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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
LAMU WEST CONSTITUENCY**

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

OFFICE OF THE AUDITOR GENERAL

25/03/2021

Revised Template 30th June 2020



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
LAMU WEST 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)
LAMU WEST CONSTITUENCY
Reports and Financial Statements
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAMU WEST CONSTITUENCY
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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

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Core Values

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

(b) Key Management

The NGCDF LAMU WEST Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Javan Mwandawiro
2.	Sub-County Accountant	Gregory Mwaniki
3.	Chairman NGCDFC	Geoffrey Kupata
4.	Member NGCDFC	Julia Njuguna

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Lamu West Constituency Headquarters

P.O. Box 277-80500
NG-CDF Building
Behind County Assembly Offices, Off Lamu- Garsen Road
Mokowe, Lamu

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(f) NGCDF Lamu West Constituency Contacts

Telephone: (254) 734 334809
E-mail: cdflamuwest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Lamu West Constituency Bankers

Equity Bank Kenya Limited
Account Number: 1270263908321
P.O Box
Mpeketoni Branch

(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

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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

It gives me great pleasure to thank the people of Lamu West Constituency for giving me the opportunity to serve them in this transformative, people driven and Nation building position. It is great with great joy that I present to you the unaudited accounts and collaborative annual report for the year ended 30th June, 2020.

We have developed a Strategic Plan 2017- 2022. This strategic plan is a formalized road map that describes how NGCDF Lamu West Constituency will execute its mandate for the period 2017-2022. This road map indicates where the Constituency is, where it is going, and how it will get there. The plan has been developed to guide Lamu west NG-CDF's operations in line with NG-CDF Act 2015 and the subsequent amendments in 2016 from whence it derives its mandate. Other legal, policy instruments considered during the development of the strategic plan includes: Lamu County Integrated Development Plan, NG-CDF Board Strategic Plan, Kenya Vision 2030, Sustainable Development Goals (SDGs), The President's Big Four Agenda, Medium Term Plan (MTP) III, and the Constitution of Kenya 2010 (COK). The plan captures the aspirations of the Lamu West Constituents and presents the same in actionable form. It provides a baseline and status report of the thematic areas covered by NG-CDF as mandated by the NG-CDF Act 2015 and subsequent amendments in 2016. The plan establishes the gaps and the needs of the constituents to be addressed.

The traditional role and mandate of CDF as expressed in the CDF Act 2003 (repealed), were reviewed and re-enacted in the NG-CDF Act 2015 and subsequent amendment in 2016. According to the NG-CDF Act 2015, the NG-CDF funds are to be used in projects falling within the function of the National Government under the constitution; Education, Security, Environment, Youth empowerment and Information Communication and Technology (ICT). The projects should be community based to ensure the benefits are available to a widespread cross-section of the constituents. The spirit and tenets of devolution is also enshrined in NG-CDF and People participation in project identification and implementation is mandatory. The projects are implemented by the people through the project Management Committees (PMCs).

We are guided by a budget proposal in the implementation of our project. At the moment we are implementing projects falling in budget proposal FY 2015/16, 2016.17, 2017/2018, 2018/19 and 2019/2020. Our Approved budget/proposal is as shown below:

DISCRIPTION OF ITEMS	ALLOCATION	DISBURSEMENT	BALANCE	A-I-A
Balance C/f FY 2017/2018	4,270,238	4,270,238	-	-
Appropriation-In-Aid	-	-	-	44,000
Staff Gratuity	-	-	-	188,981
Allocation- FY 2015/2016	10,200,000	10,200,000	-	-
Allocation- FY 2016/2017	800,000	800,000	-	-
Allocation- FY 2017/2018	20,703,449	20,703,450	1	-
Allocation- FY 2018/2019	55,040,875	48,340,875	6,700,000	-
Allocation- FY 2019/2020	137,367,724	68,000,000	69,367,724	-
PROJECTS ALLOCATION	228,382,286	152,314,563	76,067,723	232,981

A detailed analysis of the strengths, weaknesses, opportunities as well as threats was undertaken and prioritized as outlined hereunder.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Strengths	Weaknesses
<ul style="list-style-type: none"> • Committed leadership • PMC already in place and trained • Team work among committee members • Guaranteed source of funds • Receptive community • Existence of major roads linking to major • Diversity of membership • Willingness to learn 	<ul style="list-style-type: none"> • Poor communications strategy • Inadequate ICT infrastructure • Inadequate capacity in planning, monitoring and evaluation • Low rates of education attainment • Lack of diverse economic opportunities • Inadequate funding • Poor road conditions • Inadequate communication strategies
Opportunities	Threats
<ul style="list-style-type: none"> • Secure environment • Existence of legal frameworks guiding national and devolved funds • Availability of Human Resource • Natural resources e.g. land, construction materials, • Existence of NGOs e.g. World Vision • Support from National Government and other stakeholders • Good road network • Arable land • Availability Electric power 	<ul style="list-style-type: none"> • Ignorance/inadequate information on NG-CDF operations • Unhealthy politicization of NG-CDF activities • Lack of transparency • Poverty; leading to high rate of land selling • Environmental degradation • High school dropout rate still significantly high • High rate in drug and substance abuse – Khat • Betting • Prolonged drought • HIV/AIDS prevalence is relatively high

As we continued to discharge our mandate as expected from you, we have been in people's spotlight for the entire period a review. All we can say we continue to ensure service delivery beyond expectations by being transparent, open to criticism, involving the people in our project implementation, drawing lessons learnt and above put to good and accountable use all the resources entrusted onto us.

Summary of Key Achievements

1. Bursary: The scholarship programme for 20 teachers and 42 Coxswain youths trained
2. Education Projects: Constructed to completion 16 New Classroom in 8 different schools
3. Security Projects: Constructed to Completion 2 new Police Station

Risk Management Integration & Mitigation Strategies In The Constituency Operation

1. How risk management has been integrated in the constituency/department operations.
2. How risk mitigation strategies have been implemented

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OBJECTIVES OF RISK MANAGEMENT

1. To develop and maintain a strong system of Corporate Governance and Internal Controls as the basis for a robust and secure operating environment
2. To minimize direct and indirect losses suffered by the Fund
3. To assist in ensuring that all applicable external laws and regulations are complied with
4. To assist in ensuring all internal policies, procedures, standards and control are complied with
5. To provide a greater level of transparency into the operations of the fund
6. To enable the Fund follow best practice in Risk Management
7. To establish the current level of risk within the constituency/department
8. To enable the constituency/ department detect any forthcoming risks and take the necessary action.

Sign

A handwritten signature in black ink, consisting of a stylized, cursive script that is difficult to decipher but appears to start with a capital letter.

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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.

As we continued to discharge our mandate as expected by the various laws, we have been in people's spotlight for the entire period under review. We continue to ensure efficient and effective service delivery beyond expectations by being accountable, transparent and open to criticism. We involve the people in our project planning, project implementation, drawing lessons learnt and above all, put to good and accountable use all the resources entrusted onto us under this Fund.

The aspiration of the people of Lamu West Constituency as captured in the Strategic Plan forms the basis and justification for its implementation. This Strategic Plan focuses on providing Lamu West Constituency with a roadmap towards the delivery of quality services. The plan was prepared through a participatory approach that ensured consultations and involvement of the people of Lamu West, their leaders and external stakeholders at all stages. It set out its vision, mission, core values, goals and strategic objectives as well as strategies. Its implementation will ensure Sustainable Development and Social Economic Transformation in Lamu West Constituency. The plan provides a review of past performance, a situation status analysis and further identifies strategic gaps to be filled by the implementation of this strategic plan. This strategic plan is limited to the mandate and functions of NG-CDF from the onset being Education, Security, Environment, Youth Empowerment and I.C.T. Sectors. Strategic intervention measures are outlined in the implementation and the monitoring and evaluation matrix. The Plan will be implemented over a five-year period starting from 2017 and ending in 2022.

The key development objectives of NGCDF- Lamu West Constituency's *2018-2022* Plan are to:

- a) To improve access to education and training
- b) To improve the working and living conditions of security personnel in the Constituency
- c) To enhance environmental conservation
- d) To build and enhance youth skills through sports
- e) To improve ICT infrastructure
- f) To improve capacity in project planning monitoring and evaluation

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:

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Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve access to education and training	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Increased number of students accessing education - Increased number of schools with adequate facilities and equipment - Improved performance in national examinations - Increased number of schools with adequate sanitation facilities 	<p>In FY 19/20 -we increased number of classrooms, both in primary schools and secondary schools by 46 units in the Bora Moyoo Primary School, Manyatta Primary School, Mpeketoni Girls Secondary School, Manda Maweni Secondary School, Coast Arid Secondary School, e.t.c</p> <p>Bursary beneficiaries at all levels were as per the attached schedules</p>
Security	To improve the working and living conditions of security personnel in the Constituency	Increase and Improve the conditions of police stations within the constituency	<ul style="list-style-type: none"> - Increased number of housing units and offices for security personnel 	<p>In FY 2019/20 we worked on completion of 2 police stations (Kibaoni Police station and Hindi Police Station), we continue finishing construction of two police posts (Hongwe Police Post and Maleli Police Post). We recorded completion of two Chiefs offices (Tewe Chief's Office and Langoni Chief's Office)</p>
Environment	To enhance environmental conservation	Implement water harvesting projects at schools and water connection to various toilets	<ul style="list-style-type: none"> - Increased number of schools with adequate sanitation facilities 	<p>In FY 2019/20 we invested in water harvesting program in 7 schools. We connected water supply to toilets in Lake Amu Primary School, Lamu AP Toilet. These programmes go a long way in ensuring adequate sanitation in the institutions in Lamu West Constituency.</p>

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Constituency Program	Objective	Outcome	Indicator	Performance
Sports	To build and enhance youth skills through sports	Increased number of youths involved in gainful activities	- Increased sports activities in the constituency through equipping schools with sports kits, rehabilitation of sports field, and planning for constituency tournament.	In FY 2019/20 we rehabilitated Manda Primary Sports field, started the process of procuring sports kits for 4 schools and rehabilitation of further 2 sports fields.
Disaster Management	To establish risk register for the constituency	Reduction in Risk Levels/Increased Risk Mitigation factors	- Improved Constituency Internal Control System - Reduced level of complaints; resolved past cases and reduced reporting of present cases	Continuous Improvement in terms of Inherent Risk Indicators and residual risk indicators

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – Lamu West 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 -

The aspiration of the people of Lamu west constituency as captured in this strategic plan forms the basis and justification for its implementation. This Strategic Plan focuses on providing Lamu West Constituency with a roadmap towards the delivery of quality services. The plan was prepared through a participatory approach that ensured consultations and involvement of the people of Lamu West, their leaders and external stakeholders at all stages. It has set out its vision, mission, core values, goals and strategic objectives as well as strategies. The implementation of the plan will ensure Sustainable development and social economic transformation in Lamu West constituency. The plan provides a review of past performance, a situation status analysis and further identifies strategic gaps to be filled by the implementation of this strategic plan.

2. Environmental performance

Uncontrolled environmental degradation and effects of climate change negatively impact on the socio-economic development of the constituency. Major contributors to environmental degradation are human activity. These activities include deforestation through illegal logging, charcoal burning, forest clearing for agricultural activities, overstocking and subsequent overgrazing, illegal quarrying and water pollution through waste disposal. The depletion of mangrove forest reduces reproduction of marine life, deforestation and overgrazing leads to desertification and reduce rainfall and water sources, water pollution leads to water borne diseases while climate change has increased the frequency of high tide flooding.

Lamu West Constituency depends heavily on wood fuel for domestic use. Forest resources contribute heavily towards household budget through the burn and sell of charcoal. Widespread poverty, unemployment and climate change are the major driving forces to environmental degradation in the constituency.

3. Employee welfare

The NGCDFC ensures recruitment of competent staff is done in compliance with the Employment Act and other laws governing recruitment of employees. The Constituency has 8 staff: 5 Male and 3 Female, the all cover the 7 Wards within the Constituency.

We have continuously improved the capacity of our staff by ensuring we recruited skilled employees, continuous coaching and mentoring, participation in various conferences including NGCDF trainings, on-the-job training by delegation of duties and job rotation of staff regardless of the roles and duties as prescribed in their job descriptions.

4. Market place practices-

After the development of the strategic plan, the NGCDFC has become more visible and competitive within the communities in the Constituency. In terms of management of resources, we have noted reduced operation cost and all the complaints from the community, both past and present, have either been resolved fully or it's been handled amicably by the management. We have built very strong internal control systems which have reduced wastage and corruption in the constituency.

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Our Management best practices involve:

- a) There's a clear communication of our vision, mission and strategy;
- b) The Committee and staff have shown exemplary leadership by example;
- c) Through the SP 2017-2022, we have set demanding but realistic targets;
- d) The Fund Account Manager has ensured an open and communicative management style;
- e) Our Objectives as defined in our strategic plan are SMART.

5. Community Engagements-

We are proud of the positive economic impact we have on our communities, from job creation to sustainable development projects, improvement of security and education sector. As NGCDF Lamu West, we have a deep commitment in ensuring full support on community engagement especially in Social Corporate Responsibility, especially at this period where the world is facing a pandemic.

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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 Fund shall prepare financial statements in respect of that Fund. 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- Lamu West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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- Lamu West Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Lamu West Constituency 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- Lamu West Constituency further confirms the completeness of the accounting records maintained for the Lamu West Constituency, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

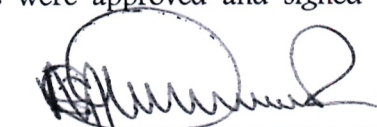
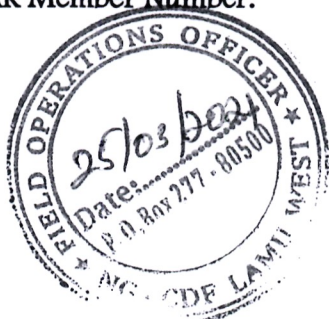
The Accounting Officer in charge of the NGCDF- Lamu West Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Fund's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Fund'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

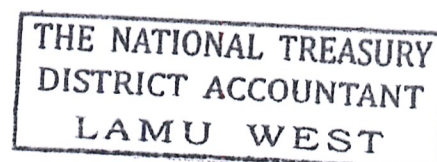
The NGCDF- Lamu West Constituency financial statements were approved and signed by the Accounting Officer on 13/09/2020 2020.



Fund Account Manager
Name: Jewan Mwandawiro
ICPAK Member Number:

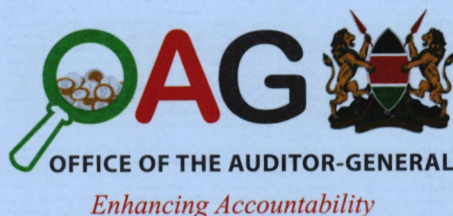


Sub-County Accountant B. M. Mwaniki
Name:
ICPAK Member Number: 12536



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LAMU WEST 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 - Lamu West Constituency set out on pages 15 to 44, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Lamu West Constituency as at 30 June, 2020 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Transfer to Other Government Entities

1.1. Transfers to Secondary Schools

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects Transfer to Other Government units balance of Kshs.66,217,106 as at 30 June, 2020. Included in this balance is an amount of Kshs.44,600,200 being transfers to secondary schools. Examination of tender records revealed that Management procured works for the construction of twelve (12) number classrooms, a borehole and ablution block at Mpektoni Girls Secondary School through an open tender. The contract was awarded at a contract sum of Kshs.54,132,625 and the contract agreement signed on 29 November, 2019. However, examination of payment vouchers, tender documents and physical verifications conducted on 17 March, 2021 revealed the following anomalies;

- i. The project budget for the year was Kshs.15,100,000 but Management commenced the procurement proceedings without sufficient funds to meet the obligations and awarded a contract sum of Kshs.54,132,625. This is contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015.
- ii. There was no multi - year procurement plan prepared consistent with the medium term budgetary expenditure framework for the project that was going beyond one year as required by Section 53(7) of the Public Procurement and Asset Disposal Act, 2015.
- iii. A total payment of Kshs.14,120,408 was made to the contractor as at 30 June, 2020. However, monthly progress report as well as minutes of the site meetings of Project Management Committee on project implementation were not provided. It was therefore not possible to establish the percentage of works completed against the payment made to the contractor.
- iv. As at the time of audit, the project was not completed and the contractor was not on site. No explanation was provided as to why the project was behind schedule.

In the circumstances, the validity and value for money for the payment of Kshs.14,120,408 as at 30 June, 2020 could not be confirmed.

2. Other Grants and Other Transfers

2.1. Unsupported Bursary Payments

The statement of receipt and payment and Note 7 to the financial statements reflects a balance of Kshs.65,194,391 for Other Grants and Other Payments. Included in this balance is an amount of Kshs.48,919,392 incurred on bursary disbursement to secondary schools and tertiary institutions. However, review of the expenditure and other supporting documents revealed that bursary disbursements totalling Kshs.14,559,000 were not acknowledged with official receipts or acknowledgment letters from the institutions that were paid, making it difficult to complete the audit trail.

In the circumstances, the validity and completeness of other grants and other payments of Kshs.65,194,391 as at 30 June, 2020 could not be confirmed.

3. Use of Goods and Services

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.7,670,702. However, review of relevant records revealed the following anomalies:-

3.1. Unsupported Committee & Other Committee Expenses

Included in the Use of goods and Services balance of Kshs.7,670,702 is Kshs.2,703,260 and Kshs.492,000 incurred on Other Committee expenses and Committee allowances respectively. The expenditure was incurred when the committee conducted various monitoring and evaluation exercise as well as conducting public participation. However, no evidence was provided to ascertain if the committee was actually involved in the exercise.

Consequently, the validity and value for money of Kshs.2,254,760 as at 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 National Government Constituencies Development Fund - Lamu West Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation: Recurrent and Development Combined, reflects final receipts budget and actual on comparable basis of Kshs.192,736,702 and Kshs.105,992,377 respectively resulting to an under-funding of Kshs.86,744,326 or 45% of the budget. The Project expenditure was limited to the amount realised.

Based on the approved estimates, under funding and expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

2. Project Implementation

The Fund had budgeted to implement forty nine (49) projects consisting of sixteen (16) primary school projects, eleven (11) secondary school projects, eleven (11) Environment projects, seven (7) sports projects and four (4) security projects with a total allocation of Kshs.127,970,744. However, the Fund implemented a total of forty (40) projects.

Nine (9) projects were not implemented. Failure to complete all projects may have denied the Public the desired services.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Summary of Fixed Assets

Annex 4 to the financial statements is a summary of fixed assets balance of Kshs.23,057,490 for the Fund as at 30 June, 2020. However, Management did not maintain a fixed asset register but instead had a soft copy, which lacks security features and thus prone to manipulation, Contrary to Section 139(1) of the Public Finance Management (National Government) Regulations, 2015. It was further noted that obsolete and non-serviceable items were retained for long time. No effort was made to have the items disposed-off as required by the Public Procurement and Asset Disposal Act, 2015. In addition, the land where the Lamu West NG-CDF headquarters is currently situated has not been valued and disclosed.

In the circumstances, the accuracy and completeness of the summary of fixed assets balance could not be ascertained.

2. Lack of Constituency Oversight Committee

During the year under review, Management had not appointed Constituency Oversight Committee, contrary to Section 53(1) of the National Government Constituencies Development Fund Act, 2015 which states that there shall be a Constituency Oversight Committee for the projects undertaken under this act. Further subsection (3) states that the Constituency Member of National Assembly shall, in consultation with the Constituency Oversight Committee at least twice in every financial year, and upon giving notice of at least fourteen days, convene public forums for purposes of (a) mobilization and sensitization (b) soliciting views, opinions and proposals from the public regarding to the fund.

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

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 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 governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

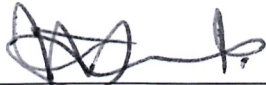
09February, 2022


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

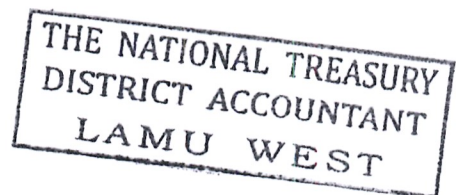
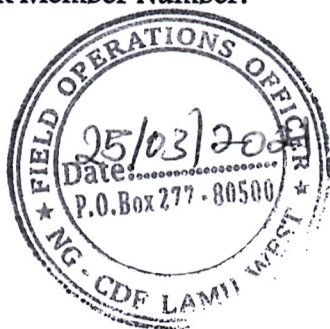
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	AMENDED 2018 - 2019	AUDITED 2018 - 2019
		Kshs	Kshs	Kshs
RECEIPTS				
Transfers from NGCDF board	1	148,044,325	93,581,034	93,581,034
Proceeds from Sale of Assets	2	--	--	--
Other Receipts	3	44,000	--	--
TOTAL RECEIPTS		148,088,325	93,581,034	93,581,034
PAYMENTS				
Compensation of employees	4	3,778,640	3,248,875	3,248,875
Use of goods and services	5	7,670,702	7,035,802	7,035,802
Transfers to Other Government Units	6	66,217,106	47,252,000	47,252,000
Other grants and transfers	7	65,194,391	42,328,750	42,328,750
Acquisition of Assets	8	2,688,320	41,500	41,500
Other Payments	9	1,800,000	1,982,213	2,724,424
TOTAL PAYMENTS		147,349,159	101,889,140	102,631,351
SURPLUS/(DEFICIT)		739,166	(8,308,106)	(9,050,318)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Lamu West Constituency financial statements were approved on 13/09/2020 and signed by:


Fund Account Manager
Name: Jawen Mwendawiro
ICPAK Member Number:


National Sub-County Accountant
Name:
ICPAK Member Number: 12526




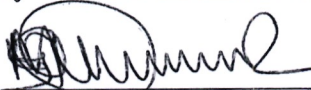
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAMU WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

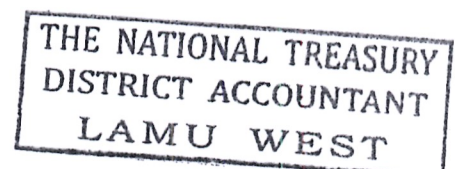
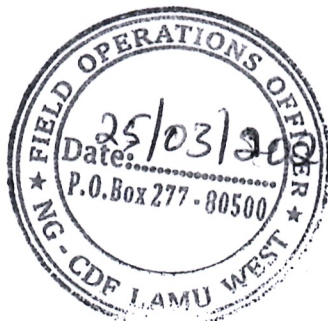
VIII. STATEMENT OF ASSETS AND LIABILITIES

			AMENDED	AUDITED
	Note	2019-2020	2018-2019	2018-2019
		Kshs	Kshs	Kshs
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances (as per the cash book)	10A	5,198,385	4,270,238	3,528,027
Cash Balances (cash at hand)	10B	--	--	--
Total Cash and Cash Equivalents		5,198,385	4,270,238	3,528,027
Current receivables- Sale of Tender		--	--	--
Outstanding Imprests	11	--	--	--
TOTAL FINANCIAL ASSETS		5,198,385	4,270,238	3,528,027
FINANCIAL LIABILITIES				
Accounts Payable				
Retention	12A	--	167,001	167,001
Deposits (Gratuity)	12B	188,981	--	--
TOTAL FINANCIAL LIABILITES		188,981	167,001	167,001
NET FINANCIAL ASSETS		5,009,404	4,103,237	3,361,026
REPRESENTED BY				
Fund balance b/fwd	13	4,270,238	12,411,343	12,411,343
Prior year adjustments	14	--	--	--
Surplus/Deficit for the year		739,166	(8,308,106)	(9,050,318)
NET FINANCIAL POSITION		5,009,404	4,103,237	3,361,026

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Lamu West Constituency financial statements were approved on 13/09/2020 and signed by:


Fund Account Manager
Name: Seven Mwandawiro
ICPAK Member Number:


National Sub-County Accountant
Name: G. M. Mwaniki
ICPAK Member Number: 12526

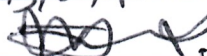


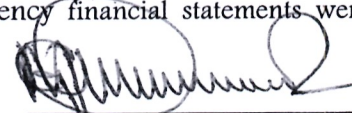
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LAMU WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

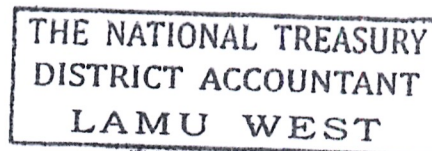
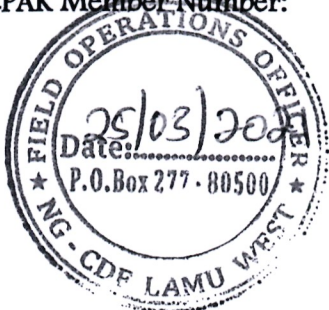
IX. STATEMENT OF CASHFLOW

		2019 - 2020	AMENDED 2018 - 2019	AUDITED 2018 - 2019
	Note	Kshs	Kshs	Kshs
Receipts for operating income				
Transfers from NGCDF Board	1	148,044,325	93,581,034	93,581,034
Other Receipts	3	44,000	--	--
Total receipts		148,088,325	93,581,034	93,581,034
Payments for operating expenses				
Compensation of Employees	4	3,778,640	3,248,875	3,248,875
Use of goods and services	5	7,670,702	7,035,802	7,035,802
Transfers to Other Government Units	6	66,217,106	47,252,000	47,252,000
Other grants and transfers	7	65,194,391	42,328,750	42,328,750
Other Payments	9	1,800,000	1,982,213	2,724,424
Total payments		144,660,839	101,847,640	102,589,851
Total Receipts Less Total Payments		3,427,486	(8,266,606)	(9,008,818)
Adjusted for:				
Decrease/(Increase) in Accounts receivable: (outstanding Imprest)	15	--	--	--
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	188,981	167,001	167,001
Prior year adjustments	14	--	--	--
Net Adjustment		188,981	167,001	167,001
Net cash flow from operating activities		3,616,467	(8,266,606)	(8,841,817)
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2	--	--	--
Acquisition of Assets	8	(2,688,320)	(41,500)	(41,500)
Net cash flows from Investing Activities		(2,688,320)	(41,500)	(41,500)
NET INCREASE IN CASH AND CASH EQUIVALENT		928,147	(8,141,105)	(8,883,317)
Cash and cash equivalent at BEGINNING of the year	13	4,270,238	12,411,343	12,411,343
Cash and cash equivalent at END of the year		<u>5,198,385</u>	<u>4,270,238</u>	<u>3,528,027</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Lamu West Constituency financial statements were approved on 13/09/2020 and signed by:


Fund Account Manager
Name: Jovan Mwanjawa
ICPAK Member Number: _____


National Sub-County Accountant
Name: M. Mwanjawa
ICPAK Member Number: 12536



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

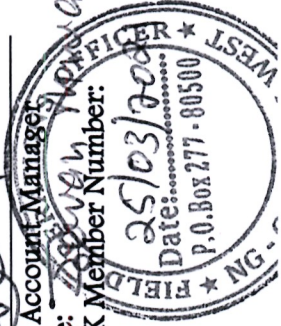
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED (PERIOD 2018/19 AMENDED)

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c= a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	83,695,826	192,736,702	105,992,377	86,744,326	55%
Proceeds from Sale of Assets	--	--				
Other Receipts	--	--				
TOTAL RECEIPTS	109,040,876	83,695,826	192,736,702	105,992,377	86,744,326	55%
PAYMENTS						
Compensation of Employees	4,200,000	0	4,200,000	3,248,875	951,125	77%
Use of goods and services	5,613,677	1,422,125	7,035,802	7,035,802	0	100%
Transfers to Other Government Units	39,964,438	43,148,150	83,112,588	47,252,000	35,860,588	57%
Other grants and transfers	54,338,994	29,521,307	83,860,302	42,328,749	41,531,553	50%
Acquisition of Assets	4,923,767	0	4,923,767	41,500	4,882,267	1%
Other Payments	0	9,604,244	9,604,244	1,982,213	7,622,031	21%
TOTALS	109,040,876	83,695,826	192,736,703	101,889,139	90,847,564	53%

NOTE: Transfer of Kshs. 1,524,424 in Financial Year 2018/2019 had a reversal of Kshs. 742,211.10 (23/07/2019- Kshs. 500,000, Kshs. 200,000 and Kshs. 42,211.10), due to closure of the PMC bank account 1590277564175 (Lamu West NGCDF Office NGCDF Project Account). This in effect required amendment of financial statements to reflect a true and fair view of the state of affairs of the entity as at the end of the financial years (periods) ended on June 30, 2019 and June 30, 2020.

NG-CDF OFFICE	DATE	V. NO.	CHEQUE NO.	AMOUNT (KSHS)	AMOUNT (KSHS)
Lamu west NGCDF Office	20.08.2018	8	2852	824,424	
Lamu west NGCDF Office	09.04.2019	56	3172	200,000	
Lamu west NGCDF Office	14.05.2019	69	3178	500,000	1,524,424

The NGCDF- Lamu West Constituency financial statements were approved on 13/09/2020 and signed by: 
Fund Account Manager
 Name: B. M. Mwanishi
 ICPAK Member Number: 12536



THE NATIONAL TREASURY
 DISTRICT ACCOUNTANT
 LAMU WEST

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c= a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	90,847,564	228,382,286	152,314,563	76,067,723	67%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL RECEIPTS	137,367,724	90,847,564	228,382,286	152,314,563	76,067,723	67%
PAYMENTS						
Compensation of Employees	3,778,640	951,125	4,729,765	3,778,640	951,125	80%
Use of goods and services	8,584,454	0	8,584,454	7,670,702	913,752	89%
Transfers to Other Government Units	75,389,458	35,860,588	111,250,046	66,217,106	45,032,940	60%
Other grants and transfers	49,615,172	41,531,553	91,146,725	65,194,391	25,952,334	72%
Acquisition of Assets	-	4,882,267	4,882,267	2,688,320	2,193,947	55%
Other Payments	-	7,622,031	7,622,031	1,800,000	5,822,031	24%
TOTALS	137,367,724	90,847,564	228,215,288	147,349,159	80,866,129	65%

(a) Revenue collected included an amount of AIA of Kshs. 44,000 being deposits for sale of tender and an additional deposit of Kshs. 188,981.00 being provision for staff gratuity for the period November 2019 to June 2020.

(b) Significant underutilization (below 90% of utilization) and any overutilization (above 100%):

- i) Receipts: There were projects with delayed and/or not approved as at closure of the financial year 2019/2020.
- ii) Use of goods and services: There are activities like PMC training which did not occur due to Covid-19 pandemic.
- iii) Transfer to other Government Units: Most of the approved projects require funding from the Board.
- iv) Other grants and transfers: Undisbursed bursary due to Covid-19 pandemic and balance in emergency fund.
- v) Acquisition of Assets: Delays in completion of NGCDF Office and purchase of Office Boat
- vi) Other payments: Delays in signing of ICT Hub contract due to Covid-19 pandemic.

Note:


The changes between the original budget and final budget have been explained in Budget Execution by Programmes and Sub-Programmes.


(c) Composition of Budget Utilization Difference and all disbursements during the period under review:

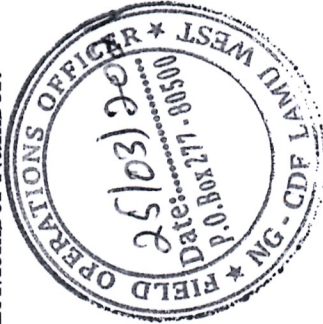
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

DISBURSEMENT FOR THE YEAR	ALLOCATION	DISBURSEMENT	BALANCE	A-I-A
Balance C/f FY 2017/2018	4,270,238	4,270,238	-	-
Appropriation-In-Aid	-	-	-	44,000
Staff Gratuity (November 2019 to June 2020)	-	-	-	188,981
Allocation- FY 2015/2016	10,200,000	10,200,000	-	-
Allocation- FY 2016/2017	800,000	800,000	-	-
Allocation- FY 2017/2018	20,703,449	20,703,450	-	-
Allocation- FY 2018/2019	55,040,875	48,340,875	6,700,000	-
Project Proposal - FY 2019/2020	137,367,724	68,000,000	69,367,724	-
TOTALS	228,382,286	152,314,563	76,067,724	232,981

The NGCDF- Lamu West Constituency financial statements were approved on 13/09 2020 and signed by:


Fund Account Manager
Name: Dewan Muvandawiro
ICPAK Member Number:


Sub-County Accountant
Name: S. A. Mwaniki
ICPAK Member Number: 12536



THE NATIONAL TREASURY
DISTRICT ACCOUNTANT
LAMU WEST

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LAMU WEST CONSTITUENCY
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XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub- Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,778,640	951,125	3,778,640	3,778,640	951,125
1.2 Committee allowances	492,000	-	492,000	492,000	-
1.3 Use of goods and services	3,971,423	-	3,971,423	3,844,502	126,921
Sub- Total	8,242,063	-	8,242,063	8,115,142	126,921
2.0 Monitoring and evaluation					
2.1 Capacity building	2,655,000	-	2,655,000	1,868,168	786,832
2.2 Committee allowances	850,000	-	850,000	850,000	-
2.3 Use of goods and services	616,031	-	616,031	616,031	-
Sub- Total	4,121,031	-	4,121,031	3,334,199	786,832
3.0 Emergency					
3.1 Primary Schools	7,198,241	-	7,198,241	2,500,000	4,698,241
Sub- Total	7,198,241	-	7,198,241	2,500,000	4,698,241
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	18,500,000	15,979,719	34,479,719	30,711,500	3,768,219
4.3 Tertiary Institutions	15,841,931	10,643,345	27,436,401	18,207,892	8,277,384
Sub- Total	34,341,931	26,623,064	60,964,995	48,919,392	12,045,603
5.0 Sports					
5.1 Manda Primary Football Field		700,000	700,000	700,000	-
5.2 Hindi Prisons Football Field		700,000	700,000	700,000	-
5.3 Mpeketoni Boys Secondary School		700,000	700,000	700,000	-

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5.4 Coast Arid Secondary School	797,000	-	797,000	797,000	
5.5 Matondoni Secondary School	797,000	-	797,000	797,000	
5.6 Mokowe Secondary School	797,000	-	797,000	797,000	
5.7 Mpeketoni Girls Secondary School	234,000	-	234,000	234,000	
Sub- Total	2,625,000	2,100,000	4,725,000	4,725,000	
6.0 Environment					
6.1 Lake Amu Primary School		450,000	450,000	450,000	
6.2 Bahati Primary School		800,000	800,000	800,000	
6.3 Lamu AP Line		190,000	190,000	190,000	
6.4 Arid Zone Primary School		160,000	160,000	160,000	
6.5 Manda Maweni Primary School	300,000	-	300,000	300,000	
6.6 Kangaja Primary School	300,000	-	300,000	300,000	
6.7 Bahari Secondary School	300,000	-	300,000	300,000	
6.8 Sinambio Primary School	300,000	-	300,000	300,000	
6.7 Safirisi Primary School	300,000	-	300,000	300,000	
6.8 Lamu Special for Mentally Challenged	300,000	-	300,000	300,000	
6.9 Telelelani Primary School	300,000	-	300,000	300,000	
Sub- Total	2,100,000	1,600,000	3,700,000	3,700,000	
7.0 Primary Schools Projects					
7.1 Mokowe Special School		2,500,000	2,500,000	-	2,500,000
7.2 Hongwe Intergrated Primary School		600,000	600,000	600,000	
7.3 Manda Maweni Primary School		600,000	600,000	600,000	
7.4 Poromoko Primary School		600,000	600,000	600,000	
7.5 Ungu Primary School		600,000	600,000	600,000	
7.6 Furaha Primary School		600,000	600,000	600,000	
7.7 Manyatta Primary School		2,000,000	2,000,000	2,000,000	
7.8 Kiongwe Primary School		1,464,438	1,464,438	1,464,438	
7.9 Jericho Primary School		800,000	800,000	800,000	
7.10 Ndambwe Primary School	1,637,000	663,000	2,300,000	2,300,000	

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7.11 Moa Primary School	2,300,000		2,300,000		2,300,000		2,300,000
7.12 Chalaluma Primary School	2,300,000		2,300,000		2,300,000		2,300,000
7.13 Mahmud Bin Fadhil Primary Sch	6,500,100		6,500,100		6,500,100		6,500,100
7.14 Pangani Primary School		3,741,848	3,741,848		3,741,848		3,741,848
7.15 Didewaride Primary School	2,300,000		2,300,000		2,300,000		2,300,000
7.16 Mokowe Arid Zone Primary School	3,347,621		3,347,621		3,347,621		3,347,621
Sub- Total	18,384,721	14,169,286	32,554,007		16,653,907		15,900,100
8.0 Secondary Schools Projects							
8.1 Mpeketoni Girls Secondary School	19,541,537	4,500,000	24,041,537		4,500,000		19,541,537
8.2 Wiyoni Secondary School	-	3,000,000	3,000,000		3,000,000		-
8.3 Hongwe Secondary School	7,000,000	3,200,000	10,200,000		3,200,000		7,000,000
8.4 Witu Secondary School	2,300,000	1,200,000	3,500,000		-		3,500,000
8.5 Witu Mjini Secondary School	-	7,000,000	7,000,000		7,000,000		-
8.6 Majembeni Secondary School	7,000,000	600,000	7,600,000		600,000		7,000,000
8.7 Bomani Secondary School		600,000	600,000		600,000		-
8.8 Witu Mjini Secondary School	-	-	-		-		-
8.9 Hindi Secondary School	-	7,000,000	7,000,000		7,000,000		-
8.10 Manda Secondary School	6,100,100		6,100,100		6,100,100		-
8.11 Coast Arid Secondary School	6,100,100		6,100,100		6,100,100		-
8.12 Kiongwe Secondary School	6,500,000		6,500,000		6,500,000		-
Sub- Total	54,541,737	27,100,000	81,641,737		44,600,200		37,041,537
9.0 Tertiary institutions Projects							
9.1 Mpeketoni Sub County Education office		2,500,000	2,500,000		2,500,000		-
9.2 KMTc Lamu Campus	2,463,000		2,463,000		2,463,000		-
Sub- Total	2,463,000	2,500,000	4,963,000		4,963,000		-
10.0 Security Projects							
10.1 Kibaoni Police Station	1,500,000	-	1,500,000		1,500,000		-
10.2 Hongwe AP Post		2,000,000	2,000,000		2,000,000		-
10.3 Langoni Chief Office	350,000	-	350,000		350,000		-

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10.4 Hindi Police Station	1,500,000	-	1,500,000	1,500,000	-
Sub- Total	3,350,000	2,000,000	5,350,000	5,350,000	-
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)		-	-	-	-
11.2 Construction of CDF office		5,248,070	5,248,070	495,160	4,752,910
11.3 Purchase of furniture and equipment	-	943,400	943,400	943,400	-
11.4 Purchase of computers	-	1,249,760	1,249,760	1,249,760	-
11.5 Purchase of Office Boat	-	3,393,603	3,393,603		3,393,603
Sub- Total	-	10,834,833	10,834,833	2,688,320	8,146,513
12.0 Others					
12.1 Strategic Plan	-	1,800,000	1,800,000	1,800,000	-
12.2 Innovation Hub		1,169,256	1,169,256	-	1,169,256
Sub- Total	-	2,969,256	2,969,256	1,800,000	1,169,256
Grand Total	137,367,724	90,847,564	228,215,290	147,349,159	80,866,130

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

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XIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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.

External Assistance

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

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

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

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

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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.

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SIGNIFICANT ACCOUNTING POLICIES

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on cash basis. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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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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XIV. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	AMENDED	AUDITED
			2018-2019	2018-2019
		Kshs	Kshs	Kshs
NGCDF Board				
AIE NO B005350	1		39,581,034	39,581,034
AIE NO B030088	2		10,000,000	10,000,000
AIE NO B030475	3		15,000,000	15,000,000
AIE NO B006422	4		6,000,000	6,000,000
AIE NO A724455	5		11,000,000	11,000,000
AIE NO B042929	6		12,000,000	12,000,000
AIE NO B041049	1	48,340,875		
AIE NO B041104	2	4,000,000		
AIE NO B041311	3	18,000,000		
AIE NO B041391	4	16,500,000		
AIE NO B047730	5	5,000,000		
AIE NO B041373	6	4,200,000		
AIE NO B047953	7	6,000,000		
AIE NO B049351	8	14,000,000		
AIE NO B104222	9	6,000,000		
AIE NO B104209	10	800,000		
AIE NO B104371	11	21,000,000		
AIE NO B096806	12	4,203,450		
TOTAL		148,044,325	93,581,034	93,581,034

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	--	--
Receipts from the Sale of Vehicles and Transport Equipment	--	--
Receipts from sale of office and general equipment	--	--
Receipts from the Sale Plant Machinery and Equipment	--	--
Total	--	--

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	AMENDED 2018-2019	AUDITED 2018-2019
	Kshs	Kshs	Kshs
Interest Received	--	--	--
Rents	--	--	--
Receipts from Sale of tender documents	--	--	--
Other Receipts Not Classified Elsewhere	44,000	--	--
Total	44,000	--	--

4. COMPENSATION OF EMPLOYEES

	2019-2020	AMENDED 2018-2019	AUDITED 2018-2019
	Kshs	Kshs	Kshs
Basic wages of temporary employees	2,006,420	1,773,115	1,773,115
Basic wages of casual labour	245,772	--	--
Personal allowances paid as part of salary	76,000	--	--
House allowance	159,290	--	--
Transport allowance	159,290	--	--
Leave allowance	3,000	--	--
Other personnel payments	--	--	--
Employer contribution to NSSF	86,920	21,725	21,725
Gratuity-contractual employees	1,041,947	1,454,035	1,454,035
Total	3,778,639	3,248,875	3,248,875

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5. USE OF GOODS AND SERVICES

		AMENDED	AUDITED
	2019-2020	2018-2019	2018-2019
	Kshs	Kshs	Kshs
Utilities, supplies and services	19,403	149,000	149,000
Electricity	1,500	--	--
Water & sewerage charges	2,460	--	--
Office rent	225,000	--	--
Communication, supplies and services	136,976	--	--
Domestic travel and subsistence	871,800	396,800	396,800
Printing, advertising and information supplies & services	580,800	--	--
Rentals of produced assets	--	--	--
Training expenses	11,200	733,000	733,000
Hospitality supplies and services	--	--	--
Other committee expenses	2,703,260	--	--
Committee allowance	492,000	4,579,900	4,579,900
Insurance costs	--	--	--
Specialised materials and services	--	520,000	520,000
Office and general supplies and services	187,647	180,000	180,000
Fuel ,oil & lubricants	214,082	210,373	210,373
Other operating expenses	--	--	--
Bank service commission and charges	20,840	--	--
Other operating expenses	1,192,865	266,730	266,730
Security operations	--	--	--
Routine maintenance - vehicles and other transport equipment	615,414	--	--
Routine maintenance- other assets	395,455	--	--
Total	7,670,702	7,035,803	7,035,803

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

		AMENDED	AUDITED
Description	2019-2020	2018-2019	2018-2019
	Kshs	Kshs	Kshs
Transfers to primary schools (see attached list)	16,653,906	30,852,000	30,852,000
Transfers to secondary schools (see attached list)	44,600,200	16,400,000	16,400,000
Transfers to tertiary institutions (see attached list)	4,963,000	0	0
Transfers to health institutions (see attached list)	0	0	0
TOTAL	66,217,106	47,252,000	47,252,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

		AMENDED	AUDITED
	2019-2020	2018-2019	2018-2019
	Kshs	Kshs	Kshs
Bursary – secondary schools (see attached list)	30,711,500	15,968,000	15,968,000
Bursary – tertiary institutions (see attached list)	18,207,892	8,091,192	8,091,192
Bursary – special schools (see attached list)	0	0	0
Mock & CAT (see attached list)	0	0	0
Security projects (see attached list)	5,350,000	12,400,000	12,400,000
Sports projects (see attached list)	4,724,999	1,736,206	1,736,206
Environment projects (see attached list)	3,700,000	2,136,206	2,136,206
Emergency projects (see attached list)	2,500,000	1,997,146	1,997,146
Total	65,194,391	42,328,750	42,328,750

8. ACQUISITION OF ASSETS

		AMENDED	AUDITED
	2019-2020	2018-2019	2018-2019
	Kshs	Kshs	Kshs
Purchase of Buildings	-	-	-
Construction of Buildings	-	-	-
Refurbishment of Buildings	495,160	782,213	1,524,424
Purchase of Vehicles	-	-	-
Purchase of Bicycles & Motorcycles	-	-	-
Overhaul of Vehicles	-	-	-
Purchase of Office furniture and fittings	1,249,760	16,500	16,500
Purchase of computers ,printers and other IT equipment	943,400	25,000	25,000
Purchase of photocopier	-	-	-
Purchase of other office equipment	-	-	-
Purchase of soft ware	-	-	-
Acquisition of Land	-	-	-
Total	2,688,320	823,713	1,565,924

Note: Other capital grants and transfer of Kshs. 1,524,424 was reported under Note 7 *Other Grants and Other Payments* in the period ended on 30th June 2019. To be more specific regarding treatment of the item, in the current period under review, the reporting format introduced an item of Refurbishment of Buildings under Note 8 *Acquisition of Assets* thus the treatment of Kshs. 1,524,424.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2019-2020	AMENDED 2018-2019	AUDITED 2018-2019
	Kshs	Kshs	Kshs
Strategic plan	1,800,000	1,200,000	1,200,000
ICT Hub	-	-	-
TOTAL	1,800,000	1,200,000	1,200,000

10A: Bank Accounts (cash book bank balance)

	2019-2020	AMENDED 2018-2019	AUDITED 2018-2019
	Kshs	Kshs	Kshs
<i>Equity Bank Kenya Ltd- Mpeketoni</i>	5,198,385	4,270,238	3,528,027
<i>Account Number: 1270263908321</i>			
Total	5,198,385	4,270,238	3,528,027

	2019-2020	AMENDED 2018-2019	AUDITED 2018-2019
	Kshs	Kshs	Kshs
10B: CASH IN HAND			
Location 1	-	-	
Location 2	-	-	
Location 3	-	-	
Other Locations (<i>specify</i>)	-	-	-
Total	-	-	-
<i>[Provide cash count certificates for each]</i>			

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>		-	-	-
Total				--

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12A. RETENTION

		AMENDED	AUDITED
	2019 - 2020	2018-2019	2018-2019
	Kshs	Kshs	Kshs
Kudzecha Investment ltd	-	41,796	41,796
Swabaha Enterprises	-	41,810	41,810
Josamumu Construction	-	41,599	41,599
Qabul General supplies	-	41,796	41,796
Total	--	167,001	167,001

[Provision for retention money for emergency project undertaken in FY 2018/19]

12B. GRATUITY DEPOSITS

		AMENDED	AUDITED
	2019 - 2020	2018-2019	2018-2019
	Kshs	Kshs	Kshs
Staff Gratuity- Nov 2019- June 2020	188,981	--	--
Add as appropriate			
Total	188,981		--

[Provision for staff gratuity at 15% of basic salary]

13. BALANCES BROUGHT FORWARD

		AMENDED	AUDITED
	2019 - 2020	2018-2019	2018-2019
	Kshs	Kshs	Kshs
Bank accounts	4,270,238	12,411,343	12,411,343
Cash in hand	-	-	-
Imprest	-	-	-
Total	4,270,238	12,411,343	12,411,343

[Unutilised funds at the beginning of the financial years in question]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-

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15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	167,001	167,001
Deposit and Retentions held during the year (B)	188,981	-
Deposit and Retentions paid during the Year (C)	167,001	-
Net changes in account receivables D= A+B-C	188,981	167,001

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total Amount	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	AMENDED	AUDITED
		2018-2019	2018-2019
	Kshs	Kshs	Kshs
NGCDFC Staff	-	288,854	288,854
Others (<i>specify</i>)	-	-	-
Total Amount	-	288,854	288,854

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	AMENDED 2018-2019	AUDITED 2018-2019
	Kshs	Kshs	Kshs
Compensation of employees	951,125	951,125	951,125
Use of goods and services	913,752	0	0
Amounts due to other Government entities	45,032,940	35,860,588	35,860,588
Amounts due to other grants and other transfers	25,952,334	41,531,553	41,531,553
Acquisition of assets	2,193,947	4,882,267	4,882,267
Others (<i>specify</i>)	5,822,031	7,622,031	6,879,820
	80,866,129	90,847,564	90,105,353

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019	2018-2019
	Kshs	Kshs	Kshs
PMC account Balances (see attached list)	84,829,010	46,633,089	46,633,089
Total	84,829,010	46,633,089	46,633,089

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10. May 2019 Salaries		144,427	0	144,427	0	Paid in July 2019
11. June 2019 Salaries		144,427	0	144,427	0	Paid in July 2019
10.						
Sub-Total		288,854	0	288,854	0	
Grand Total		288,854	0	288,854	0	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20 Kshs.	Outstanding Balance 2018/19 Kshs.	Comments
Compensation of employees	Staff Salaries	-	951,125	Pending Disbursement
Use of goods & services	Prior year adjustment	913,752	-	Pending Disbursement
Sub-Total		913,752	951,125	
Amounts due to other Government entities				
7.1 Mokowe Special School	Fencing of the school	2,500,000	2,500,000	Re-submission
7.2 Hongwe Intergrated Primary School	Purchase of School Furniture		600,000	Re-submission
7.3 Manda Maweni Primary School	Purchase of School Furniture		600,000	Re-submission
7.4 Poromoko Primary School	Purchase of School Furniture		600,000	Re-submission
7.5 Ungu Primary School	Purchase of School Furniture		600,000	Re-submission
7.6 Furaha Primary School	Purchase of School Furniture		600,000	Re-submission
7.7 Sikomani Primary School	Renovation of a Toilet		150,000	Re-submission
7.8 Ndambwe Primary School	Renovation of 1 Classroom		663,150	Re-submission
7.9 Manyatta Primary School	Construction of 4 Classrooms		2,000,000	Re-submission
7.10 Kiongwe Primary School	Repairs and Toilet construction		1,464,438	Re-submission
7.11 Jericho Primary School	Construction of 2No. 4 Door Toilet		800,000	Re-submission
7.12 Moa Primary School	Renovation of 4 Classrooms	2,300,000		Pending Disbursement
7.13 Chalaluma Primary School	Renovation of 4 Classrooms	2,300,000		Pending Disbursement
7.14 Mahmud Bin Fadhil Primary Sch	Construction of classroom and Hall	6,500,100		Pending Disbursement
7.15 Didewaride Primary School	Renovation of 4 Classrooms	2,300,000		Pending Disbursement
8.1 Mpeketoni Girls Secondary School	Construction of 12 Classrooms	19,541,537	4,500,000	Re-submission
8.2 Wiyoni Secondary School	Construction of 2 Classrooms		3,000,000	Re-submission
8.3 Hongwe Secondary School	Construction of 2 Classrooms		3,200,000	Re-submission
8.4 Witu Secondary School	Construction of 3No. 4 Door Toilet	3,500,000	1,200,000	Pending Disbursement
8.5 Witu Mjini Secondary School	Repairs of 4 Classrooms		350,000	Pending Disbursement
8.6 Majembeni Secondary School	Purchase of School Furniture		600,000	Pending Disbursement
8.7 Bomani Secondary School	Purchase of School Furniture		600,000	Pending Disbursement
8.8 Witu Mjini Secondary School	Purchase of School Bus		7,000,000	Pending Re-allocation
8.9 Hindi Secondary School	Purchase of School Bus		7,000,000	Pending Change of name

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8.10 Hongwe Secondary School	Purchase of School Bus	7,000,000		Pending Disbursement
8.11 Majembeni Secondary School	Purchase of School Bus	7,000,000		Pending Disbursement
Sub-Total		52,941,637		38,027,588
Amounts due to other grants and other transfers				
3.0 Emergency	Emergency Projects	4,698,241	6,195,633	Pending Disbursement
4.2 Bursary Secondary Schools	Bursary to Needy students	3,768,219	12,046,055	Re-submission
4.3 Tursary ertiary Institutions	Bursary to Needy students	9,228,509	12,922,863	Re-submission
5.1 Mandia Primary Football Field	Rehabilitation of football pitch		700,000	Re-submission
5.2 Hindi Prisons Football Field	Bursary to Needy students		700,000	Re-submission
5.3 Mpeketoni Boys Secondary School	Bursary to Needy students		700,000	Re-submission
6.1 Tree Planting Day	Environmental Project		1,600,000	Re-submission
9.1 Mpeketoni Sub County Education office	Construction of DEO Office		2,500,000	Re-submission
10.2 Hongwe AP Post	Construction of AP Post		2,000,000	Re-submission
Sub-Total		17,694,969	39,364,551	
Sub-Total				
Acquisition of assets				
11.2 Construction of CDF office	Refurbishment Of Office	4,752,910		
11.3 Purchase of furniture and equipment	Office Equipment and Furniture		1,382,267	Pending Disbursement
11.5 Purchase of Office Boat	Office Boat	3,393,603	3,500,000	Pending Disbursement
Sub-Total		8,146,513	4,882,267	
Others (NG CDF OFFICE)				
12.1 Strategic Plan	Strategic Plan		1,800,000	Pending Approval
12.2 Innovation Hub	4 ICT Hubs	1,169,256	4,677,027	3 to be re-allocated
12.3 Construction of CDF office	Repairs of Office		402,793	Pending Disbursement
Sub-Total		1,169,256	6,879,820	
Grand Total		80,866,150	90,105,351	

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ANNEX 4 – 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	7,000,000	495,160	-	7,495,160
Transport equipment	11,229,170	-	-	11,229,170
Office equipment, furniture and fittings	1,500,000	1,249,760	-	2,749,760
ICT Equipment, Software and Other ICT Assets	640,000	943,400	-	1,583,400
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	20,369,170	2,688,320	-	23,057,490

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC BANK BALANCES AS AT 30TH JUNE 2020							
PROJECT NAME / BANK NAME	ACCOUNT NO	BANK	BRANCH	DATE OPENED	30/06/2019	30/06/2020	
					(KSHS)		
1	MANYATTA PRI. SCH- PURCHASE OF DESKS	1270277824244	Equity Bank	Lamu	22/11/2018	82,620.00	82,620.00
2	HOLY ANGEL PRI. SCH- PURCHASE OF DESKS	1270277803530	Equity Bank	Mpeketoni	16/11/2018	82,680.00	82,680.00
3	SEDEMIKE PRI. SCH- PURCHASE OF DESKS	1270277804715	Equity Bank	Mpeketoni	16/11/2018	82,680.00	82,680.00
4	LAKE KENYATTA PRI. SCH- PURCHASE OF DESKS	1270277803502	Equity Bank	Mpeketoni	16/11/2018	93,180.00	93,180.00
5	LUMSHI PRI. SCH- PURCHASE OF DESKS	1270277910131	Equity Bank	Lamu	05/12/2018	303,300.00	303,300.00
6	POROMOKO PRIMARY SCHOOL	1270277815736	Equity Bank	Mpeketoni	14/11/2018	978,294.40	1,209.40
7	UNGU PRIMARY SCHOOL	1590277815025	Equity Bank	Lamu	15/11/2018	917,276.12	285,362.12
8	MAISHA MASHA PRIMARY SCHOOL	1270276260289	Equity Bank	Mpeketoni	22/03/2018	155,992.00	155,992.00
9	MANDA MAWENI PRIMARY SCHOOL	1590277829113	Equity Bank	Lamu	20/11/2018	2,482,320.00	142,060.00
10	HINDI PRIMARY SCHOOL	1590276348333	Equity Bank	Lamu	18/02/2018	3,000,020.00	3,000,020.00
11	MAJEMBENI SECONDARY SCHOOL	1270276260563	Equity Bank	Lamu	13/02/2018	581,718.45	1,181,718.45
12	BORA MOYOO PRIMARY SCHOOL	1590278907639	Equity Bank	Lamu	28/05/2019	6,000,100.00	1,538,786.00
13	MANYATTA PRIMARY SCHOOL	1590278907645	Equity Bank	Lamu	28/05/2019	4,000,100.00	5,944,560.00
14	MPEKETONI GIRLS SECONDARY SCHOOL	1270277817351	Equity Bank	Mpeketoni	16/11/2018	13,599,920.00	5,948,348.31
15	FURAHIA PRIMARY SCHOOL	1270277803162	Equity Bank	Mpeketoni	10/11/2018	972,513.00	240,068.00
16	SALAMA PRIMARY SCHOOL	1270276338975	Equity Bank	Lamu	22/03/2018	809,066.00	822.00
17	BOMANI SECONDARY SCHOOL	1270277800877	Equity Bank	Mpeketoni	09/11/2018	206,576.55	276.55
18	TEWE CHIEFS OFFICE	1270277803557	Equity Bank	Mpeketoni	10/11/2018	306,220.00	306,220.00
19	LANGONI CHIEFS OFFICE	1590277808485	Equity Bank	Lamu	21/11/2018	733,124.50	401,734.20
20	MALELI POLICE POST	1590277815292	Equity Bank	Mpeketoni	12/11/2018	2,400,100.00	1,138,861.00
21	HINDI AP POST	1590277815292	Equity Bank	Lamu	13/11/2018	1,133,316.40	1,728,930.40
22	FIRE EXTINGUISHERS FOR SEC. SCHOOLS	1590276346522	Equity Bank	Lamu	13/02/2018	72,055.80	30,719.80
23	LAKE AMU PRIMARY SCHOOL	1270277803443	Equity Bank	Mpeketoni	16/01/2018	330,273.00	183,093.00
24	BAHARI SECONDARY SCHOOL	1270276337377	Equity Bank	Lamu	22/03/2018	1,368,412.40	450,554.40
25	JUHUDI PRIMARY SCHOOL	1270276339612	Equity Bank	Lamu	22/03/2018	245,496.00	245,496.00
26	WITU MIJINI SECONDARY SCHOOL	1270276339563	Equity Bank	Mpeketoni	27/03/2018	33,590.00	60.00
27	SIKOMANI PRIMARY SCHOOL	1270276349116	Equity Bank	Lamu	27/03/2018	148,035.00	205.00
28	KIONGWE SECONDARY SCHOOL	1270276328445	Equity Bank	Mpeketoni	21/03/2018	64,600.45	54,240.45
29	KIONGWE PRIMARY SCHOOL	12702688937278	Equity Bank	Mpeketoni	25/01/2017	3,070.60	3,440.60

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30	MOA SECONDARY SCHOOL	1270276418837	Equity Bank	Mpeketoni	22/05/2018	241.00	241.00
31	LAMU GIRLS SECONDARY SCHOOL	1590276347507	Equity Bank	Lamu	23/03/2018	1,689,755.15	1,689,755.15
32	WIYONI SECONDARY SCHOOL	1590276349385	Equity Bank	Lamu	22/03/2018	600,100.00	3,071,782.40
33	SHELLA BRIGHT GIRLS SECONDARY SCHOOL	1590276348168	Equity Bank	Lamu	22/03/2018	395,298.00	395,298.00
34	SHELLA BRIGHT GIRLS SECONDARY SCHOOL	1590262385327	Equity Bank	Lamu	29/05/2018	13,058.28	13,058.28
35	NGCDF ENVIRONMENT PROJECT	1590277563809	Equity Bank	Lamu		1,348,536.00	2,730,090.00
36	NGCDF SPORTS ACTIVITY	1590272699813	Equity Bank	Lamu		1,174,597.00	5,199,596.00
37	NGCDF OFFICE PROJECTS	1590277564175	Equity Bank	Lamu		42,842.10	-
38	HONGWE INTEGRATED PRIMARY SCHOOL	1270277803556	Equity Bank	Mpeketoni	10/11/2018	332,406.70	85,030.70
39	HINDI SECONDARY SCHOOL	1590279014679	Equity Bank	Lamu	06/08/2019	-	7,000,100.00
40	MANDA PRIMARY SCHOOL	1590279216124	Equity Bank	Lamu	06/09/2019	-	5,236.00
41	KAKATHE PRIMARY SCHOOL	1270277804440	Equity Bank	Mpeketoni			103,800.00
42	PANGANI PRIMARY SCHOOL	1270277828190	Equity Bank	Lamu	05/12/2018	-	3,105,648.00
43	KIPUNGANI PRIMARY SCHOOL	1590279748107	Equity Bank	Lamu	24/03/2020	-	8,940.00
44	COAST ARID SECONDARY SCHOOL	1270279700889	Equity Bank	Lamu	06/04/2020	-	6,099,500.00
45	MOKOWE ARID ZONE PRIMARY SCHOOL	1590279730004	Equity Bank	Lamu	16/03/2020	-	3,347,620.00
46	HONGWE SECONDARY SCHOOL	1270279687040	Equity Bank	Mpeketoni	16/01/2020	-	3,200,000.00
47	MANDA SECONDARY SCHOOL	1590279647904	Equity Bank	Lamu	14/02/2020	-	5,479,260.00
48	JERICHO PRIMARY SCHOOL	1270279596469	Equity Bank	Mpeketoni	29/01/2020	-	-
49	MEKETONI SUB-COUNTY EDUCATION OFFICE	1270279596564	Equity Bank	Mpeketoni	29/01/2020	-	2,500,000.00
50	HONGWE POLICE POST	1270279678876	Equity Bank	Mpeketoni		-	2,000,000.00
51	MUHAMARANI POLICE POST(KIBAONI POLICE POST)	1141562016400	Co-Op Bank	Mpeketoni	13/07/2016	2,330,176.20	3,370,361.20
52	UMOJA PRIMARY SCHOOL	1139562081300	Co-Op Bank	Mpeketoni		406,263.50	406,263.50
53	MKUNGUNI PRIMARY SCHOOL	1139561902400	Co-Op Bank	Mpeketoni		128,082.84	128,082.84
54	KIONGWE SECONDARY SCHOOL	1139562513300	Co-Op Bank	Mpeketoni	24/04/2020	-	6,499,519.82
55	NDAMBWE PRIMARY SCHOOL	127300668	KCB Bank	Mpeketoni	18/03/2020	-	2,300,000.00
56	KMTC-LAMU CAMPUS	1273839374	KCB Bank	Mpeketoni	14/05/2020	-	2,463,000.00
57	CHALALUMA PRI. SCHOOL	1274198704	KCB Bank	Mpeketoni	26/05/2020	-	-
58	DIDE WARIDE PRI. SCHOOL	1274197406	KCB Bank	Mpeketoni	26/05/2020	-	-
59	MOA PRI. SCHOOL	1274197031	KCB Bank	Mpeketoni	26/05/2020	-	-
	TOTAL AMOUNT					49,648,007.44	84,829,010.57

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported expenditure	Documents & files availed to auditors	Javan Mwandawiro-FAM	Resolved internally awaiting SFAC deliberations	30/6/2020
2	Unsupported schedules on reversed cheques vide respective expenditures for the same	Closing bank balance correct since an equal expense on the reversed cheques completed	Gregory Mwaniki-DA	Resolved internally awaiting SFAC deliberations	30/6/2020
3	Lack of PMC expenditure returns and files	Files and returns available for submission	Javan Mwandawiro-FAM	Resolved internally awaiting SFAC deliberations	30 /6/2020
4	Unsupported expenditures on other committee expenses, fuel oil & lubricants	Explanation given on our respective response	Javan Mwandawiro-FAM	Resolved internally awaiting SFAC deliberations	30/6/2020
5	Unjustified expenditures on coxswains training	File available for submission to auditors for further review	Javan Mwandawiro-FAM	Resolved internally awaiting SFAC deliberations	30/6/2020
6	Unavailability of logbooks for motor vehicles	File copy to be availed Logbooks sent to NGCDF head office Nairobi	Javan Mwandawiro-FAM	Not Resolved	31/12/2020