomplete but in use
	<b>Total</b>	<b>13,550,000</b>	

The projects were to be implemented and completed within the financial year, however the management has not explained why the projects were abandoned.

Consequently, the residents of Ganze Constituency may not be getting value for money on Kshs.13,550,000 used in the stalled projects.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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 such 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.

In preparing the financial statements, management is responsible for assessing the National Government Constituencies Development Fund-Ganze Constituency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the National Government Constituencies Development Fund-Ganze Constituency or cease operations, or have no realistic alternative but to do so.

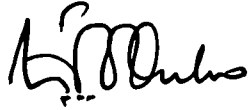
Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Those charged with governance are responsible for overseeing the National Government Constituencies Development Fund-Ganze Constituency's financial reporting process.

### **Auditor-General's Responsibilities for the Audit of the Financial Statements**

My responsibility is to conduct an audit of the National Government Constituencies Development Fund-Ganze Constituency's financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of National Government Constituencies Development Fund-Ganze Constituency in accordance with ISSAI 30 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.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**02 August 2018**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- GANZE  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2016 - 2017	2015- 2016
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NG-CDF board-AIEs' Received	1	112,235,852	103,281,441
Proceeds from Sale of Assets	2	-	
Other Receipts	3	44,000	
<b>TOTAL RECEIPTS</b>		<b>112,279,852</b>	<b>103,281,441</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,614,174	1,087,151
Use of goods and services	5	11,826,963	4,668,038
Transfers to Other Government Units	6	69,187,647	26,537,931
Other grants and transfers	7	49,004,733	48,303,955
Acquisition of Assets	8	19,197,830	-
Other Payments	9	1,500,000	-
<b>TOTAL PAYMENTS</b>		<b>152,331,347</b>	<b>80,690,636</b>
<b>SURPLUS/DEFICIT</b>		<b>(40,051,495)</b>	<b>22,590,805</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ganze NG-CDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

  
Chairman – NG-CDFC

  
Fund Account Manager

FUND ACCOUNT MANAGER  
GANZE NG - CDF  
P.O. Box 89-80108, KILIFI  
MOB: 0733-540 364  
DATE: \_\_\_\_\_ SIGN: \_\_\_\_\_

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- GANZE  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2017**

**V. STATEMENT OF ASSETS**

	Note	2016 – 2017 Kshs	2015 - 2016 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	3,491,413	43,542,908
Cash Balances (cash at hand)	10B	93,562	93,562
Outstanding Imprests	11	3,129,360	3,129,360
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,714,335</b>	<b>46,765,830</b>
<b>REPRESENTED BY</b>			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	46,765,830	24,081,464
Surplus/Deficit for the year		(40,051,495)	22,684,366
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b>6,714,335</b>	<b>46,765,830</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ganze NG- CDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

*Minda* 26/6/018  
Chairman – NG-CDFC

*P. P.*  
Fund Account Manager  
DATE: \_\_\_\_\_ SIGN: \_\_\_\_\_  
FUND ACCOUNT MANAGER  
GANZE NG - CDF  
P.O. BOX 39- 80108, KILIFI  
TEL: 0733- 540 364

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- GANZE  
CONSTITUENCY**

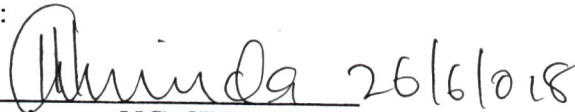
**Reports and Financial Statements**

**For the year ended June 30, 2017**

**VI. STATEMENT OF CASHFLOW**

		<b>2016 - 2017</b>	<b>2015 - 2016</b>
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	112,235,852	103,281,441
Other Receipts	3	44,000	-
		<b>112,279,852</b>	<b>103,281,441</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,614,174	1,087,151
Use of goods and services	5	11,826,963	4,668,038
Transfers to Other Government Units	6	69,187,647	26,537,931
Other grants and transfers	7	49,004,733	48,303,955
Other Payments	9	1,500,000	-
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>(20,853,665)</b>	<b>22,684,366</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	19,197,830	-
<b>Net cash flows from Investing Activities</b>		<b>(19,197,830)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>(40,051,495)</b>	<b>22,684,366</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>46,765,830</b>	<b>24,084,464</b>
<b>Cash and cash equivalent at END of the year</b>		<b>6,714,335</b>	<b>46,768,830</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ganze CDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

  
Chairman NG-CDFC

  
Fund Account Manager  
DATE: \_\_\_\_\_ SIGN: \_\_\_\_\_

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

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,552	87,714,196	169,610,749	112,253,852	57,356,897	66
Proceeds from Sale of Assets	-	-	-	-	-	0
Other Receipts	-	-	-	44,000	(44,000)	0
<b>PAYMENTS</b>						
Compensation of Employees	2,610,000	1,445,944	4,055,944	1,614,174	2,441,770	40
Use of goods and services	4,760,689	11,052,141	15,812,830	11,826,963	3,985,867	75
Transfers to Other Government Units	22,276,880	40,172,430	62,449,310	69,187,647	2,802,193	96
Other grants and transfers	28,708,454	24,198,681	52,907,135	49,004,733	3,902,402	93
Acquisition of Assets	14,000,000	9,345,000	23,345,000	19,197,830	4,147,170	82
Other Payments	-	1,500,000	1,500,000	1,500,000	-	100
<b>TOTALS</b>	81,896,552	87,714,196	169,610,749	152,331,347	17,279,402	90

The Ganze NG- CDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

*W. W. W. W.* 26/6/2018  
**Chairman NG- CDF**

*[Signature]*  
**Fund Account Manager**

FUND ACCOUNT MANAGER  
 P.O. Box 489-00108, KILIFI  
 Mob: 0753- 540 364  
 DATE: \_\_\_\_\_

## **VIII. 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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NG-CDF.

### **2. Recognition of revenue and expenses**

The NG-CDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NG-CDF. In addition, the NG-CDF recognises all expenses when the event occurs and the related cash has actually been paid out by the NG-CDF.

### **3. In-kind contributions**

In-kind contributions are donations that are made to the NG-CDF 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 NG-CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

### **4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**5. 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 NG-CDF 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.

**6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The NG-CDF’s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NG-CDF’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

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

**8. 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 June 30, 2017.

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

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
AIE No: A796093		33,281,441
AIE No.A825648		35,000,000
AIE No. A820935		35,000,000
AIE No. A839547	71,287,576	
AIE No.A829547	4,094,827	
AIE No.A855618	36,853,449	
<b>TOTAL</b>	<b>112,235,852</b>	<b>103,281,441</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GANZE  
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**Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	<b>2016- 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	00	00
Rents	00	00
Receipts from Sale of tender documents	44,000	00
Other Receipts Not Classified Elsewhere	00	00
<b>Total</b>	<b>44,000</b>	<b>00</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,614,174	1,087,151
Basic wages of casual labour	00	00
<b>Personal allowances paid as part of salary</b>		
House allowance	00	00
Transport allowance	00	00
Leave allowance	00	00
Gratuity	00	00
Other personnel payments	00	00
<b>Total</b>	<b>1,614,174</b>	<b>1,087,151</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GANZE  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	5,955,110	2,345,604
Utilities, supplies and services-kplc	15000	104,000
Communication, supplies and services	00	311,000
Domestic travel and subsistence	00	00
Printing, advertising and information supplies & services	00	00
Rentals of produced assets	160,000	60,000
Training expenses	1,928,000	00
Hospitality supplies and services	00	00
Insurance costs	297,557	00
Specialized materials and services	00	00
Office and general supplies and services-fuel	580891	1,769,144
Other operating expenses	2,377,435	00
Routine maintenance – vehicles and other transport equipment	512,968	00
Routine maintenance – other assets	00	00
Other allowances	00	78,290
<b>Total</b>	<b>11,826,963</b>	<b>4,668,038</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GANZE  
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**Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to National Government entities	00	00
Transfers to primary schools	45,525,000	10,037,931
Transfers to secondary schools	23,162,647	4,500,000
Transfers to tertiary institutions	00	00
Transfers to health institutions	500,000	12,000,000
<b>TOTAL</b>	<b>69,187,647</b>	<b>26,537,931</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary – secondary schools	14,627,712	5,272,000
Bursary – tertiary institutions	15,829,000	2,379,000
Bursary – special schools	3,000,000	10,000
Mock & CAT	690,173	00
Water projects	00	35,769,259
Agriculture projects	00	00
Electricity projects	00	00
Security projects	1,000,000	00
Roads projects	1,660,650	4,000,000
Sports projects	3,943,682	617,000
Environment projects	2,825,751	70,000
Emergency projects	5,427,765	186,696
<b>Total</b>	<b>49,004,733</b>	<b>48,303,955</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GANZE  
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**Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	00	00
Construction of Buildings	10,000,000	00
Refurbishment of Buildings	00	00
Purchase of Vehicles and Other Transport Equipment	8,599,350	00
Overhaul of Vehicles and Other Transport Equipment	00	00
Purchase of Household Furniture and Institutional Equipment	00	00
Purchase of Office Furniture and General Equipment	353,480	00
Purchase of ICT Equipment, Software and Other ICT Assets	245,000	00
Purchase of Specialized Plant, Equipment and Machinery	00	00
Rehabilitation and Renovation of Plant, Machinery and Equip.	00	00
Acquisition of Land	00	00
Acquisition of Intangible Assets	00	00
<b>Total</b>	<b>19,197,830</b>	<b>00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GANZE  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**9. OTHER PAYMENTS**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Limec Enterprises-Partitioning of Ganze District Treasury	1,500,000	00
	<b>1,500,000</b>	<b>00</b>

**10A: Bank Accounts (cash book bank balance)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Equity Bank, Account No. 1060298195611</i>	3,491,413	43,542,908
<b>Total</b>	<b>3,491,413</b>	<b>43,542,908</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GANZE  
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**Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10B: CASH IN HAND**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Cash	93,562	93,562
Other Locations	00	00
<b>Total</b>	<b>93,562</b>	<b>93,562</b>

**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	0	1,598,760
<i>Christopher Nyerere</i>	05.08.2014	1,240,000	0	1,240,000
<i>Tima S. Ahmed</i>	04.07.2011	240,600	0	240,600
<i>Mwarungu Mwandoe</i>	08.06.2009	50,000	0	50,000
<b>Total</b>				<b>3,129,360</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GANZE  
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**Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12. RETENTION**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	00	00
Supplier 2	00	00
Supplier 3	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**13. BALANCES BROUGHT FORWARD**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	43,542,908	20,952,104
Cash in hand	93,562	93,562
Imprest	3,129,360	3,129,360
<b>Total</b>	<b>46,765,830</b>	<b>24,175,025</b>

**14. PRIOR YEAR ADJUSTMENTS**

	<b>2016- 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	00	00
Cash in hand	00	00
Imprest	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GANZE  
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**Reports and Financial Statements**

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**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2016- 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
	<b>00</b>	<b>00</b>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>Kshs</b>	<b>Kshs</b>
Senior management	00	00
Middle management	00	00
Unionisable employees	00	00
Others ( <i>specify</i> )	00	00
	<b>00</b>	<b>00</b>

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	00	00
Amounts due to other grants and other transfers (see attached list)	00	00
Others ( <i>specify</i> )	00	00
	<b>00</b>	<b>00</b>

**15.4: PMC account balances (See Annex 5)**

	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	980,982.40	3,691.00
	<b>980,982.40</b>	<b>3,691.00</b>

**15.5: AMOUNT DUE FROM THE BOARD**

	<b>Kshs</b>	
Due from NG-CDF Board	40,948,276	00
	<b>40,948,276</b>	<b>00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-GANZE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-GANZE CONSTITUENCY**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-GANZE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Sub-Total							
Others ( <i>specify</i> )							
7.							
8.							
9.							
Sub-Total							
Grand Total							

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-GANZE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Motorvehicle- Toyota Landruiser GKB 036R	8,462,382	0
Massey Ferguson Tractor	2,270,000	2,270,000
Massey Ferguson Tractor	2,270,000	2,270,000
Massey Ferguson Tractor	2,270,000	2,270,000
Tractor Disc Plough	2,750,000	2,750,000
HP Laser Jet Printer P2014	30,000	30,000
Filling Cabinet (Four Chambers)	45,000	45,000
Filling Cabinet	45,000	45,000
Filling Cabinet	45,000	45,000
Executive office table	33,000	33,000
High Back Leather Chair-Executive	10,000	10,000
HP LaserJet Printer P2055d	22,000	22,000
Office Chairs (Six pieces)	48,000	48,000
Office Executive Table	45,995	45,995
Regular Conference Table	18,400	18,400
Photocopy Kyocera	220,000	220,000
Water dispenser	23,200	23,200
<b>Total</b>	<b>18,607,977</b>	<b>10,145,595</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-GANZE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Motorvehicle- Toyota Landcruiser GKB 036R	8,462,382	0
Massey Ferguson Tractor	2,270,000	2,270,000
Massey Ferguson Tractor	2,270,000	2,270,000
Massey Ferguson Tractor	2,270,000	2,270,000
Tractor Disc Plough	2,750,000	2,750,000
HP Laser Jet Printer P2014	30,000	30,000
Filling Cabinet (Four Chambers)	45,000	45,000
Filling Cabinet	45,000	45,000
Filling Cabinet	45,000	45,000
Executive office table	33,000	33,000
High Back Leather Chair-Executive	10,000	10,000
HP LaserJet Printer P2055d	22,000	22,000
Office Chairs (Six pieces)	48,000	48,000
Office Executive Table	45,995	45,995
Regular Conference Table	18,400	18,400
Photocopy Kyocera	220,000	220,000
Water dispenser	23,200	23,200
<b>Total</b>	<b>18,607,977</b>	<b>10,145,595</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-GANZE  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2017**

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2017**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2016/17</b>	<b>Bank Balance 2015/16</b>
1. Darajani Primary School	<b>National Bank</b>	<b>1224115717800</b>	965.00	-
2. Katandewa primary school	<b>National Bank</b>	<b>1224068227500</b>	149,206.00	
3. Sosoni Secondary School	<b>National Bank</b>	<b>1281101248600</b>	1,001.40	
4. Mwangea Primary School	<b>National Bank</b>	<b>1224115748400</b>	30,556.00	
5. Chinyume Primary School	<b>National Bank</b>	<b>1224129706200</b>	1,000.00	
6. mugumoni Primary School	<b>National Bank</b>	<b>1224115786400</b>	1,084.00	-
7. St. Peters Primary School	<b>National Bank</b>	<b>1224115791300</b>	1,390.00	-
8. Maya Primary School	<b>National Bank</b>	<b>1221291757100</b>	418.00	-
9. Bamba Primary School	<b>National Bank</b>	<b>1224068218900</b>	27,195.00	-
10. Nasoro Primary School	<b>National Bank</b>	<b>1224129760600</b>	5,090.00	-
11. Matolani Primary School	<b>National Bank</b>	<b>1224068217400</b>	495,360.00	-
12. Kagombani Primary School	<b>National Bank</b>	<b>1224115720000</b>	20,224.00	-
13. Marere Primary School	<b>National Bank</b>	<b>1224115757000</b>	18,963.00	591.00
14. Shaka Hola Secondary School	<b>National Bank</b>	<b>1285129759400</b>	125,428.00	-
15. Ambassador Kithi Secondary School	<b>National Bank</b>	<b>1285068270800</b>	103,102.00	3,100.00
<b>Total</b>			<b>980,982.40</b>	<b>3,691.00</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-GANZE**

**CONSTITUENCY**

**Reports and Financial Statements**

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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)	Time frame: (Put a date when you expect the issue to be resolved)
1.	Inaccuracies in Financial Statements				
1.1	Opening balance-Imprest	Variance of kshs.141,140 not explained in outstanding imprest	Fund Account Manager	Resolved as part of the imprest was surrendered	
1.2	Fund Balance Brought Forward	Variance of kshs.3,000 in fund balance brought forward	Fund Account Manger	Resolved-adjusted accordingly	
1.3	Reversed Cheques	Reversed cheques totaling kshs.1,225,710 had no supporting cashbook entries	District Accountant	Resolved-cashbook adjusted	
2.	Bank Balance	Validity and completeness of the bank balance of kshs.43,542,908 unascertained.	Fund Account Manager	Resolved-adjusted accordingly	
3.	Cash Balance	Board of survey certificate not availed for kshs.93,562 cash balance.	Fund Account Manager	Resolved-Board of survey Certificate availed	



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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-GANZE

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Reports and Financial Statements

For the year ended June 30, 2017

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)	Time frame: (Put a date when you expect the issue to be resolved)
4.	Outstanding Imprest	Unsurrendered outstanding imprests	Fund Account Manager	Not Resolved as imprest still outstanding /unsurrendered	
5.	Use of Goods and Services	Documentary evidence for use of goods totaling kshs.2,244,144 not availed	Fund Account Manager	Availed and balance adjusted accordingly	
6.	Transfer to Other Government Entities	Accuracy and completeness of kshs.103,281,441 cannot be confirmed	Fund Account Manager	Resolved – adjusted	
7.	Compensation of Employees	Validity and accuracy of kshs.1,087,151 expenditure could not be ascertained	Fund Account Manager	Resolved-adjusted	
8.	Other Grants and Transfers				
8.1	Bursaries	Application forms, cheques dispatch registered, minutes not availed	Fund Account Manager	Resolved-documents availed to support.	
8.2-8.3	Water Pans and Dams	Water pans and dam not serving the purpose	Fund Account Manager	Resolved-the pans and dams are now operational especially this time of rain season.	

