

REPUBLIC OF KENYA




PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

 THE NATIONAL ASSEMBLY	
DATE: 05 JUL 2023	DAY: WED
TABLED BY: Hon. Owen Baya, CBS, MP Deputy leader, majority	
CLERK AT THE TABLE: Fintaye Mwangi	

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
GANZE CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2022

Revised Template 30th June 2022



GANZE CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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



Leave it blank



[Faint, illegible text]

[Faint, illegible text]

Table of Contents

	Page
I. Key Constituency Information and Management	iii
II. NG-CDFC Chairman’s Report	vii
III. Statement Of Performance Against Predetermined Objectives for FY2021/22	ix
IV. Environmental and Sustainability Reporting	x
V. Statement of Management Responsibilities	xiv
VI. Report Of the Independent Auditors On The NGCDF- xx Constituency	xvi
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022.....	1
VIII. Statement of Assets and Liabilities As At 30 th June, 2022.....	2
IX. Statement of Cash Flows for the Year Ended 30th June 2022.....	3
X. Summary Statement of Appropriation for the Year Ended 30 th June 2022	5
XI. Budget Execution by Sectors and Projects for the Year Ended 30 th June 2022	6
XII. Significant Accounting Policies	15
XIII. <i>Notes To the Financial Statements (Continued)</i>	22

I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

GANZE Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

- 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

Core Values

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

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

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

(d) Fiduciary Oversight Arrangements

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

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

(f) Ganze Constituency NGCDF Contacts

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

(g) Ganze Constituency NGCDF Bankers

Equity Bank (K) Limited,
NGCDF Ganze Account No. 1060298195611
Kilifi Branch; Kibaoni-Hospital street
P.o Box 381-80108
Kilifi, Kenya
Tel: 0736306810

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman’s Report



Robert Galo Chengo

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

Ganze Constituency is one of the seven Constituencies in Kilifi County, Coast Region. During the financial year 2021/2022 we received Kshs. 174,377,758. Our utilization of funds for the financial year stands at 93.4% of the total budget of Kshs. 186,777,758. The low absorption of funds was due to late disbursement of funds by the NG-CDF Board.. The NG-CDF Board should provide funds in time for 100% utilization to be achieved.

The project allocation percentage per sector is as indicated below:

Achievements

There have been several success stories in this financial year ending June 2022. Success is attributed to the harmonious working relationship among the NGCDFC members, staff and technical support from the government officials as well. The synergy has been achieved through continuous training and engagement to promote team work and quality project.

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

During the financial year 2021/2022, the Constituency realized tremendous improvement in infrastructure across the two key sectors namely; Education and Security sector. Five new schools were constructed and four new Chiefs offices were constructed to completion.

Challenges

Lack of enough technical personnel and delay in disbursements of funds from the NG-CDF Board has affected timely implementation of projects and absorption of funds allocated during the financial year. In addition, insufficient funds for monitoring and evaluation and capacity building of various operatives has impacted negatively on funds administration.

Way forward

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

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

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

1. Poor road network within the Constituency was a big challenge to the contractors when it came to ferrying building materials to the various sites.
2. Other issues affecting the project implementation process is the slow pace of the Project Management Committees in filing both financial and narrative reports relating to their NGCDF funded projects. This fact emanates mostly from low literacy levels amongst the PMCs.
3. Water availability was also a challenge to both the contractors as well as the Community.
4. Lack of Sub-County works officer from the National Government has also posed a big challenge in project implementation in the Constituency.



Robert Galo Chengo

CHAIRMAN NGCDF COMMITTEE

III. Statement Of Performance Against Predetermined Objectives for FY2021/22

Introduction

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

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

- 1) Provide security to the Community by constructing administrative offices.
- 2) Improve literacy level by issuing bursaries to needy students.
- 3) Nurture talents to the upcoming youth talents in the Constituency through sports activities.
- 4) Improve food security by participating in environmental conservation activities.

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary’s beneficiaries at all levels 	In FY 21/22 we increased number of classrooms, dormitories, laboratories etc from 25 to 35 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules

GANZE Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Security	To have a reliable and sustainable security	Improvement of working stations for the administrative officers in the constituency	Number of improved police stations and Chiefs' offices	In FY 2021-2022 we managed to construct a police station and 4 chiefs' offices
Environment	To ensure environment is conserved in the Constituency	Improve sanitation in learning institutions in the entire constituency	Number of toilets in the learning institutions	In FY 2021-2022 we managed to construct 6 pit latrines in primary and secondary schools
Sports	To nurture talents of the constituents	Increase the number of talented youth in the constituency	Number of youth benefiting from the sports fund	In FY 2021-2022 we conducted constituency tournaments
Emergency	To mitigate risk occurrence in the constituency	Improvement of structures in learning institutions	Number of schools renovated in the constituency	In FY 2021-2022 we renovated 8 classrooms at Marere primary school

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

To ensure sustainability of Ganze NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Ganze NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.

GANZE Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

We invest in providing the best working environment for our employees. Ganze constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Ganze constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Ganze NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Ganze NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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


Ronald W. Jembe



V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Ganze Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

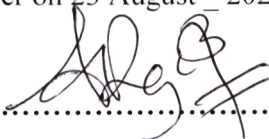
The Accounting Officer in charge of the NGCDF-Ganze Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Ganze Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

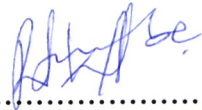
The Accounting Officer in charge of the NGCDF Ganze Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Ganze Constituency financial statements were approved and signed by the Accounting Officer on 23 August 2022.



.....
Name: Robert Galo Chengo
Chairman – NGCDF Committee

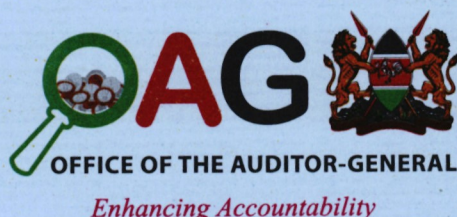


.....
Name: Ronald Wanje Jembe
Fund Account Manager



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GANZE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ganze Constituency set out on pages 1 to 45, which

Report of the Auditor-General on National Government Constituencies Development Fund - Ganze Constituency for the year ended 30 June, 2022

comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Ganze Constituency as at 30 June, 2022, 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of financial statements presented for audit revealed the following inaccuracies:

- i. The statement of receipts and payments and Note 5 to the financial statements reflects payments in respect of use of good and services for the comparative year totalling to Kshs.12,060,336. However, the re-computation of the amount results to a total of Kshs.8,134,956 resulting in an unexplained and unreconciled variance of Kshs.3,925,380.
- ii. The summary statement of appropriation reflects original budget payments total of Kshs.137,088,879 while the recomputed amount is Kshs.137,115,879 resulting to a variance of Kshs.27,000.
- iii. The summary statement of appropriation reflects Nil balance in respect of adjustments for cashbook and AIA while the statement of assets and liabilities Fund balance brought forward is Kshs.102,496,920. The variance was not explained.
- iv. The budget execution by sectors and projects reflects total final budget of Kshs.286,145,318 which when recomputed total to Kshs.283,442,318 resulting to a variance of Kshs.2,703,000 attributed to erroneous inclusion of unapproved funds.

In the circumstances, the accuracy and completeness of financial statements could not be confirmed.

2. Unexplained Variance in Previous Years' Outstanding Disbursement Amounts

The summary statement of appropriation reflects previous years' outstanding disbursements of Kshs.49,688,879. However, review of records provided for audit including Authority to Incur Expenditure (AIE) revealed that the Fund received

Kshs.33,000,000 in 2020/2021 financial year resulting to unexplained variance of Kshs.16,688,879.

In the circumstances, the accuracy and completeness of the summary statement of appropriation could not be confirmed.

3. Unsupported Payments for Other Grants and Transfers

The statement of receipts and payments and Note 7 to the financial statements reflects payments in respect of other grants and transfers totalling to Kshs.61,425,451. Review of the records provided in support of the expenditure revealed the following anomalies:

3.1 Missing Registration and Shared Admission Numbers

Included in the payments on other grants and transfers are bursary disbursements in respect of Secondary Schools and Tertiary institutions totalling to Kshs.21,841,000 and Kshs.17,320,000 respectively. Review of the beneficiaries list revealed that the Management approved and issued bursaries amounting to Kshs.671,000 out of which Kshs.171,000 was in respect of Secondary School students and Kshs.500,000 for Tertiary institutions students and whose admission or registration numbers were not indicated in both the bursary application forms and award schedules. In addition, Management approved and awarded bursary amounting to Kshs.475,000 for Secondary School students and Kshs.110,000 for Tertiary institutions students who had similar admissions numbers in the same schools/institutions.

3.2 Irregular Award of Bursaries

Included in payments on other grants and transfers are bursary disbursements in respect of Special Schools totalling to Kshs.1,000,000. Review of records revealed that included in the amount is bursary totalling to Kshs.560,000 awarded to beneficiaries in institutions that did not qualify as special needs schools. Management did not provide evidence in form of disclosure in bursary application forms or minutes of bursary awards to confirm that the beneficiaries had special needs.

In the circumstances, the accuracy, validity and completeness of bursary payments totalling to Kshs.1,816,000 could not be confirmed.

4. Unsupported Payments for Office and General Supplies

The statement of receipts and payments and Note 5 to the financial statements reflects payments in respect of use of good and services totalling to Kshs.7,589,852. Included in this amount is Kshs.639,745 in respect of payments for office and general supplies, out of which Kshs.355,000 was paid on 10 September, 2021 but whose payment voucher and other supporting documents were not provided for audit review.

In the circumstances, the accuracy and propriety of the payments on office and general supplies totalling to Kshs.355,000 could not be confirmed.

5. Accuracy of Cash and Cash Equivalents Balance

The statement of assets and liabilities and Note 10A the financial statements reflect a bank balance of Kshs.11,890,002. Review of the supporting bank reconciliation statement as at 30 June, 2022 revealed unrepresented cheques totalling to Kshs.2,981,871, out of which cheques for Kshs.191,339 were stale. Management did not explain why the stale cheques had not been reversed in the cashbook.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.11,890,002 could not be confirmed.

6. Unexplained Variances and Unutilized Funds in the PMC Bank Accounts

Note 17.4 to the financial statements and as detailed in Annex 5 to the financial statements reflects total PMC bank account balance of Kshs.88,551,332. However, the certificates of bank balances reflect a total of Kshs.111,810,777 resulting in unexplained variance of Kshs.23,259,444. In addition, three (3) PMC bank balances with a total of Kshs.580,756 had a similar balance in the comparative year, indicating no transactions in the last twelve (12) months. However, Management did not explain why the unutilized funds had not been returned to the Fund's main bank account.

In the circumstances, the accuracy of cash and cash equivalents balance could not be confirmed.

7. Long Outstanding Imprests Balance

The statement of assets and liabilities and Note 11 to the financial statements reflects a balance of Kshs.3,129,360 in respect of outstanding imprests. The amount relates to long outstanding imprests issued between 8 June, 2009 and 14 February, 2014 to four (4) former employees of the Fund.

In the circumstances, the recoverability of the outstanding imprests balance of Kshs.3,129,360 and accuracy of the total financial assets balance of Kshs.15,019,360 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual amounts on comparable basis of Kshs.186,777,758 and Kshs.174,377,758 respectively, resulting

to under-funding of Kshs.12,400,000 or 7% of the budget. Similarly, the Fund spent Kshs.261,855,317 against an approved budget of Kshs.289,274,687, resulting to an under-expenditure of Kshs.27,419,361 or 9% of the budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. Although Management has indicated as having resolved the prior year audit issues, no evidence was provided to support that status and no reasons were provided for the delay in resolving these prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Abandoned Security Projects

The statement of receipts and payments and Note 7 to the financial statements reflects payments in respect of other grants and other transfers totalling to Kshs.61,425,451. Included in the amount are payments in respect of security projects totalling to Kshs.10,166,897, out of which Kshs.6,666,897 is in respect of construction of two (2) bedsitters and a single-bedroom house, chain-link and concrete fencing/gate installation and purchase of one (1) ten thousand litre water tank, construction of a water tank base and installation of fascia boards, gutters and pipes at Vitengeni Police Station Project. During physical inspection of the project in the month of March, 2023, it was observed that the station comprised a building funded by the Constituency in 2018/2019 financial year and the projects funded in 2021/2022 financial year. However, the police station and the houses had not been put into use, the station building looked neglected/dilapidated and the compound not properly maintained. Management did not explain the failure to

use the projects. Further, the ownership document for the land where the police station is erected was not provided for audit.

In the circumstances, value for money totalling to Kshs.6,666,897 on security projects for could not be confirmed.

2. Irregular Award of Contracts

Review of procurement documents for projects implemented by the Fund under transfers to other government units revealed that Management procured and implemented the contracts for four (4) projects at a total cost of Kshs.27,779,315. However, the performance securities in form of unconditional bank guarantees for the contracts were not provided for audit review which exposed public funds to possible losses in case of non-performance by contractors, contrary to Section 142(1) of the Public Procurement and Asset Disposal Act, 2015, which states that subject to the regulations, a successful tenderer shall submit a performance security equivalent to not more than ten per cent of the contract.

In the circumstances, Management was in breach of the Law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 June, 2023

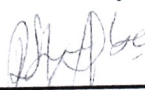
GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	174,377,758	235,469,129
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	163,000
Total Receipts		174,377,758	235,632,129
Payments			
Compensation Of Employees	4	4,795,532	3,032,324
Use Of Goods and Services	5	7,589,852	12,060,336
Transfers To Other Government Units	6	187,297,562	72,217,576
Other Grants and Transfers	7	61,425,451	84,312,166
Acquisition Of Assets	8	746,920	-
Other Payments	9	-	-
Total Payments		261,855,317	171,622,402
Surplus/(Deficit)		(87,477,559)	64,009,727

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

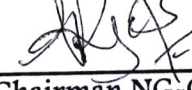
The Constituency financial statements were approved on- 23 August -2022 and signed by:


 Fund Account Manager

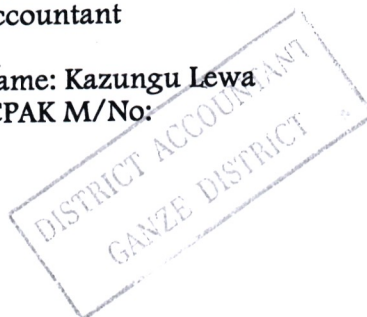
Name: Ronald W. Jembe


 National Sub-County
 Accountant

Name: Kazungu Lewa
 ICPAK M/No:


 Chairman NG-CDF
 Committee

Name: Robert Galo Chengo



*GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

VIII. Statement of Assets and Liabilities as at 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	11,890,002	99,367,560
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		11,890,002	99,367,560
Accounts Receivable			
Outstanding Imprests	11	3,129,360	3,129,360
Total Financial Assets		15,019,360	102,496,920
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		15,019,362	102,496,920
Represented By			
Fund Balance B/Fwd	13	102,496,920	38,445,032
Prior Year Adjustments	14	-	42,161
Surplus/Deficit for The Year		(87,477,559)	64,009,727
Net Financial Position		15,019,361	102,496,920


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 23 August 2022 and signed by:


Fund Account Manager


Name: Ronald W. Jembe
GANZE
FUND ACCOUNT

★ 23 AUG 2022
P. O. B:
K...


National Sub-County
Accountant

Name: Kazungu Iewa
ICPAK M/No:

DISTRICT ACCOUNTANT
GANZE DISTRICT


Chairman NG-CDF
Committee

Name: Robert Galo Chengo

*GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*




IX. Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	174,377,758	235,469,129
Other Receipts	3	-	163,000
Total Receipts		174,377,758	235,632,129
Payments			
Compensation Of Employees	4	4,795,532	3,032,324
Use Of Goods and Services	5	7,589,852	12,060,336
Transfers To Other Government Units	6	187,297,562	72,217,576
Other Grants and Transfers	7	61,425,451	84,312,166
Other Payments	9	-	-
Total Payments		261,108,397	171,622,402
Total Receipts Less Total Payments		(86,730,639)	64,094,049
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	42,161
Net Cash Flow from Operating Activities		(86,730,639)	64,051,888
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(746,920)	-
Net Cash Flows from Investing Activities		(746,920)	-
Net Increase In Cash And Cash Equivalent		(87,477,559)	64,051,888
Cash & Cash Equivalent At Start Of The Year	10	99,367,560	35,315,672
Cash & Cash Equivalent At End Of The Year	10	11,890,001	99,367,560

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 23 August 2022 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Ronald W. Jembe	Name: Kazungu Iewa ICPAK M/No:	Name: Robert Galo Chengo

GANZE NG-CDF
FUND ACCOUNT MANAGER

★ **23 AUG 2022**

P. O. Box 489-80108
KILIFI

DISTRICT ACCOUNTANT
GANZE DISTRICT

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	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 %
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
	2021/2022			2021/2022	30/06/2022		
Receipts							
		Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	0	49,688,879	186,777,758	174,377,758	12,400,000	93.4%
Proceeds From Sale of Assets	0	0	0	0	0	0	0%
Other Receipts	0	0	0	0	0	0	0%
Totals	137,088,879	0	49,688,879	186,777,758	174,377,758	12,400,000	93.4%
Payments							
		Kshs	Kshs	Kshs	Kshs	Kshs	
Compensation Of Employees	5,135,240	5,135,240	0	10,270,480	4,795,532	5,474,948	46.7%
Use Of Goods and Services	7,202,758	2,893,972	0	10,096,730	7,589,852	2,506,878	75.2%
Transfers To Other Government Units	64,100,000	77,816,476	49,688,879	191,605,355	187,297,562	4,307,793	97.8%
Other Grants and Transfers	51,085,674	10,366,777	0	61,425,451	61,425,451	0	100.0%
Acquisition Of Assets	0	746,920	0	746,920	746,920	0	100.0%
Other Payments	7,192,207	5,234,535	0	12,426,742	0	12,426,742	0%
Funds Pending Approval**	2,400,000	303,000	0	2,703,000	0	2,703,000	0%
Totals	137,088,879	102,496,920	49,688,879	289,274,678	261,855,317	27,419,361	90.5%

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	27,419,361
Less undisbursed funds receivable from the Board as at 30 th June 2022	(12,400,0000)
	15,019,361
Add Accounts payable	0
Less Accounts Receivable	3,129,360
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021 /2022	11,890,001

The Constituency financial statements were approved on 23 August 2022 and signed by:

Peter M Mwaighonda

Fund Account Manager

Name: Peter M Mwaighonda
RONALD W-JEMBE

Name: Kazungu Iewa
ICPAK M/No:

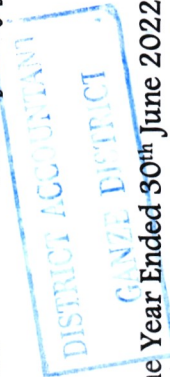
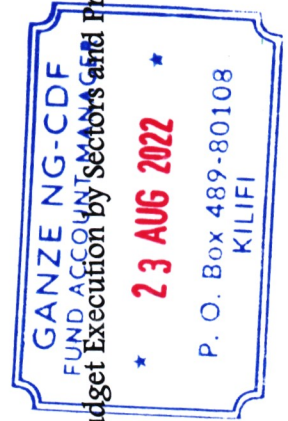
Jimmy John Kitsao

National Sub-County Accountant

Name: Jimmy John Kitsao

Chairman NG-CDF Committee

ROBERT GALO CHEALGO



XI. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,135,240	5,135,240	0	10,270,480	4,795,532	5,474,948
1.2 Committee allowances	1,000,000	32,092	0	1,032,092	111,576	920,516
1.3 Use of goods and services	2,090,092	187,000	0	2,277,092	2,154,066	123,026
2.0 Monitoring and evaluation						
2.1 Capacity building	1,200,000	13,080		1,213,080	243,000	970,080
2.2 Committee allowances	2,412,666	2,161,800		4,574,466	4,328,310	246,156
2.3 Use of goods and services	500,000	500,000		1,000,000	752,900	247,100
3.0 Emergency						
3.1 Primary Schools	0	0	0	0	0	0
3.2 Secondary schools	0	0	0	0	0	0
3.3 Tertiary institutions	0	0	0	0	0	0
3.4 Security projects	0	0	0	0	0	0
4.0 Bursary and Social Security						
4.1 Secondary Schools	19,600,000	2,241,000	0	21,841,000	21,841,000	0
4.2 Tertiary Institutions	14,676,000	2,644,000	0	17,320,000	17,320,000	0
4.3 Social Security	1,374,000	0	0	1,374,000	1,374,000	0
4.4 Special	0	1,000,000	0	1,000,000	1,000,000	0
4.5						

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
5.0 Sports						
5.1	2,741,777	0	0	2,741,777	2,741,777	0
5.2						
5.3						
6.0 Environment						
DIDA SECONDARY SCHOOL	1,500,000			1,500,000	1,500,000	0
NYARI SECONDARU SCHOOL	1,000,000			1,000,000	1,000,000	0
AMBASSADOR KITHI SECONDARY SCHOOL		1,500,000		1,500,000	1,500,000	0
7.0 Primary Schools Projects (List all the Projects)						
DARAJANI PRIMARY SCHOOL	2,600,000	0	0	2,600,000	2,600,000	0
JUHUDI PRIMARY SCHOOL	3,100,000	0	0	3,100,000	3,100,000	0
KWA DADU PRIMARY SCHOOL	200,000	0	0	200,000	200,000	0
MABATANI PRIMARY SCHOOL	3,800,000	0	0	3,800,000	3,800,000	0
MAKONJENI PRIMARY SCHOOL	3,800,000	0	0	3,800,000	3,800,000	0
PETANGUO PRIMARY SCHOOL	200,000	0	0	200,000	200,000	0
MNAGONI PRIMARY SCHOOL	2,600,000	0	0	2,600,000	2,600,000	0
MURYACHAKWE PRIMARY SCHOOL	2,600,000	0	0	2,600,000	2,600,000	0

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/S:ib-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
VITENGENI PRIMARY SCHOOL	2,400,000	0	0	2,400,000	2,400,000	0
KAVUNZONI PRIMARY SCHOOL	0	2,000,000	0	2,000,000	2,000,000	0
GANZE PRIMARY SCHOOL	0	2,000,000	0	2,000,000	2,000,000	0
MARERE PRIMARY SCHOOL	0	1,200,000	0	1,200,000	1,200,000	0
JIRA PRIMARY SCHOOL	0	2,200,000	0	2,200,000	2,200,000	0
JARAJANI PRIMARY SCHOOL	0	250,000	0	250,000	250,000	0
MNAGO WA DOLA PRIMARY SCHOOL	0	2,150,000	0	2,150,000	2,150,000	0
MARYANGO PRIMARY SCHOOL	0	2,150,000	0	2,150,000	2,150,000	0
MWANGANGA PRIMARY SCHOOL	0	2,150,000	0	2,150,000	2,150,000	0
GOSHI PRIMARY SCHOOL	0	2,150,000	0	2,150,000	2,150,000	0
JILA PRIMARY SCHOOL	0	3,000,000	0	3,000,000	3,000,000	0
KAZANDANI PRIMARY SCHOOL	0	1,000,000	0	1,000,000	1,000,000	0
NASORO PRIMARY SCHOOL	0	800,000	0	800,000	800,000	0
MAYA PRIMARY SCHOOL	0	600,000	0	600,000	600,000	0
MUHONI PRIMARY SCHOOL	0	87,802	0	87,802	87,802	0
PALAKUMI PRIMARY SCHOOL	0	1,000,000	0	1,000,000	1,000,000	0
ST PETERS PRIMARY SCHOOL	0	1,200,000	0	1,200,000	1,200,000	0

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
CHUNYUME PRIMARY SCHOOL	0	1,200,000	0	1,200,000	1,200,000	0
MUGUMONI PRIMARY SCHOOL	0	2,200,000	0	2,200,000	2,200,000	0
YEMBE PRIMARY SCHOOL	0	3,635,000	0	3,635,000	3,635,000	0
MADAMANI PRIMARY SCHOOL	0	250,000	0	250,000	250,000	0
DULUKIZA PRIMARY SCHOOL	0	500,000	0	500,000	500,000	0
KIKWANGULONI PRIMARY SCHOOL	0	500,000	0	500,000	500,000	0
MABATANI PRIMARY SCHOOL	0	300,000	0	300,000	300,000	0
MAKONJENI PRIMARY SCHOOL	0	0	0	0	0	0
TANDIA PRIMARY SCHOOL	0	4,040,529	0	4,040,529	4,040,529	0
RANCH PRIMARY SCHOOL	0	3,800,000	0	3,800,000	3,800,000	0
KATOFENI PRIMARY SCHOOL	0	308,223	0	308,223	308,223	0
KIRIMANI PRIMARY SCHOOL	0	0	2,600,000	2,600,000	2,600,000	0
FUDUMULO PRIMARY SCHOOL	0	0	500,000	500,000	500,000	0
KATENDEWA PRIMARY SCHOOL	0	0	500,000	500,000	500,000	0
MAOJO PRIMARY SCHOOL	0	0	500,000	500,000	500,000	0
NDIGIRIA PRIMARY SCHOOL	0	0	500,000	500,000	500,000	0

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sib-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
NZOVUNI PRIMARY SCHOOL	0	0	500,000	500,000	500,000	0
UFENDO PRIMARY SCHOOL	0	0	500,000	500,000	0	500,000
MIDODONI PRIMARY SCHOOL	0	0	1,000,000	1,000,000	1,000,000	0
VILWAKWE PRIMARY SCHOOL	0	0	1,000,000	1,000,000	0	1,000,000
KATOFENI PRIMARY SCHOOL	0	0	126,672	126,672	126,672	0
MAYA PRIMARY SCHOOL	0	0	2,600,000	2,600,000	2,600,000	0
MAKALANGENI PRIMARY SCHOOL	0	0	2,600,000	2,600,000	2,600,000	0
MUYUNI PRIMARY SCHOOL	0	0	5,000,000	5,000,000	5,000,000	0
MWAEBWA PRIMARY SCHOOL	0	0	3,200,000	3,200,000	3,200,000	0
MWARANDINDA PRIMARY SCHOOL	0	1,200,000		1,200,000	1,200,000	0
8.0 Secondary Schools Projects (List all the Projects)						
BAHERO SECONDARY SCHOOL	8,600,000	0	0	8,600,000	8,600,000	0
BAMBA GIRLS SECONDARY SCHOOL	5,200,000	0	0	5,200,000	5,200,000	0
DIDA SECONDARY SCHOOL	5,200,000	0	0	5,200,000	5,200,000	0
KAUM GIRLS SECONDARY SCHOOL	8,600,000	0	0	8,600,000	8,600,000	0
MAGOGONI SECONDARY SCHOOL	2,700,000	0	0	2,700,000	2,700,000	0
MIGODOMANI MIXED DAY	4,700,000	0	0	4,700,000	4,700,000	0

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
SECONDARY SCHOOL						
NDIGIRIA MIXED DAY SECONDARY SCHOOL	6,200,000	0	0	6,200,000	3,392,207	2,807,793
PETANGUO SECONDARY SCHOOL	1,600,000	0	0	1,600,000	1,600,000	0
JILA SECONDARY SCHOOL	0	813,022	0	813,022	813,022	0
VITENGENI BAPTIST SECONDARY SCHOOL	0	10,853,107	0	10,853,107	10,853,107	0
MAYOWE SECONDARY SCHOOL	0	6,200,000	0	6,200,000	6,200,000	0
MWANGEA GIRLS SECONDARY SCHOOL	0	978,793	7,192,207	8,171,000	8,171,000	0
MITANGANI SECONDARY SCHOOL	0	3,000,000	0	3,000,000	3,000,000	0
VIAMBANI SECONDARY SCHOOL	0	1,900,000	0	1,900,000	1,900,000	0
SOSONI SECONDARY SCHOOL	0	3,200,000	0	3,200,000	3,200,000	0
BANDARI SECONDARY SCHOOL	0	4,500,000	0	4,500,000	4,500,000	0
PETANGUO SECONDARY SCHOOL	0	4,500,000	0	4,500,000	4,500,000	0
TEDDY MWAMBIRE SECONDARY SCHOOL	0	0	11,020,000	11,020,000	11,020,000	0
NYARI SECONDARY SCHOOL	0	0	2,600,000	2,600,000	2,600,000	0
TSANZUNU SECONDARY SCHOOL	0	0	2,600,000	2,600,000	2,600,000	0

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/SUB-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
SHANGWENI SECONDARY SCHOOL	0	0	5,150,000	5,150,000	5,150,000	0
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
10.0 Security Projects						
BAMBA POLICE STATION	500,000	0	0	500,000	500,000	0
MADAMANI ASSISTANT CHIEFS OFFICE	3,000,000	0	0	3,000,000	3,000,000	0
VITENGENI POLICE STATION	6,666,897	0	0	6,666,897	6,666,897	0
11.0 Acquisition of assets						
FURNITURE	0	579,070	0	579,070	579,070	0
COMPUTER	0	167,850	0	167,850	167,850	0
12.0 Others						
EMERGENCY	7,192,207	0	0	7,192,207		7,192,207
GANZE NGCDF OFFICE WATER TANK		300,000		300,000		300,000
GANZE NGCDF OFFICE MOTORCYCLE		150,000		150,000		150,000
NHIF		0		0		0
SPORTS		2,981,777		2,981,777	2,981,777	0

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
STRATEGIC PLAN		1,500,000		1,500,000		1,500,000
GANZE NGCDF OFFICE		155,175		155,175		155,175
Funds pending approval**	2,400,000	303,000	2,703,000	0	0	2,703,000
Total	137,088,879	99,367,560	49,688,879	286,145,318	261,855,317	24,290,001

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

XII. Significant Accounting Policies

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

1. Statement of compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Bank account balances include amounts held at various commercial banks at the end of the financial year.

Significant Accounting Policies continued

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

XIII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
NGCDF Board	Kshs	Kshs
AIE NO. B 140880	33,000,000	
AIE NO. B 105431	44,000,000	
AIE NO. B 105760	22,000,000	
AIE NO. B 132493	6,000,000	
AIE NO. B 128804	12,000,000	
AIE NO. B 154002	12,000,000	
AIE NO. B 154295	18,000,000	
AIE NO. B 155810	10,688,879	
AIE NO. B 155940	16,688,879	
AIE NO. B 104560		55,040,876
AIE NO. B 104696		18,000,000
AIE NO. B 124745		3,000,000
AIE NO. B 124791		4,010,529
AIE NO. B 124798		1,650,000
AIE NO. B 124933		8,500,000
AIE NO. B 119788		12,000,000
AIE NO. B 128078		6,900,000
AIE NO. B 128388		7,000,000
AIE NO. B 132133		6,000,000
AIE NO. B 138801		12,000,000
AIE NO. B 105131		69,367,724
AIE NO. B 126096		8,000,000
AIE NO. B 126386		12,000,000
AIE NO. B 140532		12,000,000
	174,377,758	235,469,129

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Others (specify)	0	0
Total	0	0

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	0	163,000
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	163,000

XIV. Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,753,344	1,785,344
Personal allowances paid as part of salary	-	-
House Allowance	454,500	454,500
Transport Allowance	372,000	372,000
Medical allowance	316,800	316,800
Leave allowance	32,000	-
Gratuity to contractual employees	1,763,208	-
Employer Contributions Compulsory national social security schemes	103,680	103,680
Total	4,795,532	3,032,324

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	24,385	5,000
Communication, supplies and services	0	0
Domestic travel and subsistence	615,135	1,019,280
Printing, advertising and information supplies & services	470,282	421,275
Rentals of produced assets	0	0
Training expenses	243,000	2,400,000
Hospitality supplies and services	80,820	67,425
Other committee expenses	111,576	51,240
Committee allowance	4,328,310	1,075,000
Insurance costs	-	-
Specialized materials and services	-	31,755
Office and general supplies and services	639,745	867,294
Fuel	300,000	0
Other operating expenses	-	654,043
Bank charges	23,699	0
Routine maintenance – vehicles and other transport equipment	752,900	1,466,344
Routine maintenance – other assets	-	76,300
Total	7,589,852	12,060,336

Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	82,798,226	49,009,450
Transfers To Secondary Schools (See Attached List)	104,499,336	23,208,126
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	187,297,562	72,217,576

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	21,841,000	28,529,000
Bursary – tertiary institutions (see attached list)	17,320,000	21,526,000
Bursary – special schools (see attached list)	1,000,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	1,374,000	
Security projects (see attached list)	10,166,897	19,500,000
Sports projects (see attached list)	5,723,554	6,047,354
Environment projects (see attached list)	4,000,000	4,871,881
Emergency projects (see attached list)	-	3,837,931
Total	61,425,451	84,312,166

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	579,070	0
Purchase of computers ,printers and other IT equipments	167,850	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Acquisition of Land	0	0
Total	746,920	0

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	11,890,002	99,367,560
EQUITY BANK-KILIFI BRANCH, NGCDF GANZE CONSTITUENCY A/C NO. 1060298195611		
Total	11,890,002	99,367,560
10 B: Cash on Hand		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>Specify</i>)	0	0
Total	0	0

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
CHRISTOPHER NYERERE	24/02/2014	1,598,760	-	1,598,760
CHRISTOPHER NYERERE	5/8/2014	1,240,000	-	1,240,000

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

<i>TIMA S. AHMED</i>	4/7/2011	240,600	-	240,600
<i>MWARUNGU MWADOE</i>	8/6/2009	50,000	-	50,000
TOTAL		3,129,360	-	3,129,360

Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 th June D= A+B-C	0	0

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	1,471,860	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	1,471,860	0
Closing Gratuity as at 30 th June D= A+B-C	0	0

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	99,367,560	35,315,672
Cash in hand	0	0
Imprest	3,129,360	3,129,360

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Total	102,496,920	38,445,032
--------------	--------------------	-------------------

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	99,367,560		99,367,560
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	3,129,360	-	3,129,360
Others (<i>specify</i>)	-	-	-
Total	102,496,920	-	102,496,920

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	3,129,360.00	3,129,360
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	3,129,360.00	3,129,360
Changes in Account Receivables E= D-A	-	-

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Changes in Accounts Payable E= D-E	0	0

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	00	00

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	0	1,471,860
Others (<i>specify</i>)	0	0
Total	00	1,471,860

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	5,679,176	6,395,832
Use of goods and services	2,622,338	2,004,236
Amounts due to other Government entities (see attached list)	4,307,793	111,276,781
Amounts due to other grants and other transfers (see attached list)		24,635,334
Acquisition of assets	588,488	680,751
Others (Specify)	8,692,207	5,644,000
Funds pending approval	2,400,000	
Total	24,290,002	150,636,934

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	88,551,333	48,747,421
Total	88,551,333	48,747,421

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

**Annexes
Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	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.					
Sub-Total					
Grand Total					

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		5,679,176	6,395,832	
Use of goods & services		2,622,338	2,004,236	
Amounts due to other Government entities		4,307,793	111,276,781	
Sub-Total			24,635,334	
Amounts due to other grants and other transfers				
Sub-Total				
Acquisition of assets		588,488	680,751	
Others (<i>specify</i>)		8,692,207	5,644,000	
Sub-Total				
Funds pending approval		2,400,000		
Grand Total		24,290,002	150,636,984	

GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	18,000,000			18,000,000
Transport equipment	8,462,382			8,462,382
Office equipment, furniture and fittings	1,294,680	579,070		1,873,750
ICT Equipment, Software and Other ICT Assets	416,000	167,850		583,850
Other Machinery and Equipment	9,560,000			9,560,000
Heritage and cultural assets				~
Intangible assets				~
Total	37,733,062	746,920		38,479,982

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Midoina secondary school	Equity Bank	1060279045221	233,766.78	233,767
Chapungu primary school	Equity Bank	1060279614274	242,216.20	242,216
Marere primary school	Equity Bank	1060279085432	69,584.35	499,536
Forodhoyo primary school	Equity Bank	1060279040452		2,731,903
Jila secondary school	Equity Bank	1060277475490	3,143,555.36	2,988,533
Environment PMC	Equity Bank	1060276401283	23,733.18	197,156
Bodoi primary school	Equity Bank	1060278542728	789.20	273,321
Katofeni primary school	Equity Bank	1060278597967	120,812.49	4,566,405
Mulungu wa mawe primary school	Equity Bank	1060278504320	127,107.65	2,600,380
Zia ra wimbi primary school	Equity Bank	1060277607990	63,297.63	2,456,723
Muhoni primary school	Equity Bank	1060279023763	1,983.55	202,636
Misufini primary school	Equity Bank	1060278989166	79.20	337,194
Lwandani primary school	Equity Bank	1060280373699	5,567	14,998
Kafitsoni primary school	Equity Bank	1060280173756	41,480.75	88,892
Amb. Kithi memorial secondary school	Equity Bank	1060279027903	61,785.80	153,607
Sosoni secondary school	Equity Bank	1060280374747	576,343.75	3,163,725
Bamba girls' secondary school	Equity Bank	1060280565317	5,229,457.20	6,049,195
Kidemu primary school	Equity Bank	1060280892983	19,249.40	455,120

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Bahati primary school	Equity Bank	1060280795345	3,419.50	3,199,100
Madamani primary school	Equity Bank	1060280308086	11,387.85	3,799,100
Karimani primary school	Equity Bank	1060280875441	63,844.80	2,600,000
Vitengeni police station	Equity Bank	1060279045419	6,819,821.62	1,610,578
Ganze DCC's office	Equity Bank	1060279026472	104,773.45	104,773
Kauma Chief's office	Equity Bank	1060280811382	78,062.00	3,000,000
Bamba Chief's office	Equity Bank	1060280830250	126,935.25	2,999,100
Mrima wa ndege Chief's office	Equity Bank	1060280826784	69,543.60	3,000,000
Sports PMC	Equity Bank	1060278759917	73,782.00	179,463
Ngamani primary school	Equity Bank	1060280896718	84,876.90	1,000,000
Forodhoyo primary school	Equity Bank	1060279814759	177,211.39	
Darajani primary school	Equity Bank	1060280296674	2,850,000	
Juhudi primary school	Equity Bank	10602822222515	1,285,606.90	
Kwa dadu primary school	Equity Bank	1060282773899	200,000	
Mabatani primary school	Equity Bank	1060280332163	3,752,222	
Makonjeni primary school	Equity Bank	1060282228646	3,715,000	
Mnagoni primary school	Equity Bank	1060282251046	2,524,000	
Muryachakwe primary school	Equity Bank	1060282227755	2,532,000	
Vitengeni primary school	Equity Bank	1060282241560	2,341,000	

**GANZE Constituency
National Government Constituencies Development Fund (NGCCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Bahero girls secondary school	Equity Bank	1060282713550	8,600,000	
Kauma girls secondary school	Equity Bank	1060282738270	8,600,000	
Magogoni secondary school	Equity Bank	1060282251332	1,290,055.17	
Migodomani mixed day secondary school	Equity Bank	1060282708592	4,700,000	
Ndigiria mixed day secondary school	Equity Bank	1060282717437	3,392,207	
Nyari secondary school	Equity Bank	1060280754166	1,106,308	
Madamani assistant Chief's office	Equity Bank	1060282239819	2,939,025	
Fudumulo primary school	Equity Bank	1060280855185	500,000	
Kirimani primary school	Equity Bank	1060280830599	732,274.47	
Makalageni primary school	Equity Bank	1060280822184	179,788.95	
Maojo primary school	Equity Bank	1060280795484	500,000	
Maya island primary school	Equity Bank	1060280335600	199,696.70	
Mwaeba primary school	Equity Bank	1060281231579	153,093.80	
Ranch primary school	Equity Bank	1060280821685	204,225.25	
Shangweni secondary school	Equity Bank	1060281299589	345,093.34	
Teddy Mwambire secondary school	Equity Bank	1060282753805	11,020,000	
Tsanzuni secondary school	Equity Bank	1060280806092	231,092.90	
Kavunzoni primary school	Equity Bank	1060280331383	175,877.45	
Jira primary school	Equity Bank	1060280361606	90,445.50	

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Mnago wa dola primary school	Equity Bank	1060280414225	87,454	
Maryango primary school	Equity Bank	1060280482124	189,381.10	
Mwanganga primary school	Equity Bank	1060280317694	88,508.02	
Goshi primary school	Equity Bank	1060280927010	29,820.65	
Jila primary school	Equity Bank	1060280361822	627,859.62	
Kadzandani primary school	Equity Bank	1060280291966	50,504	
St. Peter primary school	Equity Bank	1060280308558	108,468	
Chinyume primary school	Equity Bank	1060280299440	462.80	
Mugumoni primary school	Equity Bank	1060280291771	122,624.20	
Yembe primary school	Equity Bank	1060281038343	54,809	
Madamani primary school	Equity Bank	1060280308086	11,387.85	
Dulukiza primary school	Equity Bank	1060280308851	21,240	
Kikwanguloni primary school	Equity Bank	1060280303406	20,790	
Forodhoyo primary school	Equity Bank	1060279814759	177,211.39	
Mayowe secondary school	Equity Bank	1060280303547	328,231.95	
Mitangani secondary school	Equity Bank	1060280617190	3,000,000	
Vyambani secondary school	Equity Bank	1060280324019	1,899,100	
Total			88,551,332.86	48,747,421

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Presentation of Financial Statements			
1.1	Numbering	The numbering of the financial statements is not sequential as some numbers are repeated	Resolved	
1.2	Date of signing	Date of signing on pages 5 to 8 missing	Resolved	
1.3	Statements of receipts and payments	Statement of receipts and payments not signed	Resolved	
2	Inaccuracy of the Financial Statements			
2.1	Comparative Statement of receipts and payments	The comparative statement of receipts and payments for the year ended 30 th June 2018 reflects total payments of Kshs. 80,690,636 while audited accounts for the financial year 2017/2018 reflects total payments of Kshs.	Resolved	

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.2	Comparative statement of assets	80,597,075 resulting to a variance of Kshs. 93,561 The comparative Statement of assets reflects fund balance brought forward of Kshs. 24,081,464 as at 30 th June 2018, while the statement of cash flows reflects a balance of Kshs. 24,084,464 resulting to a variance of Kshs. 3,000 which has not been explained or reconciled.	Resolved	
3.	Note 3-Receipts	Other receipts amount to Kshs. 44,000. However, schedules and daily cash sales receipts were not availed for audit review	Resolved	
4.	Outstanding imprest	Un-surrendered outstanding imprests	Not resolved as imprests still outstanding/un-surrendered	
5.	Emergency projects	Emergency projects are indicated as amounting to Kshs. 5,427,765. However, the	Resolved	

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.	Use of goods and services	management has not availed for audit payment vouchers totaling Kshs. 3,504,679. Further, payment vouchers totaling Kshs. 498,086 were paid for servicing, fuelling of vehicles and car hire	Resolved	
7.	Acquisition of Assets	Use of goods and services balance of Kshs. 11,826,963 includes other operating expenses amounting to Kshs. 2,377,435. However, this amount includes Kshs. 200,000 whose surrender documents were for persons who were not officers of the Ganze CDF		
7.1	Construction buildings of	The Acquisition of assets balance of Kshs. 19,197,830 includes construction of buildings amounting to Kshs. 10,000,000 for	Resolved	

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>construction of Ganzze constituency Fund office building. There were major changes of design from the original plan, extension of one wing which was done by the works officer and the contractor without formal instructions on the drawing approval from the Board. The management has not explained why the design was changed nor availed the bills of quantities for the changed design for audit</p>		
7.2	Purchase of vehicle and Other Transport Equipment	<p>Purchase of vehicle and other transport equipment amounting to Kshs. 8,599,350 includes an amount of Kshs. 55,000 paid for fitting the vehicle with a tracking system that could not be verified. Ownership documents of Fund's motor vehicle</p>	Not resolved	

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

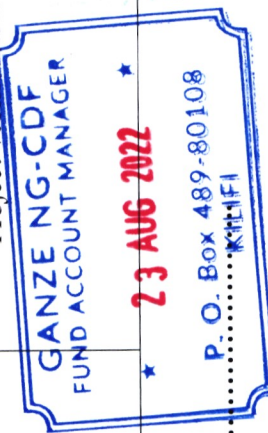
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		registration GK 036R, and tractors registration KAV 583K, KAV 579K, and KAV 578K were not availed for audit verification		
7.3	Unremitted taxes	Management did not withhold tax on the payments amounting to Kshs. 10,000,000 made to the contractor thereby failing to comply with the income tax requirements. Possible fines and penalties accruing due to non-compliance were not catered for	Resolved	
8.	Other Grants and other payments	Grants and other payments of Kshs. 49,004,733 includes roads projects amounting to Kshs. 1,660,650. The funds were paid in respect to bush clearing, grading and gravelling of Mnago wa Dola Jira road project which is a	Resolved	

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
9.	Transfers from Other Government Entities	<p>devolved function contrary to the NG-CDF Act. Management did not avail tender minutes to show how the contractor was procured for the project</p> <p>The comparative statement of receipts and payments for the year ended 30th June 2018 reflects transfers from other government entities of Kshs. 103,281,441 while records maintained by the NG-CDFB reflects a figure of Kshs. 70,000,000 resulting to a variance of Kshs. 33,281,441 which has not been reconciled or explained</p>	Resolved	
10.	Budgetary Controls and performance	<p>The Summary Statement of appropriation indicates that the Fund has a final balance of Kshs. 169,610,749 and spent Kshs. 152,331,347</p>	Resolved	

**GANZE Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
11.	Project Status	or 90% resulting to under absorption of Kshs. 17,279,402 or 10% of the budget		
11.1	Complete projects but not operational	The Fund spent Kshs. 10,075,000 on ten projects which since completion have never been put to use, indicating possible lack of public participation before projects were implemented	Resolved	
11.2	Project verification	Nine projects with a total cost of Kshs. 13,550,000 had stalled at various levels. The projects were to be implemented within the financial year but management has not explained why the projects were abandoned	Resolved	



 Project verification



Ronald W. Jembe
 Fund Account Manager.