

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

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

FOR THE YEAR ENDED  **ASSEMBLY PAPERS LAID**
30 JUNE, 2020

DATE: 23 NOV 2021

DAY.

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BY:

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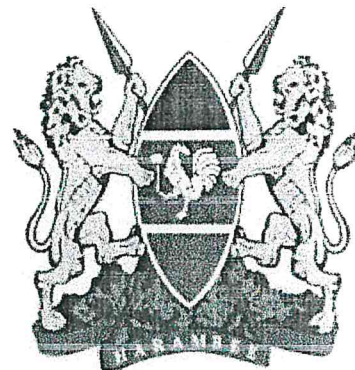
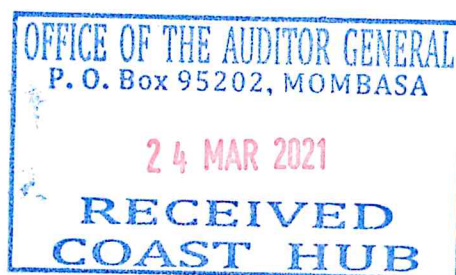
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

GANZE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Revised Template 30th June 2020



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) GANZE
CONSTITUENCY**

Reports and Financial Statements

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

(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 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Peter .M. Mwaighonda
2.	Sub-County Accountant	Kazungu Lewa
3.	Chairman NGCDFC	Jimmy .J. Kitsao
4.	Member NGCDFC	Philister .S. 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.



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Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NG-CDF GANZE Constituency Headquarters

P.O. Box 489-80108, Kilifi, Kenya
GANZE NG-CDF Office
Kilifi, KENYA.

(f) NG-CDF GANZE Constituency Contacts

Telephone: (254) 0724169951
E-mail: cdfganze@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NG-CDF GANZE Constituency Bankers

Equity Bank (K) Limited,
NGCDF Ganze Account No.1060298195611
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

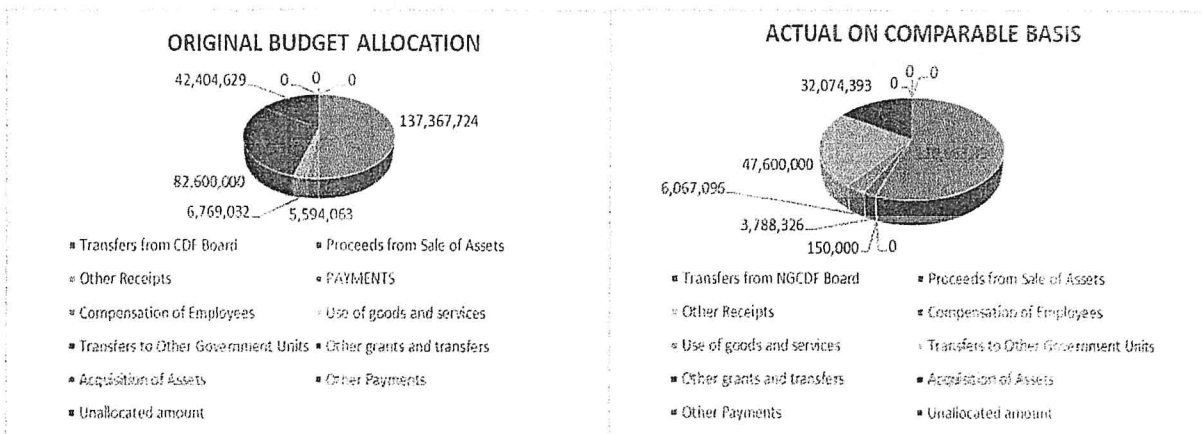
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I would like to extend my gratitude to GANZE constituents for giving me the opportunity to serve in my capacity as the chairperson NG-CDFC. Our agenda is enclaved in the slogan “*maendeleo kwa wote*” as we purpose to deliver improved livelihoods through promoting quality education at primary, secondary schools and tertiary institutions. There has also been tremendous increase in bursary allocation, ensuring more students are in schools. We have endeavoured to nature Youth talent by supporting sports through supply of full uniform and organizing tournaments. The excellent performance can be attributed to tremendous support from the NG-CDF Board, Member of Parliament and all stakeholders.

GANZE constituency is one of the seven constituencies in Kilifi county, coast Region. During the financial year 2019/2020 we received Kshs. 68,500,000. Our utilization of funds for the financial year stands at 36% of the total budget of Kshs. 137,367,724.14. The low absorption of funds was due to late disbursement of funds by the NG-CDF Board. The NG-CDF Board should provide funds in time for 100% utilization to be achieved.

The project allocation percentage per sector is as indicated below:-



Achievements

There have been several success stories in this financial year ending June 2020. Success is attributed to the harmonious working relationship among the NGCDFC members, staff and technical support from the government officials as well. The synergy has been achieved through continuous training and engagement to promote team work and quality project.

During the financial year 2019/2020 the Constituency realized tremendous improvement in infrastructure across the two key sectors namely; Education and Security Sector. Twelve (12) new classrooms were constructed and the DCC’s official residence was renovated to completion.

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Challenges

Delay in disbursement of funds from the NG-CDF Board has affected timely implementation of projects and absorption of funds allocated during the financial year. In addition insufficient funds for monitoring and evaluation and capacity building of various operatives has impacted negatively on funds administration.

Way forward

In order to improve on timely completion of projects NG-CDF Board should disburse funds quarterly, And allocation for monitoring and evaluation vote should be increased for effective and efficient management of projects. Lastly, Projects should be funded in full to avoid delays in completion.

County projects committee should be operationalized for consultation at county level to guard against any duplication of projects and enhance synergy between all development agents.

There has been emerging issues and challenges influencing the implementation of NGCDF Projects all over the constituency. These include;

1. Insecurity- Due to vastness of the constituency we have had a lot of security challenges since the area is prone to attacks by bandits and al-Shabaab militants.
2. Poor road network within the constituency was a big challenge to the contractors when it came to ferrying building materials to the various sites.
3. Other issues affecting the project implementation process is the slow pace of the Project Management Committees in filing both financial and narrative reports relating to their NGCDF funded projects. This fact emanates mostly from low literacy levels amongst the PMCs.
4. Water availability was also a challenge to both the contractors as well as the community.
5. Lack of Sub-County Works officer from the National Government has also posed a big challenge in project implementation in the Constituency.

Signed



30/09/2020

CHAIRMAN NGCDF COMMITTEE



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**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S
PREDETRMINED OBJECTIVES**

Introduction

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

The key development objectives of NGCDF GANZE Constituency's 2018-2022 plans are to:

- i) Provide security to the community by constructing administrative offices.
- ii) Improve literacy level by issuing bursaries to needy students.
- iii) Nurture talents to the upcoming youth talents in the constituency through sport activities.
- iv) Improve food security by participating in environmental conservation activities.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrollment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 -we increased number of classrooms, dormitories, laboratories etc from 10 to 25 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To have a reliable and sustainable security.	Improvement of working stations for the administrative officers in the constituency.	- Number of improved police stations and Chief's offices	In FY 2019-2020 we managed to renovate DCC's official residence in the constituency.

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Environment	To ensure environment is conserved in the constituency.	Improve sanitation in learning institutions in the entire constituency.	- Number of toilets in the learning institutions.	In FY 2019-2020 we managed to construct 8 pit latrines in primary school.
Sports	To nurture talents of the constituents.	Increase the number of talented youth in the constituency.	- Number of youth benefiting from the sports fund.	In FY 2019-2020 we intended to conduct constituency tournament.
Disaster Management	To mitigate risk occurrence in the constituency.	Improvement of structures in learning institution.	- Number of schools renovated in the constituency.	In FY 2019-2020 we renovated 8 classrooms at Tsangalaweni primary school .

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. SUSTAINABILITY STRATEGY AND PROFILE -

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

Vision

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

Mission

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

Goal

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

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Core Values

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

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

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

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

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

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

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

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

2. ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Ganze NGCDF initiatives. Care for the environment is one of our key responsibilities and an important aspect in the way in which we carry out our operations.

Our Environmental Policy

In this policy statement Ganze NGCDF commits to:

- ❖ Comply with all relevant environmental legislation, regulations and approved codes of practice
- ❖ Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- ❖ Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- ❖ Managing and disposing of all wastage in a responsible manner;
- ❖ Providing training for our CDFO and staff so that we all work in accordance with this and within an environmentally aware culture
- ❖ Regularly communicating our environmental performance to our employees and other significant stakeholders

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- ❖ Developing our management processes to ensure that environmental factors are considered during planning and implementation
- ❖ Monitoring and continuously improving our environmental performance.

Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

GANZE NGCDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none">• Promote environmental awareness by sensitizing the GanzeNGCDFC, NGCDFC staff and PMCs on good conservation practices• To encourage, through regular communication to Ganze NGCDFC, staff, and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none">• To maximize use of available technologies to remove the need to use paper• To encourage our clients to engage with us using electronic means where possible• To maximize on rain water harvesting• To make energy efficiency a key factor in the selection of any new energy device being purchased• To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	<ul style="list-style-type: none">• To promote use of volt guards to control power surges• We have constructed culverts and gabions to prevent soil erosion• To encourage tree planting in the constituency to improve the forest cover.• To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	<ul style="list-style-type: none">• To ensure that all paper waste is recycled• To ensure segregation of waste• To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. EMPLOYEE WELFARE.

Employee welfare is a specialty within the broader field of management that focuses on managing employees. It is the efficient and effective process of acquisition, development, motivation and maintenance of labour at optimum levels. It is strategic; and it matches people to the strategic and operational needs of the organization, and ensures that the human resources are fully utilized.



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It is also holistic in nature, and is concerned with the overall people requirements of an organization. It ensures that an organization's people as the most important resource are taken in consideration, as well as, its financial and technological resources.

Categories of Employment

Ganze NGCDF offers two categories of employment, namely - Contractual employment which engages employees for 3 years on a renewable contract subject to satisfactory performance and Temporary employment that offers a 1 year open contract also renewable subject to satisfactory performance and assignments availability. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

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

The Advertisement contains the following:

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

Appointment of a selection and Interview subcommittee

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

Interviews

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

Offer of Appointment

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

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Letters of Appointment

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

Health, Safety and Well Being

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

Guidelines to General Safety

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

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

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

Fire precautions

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

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

Provision of protective equipment and clothing

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

Reporting of an Accident

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

Guidance and Counselling

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

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Health Care Services

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

HIV/AIDS

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

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

It is the responsibility of the Fund Account Manager in liaison with NGCDF Committee to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

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

Drug and Substance Abuse

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

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

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

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

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

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

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

Reporting Harassment Cases

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

4. MARKET PLACE PRACTICES

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

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

a) Responsible competition practice.

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

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

b) Responsible Supply chain and supplier relations

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

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

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

d) Product stewardship

In order to safeguard consumer rights and interests, Lamu East NGCDF came up with a service charter and the complaints handling policy, principles and procedures brochure.

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The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

5. COMMUNITY ENGAGEMENTS

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

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

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

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

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

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

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

In summary stakeholders participation is important since:

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

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Public Awareness

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

Public Awareness and Sensitization Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NGCDF projects.
- Ensuring implementation of NGCDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NGCDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NGCDF
- Identify control and report any irregularities witnessed during NGCDF project implementation cycle
- Measure the impact of the projects funded by NGCDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

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

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

V. STATEMENT OF 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, 2020.



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) GANZE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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, 2020, and of the entity's financial position as at that date. The Accounting Officer 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 30/9/ 2020.



Fund Account Manager

Name: **Peter Mwaighonda**



Sub-County Accountant

Name: **Kazungu Lewa**

ICPAK Member Number:

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

HEADQUARTERS
Anniversary Towers
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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, 2020

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 18 to 54, which comprise of the statement of assets and liabilities as at 30 June, 2020, 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, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the 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. Inaccuracy in Bank Balance

As disclosed in Note 9A to the financial statements, the statement of assets and liabilities reflects a bank balance total of Kshs.35,315,672. The bank reconciliation statement as at 30 June, 2020 reflected stale cheques amounting to Kshs.516,394. However, the cheques had not been written back in the cash book as at 30 June, 2020.

Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.35,515,672 reflected in the statement of assets and liabilities as at 30 June, 2020 could not be confirmed.

2. Unsupported Outstanding Imprest

As previously reported, Note 10 to the financial statements, the statement of assets and liabilities reflects outstanding imprest amount of Kshs.3,129,360 which has been outstanding for more than six (6) years. The Management has explained that the imprests have since been surrendered. However, surrender documents were not provided.

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

Consequently, the accuracy, completeness and validity of outstanding imprests amounting to Kshs.3,129,360 reflected in the statement of assets and liabilities as at 30 June, 2020 could not be ascertained.

3. Unsupported Prior Year Adjustment

As disclosed in Note 12 to the financial statements, the statement of assets and liabilities reflects prior year adjustment amount of Kshs.1,037,803. However, supporting journal was not provided.

In the circumstances, the accuracy, completeness and validity of the statement of assets and liabilities as at 30 June, 2020 could not be confirmed.

4. Unsupported Use of Goods and Services

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects use of goods and services amount of Kshs.4,589,196. However, analysis of this amount revealed that an amount of Kshs.3,214,009 was not duly supported by relevant documents as detailed below:

Item	Amount (Kshs.)	Observation
Domestic Travel and Subsistence	1,720,100	Lack of invitation letters and approval for travel
Office and General Supplies and Services	449,319	Lack of local purchase orders/service orders, delivery notes and S.13
Committee Allowances	1,131,000	The schedule amount of Kshs.1,011,000 differed with the financial statements amount of Kshs.1,131,000 by Kshs.120,000
Other Committee Allowances	140,100	The financial statements amount of Kshs.140,100 was in variance with the schedule's amount of Kshs.1,102,740 resulting to an unexplained variance amount of Kshs.962,640. Further, Management has not explained the difference between committee allowances and other committee allowances.
Total	3,440,519	

Consequently, the accuracy, completeness and validity, of use of goods and services amount of Kshs.3,440,519 for the year ended 30 June, 2020 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 totalling to Kshs.250,865,601, and Kshs.103,550,035 respectively, resulting to an under-funding of Kshs.147,315,566 or 59% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.252,500,181 and Kshs.67,180,560 respectively, resulting to an under expenditure of Kshs.185,319,621 or 73% 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 them 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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delay in Project Implementation

The Project Implementation Status Report as at 30 June, 2020 provided reflected ninety-five (95) projects with a total budget of Kshs.137,367,724 which were on-going as at 30 June, 2020. According to the Report, projects that were planned to be completed by 30 June, 2016, 30 June, 2017, 30 June, 2018, 30 June, 2019 and 30 June, 2020 had not been completed by the time of audit in January, 2021. In addition, one project costing Kshs.1,536,207 planned to start in 2015/2016 financial year and other seventy-one (71) projects with a total budget of Kshs.66,481,681 had not started by the time of audit in January, 2021.

Management did not explain why projects which had been allocated money in their respective financial years had not started as at 30 June, 2020.

In the circumstances, I am unable to confirm whether the public will obtain value for money for the delayed projects.

2. Irregular Committee Bank Balances

Note 17 to the financial statements reflects Project Management Committee bank balances amounting to Kshs.27,701,423, out of which funds totalling to Kshs.8,163,114 were held in bank accounts whose projects were completed.

This is contrary to Section 12(8) of National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

Therefore, the Management is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal 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

04 November, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) GANZE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

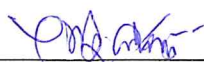
VII. STATEMENT OF RECEIPTS AND PAYMENTS

1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	68,500,000	94,134,483
Other Receipts	2	544,000	100,000
TOTAL RECEIPTS		69,044,000	94,234,483
PAYMENTS			
Compensation of employees	3	3,575,046	3,182,990
Use of goods and services	4	4,589,196	7,494,759
Transfers to Other Government Units	5	27,831,880	44,010,040
Other grants and transfers	6	30,934,438	37,208,468
Acquisition of Assets	7	250,000	3,113,100
Other Payments	8	-	2,500,000
TOTAL PAYMENTS		67,180,560	97,509,357
SURPLUS/DEFICIT		1,863,440	(3,274,874)

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

30/9/ 2020 and signed by:



Fund Account Manager

Name: Peter .M. Mwaighonda



National Sub-County Accountant

Name: Kazungu Lewa

ICPAK Member Number



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) GANZE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

II. STATEMENT OF FINANCIAL ASSETS			
	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9A	35,315,672	33,868,473
Cash Balances (cash at hand)	9B	-	93,562
Total Cash and Cash Equivalents		35,315,672	33,962,035
Current Receivables-Outstanding Imprests	10	3,129,360	3,657,360
TOTAL FINANCIAL ASSETS		38,445,032	37,619,395
NET FINANCIAL ASSETS		38,445,032	37,619,395
REPRESENTED BY			
Fund balance b/fwd 1st July...	11	37,619,395	40,894,269
Prior Year Adjustment	12	(1,037,803)	0
Surplus/Deficit for the year		1,863,440	(3,274,874)
NET FINANCIAL POSITION		38,445,032	37,619,395

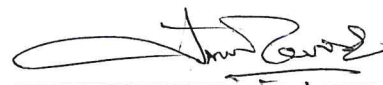
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF GANZE Constituency financial statements were approved on

30/9/ 2020 and signed by:



Fund Account Manager

Name: Peter .M. Mwaighonda



National Sub-County Accountant

Name: Kazungu Lewa

ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) GANZE CONSTITUENCY

Reports and Financial Statements

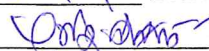
For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

STATEMENT OF CASH FLOW			
		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	68,500,000	94,134,483
Other Receipts	2	544,000	100,000
Total Receipts		69,044,000	94,234,483
Payments for operating expenses			
Compensation of Employees	3	3,575,046	3,182,990
Use of goods and services	4	4,589,196	7,494,759
Transfers to Other Government Units	5	27,831,880	44,010,040
Other grants and transfers	6	30,934,438	37,208,468
Other Payments	8	-	2,500,000
Total Payments		66,930,560	94,396,257
Cash from Operating Activities		2,113,440	(161,774)
Adjusted for:			
Prior Year Adjustment	12	(1,037,803)	0
Decrease/(Increase) in Accounts receivable	13	528,000	(3,657,360)
Net Adjustments		(509,803)	(3,657,360)
Net cash flow from operating activities		1,603,637	(3,819,134)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(250,000)	3,113,100
Net cash flows from Investing Activities		(250,000)	(3,113,100)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,353,637	(6,932,234)
Cash and cash equivalent at BEGINNING of the year	9A	33,962,035	40,894,269
Cash and cash equivalent at END of the year		35,315,672	33,962,035

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

30/9/2020 and signed by:



Fund Account Manager

Name: Peter .M. Mwaighonda



National 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, 2020


X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED
30 JUNE 2020

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 NG-CDF Board	137,367,724	113,497,877	250,865,601	102,462,035	148,403,566	40.8%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts				544,000	-	0.0%
TOTAL RECEIPTS	137,367,724	113,497,877	250,865,601	103,550,035	147,315,566	41.3%
PAYMENTS						
Compensation of Employees	4,631,581	1,659,640	6,291,221	3,575,046	2,716,175	56.8%
Use of goods and services	7,731,513	3,715,744	11,447,257	4,589,196	6,858,061	40.1%
Transfers to Other Government Units	76,861,681	65,462,409	142,324,090	27,831,880	114,492,210	19.6%
Other grants and transfers	47,692,949	36,342,886	84,035,835	30,934,438	53,101,397	36.8%
Acquisition of Assets	0	680,751	680,751	250,000	430,751	36.7%
Other Payments	450,000,000	7,271,027,000	7,721,027,000	-	7,721,027,000	0.0%
TOTAL	137,367,724	115,132,457	252,500,181	67,180,560	185,319,621	26.6%

The actual receipts from the NGCDF Board for the referred period was Kshs. 102,990,035. The total Annual Project Proposal Budget for the FY 2019/2020 was Kshs. 137,367,724. The actual final budget for the referred period was Kshs. 252,500,181 backed up by an Adjustment (unutilized funds balances brought forward) of Kshs. 115,132,457. Total expenditure for the period was Kshs. 67,538,640 which is equivalent to 26.7% of the actual final budget closing with unutilized funds balances of Kshs. 184,961,541 representing a 73.3% of the final actual budget for the referred period.

The NGCDF GANZE Constituency financial statements were approved on 30/6/2020 and signed by:


Fund Account Manager
Name: Peter M. Mwaigihonda


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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GANZE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Name: Peter .M. Mwaishonda

Name: Kazungu Lewa
 ICPAK Member Number:

XI. VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	4,631,581	1,659,640	6,291,221	3,575,046	2,716,175
1.2 Committee allowances	1,248,000.00	892,500	2,140,500	1,089,000	1,051,500
1.3 Use of goods and services	2,362,482.00	135,552	2,498,034	2,498,034	-
	8,242,063	2,687,692	10,929,755	7,162,080	3,767,675
2.0 Monitoring and evaluation					
2.1 Capacity building	1,200,000.00	1,659,640	2,859,640	-	2,859,640
2.2 Committee allowances	2,421,031.00	892,500	3,313,531	492,000	2,821,531
2.3 Use of goods and services	500,000.00	135,552	635,552	510,162	125,390
	4,121,031	2,687,692	6,808,723	1,002,162	5,806,561
3.0 Emergency					
Mangororo Primary School	7,198,241.38	9,579,020	16,777,261		



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GANZE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Vitengeni primary school	196,239.57		196,240		196,240
Dzikunze primary school	196,239.57		196,240		196,240
Mitsemerini primary school	196,239.57		196,240		196,240
Kidemmu primary school	196,239.57		196,240		196,240
Rima ra pera primary school	196,239.57		196,240		196,240
Mwaeba primary school	196,239.57		196,240		196,240
Muongano primary school	196,239.57		196,240		196,240
Katofeni primary school	196,239.57		196,240		196,240
Makalangani primary school	196,239.57		196,240		196,240
Mitangani primary school	196,239.57		196,240		196,240
Milore primary school	196,239.57		196,240		196,240
Mirihini primary school	196,239.57		196,240		196,240
7.0 Primary Schools Projects	2,747,354	882,750	3,630,104	-	3,630,104
7.1 Bodoi Pry schl	-	6,000,000	6,000,000	-	6,000,000
7.2 Kafitsoni Pry Schl					

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	-	1,000,000	1,000,000		-	1,000,000
7.3 Marere Pry schl	-	3,000,000	3,000,000		-	3,000,000
7.4 Misufini Pry schl	-	7,500,000	7,500,000			7,500,000
7.5 Muhoni Pry schl	-	2,000,000	2,000,000			2,000,000
7.6 Mwapula Pry schl	-	2,000,000	2,000,000		2,000,000.00	-
7.7 Tsangalaweni Pry schl	-	3,500,000	3,500,000		1,300,000.00	2,200,000
7.8 Zia Ra wimbi Pry schl	-	3,000,000	3,000,000		2,208,125.52	791,874
7.9 Zia Ra Wimbi Pry schl	-	1,000,000	1,000,000		1,000,000.00	-
7.91 Mwapula Pry schl	-	500,000	500,000		500,000.00	-
7.92 Chapungu Pry schl	-	3,226,880	3,226,880		3,226,880.00	-
7.93 Bandari Pry schl	-	1,750,000	1,750,000		1,750,000.00	-
7.94 Masemo Pry schl	-	1,000,000	1,000,000		1,000,000.00	-
7.95 Katofeni pry schl	-	175,000	175,000		175,000.00	-
7.96 Midodoni Pry schl	-	150,000	150,000		150,000.00	-
7.97 Bahero Pry schl	-	150,000	150,000		150,000.00	-



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7.98 Mabathani Pry schl	-	2,010,529	2,010,529		2,010,529
7.99 Makonjeni Pry schl	-	1,000,000	1,000,000		1,000,000
7.991 Tandia Pry schl	-	1,000,000	1,000,000		1,000,000
Kavunzoni primary school	1,800,000.00	-	1,800,000		1,800,000
Kavunzoni primary school	200,000.00	-	200,000		200,000
Ganze Primary School	1,800,000.00	-	1,800,000		1,800,000
Ganze Primary School	200,000.00	-	200,000		200,000
Marere primary school	1,000,000.00	-	1,000,000	600,000.00	400,000
Marere primary school	200,000.00	-	200,000		200,000
Jira primary school	1,800,000.00	-	1,800,000		1,800,000
Jira primary school	200,000.00	-	200,000		200,000
Jira primary school	200,000.00	-	200,000		200,000
Darajani primary school	100,000.00	-	100,000		100,000
Darajani primary school	150,000.00	-	150,000		150,000
Mnago wa Dola primary school	1,800,000.00				

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		-	1,800,000		1,800,000
Mnago wa Dola primary school	200,000.00	-	200,000		200,000
Mnago wa Dola primary school	150,000.00	-	150,000		150,000
Maryango primary school	1,800,000.00	-	1,800,000		1,800,000
Maryango primary school	200,000.00	-	200,000		200,000
Maryango primary school	150,000.00	-	150,000		150,000
Mwanganga primary school	1,800,000.00	-	1,800,000		1,800,000
Mwanganga primary school	200,000.00	-	200,000		200,000
Mwanganga primary school	150,000.00	-	150,000		150,000
Goshi primary school	1,800,000.00	-	1,800,000		1,800,000
Goshi primary school	200,000.00	-	200,000		200,000
Goshi primary school	150,000.00	-	150,000		150,000
Jila primary school	3,000,000.00	-	3,000,000		3,000,000
Kadzandani primary school	800,000.00	-	800,000		800,000
Kadzandani primary school	200,000.00	-	200,000		200,000

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Nasoro primary school	600,000.00	-	600,000		600,000
Nasoro primary school	200,000.00	-	200,000		200,000
Maya primary school	400,000.00	-	400,000		400,000
Maya primary school	200,000.00	-	200,000		200,000
Muhoni primary school	2,400,000.00	-	2,400,000		2,400,000
Muhoni primary school	200,000.00	-	200,000		200,000
Palakuni primary school	1,000,000.00	-	1,000,000		1,000,000
St. Peter's primary school	1,000,000.00	-	1,000,000		1,000,000
St. Peter's primary school	200,000.00	-	200,000		200,000
Chinyume primary school	1,000,000.00	-	1,000,000		1,000,000
Chinyume primary school	200,000.00	-	200,000		200,000
Mugumoni primary school	2,000,000.00	-	2,000,000		2,000,000
Mugumoni primary school	200,000.00	-	200,000		200,000
Yembe primary school	2,400,000.00	-	2,400,000		2,400,000
Yembe primary school	200,000.00				

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Yembe primary school	535,000.00	-	200,000	535,000			535,000	
Yembe primary school	500,000.00	-	500,000	500,000			500,000	
Madamani primary school	250,000.00	-	250,000				250,000	
Dulukiza primary school	500,000.00	-	500,000				500,000	
Kikwanguloni primary school	500,000.00	-	500,000				500,000	
Forodhoyo primary school	1,200,000.00	-	1,200,000				1,200,000	
Forodhoyo primary school	200,000.00	-	200,000				200,000	
Forodhoyo primary school	1,000,000.00	-	1,000,000				1,000,000	
Forodhoyo primary school	380,000.00	-	380,000				-	
Mabatani primary school	300,000.00	-	300,000				300,000	
Total	37,815,000	39,962,409	77,777,409	14,440,006			63,337,403	
8.0 Secondary Schools Projects								
8.1 Ambassador Kithi Sec schl	1,500,000	1,500,000	3,000,000	-			3,000,000	
8.2 Bamba Girls sec schl		6,000,000	6,000,000	-			6,000,000	
8.3 Bamba Girls sec schl		3,000,000	3,000,000	-			3,000,000	

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8.4 Jila Sec schl	813,022	5,000,000	5,813,022		5,813,022
8.5 Midoina Sec schl		1,800,000	1,800,000	1,791,874.48	8,126
8.6 Midoina Sec schl		3,000,000	3,000,000	3,000,000.00	-
8.7 Sosoni Sec schl	3,000,000	4,000,000	7,000,000		7,000,000
8.8 Ganze Boys sec		1,200,000	1,200,000	1,200,000.00	-
8.9 Vitengeni baptist secondary school	3,733,658.76	-	3,733,659		3,733,659
8.91 Vitengeni baptist secondary school	300,000.00	-	300,000		300,000
8.92 Vitengeni baptist secondary school	200,000.00	-	200,000		200,000
8.93 Vitengeni baptist secondary school	1,200,000	-	1,200,000		1,200,000
8.94 Ndugummani secondary school	1,200,000	-	1,200,000	1,200,000.00	-
8.95Ndugummani secondary school	400,000	-	400,000	400,000.00	-
8.96Ndugummani secondary school	200,000	-	200,000	200,000.00	-
8.97 Mayowe secondary school	5,700,000.00	-	5,700,000		5,700,000
8.98 Mayowe secondary school	300,000.00	-	300,000		300,000
8.99Mayowe secondary school	200,000.00				

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			-	200,000		200,000
Mitangani secondary school	3,000,000.00		-	3,000,000		3,000,000
Vyambani secondary school	300,000.00		-	300,000		300,000
Vyambani secondary school	400,000.00		-	400,000		400,000
Vyambani secondary school	1,200,000.00		-	1,200,000		1,200,000
Sosoni secondary school	200,000.00		-	200,000		200,000
Ambassador Kithi secondary school	200,000.00		-	200,000		200,000
Bandari secondary school	4,000,000.00		-	4,000,000		4,000,000
Bandari secondary school	300,000.00		-	300,000		300,000
Bandari secondary school	200,000.00		-	200,000		200,000
Petanguo secondary school	4,000,000.00		-	4,000,000		4,000,000
Petanguo secondary school	300,000.00		-	300,000		300,000
Petanguo secondary school	200,000.00		-	200,000		200,000
Dida secondary school	4,800,000.00		-	4,800,000		4,800,000.00
Dida secondary school	600,000.00		-	600,000		600,000.00

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Dida secondary school	200,000.00	-	200,000	200,000.00	-
Mwangea girls' secondary school	400,000.00	-	400,000	400,000	400,000
	39,046,681	25,500,000	64,546,681	13,391,874	51,154,806
10.0 Security Projects					
10.1 DCC's Residence		3,000,000	3,000,000	3,000,000	-
10.2 Vitengi Police Station		10,000,000	10,000,000	3,000,000	10,000,000
Total	-	13,000,000	13,000,000	3,000,000	10,000,000
11.0 Acquisition of assets					
11.1 Motor cycle		400,000	400,000	-	400,000
11.2 Construction of NGCDF Office		169,175	169,175	-	169,175
11.3 Purchase of furniture and equipments		-	111,576	111,576	111,576
11.3 Purchase of Photocopy Machine		-	-	-	(250,000)
Total		680,751	680,751	250,000	430,751
12.0 Others					
12.1 Strategic plan		1,500,000	1,500,000	-	1,500,000
12.2 Innovation hub		-	4,677,027	4,677,027	4,677,027
12.3 Printing Machine DEO			1,000,000		1,000,000
12.4 AIA Revenue					

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		94,000		94,000		94,000
12.5 Ganze NGCDF Office	300,000	-	300,000		300,000	
12.5 Ganze NGCDF Office	150,000	-	150,000		150,000	
	450,000	7,271,027	7,271,027		7,721,027	
	137,367,724	115,132,457	252,050,181	67,538,640	184,961,541	

XII. 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) payable that include deposits and retention

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 recognizes 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.

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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 criterion is applied for loans received in the form of a direct payment.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

SIGNIFICANT ACCOUNTING POLICIES

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 recognizes 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.



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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.

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 authorized 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.

SIGNIFICANT ACCOUNTING POLICIES

8. Accounts Payable

For the purposes of these financial statements, deposits and retention held on behalf of third parties have been recognized on an accrual basis (as accounts payable). 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.

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10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest 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 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. 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 2020.

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.

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Normal Allocation	B041022	13,000,000.00	
	B047128	5,500,000.00	
	B047409	4,000,000.00	
	B047776	16,000,000.00	
	B104199	10,000,000.00	
	B104281	10,000,000.00	
	B096559	10,000,000.00	
	AIE NO B005337	-	53,134,483
	AIE NO B030239	-	10,000,000
	AIE NO B006329	-	6,000,000
	AIE NO B030388	-	10,000,000
	AIE NO B047086	-	15,000,000
Condition Grants	AIE NO...	-	
		-	
Receipt from other Constituency		-	
TOTAL		68,500,000	94,134,488

2. OTHER RECEIPTS

Description		2019-2020	2018-2019
		Kshs	Kshs
Interest Received			-
Rents			-
Sale of Tender Documents		16,000	100,000
Other Receipts Not Classified Elsewhere (Imprest refund)		528,000	
TOTAL		544,000	100,000



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	3,252,070	3,044,517
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport Allowance		
Leave allowance		
Other personal payments		17,423
Employer contribution to NSSF	112,320	121,050
Gratuity – contractual employees	210,656	
TOTAL	3,575,046	3,182,990

4. USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	-	163,760
Electricity		
Water & sewerage charges	9,435	-
Office rent		
Communication, supplies and services		122,000
Domestic travel and substance	1,720,100	145,400
Printing, advertising and information supplies	80,160	131,220
Rentals of produced assets		
Training expenses	284,500	1,605,400
Hospitality supplies and services	65,017	132,230
Other committee expenses	140,100	0
Committee allowances	1,131,000	3,125,500
Insurance costs		
Specialised materials and services		
Office and general supplies and services	449,319	707,521
Fuel, oil & lubricants	245,600	639,734
Other operating expenses		143,600
Bank service commission and charges	0	63,079



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Security operations			
Routine maintenance- vehicles and other transport equipment		463,965	465,315
Routine maintenance- other assets			50,000
TOTAL		4,589,196	7,494,759

5. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfer to Primary Schools	14,440,006	17,311,207
Transfer to Secondary Schools	13,391,874	26,698,833
Transfer to Tertiary Institutions		
Transfers to Health Institutions		
TOTAL	27,831,880	44,010,040

6. OTHER GRANTS AND OTHER PAYMENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Bursary- Secondary	11,745,000	11,040,000
Bursary- Tertiary	11,350,570	11,458,693
Bursary- Special schools	670,000	670,000
Mocks & CAT	-	-
Water	-	-
Foods Security	-	-
Electricity	-	-
Security	3,000,000	6,398,782
Roads and Bridges	-	-
Sports	-	-
Environment	-	2,180,000
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	4,168,868	5,460,993
TOTAL	30,934,438	37,208,468



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. ACQUISITION OF ASSETS

Non Financial Assets		2019 – 2020	2018 - 2019
		Kshs	Kshs
Purchase of Buildings		-	2,361,100.00
Construction of Buildings		-	-
Refurbishment of Buildings		-	-
Purchase of Vehicles		-	-
Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles		-	-
Purchase of office furniture and fittings		-	752,000.00
Purchase of computers, printers and other IT equipments		-	-
Purchase of photocopier		250,000.00	-
Purchase of other office equipments		-	-
Purchase of software		-	-
Acquisition of Land		-	-
TOTAL		250,000.00	3,113,100.00

8. OTHER PAYMENTS

Description		2019-2020	2018-2019
		Kshs	Kshs
Strategic Plan		-	2,500,000
ICT Hubs		-	-
TOTALS		-	2,500,000

9. A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank, Kilifi Branch, Ganze NGCDF Account No. A/C NO 1060298195611</i>	35,315,672	33,962,035
Total	35,315,672	33,962,035

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9B: CASH IN HAND	2019-2020	2018-2019
	Kshs	Kshs
Location 1	0	93,562
Location 2	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	93,562
<i>[Provide cash count certificates for each]</i>		

10. OUTSTANDING IMPREST

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2020)
	Date imprest taken	Kshs	Kshs	Ksh
Christopher Nyerere	24.02.2014	1,598,760	-	1,598,760
Christopher Nyerere	05.08.2014	1,240,000	-	1,240,000
Tima S Ahmed	04.07.2011	240,600	-	240,600
Mwarungu Mwandoe	08.06.2009	50,000	-	50,000
Eunice Onacha	25.03.2019	600,000	600,000	0
TOTAL				3,129,360

11. BALANCES BROUGHT FORWARD

Description	2019-2020	2018-2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	33,868,473	37,671,347
Cash in hand	93,562	93,562
Imprest	3,657,360	3,129,360
Total	37,619,395	40,894,269

12. PRIOR YEAR ADJUSTMENT

Description of Error	Balance b/f F/Y 2018/2019 as per Financial Statements	Adjustments	Adjusted Balance b/f F/Y 2018/2019
	KShs		KShs
Bank Accounts Balances	33,962,035	(1,037,803)	32,924,232
Cash in Hand			
Accounts Payables			
Receivables			
Others			



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Prior year adjustment relates to Bursary cheques for 2018/2019 recorded after the closure of the financial year

13. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

Description	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	3,657,360	3,657,360
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	(528,000)	0
Net changes in account receivables D= A+B-C	3,129,360	3,657,360

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14: PENDING STAFF PAYABLES (See Annex 1)

Description	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	549,442
Others (specify)	0	0
Total	0	549,442

15: UNUTILIZED FUND (See Annex 2)

Description	2019-2020	2018-2019
	Kshs	Kshs
1. Compensation of Employees	2,716,175	1,659,640
2. Use of Goods and Services	6,858,061	2,081,163
3. Transfer to Other Government Units	114,492,210	65,462,410
4. Other Grants and Transfers	52,743,317	36,342,886
5. Acquisition of Assets	430,751	680,751
6. Other Payments	7,721,027	7,271,027
Total	184,961,541	113,497,877

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16: SUMMARY OF FIXED ASSET REGISTER (See Annex 3)

Description	2019-2020	2018-2019
	Kshs	Kshs
Total	37,440,802	37,190,802

17: PMC account balances (See Annex 4)

Description	2019-2020	2018-2019
	Kshs	Kshs
PMC Account Balances (See attached list)	27,701,423	16,665,861
	27,701,423	16,665,861



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
Sub-Total							



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ANNEX 2 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		2,716,175	1,659,640	
Use of goods & services		6,858,061	2,081,163	
Amounts due to other Government entities				
Kavunzoni primary school		2,000,000		
Ganze primary school		2,000,000		
Marere primary school		1,200,000		
Jira primary school		2,200,000		
Darajani primary school		250,000		
Manago wa Dola primary school		2,150,000		
Maryango primary school		2,150,000		
Mwanganga primary school		2,150,000		
Goshi primary school		2,150,000		
Jila primary school		3,000,000		
Nasoro primary school		800,000		
Maya primary school		600,000		
Muhoni primary school		2,600,000		
Palakumi primary school		1,000,000		
St. Peter primary school		1,200,000		
Chinyume primary school		1,200,000		
Mugumoni primary school		2,200,000		

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Yembe primary school		3,635,000		
Madamani primary school		250,000		
Kilwanguloni primary school		500,000		
Forodhoyo primary school		2,400,000		
Mabatani primary school		300,000		
Jila secondary school		813,022		
Vitengeni Baptist secondary school		5,433,658		
Ndugumani secondary school		1,800,000		
Mayowe secondary school		6,200,000		
Mitangani secondary school		3,000,000		
Vyambani secondary school		1,900,000		
Sosoni secondary school		3,200,000		
Amb. Kithi secondary school		1,700,000		
Bandari secondary school		4,500,000		
Petanguo secondary school		4,500,000		
Bodoi Primary School		6,000,000	6,000,000	
Kalitsoni Primary School		1,000,000	1,000,000	
Marere Primary School		3,000,000	3,000,000	
Misufni Primary School		7,500,000	7,500,000	
Muhoni Primary School		2,000,000	2,000,000	
Mwapula Primary School			2,000,000	
Tsangalaweni Primary School		3,500,000	3,500,000	
Zia ra Wimbi Primary School			3,000,000	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GANZE CONSTITUENCY
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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Zia ra Wimbi Primary School			1,000,000	
Mwapula Primary School		500,000	500,000	
Chapungu Primary school			3,226,881	
Bandari Primary School			1,750,000	
Masemo Primary School			1,000,000	
Katofeni Primary School			175,000	
Midodoni Primary School			150,000	
Bahero Primary School			150,000	
Mabathani Primary School		2,010,529	2,010,529	
Makonjeni Primary School		1,000,000	1,000,000	
Tandia Primary School		1,000,000	1,000,000	
Ambassador Kithi Secondary School			1,500,000	
Bamba Girls' Secondary School		6,000,000	6,000,000	
Bamba Girls' Secondary School		3,000,000	3,000,000	
Jila Secondary School		5,000,000	5,000,000	
Midoina Secondary School			1,800,000	
Midoina Secondary School			3,000,000	
Sosoni Secondary School		4,000,000	4,000,000	
Ganze Boys Secondary School			1,200,000	
Sub-Total		114,492,210	65,462,410	
Amounts due to other grants and other transfers				
Sports		2,747,354	3,540,000	

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Emergency		7,198,241	9,579,020	
Bursary- Secondary Schools		20,000,000	4,320,000	
Bursary- Tertiary		10,050,368	3,021,116	
Bursary- Special Schools			2,000,000	
Environmental activities		2,747,354	882,750	
DCC's Residence			3,000,000	
Vitengeni Police Station		10,000,000	10,000,000	
Sub-Total		52,743,317	36,342,886	
Acquisition of assets				
Construction of NGCDF office		280,751	169,175	
Motorcycle		150,000	400,000	
Purchase of furniture and equipment			111,576	
Sub-Total		430,751	680,751	
Others (specify)				
Strategic Plan		1,950,000	1,500,000	
Innovation Hub		4,677,027	4,677,027	
Printing Machine DEO		1,000,000	1,000,000	
ALA Revenue		94,000	94,000	
Sub-Total		7,721,027	7,271,027	
Grand Total		184,961,541	113,497,877	



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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land Buildings and structures	17,830,825			17,830,825
Transport equipment	8,462,382			8,462,382
Office equipment, furniture and fittings	1,065,595	250,000		1,315,595
ICT Equipment, Software and Other ICT Assets	272,000			272,000
Other Machinery and Equipment	9,560,000			9,560,000
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	37,190,802	250,000	0	37,440,802

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Midoina secondary school	Equity Bank	1060279045221	2,742,834	-
DCC's residence renovations	Equity Bank	1060279026472	249,470	-
Mwapula primary school	Equity Bank	1060277472310	204,383	-
Mangororo primary school	Equity Bank	1060279012355	435,075	-
Maseno primary school	Equity Bank	1060278500516	1,000,000	-
Chapungu primary school	Equity Bank	1060279614274	988,558	-
Marere primary school	Equity Bank	1060279085432	600,000	-
Tsangalaweni primary school	Equity Bank	1060279040471	1,300,000	-
Forodho primary school	Equity Bank	1060279040452	380,000	-
Ndugumnani secondary school	Equity Bank	1060279040453	1,800,000	-
Dida secondary school	Equity Bank	1060279040454	5,600,000	-
Katandewa Primary School	National Bank	1224068227500	306	1,506
Ambassador Kithi Memorial Sec. School	National Bank	1285068270800	19,024	20,224
Petanguo Secondary School	Equity Bank	1060278968467	640	640



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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Bandari Secondary School	Equity Bank	1060278971832	640	400,000
Mwangea Girls Secondary School	Equity Bank	1060277341298	5,502,352	5,502,352
Vitengi Baptist Secondary School	Equity Bank	1060277712508	835,717	4,022,296
Jita Secondary School	Equity Bank	1060277475490	312,235	312,594
Bamba Police Station	Equity Bank	1060177527651	176,070	176,069
Environment PMC	Equity Bank	1060276401283	23,521	1,650,000
Bahero Primary School	Equity Bank	1060278543397	152,220	2,220
Bandari Primary School	Equity Bank	1060278581537	1,750,880	880
Bodoi Primary School	Equity Bank	1060278542728	380	380
Dodosa Primary School	Equity Bank	1060277490513	43	250,000
Dungicha Primary School	Equity Bank	1060277489327	7,776	7,770
Ganze Primary School	Equity Bank	1060277477111	212	211
Kagombani Primary School	Equity Bank	1060278556749	500,000	500,000
Kahingoni Primary School	Equity Bank	1060278581863	80	80
Katofeni Primary School	Equity Bank	1060278597967	176,180	1,180
Midodoni Primary School	Equity Bank	1060278590462	150,280	100,000
Mulungu wa Mawe Primary School	Equity Bank	1060278504320	380	500,000

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
	Equity Bank	1060278583019	125,880	125,880
Muyuni Primary School	Equity Bank	1060277472454	714	352,573
Mwenge Primary School	Equity Bank	1060278442495	1,536,207	1,536,206
Petanguo Primary School	Equity Bank	1060277520726	1,500	1,500
Silala Primary School	Equity Bank	1060277607990	872,730	701,300
Zia ra Wimbi Primary School	Equity Bank	1060277552691	255,136	500,000
Palakurni Primary School				
Total			27,701,423	16,665,861

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: (Date issue is expected 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	Dec 31 2020

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GANZE CONSTITUENCY
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1.2	Date of signing	Date of signing on pages 5 to 8 missing	Fund Account Manager	Not resolved	Dec 31 2020
1.3	Statement of receipts and payments	Statement of receipts and payments not signed	Fund Account Manager	Not Resolved	Dec 31 2020
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 2018 reflects total payments of Kshs. 80,690,636 while audited accounts for the financial year 2017/2018 reflects total payments of Kshs. 80, 597,075 resulting to a variance of Kshs. 93,561	Fund Account Manager	Not Resolved	Dec 31 2020
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 2018, 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	Dec 31 2020
3.	Note 3 - Receipts	Other receipts amount to Kshs 44,000. However, schedules and daily cash sales receipts were not availed for audit review.	Fund Account Manager	Not Resolved	Dec 31 2020
4.	Outstanding Imprest	Un-surrendered outstanding imprest	Fund Account Manager	Not resolved as imprest still outstanding/u	

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			n-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 Dec 31 2020
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 Dec 31 2020
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	Clerk of Works, Fund Account Manager	Not Resolved Dec 31 2020

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		availed the bills of quantities 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 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	Dec 31 2020
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	Dec 31 2020
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	Dec 31 2020

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9.	Transfers from Other Government Entities	The comparative statement of receipts and payments for the year ended 30th June 2018 reflects transfers from other government entities of Kshs. 103,281,441 while records maintained by the NG-CDFB reflects a figure of Kshs. 70,000,000 resulting to a variance of Kshs. 33,281,441 which has not been reconciled or explained.	Fund Account Manager	Not Resolved	Dec 31 2020
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	Dec 31 2020
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	Not Resolved Dec 31 2020	
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	Not Resolved	Dec 31 2020



(10)